

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

Cegedim: revenues grew in third quarter 2014

- Definitive sale agreement for the *CRM and Strategic Data* division signed
- Cegedim's B+ rating put on CreditWatch positive by Standard & Poor's
- The Group reiterates its 2014 targets

Paris, October 28, 2014 – [Cegedim](#), a global technology and services company specializing in the healthcare field, posted consolidated third quarter 2014 revenues of €213.9 million, up 1.4% on a reported basis and 1.0% on a Like-for-like basis relative to the same period in 2013.

All four divisions contributed to the positive L-f-I revenue growth in the third quarter. Over the first nine months of the year, the relative stability of L-f-I revenues is attributable to the decline at the *Healthcare Professionals* division, which was almost entirely offset by growth at the *CRM and Strategic Data*, *Insurance and Services* and *GERS Activities and Reconciliation* divisions. Note that the *Healthcare Professionals* division returned to positive L-f-I growth in the third quarter.

The definitive agreement regarding the sale of the *CRM and Strategic Data* division to IMS Health Inc. for a cash amount of €385 million⁽¹⁾ was signed in late October. Once the agreement was signed, rating agency Standard & Poor's put the Group's B+ rating positive CreditWatch.

Given the near stability in Like-for-like revenues over the first nine months, the Group is confident it will reach its 2014 targets.

- **The change in revenues per division for the 3rd quarter is as follows:**

€ million	3 rd quarter 2014	3 rd quarter 2013	Q3 2014/2013 change	
			Reported	L-f-I
CRM and Strategic Data	99.8	100.2	(0.4)%	0.3%
Healthcare Professionals	68.4	66.0	3.6%	1.5%
Insurance and Services	38.4	37.6	2.2%	2.2%
GERS Activities and Reconciliation	7.3	7.2	1.3%	1.3%
Group	213.9	211.0	1.4%	1.0%

In the third quarter of 2014, Cegedim posted consolidated revenues of €213.9 million, up 1.4% on a reported basis and 1.0% Like-for-like relative to the same period in 2013. Acquisitions (*Webstar* in the UK and *SoCall* in France) and currency effects made positive contributions of respectively 0.1% and 0.2%.

- The change in revenues per division over 9 months is as follows:

€ million	9M 2014	9M 2013	9M 2014/2013 change	
			Reported	L-f-l
CRM and Strategic Data	294.3	298.7	(1.5)%	0.9%
Healthcare Professionals	210.3	213.7	(1.6)%	(3.0)%
Insurance and Services	116.4	114.7	1.5%	1.5%
GERS Activities and Reconciliation	21.6	21.2	1.8%	1.9%
Group	642.6	648.2	(0.9)%	(0.2)%

Over the first nine months of 2014, Cegedim generated consolidated revenues of €642.6 million, down 0.9% on a reported basis and 0.2% Like-for-like relative to the same period in 2013. Acquisitions (*Webstar* in the UK and *SoCall* in France) made a positive contribution of 0.2%, whereas currencies had a negative impact of 0.8%.

Analysis of business trends by division

- **CRM and Strategic Data**

In the third quarter of 2014, division revenues came to €99.8 million, down 0.4% on a reported basis. Currencies had a negative impact of 0.7% and there were no acquisitions or divestments. Like-for-like revenues rose 0.3% over the period.

Over the first nine months of 2014, revenues came to €294.3 million, down 1.5% on a reported basis compared with the year-earlier period. Currencies had a negative impact of 2.3% and there were no acquisitions or divestments. Like-for-like revenues rose 0.9% over the period.

The *CRM and Strategic Data* division represented 45.8% of the Group's consolidated revenues over the first nine months of 2014, compared with 46.1% over the same period a year ago.

The growth in revenues, excluding the negative currency impact, was chiefly attributable to emerging country growth, Compliance activities and *OneKey* database-related products in every region where the Group is present.

It should be noted that the *market research* activity experienced growth over the first nine months of 2014.

On 20 October 2014, Cegedim announced that it had signed a definitive agreement to sell this division to IMS Health Inc. for €385 million in cash⁽¹⁾. The deal is expected to close early in the second quarter of 2015.

- **Healthcare Professionals**

In the third quarter of 2014, division revenues totaled €68.4 million, up 3.6% on a reported basis. The acquisitions of *Webstar Health* in the UK and *SoCall* in France had a positive impact of 0.5% on revenues, while currencies boosted the figure by 1.7%. Like-for-like revenues rose 1.5% over the period.

As announced, Q3 revenue growth was driven mainly by a less demanding comparison in physician computerization in the UK, and by robust growth in activities aimed at French physicians. It is worth noting the continued positive momentum at pharmacist software in France.

Over the first nine months of 2014, division revenues totaled €210.3 million, down 1.6% on a reported basis compared with the same period in 2013. Acquisitions and currencies made positive contributions of respectively 0.5% and 0.9%. Like-for-like revenues fell 3.0% over the period.

The *Healthcare Professionals* division represented 32.7% of the Group's consolidated revenues over the first nine months of 2014, compared with 33.0% a year earlier.

- **Insurance and Services**

The division's third-quarter revenues came to €38.4 million, up 2.2% both on a reported basis and Like-for-like. Currencies had virtually no impact and there were no acquisitions or divestments.

Revenues over the first nine months of 2014 came to €116.4 million, up 1.5% both on a reported basis and Like-for-like compared with the same period in 2013. Currencies had virtually no impact and there were no acquisitions or divestments.

The *Insurance and Services* division represented 18.1% of the Group's consolidated revenues over the first nine months of 2014, compared with 17.7% in the same period a year earlier.

This increase was chiefly attributable to double-digit growth in third-party payer flow management, *Cegedim SRH* human resources solutions, and *Cegedim e-business* electronic invoicing activities. This growth was partially offset by weakness at the *Cegedim Global Payments* business caused by the transition from a perpetual license model to a SaaS offering.

- **GERS Activities and Reconciliation**

Division revenues totaled €7.3 million in the third quarter of 2014, a 1.3% increase both on a reported basis and Like-for-like. Currencies had a positive impact of 0.1% and there were no acquisitions or divestments.

Over the first nine months of 2014, revenues amounted to €21.6 million, up 1.8% on a reported basis and 1.9% Like-for-like relative to the same period in 2013. Currencies had a negative impact of 0.1% and there were no acquisitions or divestments.

The *GERS Activities and Reconciliation* division represented 3.4% of the Group's consolidated revenues over the first nine months of 2014, compared with 3.3% a year earlier.

The division's main source of revenue growth was the continued development of sales statistics for pharmaceutical products.

3rd quarter highlights

On July 8, 2014, competition authorities imposed a €5.7 million fine on *Cegedim* in response to a complaint filed by the Euris company accusing the group of unfair practices in France in the market for healthcare professional databases. *Cegedim* **appealed** this decision to the Paris Court of Appeals. The French Competition Authorities decision is enforceable, so *Cegedim* paid the full amount of the fine in October 2014.

However, the fine does not in any way jeopardize the terms of the deal with IMS Health. 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.

Apart from the item 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

- **Execution of a definitive purchase agreement for the CRM and Strategic Data division**

On October 20, 2014, Cegedim announced that a definitive purchase agreement has been executed for its *CRM and Strategic Data* division with IMS Health Inc. for a cash price of €385 million⁽¹⁾.

The signing comes after the group successfully informed and consulted its works councils, receiving a positive opinion from all countries where the consultations were required; and after a unanimously positive vote from the Cegedim Board of Directors.

On October 1st, 2014, the AMF confirmed that the contemplated transaction did not justify a compulsory buyout offer under Article 236-6 of its General Regulations. The activities concerned represent 47% of 2013 revenue (excluding intra-Group revenue), 42.8% of 2013 EBIT before special items, and 40.8% of 2013 EBITDA.

The operation will now be submitted to antitrust authorities for review, and it is anticipated that the closing will occur in early Q2 2015.

The proceeds will be used to repay debt, thus reinforcing the *Cegedim* balance sheet and P&L statement, resulting in a leverage ratio close to 1 and margin improvement based on 2013 pro forma figures. The transaction will, however, lead Cegedim to recognize, at the end of 2014, an accounting loss of approximately €180 million, with no impact on the Group's cash.

This transaction will allow *Cegedim* to refocus on software and databases for healthcare professionals and health insurance companies, and on its fast-growing multi-industry activities such as e-business, e-collaboration and outsourced payroll and HR management.

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 Health Inc. proposal. IFRS 5, whose objective is to separately classify activities considered as held for sale, does not apply for the time being. As of September 30, 2014, the sale could only be considered "highly likely", because Cegedim's Board of Directors did not vote on the deal until mid-October. Furthermore, the activities cannot be considered to be "immediately available for sale in their present state" because their IT processing centers will have to be physically separated from those that handle the overall Group's operating activities, and the assets housed within legal entities that encompass multiple activities will have to be split off.

- **Cegedim B+ rating placed on CreditWatch Positive by S&P**

On October 24, 2014, once the definitive agreement on the sale of the *CRM and Strategic Data* division was signed, Standard & Poor's placed the Cegedim B+ rating for its bonds on CreditWatch positive.

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.

⁽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.

Outlook

Cegedim is reconfirming its target for 2014 of at least stable revenue and operating margin from recurring operations.

For the second half of 2014, the Group expects a slight slowdown at the *CRM and Strategic Data* division, and a slight increase in activity at the other divisions. A less demanding comparison level for UK doctors software in the second half of 2014 and a restored order book for French pharmacist software activities point to more positive revenue developments in the second half of the year.

Following the execution of the definitive purchase agreements for the CRM and Strategic Data division the Group will be led to recognize, **upon the closing of its 2014 accounts**, an accounting loss of approximately €180 million, with no impact on the Group's cash.

Financial calendar

The Group will hold a conference call today, October 28, 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 Q3 Revenues will also be available on the website:

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

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November 27, 2014 (after the stock market closes)

- Q3 2014 Results announcement

December 16, 2014 - 2:30 pm to 5:30 pm (welcome coffee at 2:00 pm)

- 5th Investor Summit (Cegedim Auditorium, 17 rue de l'Ancienne Mairie, Boulogne-Billancourt France)

Additional information

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

A presentation on Cegedim's third 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	99,780		294,322
Healthcare Professionals	67,315	74,579	68,411		210,305
Insurance and Services	38,012	39,969	38,445		116,426
GERS Activities and Reconciliation	6,137	8,175	7,285		21,597
Group	204,050	224,679	213,920		642,649

Year 2013

<i>€ thousands</i>	Q1	Q2	Q3	Q4	Total
CRM and Strategic Data	96,690	101,845	100,193		298,729
Healthcare Professionals	71,961	75,672	66,016		213,650
Insurance and Services	37,192	39,850	37,617		114,659
GERS Activities and Reconciliation	7,021	6,996	7,188		21,205
Group	212,865	224,363	211,014		648,243

- 9 months 2014 revenues by division and region are as follows:

	<i>France</i>	<i>EMEA ex France</i>	<i>Americas</i>	<i>APAC</i>
CRM and Strategic Data	28.7%	38.2%	23.9%	9.3%
Healthcare Professionals	72.9%	23.4%	3.7%	-
Insurance and Services	99.6%	0.4%	-	-
GERS Activities and Reconciliation	90.3%	9.7%	-	-
Group	58.1%	25.5%	12.2%	4.2%

- 9 months 2014 revenues by division and currency are as follows:

	<i>Euro</i>	<i>USD</i>	<i>GBP</i>	<i>Others</i>
CRM and Strategic Data	48.4%	20.0%	5.2%	26.4%
Healthcare Professionals	74.6%	3.7%	21.1%	0.6%
Insurance and Services	99.6%	0.0%	0.0%	0.4%
GERS Activities and Reconciliation	90.4%	0.0%	0.0%	9.6%
Group	67.7%	10.4%	9.3%	12.7%

• Glossary

GERS Activities and Reconciliation: this 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 activities of GERS in France and Romania and the company Pharmastock were transferred from the *CRM and strategic data* division to the *Reconciliation* division, which was accordingly renamed *GERS Activities and Reconciliation*. This reorganization aims to simplify the reading of the Cegedim income statement in the event that the IMS Health proposal results in a favorable outcome. More information is available in the "Presentation of Cegedim's Divisions" section of the HY 2014 Financial Report.

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.

Operating expenses: defined as purchases used, external expenses and payroll costs.

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 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). 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.

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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