PRESS RELEASE

Quarterly Financial Information as of December 31, 2016
IFRS - Regulated Information - Not Audited

Cegedim: organic revenue growth picked up in the fourth quarter of 2016

- The business model transformation is well under way, and the first positive impacts are visible
- Organic revenue growth amounted to 5.4% in Q4 2016, and 4.4% over the full year
- EBITDA target downgraded to around €60 million

Disclaimer: Pursuant to IAS 17 as it applies to Cegelease's activities, leases are now classified as financial leases, resulting in adjustments to the Q1, Q2, Q3 and Q4 2015 figures published in 2015. Readers should refer to the last annexe of this press release for full details of the adjustments. All of the figures in this press release reflect the adjustments. Unless otherwise specified, variations are expressed in comparison with the same period of the previous year.

CONFERENCE CALL ON JANUARY 26, 2017, AT 6:15PM CET

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Boulogne-Billancourt, France, January 26, 2017 at 5:45pm CET

Cegedim, an innovative technology and services company, posted consolidated Q4 2016 revenues from continuing activities of €122.5 million, up 2.7% on a reported basis and 5.4% like for like compared with the same period in 2015. For the full year 2016, revenues came to €440.8 million, up 3.4% on a reported basis and 4.4% like for like compared with the same period in 2015.

Like-for-like growth at the *Health insurance, HR and e-services* division picked up yet again in the fourth quarter, to 13.0% following 9.5% in the third quarter, despite the ongoing migration of clients over to SaaS/cloud offerings. On the other hand, the *Healthcare professionals* division posted a like-for-like decline of 4.2% in the fourth quarter, bringing its decline to 2.8% over the full year. This decline was chiefly attributable to the transition of offerings over to SaaS format, business delays in the US stemming from ongoing reorganization, and the continued impact on UK business, in 2016, of clients awaiting the launch of a new SaaS offer.

The business model transformation initiated in fall 2015 is beginning to pay off, as shown by the increase in like-for-like revenue growth to 5.4% in the fourth quarter and 4.4% over the full year 2016. As a reminder, the Group had revised its forecast upward multiple times during the year and was expecting growth of 4.0%.

In 2016, the transformation project resulted in several changes in senior management within the *Healthcare professionals* division in the US, UK and France. At the same time, investments devoted to R&D allowed *Cegedim* to launch a number of new products, notably in SaaS format. For example, the Group began to market its *Smart Rx* product for French pharmacists, *Pulse Cloud Practice Management* for US doctors, *Vision anywhere* for UK doctors, and a full SaaS e-invoicing platform using open source technology. The Group also substantially expanded its BPO offering for US doctors, HR departments and insurance companies, notably signing a major BPO contract with social protection and insurance group KLESIA and at the end of the year with the mutual insurance group YSTIA.

As we noted earlier, the business model transformation is well under way, so growth momentum is expected to pick up in 2017 and lead to improving profitability in the future. We expect to see the full impact of the transformation in 2018. Further out, *Cegedim* will enjoy greater customer loyalty, closer client relationships, simpler operating processes, more robust offerings and stronger geographic positions. The changes now under way will also boost the share of recurring revenues, improve sales growth and predictability, and enhance the Group's profitability.

As predicted, 2016 was a transitional year. Implementing the transformation plan adversely affected the Group's profitability. Furthermore, Cegedim's management has appointed a new CEO in the US and has decided to change its approach to two disputes with customers in the US. These changes resulted in the Group signing agreements that led to a conversion of receivables into a significant loss in 2016. Because this loss can't be classified as a special item under IFRS, the EBITDA target will not be met in 2016.

Revenue trends by division

- **Fourth quarter 2016 highlights**

	Fourth quarter			
In € millions	*2016*	*2015*	*Chg. L-f-l*	*Chg. Reported*
Health insurance, HR and e-services	77.1	68.5	+13.0%	+12.5%
Healthcare professionals	44.4	49.3	(4.2)%	(9.9)%
Activities not allocated	1.0	1.4	(33.5)%	(33.5)%
Cegedim	**122.5**	**119.3**	**+5.4%**	**+2.7%**

In the fourth quarter of 2016, *Cegedim* posted consolidated revenues from continuing activities of €122.5 million, up 2.7% on a reported basis. Excluding an unfavorable currency translation effect of 2.6%, revenues rose 5.4%. There was no impact from acquisitions or divestments.

In like-for-like terms the *Health Insurance, HR and e-services* division's revenues rose by 13.0%, whereas the *Healthcare professionals* division's revenues fell by 4.2%.

- **FY 2016 highlights**

	Full year			
In € millions	*2016*	*2015*	*Chg. L-f-l*	*Chg. Reported*
Health insurance, HR and e-services	262.3	234.7	+10.5%	+11.8%
Healthcare professionals	175.2	187.2	(2.8)%	(6.4)%
Activities not allocated	3.3	4.2	(21.6)%	(21.6)%
Cegedim	**440.8**	**426.2**	**+4.4%**	**+3.4%**

Over the full year 2016, *Cegedim* posted consolidated revenues from continuing activities of €440.8 million, up 3.4% on a reported basis. Excluding an unfavorable currency translation effect of 1.7% and a 0.8% boost from acquisitions, revenues rose 4.4%.

In like-for-like terms the *Health Insurance, HR and e-services* division's revenues rose by 10.5%, whereas the *Healthcare professionals* division's revenues fell by 2.8%.

Analysis of business trends by division

- **Health insurance, HR and e-services**

The division's Q4 2016 revenues came to €77.1 million, up 12.5% on a reported basis. There was no impact from acquisitions or divestments. Currency effects made a negative contribution of 0.5%. Like-for-like revenues rose 13.0% over the period.

The division's 2016 revenues came to €262.3 million, up 11.8% on a reported basis. The July 2015 acquisition of *Activus* in the UK made a positive contribution of 1.4%. Currencies had virtually no impact. Like-for-like revenues rose 10.5% over the period.

The *Health insurance, HR and e-services* division represented 59.5% of consolidated revenues from continuing activities, compared with 55.1% over the same period a year earlier.

This significant 2016 revenue growth was chiefly attributable to:

- *Cegedim Insurance Solutions*, with double-digit growth in the *iGestion* BPO business for health insurance companies and mutual insurers, continued robust growth in the third party payment flow management activity, and a very fine performance in software and services devoted to the personal protection insurance sector, including double-digit growth in the fourth quarter despite the impact of transitioning to SaaS format.
- Excellent momentum at the *Cegedim e-business* unit, and a strong acceleration in the fourth quarter. In addition, *Cegedim e-business* fully benefited from the start of operations with new clients on its *Global Information Services* SaaS platform for digital data exchanges, including payment platforms.
- The start of operations with numerous clients on the *Cegedim SRH* SaaS platform for human resources management, resulting in double-digit revenue growth over the full year.

- **Healthcare professionals**

The division's Q4 2016 revenues came to €44.4 million, down 9.9% on a reported basis. Currency effects made a negative contribution of 5.7%. There was no impact from acquisitions or divestments. Like-for-like revenues fell 4.2% over the period.
The division's 2016 revenues came to €175.2 million, down 6.4% on a reported basis. Currency effects made a negative contribution of 3.7%. There was no impact from acquisitions or divestments. Like-for-like revenues fell 2.8% over the period.
The *Healthcare professionals* division represented 39.7% of consolidated revenues from continuing activities, compared with 43.9% over the same period a year earlier.

The decline in revenues in 2016 and in the last quarter was chiefly attributable to:

- The transition of clients in certain markets, who are increasingly attracted to cloud-based offerings, over to SaaS versions;
- In the UK, the fact that the Group only began marketing the new SaaS offering to doctors in January 2017;
- The September 2016 release in France of the new *Smart Rx* offering – a comprehensive pharmacy management solution built around a hybrid architecture that combines local and cloud-based computing. The new solution allows networks amongst individual pharmacies and links with healthcare professionals. The launch of this new offering, combined with implementation of a new organization, should enable this business to return to growth in the months ahead.

These performances were partially offset by:

- Double-digit growth at *Pulse* over the full year, despite a contraction in the last quarter owing to the postponement of certain projects, mainly related to the unit's RCM offerings. The Group has implemented a new, more responsive organization that should enable the business to return to a path of sustainable growth, particularly in BPO.
- Robust growth in products and services designed for physical therapists and nurses in France;
- Double-digit growth at *Cegelease*, which offers financial leases.

- **Activities not allocated**

The division's Q4 2016 revenues came to €1.0 million, down 33.5% on a reported basis and like for like. There were no currency effects and no acquisitions or divestments.
The division's 2016 revenues came to €3.3 million, down 21.6% on a reported basis and like for like. There were no currency effects and no acquisitions or divestments.
The *Activities not allocated* division represented 0.7% of consolidated revenues from continuing activities, compared with 1.0% over the same period a year earlier.

This trend reflects the return to a normal level of billing.

Highlights

Apart from the items cited below, 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.

- **New credit facility**

In January 2016, the Group took out a new five-year revolving credit facility (RCF) of €200 million. The applicable interest rate for this credit facility is Euribor plus a margin. The Euribor rate can be the 1-, 3- or 6- month rate; if Euribor is below zero, it will be deemed to be equal to zero. The margin can range from 0.70% to 1.40% depending on the leverage ratio calculated semi-annually in June and December (Refer to point 2.4.1.1 on page 14 of the Q2-2016 Quarterly Financial Report).

- **Exercise of the call option on the entire 2020 bond**

On April 1, 2016, *Cegedim* exercised its call option on the entire 6.75% 2020 bond with ISIN code XS0906984272 and XS0906984355, for a total principal amount of €314,814,000.00 and a price of 105.0625%, i.e. a total premium of €15,937,458.75. The company then cancelled these securities. The transaction was financed by drawing a portion of the RCF obtained in January 2016 and using the proceeds of the sale to IMS Health. Following this transaction, the Group's debt comprised the €45.1 million FCB subordinated loan, the partially drawn €200 million RCF, and overdraft facilities.

- **S&P has raised *Cegedim's* rating to BB with stable outlook**

After *Cegedim* announced that it would redeem the entire 6.75% 2020 bond, rating agency Standard and Poor's raised the company's rating on April 28, 2016, to BB with a stable outlook.

- **Acquisition of Futuramedia Group**

Cegedim announced on November 2, 2016, that it had signed a heads of agreement to acquire *Futuramedia Group*. This deal will strengthen the digital offerings of its subsidiary *RNP*, which specializes in pharmacy displays in France. The acquisition was completed on November 30, 2016.

In 2015, *Futuramedia Group* generated revenues of around €5.4 million. It will have an accretive impact on *Cegedim* Group's margins and began contributing to the Group's consolidation scope from January 1, 2017.

- **Kadrige sale**

The Kadrige business was sold to IMS Health on November 9, 2016.

Significant post-closing transactions and events

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes after the accounts were closed that would materially alter the Group's financial situation.

- **Euris litigation**

Cegedim has just received a summons from Euris stemming from a decision by the Competition Authority announced in 2015. *Cegedim* would like to emphasize that it has appealed the decision and a ruling is still pending at the Court of Cassation.

Outlook

As predicted, 2016 was a transitional year. Implementing the transformation plan adversely affected the Group's profitability. Furthermore, Cegedim's management has appointed a new CEO in the US and has decided to change its approach to two disputes with customers in the US. These changes resulted in the Group signing agreements that led to a conversion of receivables into a significant loss in 2016. Because this loss can't be classified as a special item under IFRS, the EBITDA target will not be met in 2016. It should be close to €60 million.

The business model transformation is well under way, so growth momentum is expected to pick up in 2017 and lead to improving profitability in the future. We expect to see the full impact of the transformation in 2018.

The Group meets all its bank covenants as of December 2016.

The Group does not expect any significant acquisitions in 2017 and does not disclose profit projections or estimates.

- **Potential impact of Brexit**

In 2015, the UK represented 15.1% of consolidated Group revenue and 19.2% of Group EBIT.

Cegedim operates in the UK in local currency, as it does in all the countries where it operates. Thus, the impact on the consolidated Group EBIT margin should be marginal.

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK and expects UK policy to be only marginally affected by Brexit.

- **Quarterly statements**

In 2017, *Cegedim* will only publish half-year and annual results. It will, however, continue to publish quarterly revenues.

The figures cited above include guidance on *Cegedim's* future financial performances. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this press release is issued and naturally entails risks and uncertainty. For more information on the risks facing *Cegedim*, please refer to points 2.4, "Risk factors and insurance", and 3.7, "Outlook", of the 2015 Registration Document filed with the AMF on March 31, 2016, as well as point 2.4, "Risk factors", of the Interim Financial Reports for Q1, Q2, Q3, and Q4 2016.

Financial calendar

March 22, 2017, after market closing	Full year 2016 earnings
March 23, 2017, at 10:00am CET	Analyst meeting (SFAF meeting)
April 27, 2017, after market closing	Q1 2017 revenues

January 26, 2017, at 6:15pm (Paris time)

The Group will hold a conference call hosted by Jan Eryk Umiastowski, Cegedim Chief Investment Officer and Head of Investor Relations.
The webcast is available at the following address: bit.ly/2jTlJub

The Q4 and FY 2016 revenue presentation is available at:

The website: http://www.cegedim.fr/finance/documentation/Pages/presentations.aspx

The Group's financial communications app, Cegedim IR. To download the app, visit:
http://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx

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Annexe

Breakdown of revenue by quarter and division

- **Year 2016**

In € thousands	*Q1*	*Q2*	*Q3*	*Q4*	*Total*
Health insurance, HR and e-services	59,728	64,847	60,607	77,143	262,325
Healthcare professionals	45,687	43,676	41,459	44,404	175,226
Activities not allocated	793	778	770	954	3,295
Cegedim	**106,208**	**109,301**	**102,836**	**122,501**	**440,846**

- **Year 2015**

In € thousands	*Q1*	*Q2*	*Q3*	*Q4*	*Total*
Health insurance, HR and e-services	53,712	57,000	55,453	68,553	234,719
Healthcare professionals	45,931	48,093	43,932	49,282	187,238
Activities not allocated	825	1,100	843	1,433	4,201
Cegedim	**100,468**	**106,193**	**100,228**	**119,268**	**426,158**

Breakdown of revenue by geographic zone and division

- **As of December 31, 2016**

In € thousands	*France*	*EMEA excl. France*	*Americas*	*APAC*
Health insurance, HR and e-services	96.3%	3.7%	-	-
Healthcare professionals	58.9%	32.4%	8.6%	-
Activities not allocated	99.5%	0.5%	-	-
Cegedim	**81.5%**	**15.1%**	**3.4%**	**-**

Breakdown of revenue by currency and division

- **As of December 31, 2016**

In € thousands	*Euro*	*USD*	*GBP*	*Others*
Health insurance, HR and e-services	96.3%	-	2.5%	1.2%
Healthcare professionals	62.2%	8.5%	28.2%	1.1%
Activities not allocated	100.0%	-	-	-
Cegedim	**82.8%**	**3.4%**	**12.7%**	**1.2%**

Restatement of the accounting treatment of the financial lease business in the group consolidated financial statement

Cegelease is a wholly owned subsidiary of Cegedim, which since 2001 has offered financing options through a variety of contracts dedicated to pharmacies and healthcare professionals in France. Initially, these solutions were aimed at serving pharmacists who preferred to lease the pharmacy management software they bought from the Cegedim group rather than pay up front. Over time, Cegelease has diversified its activities. Having started as the exclusive financial lease provider for Cegedim group products, Cegelease is now a broker proposing a variety of leasing solutions (for group products as well as products developed by third parties) to a variety of clients (including clients who are not already in business with other group entities).

After the sale of its CRM and strategic data business to IMS Health, Cegedim investigated these activities in depth and found that they had to be reclassified pursuant to IAS 17 on March 23, 2016, when the 2015 accounts were published. All the impacts on previous accounts are indicated in the 2015 Registration Document filed with the AMF on March 31, 2016, in Chapter 4.4, point 1.3, pages 89 to 94. Impacts on the first, second, third and fourth quarters and on the full year 2015 consolidated financial statements are described below.

- **First quarter 2015 revenue by division**

In € thousand	**Q1 2015 reported**	IFRS 5 impact for Cegedim Kadrige *(1)*	Restatement of leases *(2)*	Division aggregate *(3)*	**Q1 2015 restated**
Health insurance, HR and e-services	54,004	(292)	-	-	53,712
Healthcare professionals	37,187	-	-	8,744	45,931
Cegelease	29,293	-	(20,549)	(8,744)	-
Activities not allocated	825	-	-	-	825
Cegedim	**121,309**	**(292)**	**(20,549)**	**-**	**100,468**

- **Second quarter 2015 revenue by division**

In € thousand	**Q2 2015 reported**	IFRS 5 impact for Cegedim Kadrige *(1)*	Restatement of leases *(2)*	Division aggregate *(3)*	**Q2 2015 restated**
Health insurance, HR and e-services	57,546	(546)	-	-	57,000
Healthcare professionals	39,352	-	-	8,741	48,093
Cegelease	26,842	-	(18,101)	(8,741)	-
Activities not allocated	1,100	-	-	-	1,100
Cegedim	**124,839**	**(546)**	**(18,101)**	**-**	**106,193**

- **Third quarter 2015 revenue by division**

In € thousand	**Q3 2015 reported**	IFRS 5 impact for Cegedim Kadrige *(1)*	Restatement of leases *(2)*	Division aggregate *(3)*	**Q3 2015 restated**
Health insurance, HR and e-services	55,912	(459)	-	-	55,453
Healthcare professionals	36,456	-	-	7,476	43,932
Cegelease	27,208	-	(19,731)	(7,476)	-
Activities not allocated	843	-	-	-	843
Cegedim	**120,419**	**(459)**	**(19,731)**	**0**	**100,228**

- **Fourth quarter 2015 revenue by division**

In € thousand	**Q4 2015 reported**	IFRS 5 impact for Cegedim Kadrige *(1)*	Restatement of leases *(2)*	Division aggregate *(3)*	**Q4 2015 restated**
Health insurance, HR and e-services	69,103	(550)	-	-	68,553
Healthcare professionals	39,139	-	-	10,144	49,282
Cegelease	33,701	-	(23,557)	(10,144)	-
Activities not allocated	1,433	-	-	-	1,433
Cegedim	**143,375**	**(550)**	**(23,557)**	**0**	**119,268**

- **Full year 2015 revenue by division**

In € thousand	**FY 2015 reported**	IFRS 5 impact for Cegedim Kadrige *(1)*	Restatement of leases *(2)*	Division aggregate *(3)*	**FY 2015 restated**
Health insurance, HR and e-services	236,564	(1,846)	-	-	234,719
Healthcare professionals	152,134	-	-	35,105	187,238
Cegelease	117,043	-	(81,938)	(35,105)	-
Activities not allocated	4,201	-	-	-	4,201
Cegedim	**509,942**	**(1,846)**	**(81,938)**	**0**	**426,158**

(1) The Cegedim Group decided to sell the Kadrige activities. These activities are thus isolated in separate lines of the profit and loss statement and balance sheet, according to the IFRS 5 accounting standard.

(2) The correct accounting treatment of the Cegelease finance lease business, for all types of contracts (self-financed, sold except process management, or backed by a bank), requires a downward restatement of the Q1 2015 consolidated revenue by €21m, the Q2 2015 consolidated revenue by €18m, the Q3 2015 consolidated revenue by €20m and the Q4 2015 consolidated revenue by €24m.

(3) The financial lease business accounts for less than 10% of the consolidated revenue or EBITDA, and as such is no longer isolated within the Group internal reporting. These activities are reported into the "Healthcare professionals" division, where they were classified prior to the 2014 annual closing.

Glossary

Activities not allocated: 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.

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 before special items: 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.

EBIT margin: defined as the ratio of EBIT/revenue.

EBIT margin before special items: defined as the ratio of EBIT before special items/revenue.

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

The English-language version of this document is a free translation of the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of the information, views or opinions expressed herein, the original language version of the document in French takes precedence over this translation.

About Cegedim:

Founded in 1969, Cegedim is an innovative technology and services company in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals. Cegedim employs more than 4,000 people in 11 countries and generated revenue of €441 million in 2016. Cegedim SA is listed in Paris (EURONEXT: CGM).
To learn more, please visit: www.cegedim.com
And follow Cegedim on Twitter: @CegedimGroup

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