

Quarterly Financial Information as of December 31, 2014  
IFRS – Regulated Information – Not audited

## Cegedim: mounting evidence of a return to solid growth

- Fourth quarter revenues up 5.9%
- *Healthcare professionals* and *Insurance and Services* growth speed up in the fourth quarter
- Divestment scheduled to close in April 2015

**Paris, January 27, 2015** – [Cegedim](#), a global technology and services company specializing in the healthcare field, posted consolidated revenues of €268.9 million in the fourth quarter of 2014, a 5.9% increase on a reported basis and a 5.1% gain Like-for-like (L-f-I) compared with the same period in 2013.

As in the third quarter, all four divisions contributed to fourth quarter growth. Over the full year, the Like-for-like revenue growth was the result of a slight decline at the *Healthcare professionals* division being more than offset by growth at the *CRM and strategic data*, *Insurance and services* and *GERS Activities and Reconciliation* divisions.

We note that the *Healthcare professionals* division's L-f-I growth accelerated compared with the previous quarter, and that the *Insurance and services* division experienced growth in every quarter of 2014.

The definitive agreement to sell the *CRM and strategic data* division to IMS Health Inc. for a cash amount of €385 million<sup>(1)</sup> was signed in late October 2014. Once the agreement was signed, rating agency Standard & Poor's put the Group's B+ rating on CreditWatch positive. As a reminder, Cegedim will report its full year results under IFRS 5. The revenues of the "New Cegedim" will be slightly higher than the sum of the remaining divisions' revenues owing to a restatement of a portion of the intra-group sales conducted with the *CRM and strategic data* division.

- The change in revenues per division for the 4th quarter is as follows:

€ million	4 <sup>th</sup> quarter 2014	4 <sup>th</sup> quarter 2013	Q4 2014/2013 change	
			Reported	L-f-I
CRM and Strategic Data	133.2	124.9	+6.6%	+6.2%
Healthcare Professionals	79.5	75.2	+5.8%	+3.9%
Insurance and Services	47.3	45.3	+4.4%	+4.3%
GERS Activities and Reconciliation	8.9	8.6	+3.7%	+3.7%
<b>Group</b>	<b>268.9</b>	<b>254.0</b>	<b>+5.9%</b>	<b>+5.1%</b>

In the fourth quarter of 2014, Cegedim generated consolidated revenues of €268.9 million, up 5.9% on a reported basis and 5.1% Like-for-like relative to Q4 2013. Acquisitions (*Webstar* in the UK and *SoCall* in France) and currencies had positive impacts of respectively 0.1% and 0.6%.

<sup>(1)</sup> 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.

- The change in revenues per division over 2014 is as follows:

€ million	2014	2013	2014/2013 change	
			Reported	L-f-I
CRM and Strategic Data	427.5	423.7	+0.9%	+2.4%
Healthcare Professionals	289.8	288.8	+0.3%	(1.2)%
Insurance and Services	163.7	160.0	+2.3%	+2.3%
GERS Activities and Reconciliation	30.5	29.8	+2.4%	+2.5%
<b>Group</b>	<b>911.5</b>	<b>902.3</b>	<b>+1.0%</b>	<b>+1.3%</b>

Over the full year 2014, Cegedim generated consolidated revenues of €911.5 million, up 1.0% on a reported basis and 1.3% Like-for-like relative to FY 2013. Acquisitions (*Webstar* in the UK and *SoCall* in France) had a positive impact of 0.1%, whereas currencies had a negative impact of 0.4%.

#### Analysis of business trends by division

- **CRM and Strategic Data**

The division's fourth quarter 2014 revenues amounted to €133.2 million, up 6.6% on a reported basis. Currencies had a positive impact of 0.4%, and there were no acquisitions or divestments. Like-for-like revenues rose 6.2% over the period.

This growth is attributable to double-digit growth in the following activities:

- *OneKey*, in all of the geographic regions where it is present,
- *Compliance*, chiefly in Europe, and
- *Market research*, mainly in the US, France and Southern Europe.

It is worth noting the positive momentum at the *Mobile Intelligence*'s activity, and that the Sanofi Group has extended its supply contract with *Cegedim* for CRM and the *OneKey* database through April 2017.

On October 20, 2014, *Cegedim* announced that it had signed a definitive agreement to sell this division to IMS Health Inc. for a cash price of €385 million<sup>(1)</sup>. All significant competition authorities gave their approval and the transaction's closing is expected to take place early in the second quarter of 2015.

Revenues for the full year 2014 came to €427.5 million; a 0.9% reported increase over the same period in 2013. Currencies had a negative impact of 1.5%, and there were no acquisitions or divestments. Like-for-like revenues rose 2.4% over the period.

The *CRM and strategic data* division represented 46.9% of the Group's consolidated revenues in 2014 compared with 47% a year earlier.

- **Healthcare Professionals**

The division's fourth quarter 2014 revenues came to €79.5 million, up 5.8% on a reported basis. The acquisitions of *Webstar Health* in the UK and *SoCall* in France boosted revenues by 0.3%, and currency effects added another 1.5%. Like-for-like revenue growth amounted to 3.9% over the period.

This expected ramp-up in growth, already witnessed in the third quarter, was chiefly the result of a recovery in French pharmacist computerization, significant growth in UK pharmacist computerization, and robust growth in doctor computerization in Belgium, Spain, the US and France.

<sup>(1)</sup> 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.

However, the division did see a downturn in pharmacy window dressing activity in France and UK doctor computerization.

Over the full year 2014, revenues rose 0.3% on a reported basis compared with 2013, to €289.8 million. Acquisitions and currencies made positive contributions of respectively 0.4% and 1.1%. Like-for-like revenues fell 1.2% over the period.

The *Healthcare professionals* division represented 31.8% of consolidated revenues in 2014, compared with 32.0% a year earlier.

- **Insurance and Services**

In the fourth quarter of 2014, the division generated revenues of €47.3 million, up 4.4% on a reported basis and 4.3% Like-for-like. Currencies had virtually no impact and there were no acquisitions or divestments.

This growth stemmed principally from double-digit growth in third-party payer data processing and *Cegedim SRH* human resources solutions. The division's *Cegedim e-business* unit also saw growth in its electronic invoicing activity. These gains were partly offset by weakness at *Cegedim Global Payments* owing to the transition from a perpetual license model to the new SaaS offering.

Over the full year 2014, revenues rose 2.3% both on a reported basis and Like-for-like, to €163.7 million. Currencies had virtually no impact and there were no acquisitions or divestments.

The *Insurance and services* division represented 18.0% of consolidated Group revenues in 2014 compared with 17.7% a year earlier.

- **GERS Activities and Reconciliation**

The division generated fourth quarter 2014 revenues of €8.9 million, up 3.7% on both a reported and Like-for-like basis. Currencies had virtually no impact and there were no acquisitions or divestments.

The division's revenue growth was mainly the result of continued development in sales statistics for pharmaceutical products.

For the full year 2014, revenues amounted to €30.5 million, up 2.4% on a reported basis and 2.5% Like-for-like relative to FY 2013. Currencies had a negative impact of 0.1% and there were no acquisitions or divestments.

The *GERS Activities and Reconciliation* division represented 3.3% of the Group's consolidated revenues in 2014, more or less unchanged compared with a year earlier.

## 2014 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 December 31, 2014;
- Overdraft facilities.

- **Acquisition**

On April 15, 2014, Cegedim acquired the French company *SoCall*, which is based in France. 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.

- **Competition authorities' fine**

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.

- **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 on a "cash-free, debt-free" basis and subject to certain adjustments dependent upon Group net debt on the completion date, changes in working capital requirement, and the *CRM and strategic data* activity's 2014 revenues.

In late December 2014, the European Commission gave a green light to IMS Health's acquisition of the *CRM and strategic data* division. The decision is subject to IMS Health divesting its syndicated promotional audits business in Europe. Revenue in 2013 from this business was approximately \$2 million. In addition to the Commission's approval, the waiting period for the U.S. antitrust review expired on December 5, 2014.

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 an accounting loss of approximately €180 million, at the end of 2014, 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.

The sale of the *CRM and strategic data* business is now considered "highly likely". The Group will thus draw up its audited full year accounts under IFRS 5 to isolate the assets held for sale. The 2014 revenues reported in this press release do not yet reflect the application of this norm. They include all of the activities covered by the IMS Health Inc. bid. An analysis is currently being reviewed to measure the amount of intra-group sales generated with the division being sold, which will in the future be considered external sales. As planned, the transaction will take effect in April 2015.

- **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.

### Significant post-closing transactions and events

To the best of the company's knowledge, there were no post-closing events or changes that would materially alter the Group's financial situation.

### Outlook

Now that the definitive purchase agreement has been signed, the sale of the *CRM and strategic data* division is considered "highly likely". The Group will thus draw up its audited full year accounts under IFRS 5 to isolate the assets held for sale. These accounts will include an accounting capital loss of around €180 million, with no impact on the Group's cash position. Cegedim will announce its outlook for 2015 when the FY 2014 earnings are released.

### Financial calendar

The Group will hold a conference call today, January 27, 2015, 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 Revenues is also available on the website: <http://www.cegedim.com/finance/documentation/Pages/presentations.aspx>

<b>Contact numbers:</b>	France: +33 1 70 77 09 44	<b><u>No access code required</u></b>
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**March 26, 2015** (after the stock market closes)

- 2014 Results announcement

**March 27, 2015** - 11h30am - Boulogne-Billancourt (France)

- SFAF meeting

**April 28, 2015** (after the stock market closes)

- Q1 2015 Revenue announcement

**May 27, 2015** (after the stock market closes)

- Q1 2015 Results announcement

**July 28, 2015** (after the stock market closes)

- Q2 2015 Revenue announcement

**September 21, 2015** (after the stock market closes)

- H1 2015 Results announcement

**September 22, 2015**

- SFAF meeting

**October 27, 2015** (after the stock market closes)

- Q3 2015 Revenue announcement

**November 26, 2015** (after the stock market closes)

- Q3 2015 Results announcement

### Additional information

Complete financial information is available on our website: [www.cegedim.com/finance](http://www.cegedim.com/finance).

A presentation on Cegedim's FY 2014 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	133,173	427,496
Healthcare Professionals	67,315	74,579	68,411	79,538	289,843
Insurance and Services	38,012	39,969	38,445	47,279	163,704
GERS Activities and Reconciliation	6,137	8,175	7,285	8,890	30,486
<b>Group</b>	<b>204,050</b>	<b>224,679</b>	<b>213,920</b>	<b>268,880</b>	<b>911,529</b>

**Year 2013**

<i>€ thousands</i>	Q1	Q2	Q3	Q4	Total
CRM and Strategic Data	96,690	101,845	100,193	124,943	423,672
Healthcare Professionals	71,961	75,672	66,016	75,194	288,844
Insurance and Services	37,192	39,850	37,617	45,306	159,965
GERS Activities and Reconciliation	7,021	6,996	7,188	8,570	29,775
<b>Group</b>	<b>212,865</b>	<b>224,363</b>	<b>211,014</b>	<b>254,013</b>	<b>902,256</b>

- 2014 revenues by division and region are as follows:

	France	EMEA ex France	Americas	APAC
CRM and Strategic Data	29.5%	37.8%	23.6%	9.0%
Healthcare Professionals	72.8%	23.0%	4.2%	-
Insurance and Services	99.5%	0.5%	-	-
GERS Activities and Reconciliation	90.3%	9.7%	-	-
<b>Group</b>	<b>57.9%</b>	<b>25.5%</b>	<b>12.4%</b>	<b>4.2%</b>

- 2014 revenues by division and currency are as follows:

	Euro	USD	GBP	Others
CRM and Strategic Data	49.0%	19.8%	5.0%	26.2%
Healthcare Professionals	74.9%	4.2%	20.3%	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%
<b>Group</b>	<b>67.7%</b>	<b>10.6%</b>	<b>8.8%</b>	<b>12.9%</b>

- 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.

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*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 almost 8,000 people in more than 80 countries and generated revenue of €912 million in 2014. Cegedim SA is listed in Paris (EURONEXT: CGM). To learn more, please visit: [www.cegedim.com](http://www.cegedim.com)  
And follow Cegedim on Twitter: [@CegedimGroup](https://twitter.com/CegedimGroup)

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