

Half-yearly Financial Information as of June 30, 2014
IFRS – Regulated Information – Not audited

Cegedim: Organic revenues grew by 1.0% in the second quarter

- Strong organic growth at the CRM and strategic data division
- Response to the IMS Health proposed transaction expected before end-November 2014
- The Group reiterates its targets for 2014

Paris, July 29, 2014 – [Cegedim](#), a global technology and services company specializing in the healthcare field, posted consolidated second quarter 2014 revenues of €224.7 million, up 0.1% on a reported basis and 1.0% like for like compared with the same period in 2013.

The decline in L-f-L revenues at the *Healthcare professionals* division was more than offset by organic growth in revenue at the *CRM and strategic data* and *Insurance and services* divisions. It is worth noting that the *Healthcare professionals* division's sales momentum turned around over the month of June. This growth of revenue in the second quarter will not have a positive impact on first half EBITDA.

The activities of *GERS* in France and Romania and the company *Pharmastock* were transferred from the *CRM and strategic data* division to the *Reconciliation* division that was accordingly renamed *Gers Activities and Reconciliation*. This reorganization aims to simplify the reading of the Cegedim income statement in the case that the IMS Health proposal results in a favorable outcome. In that case, most of the proceeds from the deal will go towards repaying debt. According to the schedule announced on June 24, the process of consulting employee representatives has begun, and once their opinion is known, the board of directors will meet to consider the offer. It will meet no later than end-November 2014.

- The change in revenues per division for the second quarter is as follows:

€ million	2 nd quarter 2014	2 nd quarter 2013	Q2 2014/2013 change	
			Reported	L-f-L
CRM and strategic data	102.0	101.8	0.1%	3.0%
Healthcare professionals	74.6	75.7	(1.4)%	(2.8)%
Insurance and services	40.0	39.9	0.3%	0.3%
GERS Activities and Reconciliation	8.2	7.0	16.8%	17.0%
Group	224.7	224.4	0.1%	1.0%

In the second quarter of 2014, Cegedim posted consolidated revenues of €224.7 million, up 0.1% on a reported basis and 1.0% like for like relative to the year-earlier period. Acquisitions (*Webstar* in the UK and *SoCall* in France) lifted revenues by 0.2%, while currency effects had a negative impact of 1.0%.

- The change in revenues per division for the first half is as follows:

€ million	HY 2014	HY 2013	HY 2014/2013 change	
			Reported	L-f-L
CRM and strategic data	194.5	198.5	(2.0)%	1.2%
Healthcare professionals	141.9	147.6	(3.9)%	(5.0)%
Insurance and services	78.0	77.0	1.2%	1.2%
GERS Activities and Reconciliation	14.3	14.0	2.1%	2.3%
Group	428.7	437.2	(1.9)%	(0.9)%

In the second quarter of 2014, Cegedim posted consolidated revenues of €428.7 million, down 1.9% on a reported basis and 0.9% like for like relative to the year-earlier period. Acquisitions (*Webstar* in the UK and *SoCall* in France) lifted revenues by 0.2%, while currency effects had a negative impact of 1.2%.

Analysis of business trends by division

- **CRM and strategic data**

In the second quarter of 2014, the division's revenues came to €102.0 million, up 0.1% on a reported basis. Currencies had a negative impact of 2.9%. There were no acquisitions or divestments. Like-for-like revenues rose 3.0% over the period.

In the first half of 2014, the division's revenues came to €194.5 million, down 2.0% on a reported basis compared with H1 2013. Currencies had a negative impact of 3.2%. There were no acquisitions or divestments. Like-for-like revenues rose 1.2% over the period.

The *CRM and strategic data* division represented 45.4% of consolidated first-half revenues, both in 2014 and in 2013.

The increase in revenues, excluding negative currency effects, was chiefly the result of emerging country growth; Compliance activities, with Europe taking up the slack from the US; and *OneKey* database products and services. We note that the market research activity was stable over the period.

In 2013, division revenues were mainly affected by a change in seasonal order intake trends in the market research activity, which caused a substantial postponement of orders until the second half of the year, a phenomenon that will probably not be repeated this year.

The Group continues to invest in innovation, which will allow it to launch new products and services in the month ahead. It also continues to adapt its products and its invoicing model to the transformational shifts in the global pharmaceutical industry.

- **Healthcare Professionals**

In the second quarter of 2014, division revenues came to €74.6 million, down 1.4% on a reported basis. The acquisitions of *Webstar Health* in the UK and *SoCall* in France had a positive impact of 0.5%, while currency effects lifted revenues by 0.8%. Like-for-like revenues fell 2.8% over the period.

In the first half of 2014, the division's revenues came to €141.9 million, down 3.9% on a reported basis compared with H1 2013. Acquisitions and currencies had positive impacts of 0.5% and 0.6% respectively. Like-for-like revenues fell 5.0% over the period.

The *Healthcare professionals* division represented 33.1% of the Group's consolidated first-half revenue, compared with 33.8% a year ago.

The drop in revenues was chiefly attributable to doctor computerization in the UK as a result of a demanding comparison caused by the exceptional level of 2013 revenues stemming from the NHS. This performance was partially offset by sustained growth in France in products for doctors – with an enhanced services offering –and for nurses with the *Simply Vitale* solution and by the successful launch of an offering for multidisciplinary healthcare facilities and clusters.

The software for pharmacists activity in France was also softer as a result of pharmacists' changing business model. That said the activity's momentum turned around in June, pointing to a more positive second half of the year, especially with the launch of a new generation of software.

- **Insurance and services**

The division's second-quarter 2014 revenues came to €40.0 million, up 0.3% both on a reported basis and like for like. Currencies had virtually no impact and there were no acquisitions or divestments.

In the first half of 2014, revenues rose 1.2% year on year, both on a reported basis and like for like, to €78.0 million. Currencies had virtually no impact and there were no acquisitions or divestments.

The *Insurance and services* division represented 18.2% of the Group's consolidated first half revenues, compared with 17.6% in the year-earlier period.

The main growth drivers were continued development in managing third-party payment flows and numerous commercial successes at *Cegedim SRH* (HR solutions).

Cegedim Assurances, a leading supplier to large corporates and a market leader, continues to bring in new contracts. For example, it recently signed deals with Génération and the Henner Group to manage their hospital invoices using Cegedim's e-invoicing solution.

- **GERS Activities and Reconciliation**

The division's second-quarter 2014 revenues came to €8.2 million, up 16.8% on a reported basis and 17.0% like for like. Currencies had a negative impact of 0.1% and there were no acquisitions or divestments.

In the first half of 2014, revenues rose 2.1% year on year on a reported basis and 2.3% like for like, to €14.3 million. Currencies had a negative impact of 0.2% and there were no acquisitions or divestments.

The *Gers Activities and Reconciliation* division represented 3.3% of the Group's consolidated first half revenues, compared with 3.2% in the year-earlier period.

This increase results mainly from the continuing growth of the sales statistics business activity. The strong growth in the second quarter is reflects a billing problem in the first quarter.

Financial resources – 2nd quarter highlights

- **Refinancing operation**

On April 7, 2014, Cegedim launched an additional bond offering of €100 million, upsized to €125 million on the issue date, of its 6.75% Senior Notes due 2020. Apart from the date and price of issuance (105.75% plus interest accrued since April 1, 2014), the new bonds are identical to the €300 million of 6.75% Senior Notes due in 2020 that the Group issued on March 20, 2013. It should be noted that Cegedim was able to issue at 5.60% compared to 6.75% one year earlier.

The proceeds from the offering were used, among other things, to finance the redemption of €105,950,000 of outstanding bonds due 2015 (at a price of 108.102%), pay the premium and any related fees, and repay the bank overdraft facilities.

As a result, the Group's current debt structure is as follows:

- €62.6 million of 7.00% bonds due July 27, 2015;
- €425 million of 6.75% bonds due April 1, 2020;
- €80 million of revolving credit due June 10, 2016, undrawn as of March 31, 2014;
- Overdraft facilities.

When the operation was announced on April 7, 2014, rating agency Standard and Poor's confirmed its B+ rating with a stable outlook for Cegedim and its two bonds.

- **Acquisition**

On April 15, 2014, Cegedim acquired the French company [SoCall](#), which is based in Sèvres. Its core activity is providing secretarial and scheduling services for practices of healthcare professionals. The company manages incoming patient calls, messages, scheduling and records of past consultations for around 50 practices. Financed by internal financing, these activities represent annual revenues of less than €0.3 million and are part of the consolidation scope of Cegedim Group from Q2 2014.

- **Binding offer received from IMS Health for the new CRM and Strategic Data division**

On June 24, 2014, Cegedim announced that it had received a binding offer from IMS Health Inc. to acquire its new [CRM and strategic data](#) division in exchange for €385 million in cash¹.

In compliance with regulatory requirements in some jurisdictions, employee representatives are currently being consulted regarding the deal, which will then be submitted to the Board of Directors for a decision before end-November 2014.

If this proposal is accepted, most of the proceeds from the transaction would be used to repay debt and thus strengthen Cegedim's balance sheet and income statement with a debt ratio close to 1 and an improving margin. In addition, the Group would be led to recognize, at the effective time of the sale, an accounting loss with no impact on the Group's cash, approximately 180 million euros.

The business activities targeted by this proposal represent 47% of non-group revenue, 43% of current EBIT and 41% of EBITDA on the basis of figures at December 31, 2013. It should be noted that the financial statements closed at June 30, 2014, including the revenue figures published in this press release, continue to include all the data relating to the business activities targeted by the IMS proposal. IFRS 5, whose objective is to separately classify activities considered as held for sale, does not apply for the time being. In fact, the sale cannot be considered as "highly probable" as long as the Board of Directors of Cegedim has not made a statement on the transaction, and the business activities cannot be considered as being "immediately available for sale in their current condition", knowing that it is first essential to physically separate the data processing centers that support all the Group's operational activities, as well as divide the assets held in legal entities sheltering mixed activities.

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

Significant post-closing transactions and events

Decision no. 14-D-06 of July 8, 2014, by French Competition Authorities imposed a €5.7 million fine on Cegedim based on a complaint brought by Euris. Euris claimed that Cegedim refused to sell its [OneKey](#) database to clients using Euris software products. As a reminder, Cegedim's refusal to do so was related to a lawsuit alleging that Euris has counterfeited its [OneKey](#) database.

Cegedim reserves the right to appeal this decision.

¹ On a cash free debt free basis, subject to certain adjustments based on the Group's net debt at the date of completion, changes in net working capital and 2014 CRM and strategic data division revenue.

As the Competition Authority's decision is immediately enforceable, regardless of whether it is appealed, it will have a negative impact on Cegedim's 2014 results. We note that this risk was cited in paragraph 4.3.24 of the 2013 Annual Report and in the prospectus that accompanied our bond issue in April.

The fine does not in any way affect the terms of the offer made by IMS Health on June 24.

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

Outlook

In a changing environment, *Cegedim* is striving to improve its operational leverage. The Group also pursues its goal of debt reduction.

The Competition Authority's decision will have a negative impact of €5.7 million on Cegedim's 2014 operating result (as of June 30, 2014).

For the full year 2014, the Group expects its revenues and operating margin from recurring operations to be at least stable. In addition, if the IMS proposed transaction is accepted, the Group would be led to recognize, an accounting loss of around 180 million euros with no impact on the Group's cash position, **at the effective time of the sale.**

Financial calendar

The Group will hold a conference call on July 29th, 2014, at 6:15 pm in English (Paris time). The call will be hosted by [Jan Eryk Umiastowski](#), *Cegedim Chief Investment Officer and Head of Investor Relations*.

A presentation of Cegedim 2014 Q2 Revenue will also be available on the website:

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

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September 18, 2014 (after the stock market closes)

- H1 2014 Results announcement

September 19, 2014 at 10:30am

- SFAF meeting presenting H1 2014 Results (24 rue de Penthièvre, 75008 Paris)

October 28, 2014 (after the stock market closes)

- Q3 2014 Revenue announcement

November 27, 2014 (after the stock market closes)

- Q3 2014 Results announcement

Additional information

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

A presentation on Cegedim's second quarter revenues is also available on the website.

This information is also available on *Cegedim IR*, the Group's financial communications app for smartphones and iOS and Android tablets. To download the app, visit: <http://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx>.

Appendices

- Revenues by division and by quarter#:

Figures rounded to the nearest unit

Year 2014

<i>€ thousands</i>	Q1	Q2	Q3	Q4	Total
CRM and strategic data	92,586	101,956			194,542
Healthcare professionals	67,315	74,579			141,894
Insurance and services	38,012	39,969			77,981
GERS Activities and Reconciliation	6,137	8,175			14,312
Group	204,050	224,679			428,729

Year 2013

<i>€ thousands</i>	Q1	Q2	Q3	Q4	Total
CRM and strategic data	96,690	101,845			198,535
Healthcare professionals	71,961	75,672			147,634
Insurance and services	37,192	39,850			77,042
GERS Activities and Reconciliation	7,021	6,996			14,017
Group	212,865	224,363			437,229

- By division and geographic zone, the distribution of revenues for the 1st half of 2014 is as follows:

	<i>France</i>	<i>EMEA ex France</i>	<i>Americas</i>	<i>APAC</i>
CRM and strategic data	28.6%	38.8%	23.5%	9.1%
Healthcare professionals	73.1%	23.3%	3.7%	-
Insurance and services	99.5%	0.5%	-	-
GERS Activities and Reconciliation	90.3%	9.7%	-	-
Group	58.8%	25.7%	11.9%	4.1%

- By division and currency, the distribution of revenues for 1st half of 2014 is as follows:

	<i>Euro</i>	<i>USD</i>	<i>GBP</i>	<i>Others</i>
CRM and strategic data	48.6%	19.6%	5.3%	26.4%
Healthcare professionals	74.8%	3.7%	20.9%	0.6%
Insurance and services	99.5%	0.0%	0.0%	0.5%
GERS Activities and Reconciliation	90.3%	0.0%	0.0%	9.7%
Group	67.9%	10.1%	9.3%	12.6%

• Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

About Cegedim :

Founded in 1969, Cegedim is a global technology and services company specializing in the healthcare field. Cegedim supplies services, technological tools, specialized software, data flow management services and databases. Its offerings are targeted notably at healthcare industries, life sciences companies, healthcare professionals and insurance companies. The world leader in life sciences CRM, Cegedim is also one of the leading suppliers of strategic healthcare industry data. Cegedim employs 8,000 people in more than 80 countries and generated revenue of €902 million in 2013. Cegedim SA is listed in Paris (EURONEXT: CGM). To learn more, please visit: www.cegedim.com
And follow Cegedim on Twitter: [@CegedimGroup](https://twitter.com/CegedimGroup)

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