

2008 Half-year financial report

Cegedim Activ - Cegedim CD - Cegedim Customer Information - Cegedim Dendrite - Cegedim EDI - Cegedim Logiciels Médicaux - Cegedim Strategic Data - Cegedim SRH - ...

At the heart of decision-making and performance



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1/. 2008 Half-year report

Main lines of business

Cegedim develops exclusive databases and high value-added software solutions. The Group has three major operating divisions:

- “*CRM and Strategic Data*” solutions specifically designed for pharmaceutical companies. The Cegedim Group provides the world’s largest pharmaceutical companies with vital support for successful Customer Relationship Management (CRM). Using the Group’s strategic databases on the world drug market, Cegedim also helps pharmaceutical companies optimise the effectiveness of sales & marketing. Cegedim is the world leader in CRM for the pharmaceuticals industry.
- Services for “*Healthcare sector Professionals*”, notably management software designed for physicians and pharmacists.
- Products for “*Insurance and services*” and related service providers, with integrated healthcare flow management applications.

Following the sale of activities to Tessi in 2007, and in order to show its refocusing on core businesses, the Group decided to simplify in June 30, 2008, the organization of its sectors, dividing up its former 4th sector “Technology and services” activities among the other business sectors as a function of their clientele. The split of the former 4th sector main activities in “Technologies and services” sector is the following:

Activities	New sectors	Comments
Direct marketing	CRM and strategic data	Some clients are the same in both sectors.
Cegelease	Healthcare professionals	Activities that are aimed at doctors and pharmacists.
Cegedim SRH et PCO	Insurance and services	Activities completing our services and outsourcing offers.

Comments regarding half-year results

Revenues and results

- First-half 2008 revenues amounts to €414m, up 28%;
- The growing EBITDA amounts to €76m (18.4% of total revenues);
- The operating margin excluding exceptional charges and restructuring and integration costs is €48m (11.4% of total revenues);
- The ordinary operating margin amounts to €43m (10.4% of total revenues) and is in line with our expectations

As a result, the Group confirms that Dendrite's integration has been a success and that all Group businesses are strongly growing.

First-half 2008 saw the continued implementation of the restructuring plan initiated following the acquisition of Dendrite in 2007.

<i>EUR thousands</i>	30/06/2008	30/06/2007	Variation
Revenues	413,988	323,416	+28%
Ordinary EBITDA	76,321	56,286	+36%
Ordinary operating profit	43,060	42,450	+1.4%
Ordinary operating margin	10.4%	13.1%	
Other non-current income and expenses from operation	- 5 518	-	-
Net cost of financial debt	-23,035	-14,772	+56%
Tax	-4,284	-9,545	-55%
Share of the net profit of equity-accounted affiliates	-214	-175	
Profit before tax of businesses to be sold	-1,434	-131	
Consolidated net profit	8,575	17,827	-52%
Group share	8,451	17,755	
Minorities	124	72	
Earnings per share	0.9	1.9	

Restructuring in the “*CRM and strategic data*” sector, which is dedicated to pharmaceutical industries, is advancing nicely, permitting strong business growth in the second quarter. As expected in the US subsidiary, the decrease of the operating margin would be softened with this positive trend.

Activities in the “*Healthcare professionals*” sector confirmed their momentum. The fact that Cegelease is included in this sector partly explains the growth of revenues. However, the profitability in software activities was somewhat undermined.

The “*Insurances and services*” sector confirmed its return to a margin more in line with historical performances on the back of relevant investments and external growth.

<i>EUR thousands</i>	Sales 30/06/08	EBIT margin 30/06/08	EBIT margin restated * 30/06/08	Sales 30/06/07	EBIT margin 30/06/07
CRM and strategic data	237	9.2%	10.9%	180	14.4%
Healthcare professionals	125	14.5%	14.9%	94	16.1%
Insurances and services	53	5.9%	6%	49	2.8%
Total	414	10.4%	11.5%	323	13.1%

* Operating profit restated with exceptional charges and restructuring and integration costs.

Financial debt

Net debt trends are in line with the forecasts made when Dendrite was acquired in May 2007. Net debt is accompanied by terms involving the consolidated financial statements and related more particularly to net debt compared to the Group’s operating cash flow or compared to shareholders' equity or compared to the consolidated gross operating margin (or the EBITDA). As of the close of the period, these ratios are satisfied.

Dividend

The dividend amounted at 0.90 € per share for fiscal year 2007 and was approved and paid during the fiscal year, in compliance with the decision made during the Ordinary General Shareholders' Meeting held on 7 May 2008.

Significant events in H1 2008

Deconsolidation of Cegelease debt

Cegelease, a French leasing subsidiary of Cegedim, provides financing packages for retail pharmacies, mainly for IT equipment. This activity significantly increases the debt of the Cegedim Group, although risk is very low given the solid solvency profiles of its pharmacy clients. In keeping with the operations carried out during fiscal year 2007, Cegelease made an additional transfer of a part of its receivables to NATIXIS in exchange for 34.5 million euros in cash.

Acquisitions of the semester

- On January 2008, Cegedim Activ, a subsidiary of Cegedim S.A., acquired the French company *Protectia*, publisher of the medical software package "Protectia";
- On April 2008, Cegedim Logiciels Médicaux, a subsidiary of Cegedim S.A., acquired the French company *01 Sante S.A.*, publisher of the medical software "MegaBaze";
- On February 8, 2008, Cegedim Turkey acquired *Ultima*, a company specializing in pharmaceutical CRM;
- The Cegedim Group is also continuing to develop its databases for the pharmaceutical industry with the creation of a subsidiary in Taiwan.

Free shares allocation

On March 21, 2008, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to allot free shares to the directors and employees of the Cegedim Group. In application of standard IFRS 2, the expense measuring "the benefit" offered to employees is spread out linearly over the period of acquisition of the rights by the beneficiaries. The amount recognized as of June 30, 2008, amounts to €124K.

Off balance sheet

For the signing of an amendment to the Dendrite acquisition financing contract, the securities of the following companies were pledged over the first half of the year: *Icomed, RNP, Sofiloca, Resip, Pharmastock, Cegedim Belgium, Cegedim Italia*. (authorization of the Board of Directors on June 23, 2008). The pledged securities of the subsidiaries as of December 31, 2007, are still in force. The securities existing as of December 31, 2007, did not change during the 1st half of 2008.

Significant events after the closing date

Cegedim, world leader in CRM (Customer Relationship Management) for the pharmaceutical industry, acquired the company *Reportive*, the publisher of performance management software, on September 2, 2008.

Reportive is a French software publisher specializing in Business Intelligence solutions. The company employs 19 people and has more than 130 clients 16 of the world's 20 biggest pharmaceutical companies.

Main transactions between related parties

Transactions between related parties continued under the same conditions as before. No major changes have occurred during the first semester.

Outlook

Cegedim Group is maintaining its 2008 guidance: with revenues between €840m and €850m and an operating margin in line with 2007. For the avoidance of doubt, it excludes exceptional charges (IFRS) and restructuring and integration costs.

Principal risks and uncertainties

Ordinary activities do not merit any specific remarks.

2/. Reports

**STATEMENT OF THE PERSON RESPONSIBLE
FOR THE 2008 HALF-YEAR FINANCIAL REPORT**

I hereby certify that, to the best of my knowledge, the half-year financial statements have been established in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and earnings of the Company and all of the companies included in the consolidation scope. I hereby certify that, to the best of my knowledge, the half-year financial report included in this document presents a true image of the changes during the six first month of the year, earnings and financial position of the company and of all the companies included in the scope of consolidation as well as a description of the main risks and uncertainties that they are faced with

Done in Boulogne-Billancourt, September 30, 2008.

Jean-Claude Labrune
Président Directeur Général
Cegedim S.A.

Statutory Auditors' Review Report on the first half-year condensed Consolidated Financial Information for 2008

To the Chairman ,

Further to your request and in our capacity as statutory auditors of Cegedim SA, we have reviewed the accompanying half-yearly condensed consolidated financial statements of Cegedim SA, for the six-month period from January 1 to June 30, 2008.

These half-yearly condensed consolidated financial statements are the responsibility of the Board of Directors. Our role is to conclude on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review consists primarily of making inquiries of persons responsible for financial and accounting matters, and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently can only provide moderate assurance that these half-yearly condensed consolidated financial statements, taken as a whole, do not contain any serious misstatements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - IFRS as issued by the International Accounting Standards Board applicable to interim financial information.

This report does not constitute the legal report of the statutory auditors on the half-yearly condensed consolidated financial statements, which expresses our opinion on these financial statements with regard to the IFRS standards, as adopted in the European Union.

Courbevoie and Paris, September 18th, 2008

The Statutory Auditors

MAZARS & GUERARD

GRANT THORNTON INTERNATIONAL

Jean-Paul Stevenard

Michel Cohen

3/. 2008 Half-year consolidated results

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET (in thousands of euros)

ASSETS	06/30/2008 Net	12/31/2007 Net
Uncalled subscribed capital		
GOODWILL ON ACQUISITION (Note 4)	568 569	581 195
Development costs	25 852	27 429
Concessions, patents, trademarks	97 255	104 594
Other intangible fixed assets	49 572	41 242
INTANGIBLE FIXED ASSETS	172 679	173 265
Property	525	537
Buildings	3 154	8 890
Plant, machinery and equipment	32 381	32 546
Other tangible fixed assets	20 622	20 283
Construction work in progress	155	15
TANGIBLE FIXED ASSETS	56 837	62 271
Equity investments	243	228
Equity shares in equity method companies (Note 5)	3 948	4 500
Loans	391	373
Other long-term investments	8 924	6 577
FINANCIAL ASSETS	13 506	11 678
Government - Deferred taxes	24 968	29 095
Accounts receivable: long-term portion	13 987	24 119
Other receivables: long-term portion	5 085	2 136
NON-CURRENT ASSETS	855 631	883 759
Services in progress	2 245	769
Goods	8 763	8 735
Advances, deposits on orders	1 319	723
Accounts receivable: short-term portion	208 954	214 889
Unpaid, called capital	0	0
Other receivables: short-term portion	13 789	36 062
Cash equivalents	2 416	1 666
Cash	75 255	85 687
Prepaid expenses	20 179	17 423
CURRENT ASSETS	332 920	365 954
Assets related to discontinued activities (note 13)	5 486	
GRAND TOTAL	1 194 037	1 249 713

CONSOLIDATED BALANCE SHEET (in thousands of euros)

LIABILITIES	06/30/2008	12/31/2007
	Net	Net
Share capital	8 891	8 891
Issue premium	14 981	14 981
Group reserves	228 566	192 818
Group translation reserves	-238	-238
Group translation gains / losses	-92 517	-53 586
Group earnings before earnings from discontinued activities	9 885	
Earnings from discontinued activities	-1 434	
GROUP EARNINGS	8 451	43 839
Investment subsidies		
Regulated provisions		
EQUITY CAPITAL, GROUP SHARE	168 134	206 705
Minority interests (reserves)	787	920
Minority interests (earnings)	124	312
MINORITY INTERESTS	911	1 232
SHAREHOLDERS' EQUITY	169 045	207 937
Long-term financial liabilities (Note 6)	632 740	677 222
Deferred tax credits	57 769	53 926
Provisions	21 652	18 174
Other non-current liabilities	19 732	14 004
NON-CURRENT LIABILITIES	731 893	763 326
Short-term financial liabilities (Note 6)	74 030	31 145
Accounts payable and related accounts	70 674	81 223
Tax and social liabilities	97 401	113 183
Provisions	2 812	3 114
Other current liabilities	46 967	49 785
CURRENT LIABILITIES	291 884	278 450
Liabilities related to discontinued activities (note 13)	1 215	
GRAND TOTAL	1 194 037	1 249 713

CONSOLIDATED INCOME STATEMENT (in thousands of euros)

Headings	Note	06/30/2008 Net	06/30/2007 Net
Sale of goods France		25 341	17 317
Sale of goods outside France		11 208	7 201
Production sold - goods France		2 066	2 343
Production sold - goods outside France		804	5 330
Production sold - services France		181 701	156 751
Production sold - services outside France		192 868	129 913
SALES	1	413 988	318 855
Other operating income			
Capitalized production		11 124	8 865
Purchases used		-29 063	-21 134
Outside expenses		-121 458	-98 986
Taxes		-6 613	-5 411
Payroll costs		-192 696	-145 875
Depreciation expenses		-32 834	-12 750
Allocations to and reversals of provisions		-427	-993
Change in inventories of products in progress and finished products		-56	65
Other operating expenses		1 095	-254
INCOME FROM OPERATIONS BEFORE NON-RECURRING ITEMS		43 060	42 382
Other non-current income and expenses from operations	2	-5 518	
INCOME FROM OPERATIONS		37 542	42 382
Income from cash & cash equivalents		13 710	4 813
Cost of gross financial debt		-36 745	-19 602
COST OF NET FINANCIAL DEBT		-23 035	-14 789
OTHER FINANCIAL INCOME AND EXPENSES			
Corporate tax		-4 858	-9 892
Deferred income taxes		574	347
TAX EXPENSE		-4 284	-9 545
SHARE OF NET EARNINGS OF EQUITY METHOD COMPANIES		-214	-175
GROUP EARNINGS BEFORE EARNINGS FROM DISCONTINUED ACTIVITIES		10 009	17 873
Earnings before tax from discontinued activities		-2 377	-134
Expenses net of tax for discontinued activities		943	88
Earnings net of tax for discontinued activities (note 13)		-1 434	-46
CONSOLIDATED NET EARNINGS		8 575	17 827
GROUP SHARE	A	8 451	17 755
Minority interests		124	72
Number of shares excluding treasury stock	B	9 331 449	9 331 449
EARNINGS PER SHARE in euros	A/B	0,9	1,9
Diluting instruments		none	none
DILUTED EARNINGS PER SHARE in euros		0,9	1,9

Note	Reclassification	06/30/2008	06/30/2007
1	Restated sales	413 988	318 855
	Impact of discontinued activities	4 091	14 294
	Group consolidated sales	418 079	333 149
2	Exceptional costs associated with restructuring were borne by the group in the amount of €5,518K. (mostly costs of layoffs and fee waivers on financing)		

TABLE OF CHANGES IN CONSOLIDATED SHAREHOLDERS EQUITY AS OF JUNE 30, 2008

(In thousands of euros)

	Capital	Reserves tied to capital	Consolidated reserves and earnings	Earnings recorded directly as shareholders' equity	Translation gains / losses	Total Group share	Minority interests	TOTAL
Balance as of 01/01/2006	8 891	14 981	164 343	221	1 059	189 495	1 758	191 253
Capital operations								
Operations on own shares				696		696		696
Distribution of dividends			-7 185			-7 185	-235	-7 420
2006 profit/loss			38 652			38 652	265	38 917
- <i>Impact correction capitalization prior DT</i>				-52		-52		-52
- <i>Impact correction depreciation</i>				182		182		182
- <i>Miscellaneous impacts</i>				1		1		1
Earnings recorded directly as shareholders' equity				131		131		131
Translation gains / losses					-3 062	-3 062	-20	-3 082
Other changes						0	-22	-22
Changes in consolidation scope						0	42	42
Balance as of 12/31/2006	8 891	14 981	195 810	1 048	-2 003	218 727	1 788	220 515
Capital operations								
Operations on own shares				3 107		3 107		3 107
Distribution of dividends			-7 465			-7 465	-271	-7 736
2007 profit/loss			43 839			43 839	312	44 151
- <i>Miscellaneous impacts</i>						0		0
Earnings recorded directly as shareholders' equity						0		0
Translation gains / losses					-51 821	-51 821		-51 821
Other changes						0	-244	-244
Changes in consolidation scope			318			318	-353	-35
Balance as of 12/31/2007	8 891	14 981	232 502	4 155	-53 824	206 705	1 232	207 937
Operations on own shares						0		0
Distribution of dividends			-8 398			-8 398	-255	-8 653
Earnings 06/2008			8 451			8 451	124	8 575
- <i>Miscellaneous impacts</i>						0		0
Earnings recorded directly as shareholders' equity						0		0
Translation gains / losses					-38 930	-38 930	-2 940	-41 870
Free shares				124		124		124
Other changes			183			183	-77	106
Changes in consolidation scope						0	2 827	2 827
Balance as of 06/30/2008	8 891	14 981	232 738	4 279	-92 754	168 134	911	169 045

(1): The total amount of dividends is distributed for common shares. There are no other classes of shares. There were no issues, repurchases or redemptions of equity securities during 2007 and over the first half of 2008.

CASH FLOW FROM EARNINGS OF CONSOLIDATED COMPANIES

(Consolidation as of 06/30/08) (in thousands of euros)

Headings	06/30/2008	12/31/2007
Consolidated net earnings.....	10 009	44 151
Share of earnings from equity method companies.....	214	233
. Depreciation expenses and provisions.....	31 949	37 625
. Capital gains or losses on disposal	19	2 435
Cash flow after net financial debt expense and taxes	42 153	84 444
. Cost of financial debt	28 689	28 672
. Tax expense	4 283	17 872
Operating cash flow before net financial debt expense and taxes	75 125	130 988
. Taxes paid.....	2 852	4 941
Plus: change in working capital requirement for operations.....	1 492	20 031
Net cash flows generated by business activities (A).....	73 765	146 078
Acquisitions of intangible fixed assets	16 346	24 043
Acquisitions of tangible fixed assets	22 588	40 200
Acquisitions of financial assets	3 187	851
Disposals of tangible and intangible fixed assets.....	6 038	3 670
Disposals of financial assets	398	24 759
Impact of changes in the consolidation scope	10 341	522 061
Dividends received from equity method companies.....	339	2 228
Net cash flows generated by capital investment transactions (B).....	45 687	556 498
Dividends paid to shareholders of the parent company.....	8 398	7 465
Dividends paid to the minority interests of consolidated companies.....	255	272
Capital increase in cash	-	-
Loans floated.....	3 012	711 255
Loans repaid.....	6 670	191 532
Financial interest paid	21 448	27 258
Net cash flows generated by financing transactions (C).....	33 759	484 728
Net cash flows generated from discontinued activities (D).....	3 400	-
CHANGE IN CASH POSITION (A+B+C+D).....	9 081	74 308
Opening cash position	57 772	16 536
Closing cash position	46 445	57 772
Impact of changes in foreign currency exchange rates.....	2 246	-

SEGMENTAL REPORTING

As of June 30, 2008

(In thousands of euros)

Income Statement Items

	Primary Sectors				Secondary Sectors		
	CRM and strategic data	Healthcare professionals	Insurance and services	TOTAL	TOTAL France	TOTAL Rest of world	
SECTOR REVENUE							
A	Outside Group sales	236 580	124 795	52 613	413 988	209 110	204 878 (*)
B	Sales to other Group sectors	13 649	1 806	2 778	18 233	17 814	418
C=A+B	Total sector sales	250 229	126 601	55 391	432 221	226 924	205 297
SECTOR EARNINGS							
D	Income from operations before non-recurring it	21 882	18 089	3 089	43 060		
OPERATING MARGIN (as a %)							
D/A	Operating margin outside Group	9,2%	14,5%	5,9%	10,4%		
D/C	Sector operating margin	8,7%	14,3%	5,6%	10,0%		
SECTOR DEPRECIATION AND AMORTIZATION							
		12 396	17 515	2 923	32 834		
Discontinued activities							
	Sales	4 092			4 092		
	Income from operations for the sector	-2 376			-2 376		
	Amortization	217			217		

(*) June 2008 consolidated sales	France	Euro area excluding	Pound Sterling Area	Rest of world	Total
Geographic breakdown	209 110	57 692	40 872	106 314	413 988
%	51%	14%	10%	26%	100%

Balance Sheet Items

	Primary Sectors				Secondary Sectors		
	CRM and strategic data	Healthcare professionals	Insurance and services	TOTAL	TOTAL France	TOTAL Rest of world	
SECTOR ASSETS (in net values)							
	Goodwill on acquisition	450 469	79 530	38 570	568 569	93 504	475 065
	Intangible fixed assets	138 175	11 622	22 882	172 679	52 426	120 253
	Tangible fixed assets	39 165	10 459	7 212	56 836	30 561	26 275
	Net total	627 809	101 610	68 665	798 084	176 491	621 593
INVESTMENTS for the FISCAL YEAR (in gross values)							
	Goodwill on acquisition	2 214	947	6 744	9 905	7 691	2 214
	Intangible fixed assets	9 291	2 875	3 956	16 122	11 485	4 637
	Tangible fixed assets	8 239	12 148	1 350	21 738	16 867	4 870
	Gross total	19 744	15 970	12 050	47 765	36 044	11 721
SECTOR LIABILITIES							
	Provisions	19 307	3 049	2 109	24 464		
	Advances and deposits received on orders	184	2 694	23	2 902		
	Accounts payable and related accounts	43 622	16 888	10 164	70 674		
	Tax and social liabilities	61 022	20 139	16 240	97 401		
	Other liabilities	8 467	12 495	3 361	24 323		
	Total	132 601	55 265	31 898	219 765		

As of June 30, 2007
(In thousands of euros)

Income Statement Items

		Primary Sectors			Secondary Sectors		
		CRM and strategic data	Healthcare professionals	Insurance and services	TOTAL	TOTAL France	TOTAL Rest of world
SECTOR REVENUE							
A	Outside Group sales	175 614	94 001	49 240	318 855	175 861	142 994 (*)
B	Sales to other Group sectors	11 479	2 268	3 143	16 890	17 933	-1 043
C=A+B	Total sector sales	187 093	96 269	52 383	335 745	193 794	141 951
SECTOR EARNINGS							
D	Income from operations for the sector	25 832	15 154	1 396	42 382		
OPERATING MARGIN (as a %)							
D/A	Operating margin outside Group	14,7%	16,1%	2,8%	13,3%		
D/C	Sector operating margin	13,8%	15,7%	2,7%	12,6%		
SECTOR DEPRECIATION AND AMORTIZATION							
		7 104	2 912	2 733	12 750		

Discontinued activities

Sales	4 561		4 561
Income from operations for the sector	68		68
Amortization	95		95

(*) June 2007 consolidated sales	France	Euro area excluding	Pound Sterling Area	Rest of world	Total
Geographic breakdown	175 861	41 607	35 015	66 372	318 855
%	55%	13%	11%	21%	100%

Changes were made to the IFRS financial statements closed on June 30, 2007, initially published in the BALO of October 26, 2007. These modifications are explained by the transfer of document processing activities to TESSI in 2007, which represented around one-third of the "Technologies and services" activity. These transfers reduced the "Technologies and services" sector to an insignificant size. The remaining activities of this sector were reallocated to the Group's three other activity sectors.

(In thousands of euros)	CRM and strategic data	Healthcare professionals	Insurance and services	Technologies and services	TOTAL
Outside Group sales, initially published	170 847	71 675	40 587	40 307	323 416
Discontinued activities	- 4 561				- 4 561
Reallocation of sector 4	9 328	22 326	8 653	- 40 307	-
Outside Group sales as of June 30, 2007	175 614	94 001	49 240	-	318 855
Sales to other Group sectors, published	12 892	5 066	1 274	4 406	23 638
Reallocation of sector 4	- 1 413	- 2 798	1 869	- 4 406	- 6 748
Sales to other Group sectors as of June 30, 2007	11 479	2 268	3 143	-	16 890
Total sector sales, initially published	183 739	76 741	41 861	44 713	347 054
Discontinued activities	- 4 561				- 4 561
Reallocation of sector 4	7 915	19 528	10 522	- 44 713	- 6 748
Total sector sales as of June 30, 2007	187 093	96 269	52 383	-	335 745
Income from operations for the sector, published	26 515	9 890	2 305	3 740	42 450
Discontinued activities	- 68				- 68
Reallocation of sector 4	- 614	5 263	- 909	- 3 740	-
Operating income for the sector as of June 30, 2007	25 833	15 153	1 396	-	42 382
Sector depreciation and amortization	6 893	2 178	1 971	1 803	12 845
Discontinued activities	- 95				- 95
Reallocation of sector 4	307	734	762	- 1 803	-
Sector depreciation and amortization as of June 30, 2007	7 105	2 912	2 733	-	12 750

As of December 31, 2007
(In thousands of euros)

Primary Sectors				Secondary Sectors	
CRM and strategic data	Healthcare professionals	Insurance and services	TOTAL	TOTAL France	TOTAL Rest of world

Balance Sheet Items

FIXED ASSETS

(in net values)

Goodwill on acquisition	469 503	80 750	30 942	581 195	92 366	488 829
Intangible fixed assets	143 694	8 979	20 592	173 265	44 049	129 216
Tangible fixed assets	44 364	10 653	7 254	62 271	29 130	33 141
Net total	657 561	100 382	58 788	816 731	165 545	651 186

INVESTMENTS for the FISCAL YEAR

(in gross values)

Goodwill on acquisition	388 874	3 450	0	392 324	9 783	382 541
Intangible fixed assets	14 785	3 880	5 378	24 043	15 165	8 878
Tangible fixed assets	7 864	28 929	3 407	40 200	32 461	7 739
Gross total	411 523	36 259	8 785	456 567	57 409	399 158

LIABILITIES

Provisions	16 338	2 901	2 049	21 288		
Advances and deposits received on orders	399	2 422	11	2 832		
Accounts payable and related accounts	53 588	16 029	11 607	81 223		
Tax and social liabilities	78 962	17 889	16 332	113 183		
Other liabilities	6 185	9 187	3 352	18 724		
Total	155 473	48 428	33 351	237 249		

The transfer of document processing activities to TESSI in 2007, which represented around one-third of the "Technologies and services" activity

sector reduced this to an insignificant size. The remaining activities of this sector were reallocated to the Group's three other activity sectors.

Changes were made to the IFRS financial statements closed on 31 December 2007, initially published in the BALO of 28 April 2008. The former "Technologies and services" sector was reallocated into the three other sectors. These modifications were integrated with each item of each sector as of December 31, 2007, presented above, for the following amounts:

FIXED ASSETS in net values (in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurance and services	Technologies and services	TOTAL
Goodwill on acquisition, published	469 488	79 713	30 069	1 925	581 195
Reallocation of sector 4	15	1 037	873	- 1 925	-
Goodwill on acquisition as of December 31, 2007	469 503	80 750	30 942	-	581 195

Intangible fixed assets, published	143 465	8 961	19 547	1 292	173 265
Reallocation of sector 4	229	18	1 045	- 1 292	-
Intangible fixed assets as of December 31, 2007	143 694	8 979	20 592	-	173 265

Tangible fixed assets, published	41 130	9 051	4 078	8 012	62 271
Reallocation of sector 4	3 234	1 602	3 176	- 8 012	-
Tangible fixed assets as of December 31, 2007	44 364	10 653	7 254	-	62 271

INVESTMENTS FOR THE FISCAL YEAR in gross values (in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurance and services	Technologies and services	TOTAL
Goodwill on acquisition, published	388 874	3 450	-	-	392 324
Reallocation of sector 4	-	-	-	-	-
Goodwill on acquisition as of December 31, 2007	388 874	3 450	-	-	392 324

Intangible fixed assets, published	14 189	3 849	5 363	642	24 043
Reallocation of sector 4	596	31	15	- 642	-
Intangible fixed assets as of December 31, 2007	14 785	3 880	5 378	-	24 043

Tangible fixed assets, published	7 309	5 281	2 147	25 463	40 200
Reallocation of sector 4	555	23 648	1 260	- 25 463	-
Tangible fixed assets as of December 31, 2007	7 864	28 929	3 407	-	40 200

SECTOR LIABILITIES	CRM and strategic data	Healthcare professionals	Insurance and services	Technologies and services	TOTAL
Provisions, published	16 224	2 865	1 523	676	21 288
Reallocation of sector 4	114	36	526	- 676	-
Provisions as of December 31, 2007	16 338	2 901	2 049	-	21 288

Advances and deposits received on orders, published	359	2 422	7	43	2 831
Reallocation of sector 4	40	-	3	- 43	-
Advances and deposits received on orders, published as of December 31, 2007	399	2 422	10	-	2 831

Accounts payable and related accounts, published	52 378	12 605	9 219	7 022	81 224
Reallocation of sector 4	1 210	3 424	2 388	- 7 022	-
Accounts payable and related accounts as of December 31, 2007	53 588	16 029	11 607	-	81 224

Tax and social liabilities, published	78 103	17 426	13 292	4 362	113 183
Reallocation of sector 4	860	463	3 039	- 4 362	-
Tax and social liabilities as of December 31, 2007	78 963	17 889	16 331	-	113 183

Other debts, published	6 171	1 342	3 342	7 869	18 724
Reallocation of sector 4	14	7 845	10	- 7 869	-
Other debts as of December 31, 2007	6 185	9 187	3 352	-	18 724

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. IFRS ACCOUNTING STANDARDS

The Group's half-yearly consolidated financial statements as of June 30, 2008, have been prepared in accordance with standard IAS 34 – *Interim Financial Reporting*. They correspond to condensed interim financial statements and do not include all of the information required for annual financial statements. The consolidated financial statements as of June 30, 2008, should therefore be read in conjunction with the Group's published consolidated financial statements as of December 31, 2007.

The accounting principles applied by the Group to prepare the half-yearly consolidated accounts as of June 30, 2008, are identical to those applied by the Group as of December 31, 2007, with the exception of amendments of IFRS standards and interpretations under mandatory application beginning January 1, 2008. These accounting principles are described in the paragraph "ACCOUNTING PRINCIPLES" of the consolidated accounts in the 2007 reference document and comply with the IFRS (International Financial Reporting Standards), as approved by the European Union.

These principles do not differ from the IFRS standards as published by the IASB to the extent that the application of the following standards and interpretations not yet adopted by the European Union, which is mandatory for fiscal years starting on or after January 1, 2008, would have no significant impact on the Group's financial statements:

- IFRIC 12 – *Service Concession Agreements*;
- IFRIC 14 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements, and their Interaction*.

The Group did not anticipate standards and interpretations with mandatory application after January 1, 2008:

- IAS 1 revised – *Presentation of Financial Statements*;
- IAS 23 – *Borrowing Costs*;
- IFRS 8 – *Operating Segments*;
- IFRIC 13 – *Customer Loyalty Programmes*;
- IFRIC 11 – IFRS 2 – *Group and Treasury Share Transactions*.

In accordance with standard IFRS 5, assets and liabilities held for trading were reclassified on the balance sheet as "assets related to discontinued activities" and "liabilities related to discontinued activities". The details of these assets and liabilities are indicated in note 13. In addition, earnings from activities being sold have been presented separately in the income statement.

2. HIGHLIGHTS

On February 14, 2008, CEGEDIM ACTIV, a subsidiary of CEGEDIM SA, acquired the French company PROTECTIA, publisher of the medical software package "PROTECTIA".

On June 9, 2008, Cegedim Logiciels Médicaux, a subsidiary of CEGEDIM SA, acquired the French company 01 SANTE SA, publisher of the medical software "MegaBaze."

On February 8, 2008, Cegedim Turkey acquired ULTIMA, a company specializing in pharmaceutical CRM.

The CEGEDIM Group is also continuing to develop its databases for the pharmaceutical industry with the creation of a subsidiary in Taiwan.

In keeping with the operations carried out during fiscal year 2007, Cegelease made an additional transfer of a part of its receivables to NATIXIS in exchange for 34.5 million euros in cash.

The transfer of document processing activities to TESSI in 2007, which represented around one-third of the "Technologies and services" activity sector, has simplified the organization of the sectors. The Cegedim Group now has three activity sectors: CRM and strategic data, healthcare professionals, and insurance and services.

On March 21, 2008, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to allot free shares to the directors and employees of the Cegedim Group (see note 9).

3. STATEMENT OF CHANGES IN THE CONSOLIDATION SCOPE

The Group's consolidation scope changed as follows:

Companies involved	% held for the fiscal year	% held for the previous fiscal year	Consolidation method for the fiscal year	Consolidation method for the previous fiscal year	Comments
Companies entering the consolidation scope					
KAIROS	100,00%		FC		Acquired in January 2008
PROTECTIA	100,00%		FC		Acquired in January 2008
LAAKETIETOKESKUKSEN	100,00%		FC		Acquired in January 2008
ULTIMA	100,00%		FC		Acquired in February 2008
01 SANTE	100,00%		FC		Acquired in April 2008
CEGEDIM GROUP POLAND	100,00%		FC		Created in January 2008
GLOBAL PHARMA CONSULT	100,00%		FC		Created in January 2008
SGBTIF	100,00%		FC		Created in February 2008
CEGEDIM DENDRITE KOREA LT	100,00%		FC		Created in January 2008
CEGEDIM TAIWAN CO LTD	100,00%		FC		Created in March 2008
Companies leaving the consolidation scope					
TARGET		100,00%		FC	Merger as of 12/31/07
DENDRITE INTERNATIONAL SERVICES Comp		100,00%		FC	Merger as of 12/31/07
DENDRITE NETHERLAND BV		100,00%		FC	Merger as of 01/01/08
SELECTIS		100,00%		FC	Complete transfer of assets and liabilities to Cegedim Activ on
INTERCAM LIMITED		100,00%		FC	Liquidation as of 03/31/08
MONTARGEST		100,00%		FC	Liquidation as of 04/30/08
DENDRITE KOREA		100,00%		FC	Liquidation in May 2008
BKL CONSULTING LIMITED		100,00%		FC	Liquidation as of 06/30/08
THALES CEGEDIM		50,00%		PC	Liquidation as of 06/30/08
CAM LIMITED INTERNATIONAL		100,00%		FC	Liquidation as of 06/30/08

4. GOODWILL ON ACQUISITION

As of June 30, 2008, goodwill on acquisition represents €568,569K, compared to €581,195 as of December 31, 2007.

Dendrite's goodwill on acquisition was recorded definitively and totaled €361,544 K with an impact of foreign currency exchange difference of €27.443 K.

Goodwill on acquisition by activity sector changed as follows:

Segment Presentation	Balance 12/31/2007	Reallocation of the "technologies and services" sector	scope	restatement	Balance 06/30/2008
CRM and strategic data	469 488	15	8 418	-27 452	450 469
Healthcare professionals	79 713	1 024	947	-2 154	79 530
Insurance and services	30 069	886	7 615	0	38 570
Technologies and services	1 925	-1 925		0	0
Total	581 195	0	16 980	-29 606	568 569

Goodwill on acquisition is subject to readjustment or allocation in the 12 months following the acquisition.

As of 06/30/2008, the Group has identified no impairment indicators. The most recent tests were performed on 12/31/2007.

5. EQUITY SHARES ACCOUNTED FOR USING THE EQUITY METHOD

(In thousands of euros)

The change in equity shares accounted for using the equity method can be analyzed as follows:

Equity shares accounted for using the equity method as of January 1, 2008	4 500
Other changes	-338
Earnings 06/2008	-214
Equity shares accounted for using the equity method as of June 30, 2008	3 948

6. NET FINANCIAL DEBT

(In thousands of euros)

	Financial	Misc.	06/30/2008	12/31/2007
Long-term financial borrowing and liabilities (>5 years)	0	0	0	151 470
Medium- and long-term financial borrowing and liabilities (>1 year)	625 604	7 136	632 740	525 752
Short-term financial borrowing and liabilities (< 1 year)	40 925	1 462	42 387	1 564
Current bank loans	31 643	0	31 643	29 581
Total financial liabilities	698 172	8 598 ⁽¹⁾	706 770	708 367
Total positive cash flow	77 671	0	77 671	87 353
Net financial debt	620 501	8 598	629 099	621 014

⁽¹⁾ Including €392 K for financial lease and €7,518 K for employee equity plans

A) STATEMENT OF CHANGE IN NET DEBT

		06/30/2008	12/31/2007
<u>Net debt at the beginning of the fiscal year</u>		621 014	175 598
Impact of discontinued activities		4 087	0
<u>Adjusted net debt at the beginning of the fiscal year (A)</u>		625 101	175 598
Gross cash flow margin	1	43 584	97 375
Change in working capital requirement	2	1 492	20 031
<u>Net cash flow generated from operating activities</u>	3=1+2	45 076	117 406
Change resulting from investment transactions	4	-35 684	-36 666
<u>Net available cash flow</u>	5=3+4	9 392	80 740
Impact of change in consolidation scope		-10 341	-522 061
Dividends		-8 314	-5 509
Increase in cash capital		0	0
Impact of changes in foreign currency exchange rates		-1 976	0
Change in cost of debt not paid		7 241	1 414
<u>Total net change for the fiscal year (B)</u>		-3 998	-445 416
<u>Net debt at the end of the fiscal year (A - B)</u>		629 099	621 014

Bank loans have the following terms:	< 1 year	> 1 year < 5 years	> 5 years
Fixed Rate	92	256	
3-month Euribor Rate	29 500	504 951	
USD 3-month Libor Rate	11 333	120 397	

The main loans taken out are accompanied by terms involving the consolidated financial statements and related more particularly to net debt compared to the Group's operating cash flow or compared to shareholders' equity or compared to the consolidated gross operating margin (or the EBITDA). As of the close of the period, these ratios are satisfied.

B) COST OF NET FINANCIAL DEBT

(In thousands of euros)

	06/30/2008	06/30/2007
Income or cash equivalent	13 710	4 813
Cost of gross financial debt	-36 745	-19 602
COST OF NET FINANCIAL DEBT	-23 035	-14 789

C) FINANCING

Hedging instruments were established on borrowed funds according to the following characteristics:

I - Purchase of a collar established on March 31, 2008, for €433,333K to hedge a portion of the loans for €350,000K and €200,000K (€133,333K) with a 3-month Euribor reference index,

- Cap: 5.48%
- Floor: 3.95%

II- The loan for €200,000 K contracted at the USD 3-month Libor variable rate was completely hedged by the implementation of the following hedging instruments:

1/ Cancellable swap transaction established on September 28, 2007, of a variable-rate receiver swap, fixed-rate payer swap of 4.26% until 06/30/2009

2/ Cross-currency swap transaction established on March 31, 2008, of a USD 3-month Libor quarterly receiver swap on a nominal value of €200,000 K, 3-month Euribor quarterly payer swap on a nominal value of €133,333K

NOTE 7: DEFERRED TAXES

(In thousands of euros)

1) BREAKDOWN OF TAX EXPENSE

The tax expense recognized during the fiscal year amounts to €3,340K (including discontinued activities) compared to €9,457 K in June 2007 (including discontinued activities). This expenses is broken down as follows:

	06/30/08	06/30/07
TAX PAYABLE		
France	525	7 458
Abroad	4 333	2 478
TOTAL	4 858	9 936
DEFERRED TAXES		
France	-341	-962
Abroad	-1 176	483
TOTAL	-1 517	-479
Total tax expense	3 341	9 457
Including discontinued activities	943	88
Total tax expense recognized in earnings	4 284	9 545

CEGEDIM SA is the parent company of a fiscal group comprised almost exclusively of French companies.

Other foreign fiscal groups were constituted when it was possible.

2) THEORETICAL TAX EXPENSE AND RECOGNIZED TAX EXPENSE

The reconciliation between the theoretical tax expense for the Group and the tax expense effectively recognized is presented in the following table:

	06/30/08	06/30/07
Net earnings	8 575	17 827
Net earnings of companies held for sale	1 434	131
Group share of EM companies	214	175
Income taxes	4 284	9 545
Earnings before tax from consolidated companies (a)	14 507	27 678
<i>including French consolidated companies</i>	-9 296	10 978
<i>including foreign consolidated companies</i>	23 803	16 700
Normal tax rate in France (b)	34,45%	34,45%
Theoretical tax expense (c) = (a) x (b)	4 998	9 535
Impact of income and expenses ultimately not deductible or not	858	213
Impact of differences in tax rates on profits	-2 239	-650
Impact of differences in tax rates on capitalized losses	-1 745	-320
uncapitalized tax on losses	1 540	753
impact of tax credit	748	0
impact of exit of companies sold	124	14
Tax expenses recognized in the Income Statement	4 284	9 545
Effective tax rate	29,53%	34,49%

3) DEFERRED TAX ASSETS AND LIABILITIES

Analysis by category of the temporal difference for the net deferred tax position recognized on the balance sheet (before compensation by fiscal entities for deferred tax assets and liabilities)

	TOTAL 12/31/2007	Earnings	change in cons. scope	Change in exchange rate	TOTAL 06/30/2008
DEFERRED TAX DEBITS					
Tax loss carryforwards and tax credits	27 728	8 182	-9 819	-1 581	24 510
Pension plan commitments	2 062	201			2 263
Non-deductible provisions	1 233	-727	2		508
Updating to fair value of financial instruments	487	1 511			1 998
Cancellation of margin on inventory	149	45			194
Cancellation of internal capital gain	2 262	-126			2 136
Restatement of capital costs	18	-6			12
Other	221	-218			3
TOTAL	34 160	8 862	-9 817	-1 581	31 624
DEFERRED TAX CREDITS					
Translation adjustments	-8 620	-6 565			-15 185
Cancellation of capital cost allowance	-1 938	-62			-2 000
Cegelease unrealized capital gain	-3 223	73			-3 150
Cancellation of depreciation on goodwill	-951	-90			-1 041
Finance lease	-155	-8			-163
R&D capitalization	-2 232	-388			-2 620
Updating to fair value of financial instruments		0			0
Allocation DIL brands	-41 707	0		2 760	-38 947
Other	-165	-304			-469
TOTAL	-58 991	-7 344	0	2 760	-63 575
NET DEFERRED TAXES	-24 831	1 518	-9 817	1 179	-31 951

The change in deferred taxes recognized on the consolidated balance sheet after offsetting of the deferred tax debits and credits by fiscal entities is verified as follows:

	ASSETS	LIABILITIES	NET
As of December 31, 2007	29 095	-53 926	-24 831
Impact on earnings for the period	8 862	-7 344	1 518
Impact on shareholders' equity	-9 816	0	-9 816
Impact of net presentation by fiscal entity	-2 323	3 501	1 178
As of June 30, 2008	25 818	-57 769	-31 951
Including discontinued activities	-851	-	-851
As of June 30, 2008	24 968	-57 769	-32 801

8. OFF-BALANCE SHEET COMMITMENTS

For the signing of an amendment to the Dendrite acquisition financing contract, the securities of the following companies were pledged over the first half of the year: Icomed, RNP, Sofiloca, Resip, Pharmastock, Cegedim Belgium, Cegedim Italia. (authorization of the Board of Directors on June 23, 2008). The pledged securities of the subsidiaries as of December 31, 2007, are still in force.

The securities existing as of December 31, 2007, did not change during the 1st half of 2008.

9. CAPITAL

As of June 30, 2008, capital is made up of 9,331,449 shares with a nominal value of 0.9528 euros, i.e. total capital of 8,891,004.61 euros.

Allotment of free shares:

On March 21, 2008, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to allot a total number of free shares not to exceed 10% of the total number of shares making up the capital to the directors and employees of the Cegedim Group. The main characteristics are the following:

- The allotted free shares will grant the right to dividends. Their distribution will be decided starting from the allotment date. The plan of March 21, 2008, granted a total of 34,730 free
- The allotment of said shares to their beneficiaries will become final at the end of an acquisition period of two years for beneficiaries whose residence for tax purposes is in France as of the allocation date and four years for beneficiaries whose residence for tax purposes is not in France as of the allocation date.
- The shares will be permanently allotted to their beneficiaries under the sole condition: no resignation, dismissal, or layoff.
- Starting from the permanent allotment date, beneficiaries whose residence for tax purposes is in France as of the allocation date must keep said shares for a term of two years from the permanent allotment date.

In application of standard IFRS 2, the expense measuring "the benefit" offered to employees is spread out linearly over the period of acquisition of the rights by the beneficiaries. The amount recognized as of June 30, 2008, amounts to €124K.

The main characteristics of the plan are the following:

2008 free share allotment plan		
Date of the shareholders' meeting		February 22, 2008
Date of the Board of Directors meeting		March 21, 2008
Date of plan opening		March 21, 2008
Total number of shares than can be acquired		34,730 shares
Initial subscription price		€52,00
Date of free disposal of free shares		
	France	March 21, 2010
	Abroad	March 21, 2012
Situation of plans as of June 30, 2008		
Total number of shares left to be acquired after recorded exercising of options and cancelled options		0
Adjusted acquisition price of free share allotments		
	France	€48,77
	Abroad	€41,24

10. TREASURY SHARES

No treasury share acquisition or transfer transactions took place during the first half of 2008.

11. DIVIDENDS

The following dividend was approved and paid during the fiscal year, in compliance with the decision made during the Ordinary General Shareholders' Meeting held on 7 May 2008:

(In thousands of euros)	06/30/2008
Dividend of €0.90 per share for fiscal year 2007	8 398 ⁽¹⁾

⁽¹⁾ : *net amount paid*

12. NUMBER OF EMPLOYEES

	06/30/2008
France	2 956
International	4 993
TOTAL	7 949

Personnel costs for the first half of 2008 amount to €192,696 K.

13. DISCOUNTED ACTIVITIES

Given the status of the negotiations on this project, the company would like to maintain confidentiality.

Balance Sheet

In € '000s	June 2008	In € '000s	June 2008
Goodwill on acquisition		Deferred tax credits	0
Intangible fixed assets	328	Provisions	0
Tangible fixed assets	445	Financial liabilities	0
Long-term investments	339	Accounts payable and related acc	333
Government - Deferred taxes	851	Tax and social liabilities	140
Total current assets	3 523	Other liabilities	742
Total assets held for sale	5 486	Total liabilities held for sale	1 215

Income statement

In € '000s	June 2008	June 2007
Sales	4 092	4 561
Income from operations	-2 376	68
Depreciation expenses	-218	-95
Net financial debt costs	0	17
Tax expense	943	0
Consolidated net earnings	-1 433	85

Cash flow

In € '000s	June 2008
Net cash flow generated from operating a	-4 111
Net cash flow generated from investment	711
Net cash flow generated from financing	0
Change in cash position	-3 400
Opening cash position	4 087
Closing cash position	417
Impact of changes in foreign currencies	270

14. DENDRITE PRO-FORMA INFORMATION AS OF JUNE 30, 2007

The purpose of pro-forma financial information is to present the consolidated results of the Cegecim Group for the 1st half of 2007 as if the acquisition of Dendrite had been carried out on January 1, 2007, in order to be able to make a comparison at constant scope.

Headings <i>(In thousands of euros)</i>	DENDRITE FINANCIAL STATEMENTS 01/01/2007	FINANCIAL STATEMENTS PUBLISHED	PRO-FORMA
	AS OF 05/08/2007	06/30/2007	06/30/2007
SALES	106 828	323 416	430 244
INCOME FROM OPERATIONS BEFORE NON-RECURRING ITEMS	2 023	42 450	44 473
Other non-current income and expenses from c	-5 059		-5 059
INCOME FROM OPERATIONS	-3 036	42 450	39 414
Net financial debt costs	-5 444	-14 772	-20 216
EARNINGS BEFORE NON-RECURRING ITEMS AND BEFORE TAX	-8 480	27 678	19 198

15. EVENTS OCCURRING AFTER THE CLOSING DATE

CEGEDIM, world leader in CRM (Customer Relationship Management) for the pharmaceutical industry, announces the acquisition of the company Reportive, the publisher of performance management software, on September 2, 2008.

16. SEASONALITY

The Cegecim Group's interim closing on June 30, 2008, has no significant seasonality effect for continued activities.