

First half-year Financial Information as of June30, 2010
IFRS – Regulated information - Audited

Cegedim: Half-year net profit up 15.6% to €19.9 million

First half 2010 marked by a strong dynamic commercial performance

Paris, September 23, 2010 – [Cegedim](#), a global technology and services company specializing in the healthcare field, announces consolidated net profit of €19.9 million for the first half of 2010, up 15.6% over the year-earlier period.

The first half was marked by numerous commercial successes, proving that Cegedim's range of products and services is well suited to market demand, and that its recent acquisitions hold great promise.

- **Simplified income statement**

	H1 2010		H1 2009		Δ
	€M	%	€M	%	
Revenues	448.8		433.9		+3.4%
EBITDA from ordinary activities	84.1		88.3		-4.7%
Depreciation	-33.5		-34.2		-2.0%
Operating profit from ordinary activities	50.6	11.3%	54.1	12.5%	-6.4%
Other exceptional operating revenues / expenses	-5.4		-4.7		+17.0%
Operating profit	45.2	10.1%	49.4	11.4%	-8.6%
Net cost of financial debt	-21.6		-29.8		-27.6%
Tax expenses	-4.1		-2.7		+49.1%
Share of earnings of equity-accounted affiliates	0.4		0.4		n s
Consolidated net profit	19.9		17.2		+15.6%
Group share of net profit	19.8		17.2		+15.2%

Consolidated H1 2010 revenues amounted to €448.8 million, up 0.4% like for like* and 3.4% on a reported basis. As expected, second-quarter growth of 3.8% like for like* and 8.0% on a reported basis offset the first-quarter decline.

The fact that every Group sector made a positive contribution to revenue growth in the second quarter, both like for like* and on a reported basis, is proof of Cegedim's dynamic sales performance.

Operating profit from ordinary activities came to €50.6 million, down 6.4% compared with the first half of 2009. This dip is attributable to an increase in personnel costs, which rose 6.2% due to delays implementing certain large-scale CRM projects.

Thus, margin decreased from 12.5% to 11.3%, despite a fine improvement in *Healthcare Professionals* and *Insurance and services* sector margins.

Consolidated net profit rose 15.6% compared with a year earlier to €19.9 million. The biggest contribution to the increase came from lower interest charges on debt, which fell from €21.4 million to €10.6 million due to a drop in the average level of outstanding financial debt.

Consolidated net profit attributable to the Group amounted to €19.8 million, a 15.2% increase over the first half of 2009. Earnings per share amounted to €1.4, against €1.8 last year. The increase of the number of shares following the €180.5 million capital issue of December 2009 explains the drop in EPS.

Sector business trends

- **CRM and strategic data**

In the first half of 2010, sector revenues rose 3.5% on a reported basis to €249.1 million. Currency effects and acquisitions helped boost revenues by 1.9% and 2.9% respectively over the first half. Like-for-like revenues fell slightly, by 1.4%. As expected, the 4.8% rise in Q2 revenues helped offset the drop in Q1 caused by delays in executing certain large-scale projects.

One impact of these delays was an increase in personnel costs, which hurt the sector's operating margin. The sector's operating profit from ordinary activities was €18.3 million, down €6.0 million compared with H1 2009. As a result, operating margin from ordinary activities was 7.3%, versus 10.1% a year earlier.

Second-quarter revenues testify to the sector's substantial sales momentum, successful geographic expansion of new services, and the beneficial impact of launching new *Mobile Intelligence* offerings – particularly the SaaS version – with both current and new clients.

Able to integrate SK&A both operationally and commercially in just six months, Cegedim is now fully profiting from the successful strengthening of its *OneKey* offering in the USA.

These performances lend credence to the Group's strategic choices: a global presence as a result of the Dendrite acquisition, particularly in rapidly growing markets such as emerging countries; expanding platforms (iPad® and iPhone®, BlackBerry®, etc.); a richer compliance offering in Europe; bringing Dendrite's business model in line with that of Cegedim (services vs. licenses); and continuing to make substantial investments in R&D to support new products.

The *strategic data* activity posted a clear rebound in its revenues and profitability in the second quarter. The Group expects this trend to continue in the months ahead.

- **Healthcare professionals**

Sector first-half 2010 revenues were €138.7 million, up 0.8% on a reported basis and stable on a like-for-like* basis. Growth of 1.3% in the second quarter offset the slight first-quarter decline, as expected.

Currency effects and acquisitions boosted first-half revenues by 0.5% and 0.4% respectively.

Operating profit from ordinary activities rose 4.2% to €23.8 million, reflecting a sizeable 60bp increase in the margin to 17.2%. This result is especially remarkable considering that the sector margin was hurt by the wait-and-see attitude of UK physicians and the expected drop in Cegelease's margin.

The Group continues to generate impressive performances in France, Spain and Italy. In the UK, Cegedim is convinced that it is in a position to profit from new opportunities arising from a reorganization of the UK healthcare system over the coming years.

Lastly, we note that the RMI (paramedic software) and RNP activities (promotional information for pharmacists) continue to turn in very fine performances in terms of revenues and profitability.

After the close of the first-half financial statements, Cegedim's acquired Pulse, a US company specializing in electronic healthcare records (EHR) management. In the second half, this move will propel the *Cegedim Healthcare Software* division onto the global stage, positioning the division to capitalize on the considerable new opportunities in this market. For more information on the deal, please see the "Important post-closing transactions and events" section on page 5.

- **Insurance and services**

Sector revenues rose 9.9% on both a like-for-like* and a reported basis to €61 million. Insurance and services activities continued to grow by nearly 6% like for like* following an exceptional first quarter.

As expected, operating margin on ordinary activities rose substantially, up 150bp from 12.5% to 14.0%. Operating profit from ordinary activities amounted to €8.5 million, a 23% increase over the same period in 2009.

These excellent performances are proof that Cegedim's range of software (*Activ'Infinite*) and services (various data flow management platforms) is well suited to a rapidly evolving health insurance sector, in which differentiation and productivity gains are crucial.

It is also worth noting the robust trend in the sales of Cegedim SRH, which specializes in the services associated with outsourcing payroll and HR management. Its revenues rose by more than 12% in the first half of 2010, and its profitability improved.

Financial resources

At June 30, 2010, Cegedim's consolidated total balance sheet amounted to €1,535 billion, a 15.6% jump over the year-earlier period.

The Group has a robust balance sheet position, with share capital representing 37% of total asset, a 20% increase.

Acquisition goodwill was €713 million, compared with €613 million at the end of 2009. This represents 46% of the total balance sheet, which is the same level as six months prior. 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 amount to €443 million compared with €395 million six months earlier. As expected this increase is due to the use of Cegedim credit revolver facility in order to finance acquisitions and to the negative evolution of the dollar against the euro.

After the net cost of financial debt and taxes, cash flow was €51.4 million, on a par with that of the first half of 2009. Gearing level remains unchanged at 0.9 against 0.8 six months earlier.

Working capital requirement increased by €6.6 million, mainly due to the change in customer receivables. These trends reflect seasonal effects on the Group's working capital requirement.

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

First-half highlights

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. The acquired businesses generate full-year revenues of roughly \$15 million. 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. The acquired businesses will contribute to the Group's consolidated result from Q2 2010. Cegedim expects the acquired company to contribute annual revenues in the region of €2 million.

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. The acquired businesses represent annual revenues of approximately €11 million.

These three deals were financed by internal financing and will not prevent the Group from respecting its debt covenants. Under the agreements signed by the parties, all other terms of the transactions are confidential.

Significant post-closing transactions and events

- **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.

- **External growth**

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.

Cegedim finalized the acquisition of Deskom 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 Deskom 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.

These activities represent annual revenues of around €4 million and will be part of the consolidation scope of Cegedim Group for H2 2010.

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

• **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. It is also a way of expressing the successful integration of Dendrite, as the new visual identity will incorporate some graphic elements from its logo.

These changes will take place gradually starting on September 24, 2010. An analysis of the possible accounting consequences of canceling the Dendrite trademark are still under way.

As part of its new brand strategy and to simplify and modernize this window on the Group, Cegedim will launch its new corporate website: www.cegedim.com This new, redesigned portal does more to emphasize the Group's various activities and gives users direct access to the sites of its Business Units, while incorporating traditional sections on Recruitment, Press and Finance.

2010 outlook

Acquisitions made during the first half-year, as well as the post-closing acquisitions of Pulse and Deskom, are in line with the external growth policy the Group presented at the time of the December 2009 capital increase. These acquisitions did not prevent the Group from meeting all of its covenants. We recall that the sole purpose of the bond issue for €300 million on July 27, 2010, was to refinance existing bank debt.

Given its adaptability, good regional mix and business mix of revenues, commercial momentum and half-year performances, the Group confirms its goal to consolidate leadership in the global healthcare market with revenue growth of approximately 5% for 2010

Based on its half-year results, the Group is no longer aiming for margin improvement for 2010.

Financial calendar

The Group will hold a conference call this evening (September 23) at 6:15 pm in French and 7:00 pm in English at the following numbers (Paris time):

- From France: 01 72 30 02 03 **Access code:** 13648531#
- From UK: 1616 018 915
- From the US: 703 62 19 122

September 24, 2010

- SFAF Meeting - 24 rue de Penthièvre 75008 Paris (at 10:00am)
- Half-year Financial Report (after the stock market closes)

From September 27 to October 15, 2010

- Roadshow in Europe

From October 4 to October 8, 2010

- Roadshow in the US

November 15, 2010

- Q3 revenues announcement (after the stock market closes)

Additional information

The Board of Directors and the Auditors met on September 23, 2010, to approve 2010 Half-year consolidated financial statements. Audit procedures have been performed and the 2010 Half-year statutory auditors' report on the consolidated financial statements is forthcoming.

The financial information presented in this press release comes from Cegedim half year consolidated financial statements and is fully available on the 2010 Half-year Financial Report at www.cegedim.fr/finance as of September 24, 2010.

A presentation of Cegedim 2010 Half-year results is also available on the Website.

Appendices

- Revenues by sector and by quarter[#]:

Figures rounded to the nearest unit.

Year 2010

<i>€ thousands</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total</i>
CRM and strategic data	111,532	137,575			249,107
Healthcare professionals	64,461	74,278			138,739
Insurance and services	29,627	31,364			60,991
Group	205,620	243,217			448,837

Year 2009 pro-forma

For information, Revenues at June 30, 2009 were restated between sectors for an amount of €4.4 million. In order to continue streamlining the Group's structure, certain activities of the *Healthcare professionals* and *Insurance and services* sectors have been linked to entities of the *CRM and strategic data* sector. Pro-forma revenue is mentioned below.

<i>€ thousands</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total</i>
CRM and strategic data	117,523	123,223	117,178	140,361	498,285
Healthcare professionals	65,247	72,411	58,779	67,817	264,254
Insurance and services	25,892	29,609	22,062	33,970	111,533
Group	208,662	225,245	198,017	242,148	874,072

- By sector of activity and currency, the distribution of revenues for the first half-year of 2010 is as follows:

	<i>Euro</i>	<i>USD</i>	<i>GBP</i>	<i>Others</i>
CRM and strategic data	51%	23%	4%	22%
Healthcare professionals	80%	-	20%	-
Insurance and services	99%	-	-	1%
Group	66%	13%	9%	12%

- By sector of activity and geographic zone, the distribution of revenues for the first half-year of 2010 is as follows:

	<i>France</i>	<i>Europe ex France</i>	<i>North America</i>	<i>Rest of the world</i>
CRM and strategic data	31%	33%	24%	12%
Healthcare professionals	77%	23%	-	-
Insurance and services	99%	-	-	1%
Group	55%	26%	13%	7%

• Consolidated first-half financial statements

Assets

<i>€thousands</i>	<i>06/30/2010</i>	<i>06/30/2009</i>
Goodwill on acquisition	713,179	613,342
Development costs	31,057	57,644
Trademarks, patents	135,868	104,810
Other intangible fixed assets	106,145	63,192
Intangible fixed assets	273,070	225,646
Property	446	417
Buildings	6,168	6,225
Plant, machinery and equipment	24,940	24,377
Other tangible fixed assets	13,866	13,969
Construction work in progress	35	234
Tangible fixed assets	45,456	45,221
Equity investments	295	302
Loans	555	551
Other fixed financial assets	9,103	8,030
Fixed financial assets – excluding shares of equity-accounted affiliates	9,953	8,883
Shares of equity-accounted affiliates	6,811	7,173
Government – Deferred tax	42,476	33,350
Accounts receivable: long-term portion	16,056	15,282
Other receivables: long-term portion	2,064	983
Non-current assets	1,109,064	949,881
Services in progress	188	200
Goods	11,005	10,956
Advances and deposits received on orders	1,882	1,172
Accounts receivable: short-term portion	226,488	210,502
Unpaid, called-up capital	-	-
Other receivables: short-term portion	20,533	18,413
Cash equivalents	1,159	30,630
Cash	141,814	90,739
Prepaid expenses	22,936	15,847
Current assets	426,006	378,461
Total assets	1,535,070	1,328,341

Liabilities

<i>€thousands</i>	<i>06/30/2010</i>	<i>06/30/2009</i>
Share capital	13,337	13,337
Issue premium	185,562	185,562
Group reserves	294,967	249,732
Group translation reserves	-238	-238
Group translation gains/losses	46,317	-37,844
Group earnings	19,849	54,719
Investment subsidies	-	-
Regulated provisions	-	-
Shareholders' equity, Group share	559,794	465,267
Minority interests (reserves)	383	609
Minority interests (earnings)	72	114
Minority interests	455	724
Shareholders' equity	560,249	465,991
Long-term financial liabilities	453,067	391,408
Long-term financial instruments	10,707	16,517
Deferred tax liabilities	60,298	51,394
Non-current provisions	28,534	21,517
Other non-current liabilities	12,396	9,550
Non-current liabilities	565,002	490,386
Short-term financial liabilities	142,671	133,621
Short-term financial instruments	-	-
Accounts payable and related accounts	71,813	73,604
Tax and social liabilities	119,088	113,705
Provisions	6,116	7,133
Other current liabilities	70,131	43,902
Current liabilities	409,819	371,965
Total liabilities	1,535,070	1,328,341

- Income statement

<i>€thousands</i>	<i>06/30/2010</i>	<i>06/30/2009</i>
Revenues	448,837	433,906
Other income from business activities	-	-
Capitalized production	15,186	16,616
Purchased consumed	-48,637	-47,729
External expenses	-110,205	-106,409
Taxes	-7,069	-6,503
Payroll costs	-213,954	-201,391
Depreciation expenses	-33,494	-34,179
Provision expenses and write-backs	-69	391
Change in inventories of in-progress and finished products	-20	-63
Other operating income and expenses	49	-560
Operating profit from ordinary activities	50,624	54,079
Other non-current operating income and expenses	-5,448	-4,657
Operating profit	45,175	49,422
Income from cash and cash equivalents	564	829
Gross cost of financial debt	-12,283	-20,304
Other financial income and expenses	-9,866	-10,349
Net cost of financial debt	-21,585	-29,824
Income taxes	-16,134	-3,005
Deferred income taxes	12,069	279
Tax expenses	-4,065	-2,726
Share of earnings of equity-accounted affiliates	396	368
Consolidated net profit	19,921	17,240
Group share (A)	19,849	17,237
Minority interests	72	3
Average number of shares excl. Treasury stocks (B)	13,963,775	9,331,449
Earnings per share - euros (A/B)	1.4	1.8
Dilutive instruments	-	-
Diluted earnings per share - euros	1.4	1.8

• Cash flow statement

<i>€thousands</i>	<i>06/30/2010</i>	<i>06/30/2009</i>
Consolidated net profit	19,921	17,240
Share of earnings of equity-accounted affiliates	-396	-368
Depreciation and amortization expense	31,885	34,411
Capital gain or losses on disposals	-33	275
Cash flow after net cost of financial debt and taxes	51,377	51,558
Net cost of financial debt	21,585	29,824
Tax expenses	4,065	2,726
Cash flow before net cost of financial debt and taxes	77,027	84,108
Tax paid	-9,368	245
Plus: change in operating working capital requirement	-17,759	-11,179
Net cash from operations (A)	49,900	73,174
Acquisitions of intangible fixed assets	-18,160	-20,044
Acquisitions of tangible fixed assets	-13,045	-12,098
Acquisitions of financial assets	-	-1,454
Disposals of tangible and intangible fixed assets	2,074	2,263
Disposals of financial assets	124	363
Impact of changes in consolidation scope	-25,680	-2,691
Dividends from equity accounted affiliates	-	-
Net cash from investment operations (B)	-54,687	-33,661
Dividends paid to parent company shareholders	-	-
Dividends paid to the minority interests of consolidated companies	-	-
Increase in cash capital	-	-
Debt issued	61,611	62,240
Debt reimbursements	-57,587	-86,091
Interest paid on debts	-10,606	-21,435
Other financial income and expenses	-8,073	-2,675
Net cash from financing operations (C)	-14,655	-47,961
Change in cash (A+B+C)	-19,442	-8,448
Opening cash position	102,338	70,254
Closing cash position	89,379	61,539
Foreign exchange gains or losses	-6,483	267

*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 8,600 people in more than 80 countries and generated revenue of €874 million in 2009. Cegedim SA is listed in Paris (EURONEXT: CGM). To learn more, please visit: www.cegedim.com

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