

Full-Year Financial Information as of December 31, 2012
IFRS – Regulated information – Audited

2012: An improvement relative to 2011

Growth in the second half

- CRM and strategic data margin maintained
- Robust growth in the Healthcare professionals and Insurance and services sectors
- Continued R&D efforts

Paris, March 4, 2013 – [Cegedim](#), a global technology and services company specializing in the healthcare field, posted consolidated 2012 revenues of €921.8 million, up 1.1% on a reported basis, and operating income from continuing operations of €90.1 million, up 7.4%. Operating margin was 9.8%, up from 9.2% a year earlier.

The second half was more favorable, with reported revenues up 3.4% and a 23.6% increase in operating income from continuing operations compared with the second half of 2011.

As a result, the CRM and strategic data margin was stable over the full year despite a drop in revenues, whereas the Healthcare professionals margin rose and the Insurance and services margin dipped slightly.

Continued sales momentum, ongoing R&D efforts, innovative new product launches and the effects of the Performance Improvement Plan will all boost Group revenues and operating income from continuing operations in 2013.

• Simplified income statement

	2012		2011		Δ
	€m	%	€m	%	
Revenue	921.8	100%	911.5	100%	+1.1
EBITDA from continuing operations	153.6	16.7%	150.4	16.5%	+2.2
Depreciation	-63.5		-66.5		-4.5
Operating income from continuing operations	90.1	9.8%	83.9	9.2%	+7.4
Exceptional operating income / expenses	-9.9		-8.0		+23.8
Impairment of goodwill on acquisition	-115.0				
Operating income	-34.8	-3.8%	75.9	8.3%	
Net cost of financial debt	-44.1		-37.7		+17
Tax expenses	-7.6		-6.6		+15.1
Share of earnings in equity-accounted affiliates	1.2		1.0		
Consolidated profit	-85.3	-9.3%	32.7	3.6%	
Profit attributable to the owners of the parent	-85.4	-9.3%	32.6	3.6%	

* at constant scope and exchange rates

Cegedim generated 2012 revenues of €921.8 million, up 1.1% on a reported basis and down 1.0% in organic terms relative to 2011. The net effect of acquisitions and divestments was neutral, and currencies provided a 2.1% boost.

Operating income from continuing operations was €90.1 million, up 7.4% year on year. This increase was chiefly the result of stronger operating income from continuing operations in the Healthcare professionals and Insurance and services sectors, offset by a marginal decline in the CRM and strategic data sector.

Weak activity in the CRM and strategic data sector in the first half 2012 led the Group to record a goodwill impairment of €115 million at end-June 2012. As a result, operating income for the full year was a loss of €34.8 million.

Interest expense rose from €37.7 million to €44.1 million, or 17.1%, principally due to non-cash items.

The consolidated loss attributable to the owners of the parent came to €85.4 million, and earnings per share were €2.7 compared with €2.8 a year earlier.

Analysis of business trends by sector

- **CRM and strategic data**

Sector revenue for 2012 was €488.1 million, down 4.4% on a reported basis. Perimeter effect had a negative impact on revenue growth of 0.8% thus currencies had a positive impact on revenues of 2.7%. As a result, 2012 like-for-like* revenue was down by 6.4% relative to December 2011.

This decrease was primarily due to a decrease in the number of medical sales representatives and a reduction in other marketing expenditures by some pharmaceutical companies in mature countries. On the other hand, the increase in the number of medical sales representatives in certain emerging countries and of revenue from our OneKey database and compliance offer partially offset this decrease.

While the revenue in this sector decrease by €22.5 millions of euros, the operating income from recurring operations decrease only by 0.9 millions of euros partly thanks to the implementation of our Performance Improvement Plan.

It should be emphasized the improved EBIT margin in the second half, which stood at 12.4% against 11.8% in the second half of 2011. For the year 2012 the EBIT margin was 6.7% against 6.6% in 2011.

- **Healthcare professionals**

2012 revenues came to €282.6 million, up 8.8% on a reported basis compared with end-2012. Currency effects and acquisitions boosted revenues by respectively 1.7% and 1.9%. On a like-for-Like basis revenue increased by 5.2%. This increase was mainly due to better performance on the three main areas of this sector and among other things to the continued computerization of healthcare professionals in the United Kingdom and France.

Operating income from continuing operations came to €35.2 million, a 20.0% increase over the year-earlier period. As a result, the margin from continuing operations was 12.4%, compared with 11.3% a year earlier.

- **Insurance and services**

2012 revenues came to €151.0 million, up 7.1% on a reported and on a Like-for-Like basis compared with end-2012. There were no disposals or acquisitions and there was minimal impact from foreign currency translations.

Operating income from continuing operations came to €22.3 million, a 6.1% increase over the

year-earlier period. As a result, the margin from continuing operations was 14.7%, compared with 14.9% a year earlier.

This increase was primarily due to the growth in online third-party payer management services, e-business activities and Cegedim SRH, a system which provides outsourcing of payroll and human resources management.

Financial resources

Cegedim's total consolidated balance sheet at December 31, 2012, was €1.288 billion, down slightly from the end of 2011. The dip is chiefly attributable to a €115 million depreciation of goodwill in CRM and strategic data activities during the first half of 2012.

Share capital decreased by €91.0 million and now represents 33% of total assets.

Following an impairment, goodwill amounts to €613.7 million, compared with €725.1 million at end-2011, representing 47.6% of total assets.

Cash and equivalents come to €43.5 million.

Net financial debt comes to €475.6 million, compared with €453.3 million at end-2011. This €22.3 million increase is the result of earn-out payments made in 2012.

The Group was in compliance with all of its bank covenants at end-2012.

Before the cost of net financial debt and taxes, cash flow was €141 million, compared with €140.1 million at end-2011. The level of gearing improved from 0.9 at end-2011 to 1.1 at end 2012.

2012 highlights

- **Divestment**
Cegedim sold its Pharmapost subsidiary on April 30, 2012, one of France's leading printers of drug information sheets, to the Chesapeake group. Pharmapost contributed €5.9 million to Group consolidated revenues in 2011; its contribution to consolidated EBITDA was close to zero. Under the terms of the agreement between the two parties, all other details regarding the transaction are confidential.
- **Acquisition**
On July 3, 2012, Cegedim completed the acquisition of ASP Line, France's fourth-largest publisher of pharmacist software, Cegedim's leadership position in the pharmacy computerization market in France (see release sent on July 3, 2012). Financed by internal financing, these activities represent annual revenues of around €9 million and are part of the consolidation scope of Cegedim Group from July 1, 2012.
- **Award**
On September 26, Cegedim received the "Mid Cap Corporate Governance" award, sponsored by L'AGEFI, in recognition of the quality of the transparency and governance practices that the Group has adopted.
- **Readjustment of bank covenants**
On October 3, Cegedim obtained the consent of its banking partners under the credit facility to amend certain covenants thereunder. This consent signals the continued confidence of our banking partners in the Group.

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

For 2013, barring any significant changes in market trends, the Group expects modest growth in consolidated revenues and a 50bps increase in the operating margin on continuing operations.

Financial calendar

The Group will hold a conference call today March 4th, 2013, 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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March 5, 2013 – 11:30 am

- SFAF meeting

May 6, 2013 (after the stock market closes)

- 2013 Q1 Revenue announcement

July 30, 2013 (after the stock market closes)

- 2013 Q2 Revenue announcement

September 19, 2013 (after the stock market closes)

- 2013 H1 Results announcement

September 20, 2013

- SFAF Meeting

November 7, 2013 (after the stock market closes)

- 2013 Q3 Revenues announcement

Additional information

The Audit Committee met on March 1st, 2013. The Board of Directors and the Auditors met on March 4, 2013, to approve 2012 consolidated financial statements. 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 is fully available on the 2012 Reference Document at www.cegedim.com/finance as of March 5, 2013.

A presentation of Cegedim 2012 Full-year results will also be available on the website:

- In English :
<http://www.cegedim.com/finance/documentation/Pages/presentations.aspx>
- In French :
<http://www.cegedim.fr/finance/documentation/Pages/presentations.aspx>

[Appendices](#)

- Balance sheet

Assets

<i>In thousand of euros</i>	<i>12/31/2012</i>	<i>12/31/2011</i>
Goodwill on acquisition	613,727	725,058
Development costs	26,408	24,446
Trademarks, patents	-	-
Other intangible fixed assets	183,714	167,002
Intangible fixed assets	210,122	191,448
Property	389	409
Buildings	5,766	5,147
Other tangible fixed assets	33,343	35,958
Construction work in progress	2,192	2,594
Tangible fixed assets	41,690	44,108
Equity investments	544	443
Loans	1,917	1,400
Other long-term investments	11,445	9,637
Long-term investments - excluding equity shares in equity method companies	13,906	11,480
Equity shares in equity method companies	8,145	7,645
Government - Deferred tax	57,855	48,093
Accounts receivable : Long-term portion	15,909	14,498
Other receivables : Long-term portion	726	651
Non-current assets	962,078	1,042,982
Services in progress	188	305
Goods	10,798	10,274
Advances and deposits received on orders	971	1,151
Accounts receivable : Short-term portion	215,223	222,350
Unpaid, called-up capital	-	-
Other receivables : Short-term portion	38,696	25,778
Cash equivalents	3,862	14,041
Cash	39,599	59,087
Prepaid expenses	16,881	17,347
Current assets	326,219	350,334
Total assets	1,288,297	1,393,316

Equity and Liabilities

<i>In thousand of euros</i>	<i>12/31/2012</i>	<i>12/31/2011</i>
Share capital	13,337	13,337
Issue premium	185,561	185,562
Group reserves	297,712	263,439
Group exchange reserves	-238	-238
Group exchange gains/losses	13,736	21,058
Group earnings	-85,351	32,580
Investment subsidies	-	-
Regulated provisions	-	-
Shareholders' equity, Group share	424,757	515,737
Minority interests (reserves)	418	407
Minority interests (earnings)	89	90
Minority interests	507	497
Shareholders' equity	425,263	516,234
Long-term financial liabilities	457,103	483,744
Long-term financial instruments	13,207	14,094
Deferred tax liabilities	13,617	12,862
Non-current provisions	29,615	25,154
Other non-current liabilities	3,562	7,142
Non-current liabilities	517,104	542,996
Short-term financial liabilities	72,609	51,871
Short-term financial instruments	13	27
Accounts payable and related accounts	91,092	92,079
Tax and social liabilities	123,872	119,517
Provisions	4,533	5,075
Other current liabilities	53,810	65,516
Current liabilities	345,930	334,085
Total Liabilities	1,288,297	1,393,316

• Income statement

<i>In thousand of euros</i>	12/31/2012	12/31/2011
Revenue	921,773	911,463
Other operating activities revenue	-	-
Capitalized production	48,419	47,137
Purchases used	-111,513	-105,648
External expenses	-234,734	-240,184
Taxes	-14,658	-15,101
Payroll costs	-449,821	-442,231
Allocations to and reversals of provisions	-5,424	-3,886
Change in inventories of products in progress and finished products	-125	101
Other operating income and expenses	-276	-1,224
EBITDA	153,642	150,428
Depreciation expenses	-63,522	-66,523
Operating income from continuing operations	90,120	83,905
Impairment of goodwill	-115,000	-
Exceptional operating income and expenses	-9,886	-7,983
Other exceptional operating income and expenses	-124,886	-7,983
Operating income	-34,766	75,922
Income from cash and cash equivalents	727	5,487
Gross cost of financial debt	-33,750	-36,433
Other financial income and expenses	-11,096	-6,723
Cost of net financial debt	-44,119	-37,669
Income taxes	-15,863	-21,216
Deferred taxes	8,265	14,642
Total taxes	-7,598	-6,574
Share of profit (loss) for the period of equity method companies	1,221	991
Consolidated profit (loss) for the period	-85,262	32,670
Attributable To Owners Of The Parent (A)	-85,351	32,580
Minority interests	89	90
Average number of shares excluding treasury stock (B)	13,964,700	13,955,940
Earnings Per Share (in euros) (A/B)	-6.1	2.3
Dilutive instruments	-	-
Diluted Earnings Per Share (in euros)	-6.1	2.3
Earning for recurring operation per share (in euros)	2.7	2.8

• Consolidated cash flow statement

<i>In thousand of euros</i>	12/31/2012	12/31/2011
Consolidated profit (loss) for the period	-85,262	32,670
Share of earnings from equity method companies	-1,221	-991
Depreciation and provisions	178,495	63,733
Capital gains or losses on disposals	-2,723	415
Cash flow after cost of net financial debt and taxes	89,289	95,827
Cost of net financial debt.	44,119	37,669
Tax expenses	7,598	6,574
Operating cash flow before cost of net financial debt and taxes	141,006	140,070
Tax paid	-28,097	-19,776
Change in working capital requirements for operations	4,033	21,249
Cash flow generated from operating activities after tax paid and change in working capital requirements (A)	116,042	141,543
Acquisitions of intangible assets	-51,993	-50,538
Acquisitions of tangible assets	-26,897	-29,644
Acquisitions of long-term investments	-2,090	-2,084
Disposals of tangible and intangible assets	1,149	2,083
Disposals of long-term investments	-	-
Impact of changes in consolidation scope	-18,587	-1,422
Dividends received from equity method companies	773	662
Net cash flows generated by investment operations (B)	-97,645	-80,943
Dividends paid to parent company shareholders	-	-13,953
Dividends paid to the minority interests of consolidated companies	-62	-72
Capital increase through cash contribution	-	-
Loans issued	-	200,000
Loans repaid	-33,327	-222,558
Interest paid on loans	-30,413	-32,300
Other financial income and expenses paid or received	-5,345	1,050
Net cash flows generated by financing operations (C)	-69,147	-67,833
Change In Cash without impact of change in foreign currency exchange rates (A + B + C)	-49,850	-7,233
Impact of changes in foreign currency exchange rates	-426	931
Change in cash	-50,276	-6,302
Opening cash	71,730	78,032
Closing cash	21,454	71,730

• 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;

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 continuing 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 continuing 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). It corresponds to the gross operating earnings for the Cegedim group.

EBITDA from continuing operations: this is EBITDA 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 continuing 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.

Net bank debt: this represents net financial debt less Cegedim's subordinated debt to FCB.

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 continuing operations: defined as the ratio of EBIT from continuing operations/revenue

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 8,100 people in more than 80 countries and generated revenue of €922 million in 2012. 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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