PRESS RELEASE

Quarterly Financial Information as of June 30, 2017
IFRS - Regulated Information - Audited

Cegedim returned to positive revenue and margin growth in the first half of 2017

- The business model transformation continues, in line with Group expectations
- Like-for-like revenues rose 6.4%
- EBITDA grew by 23.6%
- FY 2017 revenue target revised upward

Disclaimer: This press release is available in French and in English. In the event of any difference between the two versions, the original French version takes precedence. This press release may contain inside information. It was sent to Cegedim's authorized distributor on September 21, no earlier than 5:45 pm Paris time.
The following terms "business model transformation" and "BPO" are defined in the Glossary.
Starting June 30, 2017, the Group has decided to implement recommendation ANC 2013-03 of France's national accounting standards board, which allows companies to incorporate the income of equity-accounted affiliates in the consolidated operating result. Cegedim's 2016 financial statements have been restated as indicated in the accounting principles of our Half-Year Report.

CONFERENCE CALL ON SEPTEMBER 21, 2017, AT 6:15PM CET
FR: +33 1 72 72 74 03 | **USA:** +1 844 286 0643 | **UK:** +44 (0) 207 1943 759 | **PIN Code:** 10752768#
The webcast is available at the following address: http://bit.ly/2h5UFFO

Boulogne-Billancourt, France, September 21, 2017 after the market close

Cegedim, **an innovative technology and services company, posted consolidated H1 2017 revenues of €230.6 million, up 7.0% on a reported basis and 6.4% like for like compared with the same period in 2016. EBITDA came to €33.2 million in the first half of 2017, up 23.6% year on year. EBITDA margin improved to 14.4% in H1 2017, compared with 12.5% a year earlier.**

The business model transformation that began in fall 2015 is starting to pay off, with more rapid like-for-like revenue growth and a return to EBITDA margin improvement in the first half of 2017.

Both operating divisions increased their revenues at comparable exchange rates and Group structure. Revenue grew by 9.8% at the *Health insurance, HR and e-services* division and 1.4% at the *Healthcare professionals* division.

Most of the EBITDA growth came from the *Healthcare professionals* division, which made an impressive recovery with the help of a favorable comparison. The *Health insurance, HR and e-services* division posted a marginal increase in EBITDA owing to the short-term headwinds of switching products over to SaaS and launching several new BPO offerings.

The business transformation plan, the development of BPO services, the switch to SaaS formats, and R&D efforts will result in greater customer loyalty, closer client relationships, simpler operating processes, more robust offerings and stronger geographic positions. The transformation is now well under way, so its full impact is likely to materialize in 2018.

Simplified income statement

	H1 2017		H1 2016		Chg.
	€m	%	€m	%	%
Revenue	**230.6**	100.0	**215.5**	100.0	**+7.0%**
EBITDA	**33.2**	14.4	**26.8**	12.5	+23.6%
Depreciation	**(19.6)**	(8.5)	**(16.4)**	(7.6)	+19.1%
EBIT before special items	**13.6**	5.9	**10.4**	4.8	**+30.6%**
Special items	**(11.7)**	(5.1)	**(3.7)**	(1.7)	+214.1%
EBIT	**1.9**	0.8	**6.7**	3.1	**(72.0)%**
Cost of net financial debt	**(3.3)**	(1.4)	**(23.9)**	(11.1)	(86.3)%
Tax expenses	**(2.3)**	(1.0)	**(1.7)**	(0.8)	+36.8%
Consolidated profit from continuing activities	**(3.7)**	(1.6)	**(19.0)**	(8.8)	**(80.2)%**
Net earnings from activities held for sale	**-**	-	**(0.8)**	(0.4)	-
Profit attributable to the owners of the parent	**(3.8)**	**(1.6)**	**(19.8)**	**(9.2)**	**(81.0)%**
EPS before special items	**0.0**	-	**(1.1)**	-	(101.9)%
Earnings per share	**(0.3)**	-	**(1.4)**	-	(81.0)%

Consolidated revenues for the first half of 2017 amounted to €230.6 million, a 7.0% increase as reported. Excluding an unfavorable currency translation effect of 1.2% and a 1.8% boost from acquisitions, revenues rose 6.4%.
Both of the divisions grew their like-for-like revenues. *Health insurance, HR and e-services* division revenues rose by 9.8%, and *Healthcare professionals* division revenues rose by 1.4%.

EBITDA rose €6.3 million, or 23.6%, to €33.2 million. The margin also rose, from 12.5% in the first half of 2016 to 14.4% in the first half of 2017. The EBITDA performance was chiefly the result of higher personnel costs and external costs stemming from recruitment and interim staff brought on to help migrate products over to SaaS formats and develop new offerings.

Depreciation and amortization costs rose €3.1 million to €19.6 million in the first half of 2017 compared with €16.4 million in the first half of 2016. Most of the increase was due to the amortization of €2.1 million of R&D expenses over the period.

EBIT from recurring operations rose €3.2 million in the first half of 2017, or 30.6%, to €13,6 million. The margin improved to 5.9% in the first half of 2017 from 4.8% in the first half of 2016.

Exceptional items amounted to an €11.7 million charge in H1 2017 compared with a €3.7 million charge a year earlier. The increase was mainly attributable to the impact of accelerated amortization of intangible fixed assets in the US amounting to €8.5 million. Without the accelerated amortization, exceptional items at June 2017 would have been virtually the same as at June 2016.

Net cost of financial debt fell by €20.6 million, or 86.3%, to €3.3 million in the first half of 2017 compared with €23.9 million a year earlier. The decline reflects the positive impact of refinancing carried out in the first half of 2016.

Tax costs came to €2.3 million in H1 2017, compared with a €1.7 million charge in H1 2016. The increase was chiefly due to better earnings at French subsidiaries whose results are consolidated with those of Cegedim for tax purposes.

Thus, **the consolidated net result from continuing activities** came to a loss of €3.7 million at June 30, 2017, compared with a loss of €19.0 million in the year-earlier period. **Net profit before special items** came to €0.0 loss per share in the first half of 2017, compared with a €1.1 loss a year earlier. **Earnings per share** were a €0.3 loss compared with a €1.4 loss for the same period in 2016.

Analysis of business trends by division

- **Key figures per division**

	Revenue		EBIT before special items		EBITDA	
In € million	*H1 2017*	*H1 2016*	*H1 2017*	*H1 2016*	*H1 2017*	*H1 2016*
Health insurance, HR and e-services	140.3	124.6	8.8	10.6	18.1	17.9
Healthcare professionals	88.4	89.4	8.0	2.0	15.4	8.5
Activities not allocated	2.0	1.6	(3.2)	(2.2)	(0.3)	0.5
Cegedim	**230.6**	**215.5**	**13.6**	**10.4**	**33.2**	**26.8**

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

The division's H1 2017 revenues rose €15.7 million, or 12.6%, to €140.3 million, compared with €124.6 million in the first half of 2016. Currency translation had a negative impact of 0.3%. The November 2016 *Futuramedia* acquisition in France made a positive contribution of 3.1%. Like-for-like revenues rose 9.8% over the period.
The *Health insurance, HR and e-services* division represented 60.8% of consolidated revenues, compared with 57.8% over the same period a year earlier.
EBITDA rose marginally in the first half of 2017, up €0.3 million or 1.4%, to €18.1 million, compared with €17.9 million in the first half of 2016.
EBITDA margin was 12.9% in H1 17, a decrease from the 14.3% generated in H1 2016.

This significant H1 2017 revenue growth, combined with slight EBITDA growth, was chiefly attributable to:

- Continued double-digit growth at *Cegedim SRH*, as work began with several new clients of the SaaS platform for HR management, which is temporarily impeding margin improvement.
- Strong sales momentum leading to the start of work with several new clients of the SaaS platform for electronic data exchange, *Global Information Services*, including payment and process digitalization platforms. *Cegedim e-business* posted double-digit revenue growth combined with strong improvement in profit margins.
- Double-digit growth in *iGestion* BPO activities for health insurers and mutual insurers. These launches are having a negative short-term effect on profitability.
- The continuation of positive trends – seen for several quarters now – in revenues of third-party payment processing services. On the other hand, developing products and services aimed at hospitals is having a negative short-term effect on profitability.
- Modest growth in software and services for the personal insurance market, despite the impact of switching to the SaaS format. However, the transition is having a negative short-term effect on the business' profitability.

- **Healthcare professionals**

The division's H1 2017 revenues fell by €1.0 million, or 1.1%, to €88.4 million, compared with €89.4 million in the first half of 2016. Currency effects had a negative impact of 2.5%. There was virtually no impact from acquisitions or divestments. Like-for-like revenues rose 1.4% over the period.
The *Healthcare professionals* division represented 38.3% of consolidated Group revenues, compared with 41.5% over the same period a year earlier.
EBITDA grew by €6.8 million, or 80.2%, to €15.4 million in the first half of 2017, compared with €8.5 million in the first half of 2016.
EBITDA margin was 17.4% in H1 17, up from the 9.5% generated in H1 2016.

This robust first-half performance was chiefly attributable to:

- The *Pulse* doctor computerization and revenue cycle management (RCM) business in the US. RCM is a BPO-type business and is growing rapidly, with double-digit growth over the first half. In spite of the strong development, EBITDA grew substantially owing to a favorable comparison.
- Robust revenue and profit growth in the computerization of doctors in France, Belgium and Spain.
- Good revenue and profit at the financial lease business, *Cegelease*.
- A brisk business in computerizing nurses, physical therapists, speech therapists, orthoptists, midwives and podiatrists in France.
- Renewed revenue growth in the second quarter for the computerization of pharmacists in France thanks to the new *Smart Rx* offering launched last year. The EBITDA trend is encouraging.

This performance was partly offset by a decline in revenue and profitability for the computerization of doctors in the UK pending the release of a full SaaS version of that product. The first few modules were launched at the start of the year and have been very well received by the market.

- **Activities not allocated**

The division's H1 2017 revenues rose €0.4 million, or 26.2%, to €2.0 million, compared with €1.6 million in the first half of 2016. There were no currency impacts, and no acquisitions or divestments.
The *Activities not allocated* division represented 0.9% of consolidated revenues, compared with 0.7% over the same period a year earlier.
EBITDA fell by €0.8 million, or 167.6%, to a loss of €0.3 million in the first half of 2017, compared with a €0.5 million profit in the first half of 2016.
The negative EBITDA trend was principally due to the impact of rent charges related to moving the corporate headquarters in 2016.

Financial resources

At 30 June, 2017, *Cegedim's* consolidated total balance sheet amounted to €702.1 million.

Acquisition goodwill amounted to €201.0 million at June 30, 2017, compared with €199.0 million at December 31, 2016. The €2.0 million increase, or 1.0%, was mainly due to the €3.1 million acquisitions of *B.B.M. Systems* and *Adaptive Apps* in the UK. The €3.1 million was partly offset by the euro's appreciation against certain foreign currencies, notably the Pound Sterling for €0.8 million. Acquisition goodwill represented 28.6% of the total balance sheet at June 30, 2017, compared with 28.1% at December 31, 2016.

Cash and equivalents came to €18.1 million at June 30, 2017, a decrease of €2.7 million compared with December 31, 2016. The decline was principally due to the generation of €34.1 million in cash from operations before the net cost of financial debt and tax, the payment of €2.2 million in tax, a €3.8 million reduction of WCR, and the generation of €3.9 million in cash from financing operations, mainly from drawing upon the revolving credit facility. These developments were partially offset by €41.9 million in cash disbursements related to investment transactions.

Shareholders' equity fell by €5.4 million, i.e. 2.8%, to €183.6 million at June 30, 2017, compared with €188.9 million at December 31, 2016. Shareholders' equity represented 26.1% of the total balance sheet at end-June 2017, compared with 26.6% at end-December 2016.

Net financial debt amounted to €237.0 million at end-June 2017, up €10.2 million compared with end-December 2016. It represented 129.1% of Group shareholders' equity at June 30, 2017, compared with 120.0% at December 31, 2016.

After the net cost of financial debt and taxes, cash flow was €28.4 million at June 30, 2017, compared with €3.6 million at June 30, 2016.

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.

- **Non-recourse factoring agreement**

On May 22, 2017, the Group signed a factoring agreement with a French bank. The non-recourse agreement covers aggregated total receivables of €38.0 million. The operating units involved in the arrangement are *Cegedim SA*, *Cegedim Activ*, *Cegedim SRH* and *CETIP*. The factoring agreement is open-ended, but either party may terminate it at any time, subject to a three-month notice period.

It applies to trade receivables denominated in euros payable by clients located in France. The amount of trade receivables sold under the agreement came to €18.8 million at June 30, 2017.

- **Partial interest rate hedging**

To hedge part of its exposure to euro interest rate fluctuations arising from its RCF, the Group carried out an interest rate swap on February 17, 2017. Under the zero-premium swap agreement, *Cegedim* receives the 1-month Euribor rate if it exceeds 0%, receives nothing otherwise, and pays a fixed rate of 0.2680% for a notional amount of €50 million, starting on February 28, 2017, and maturing February 26, 2021.

To hedge part of its exposure to euro interest rate fluctuations arising from its RCF, the Group carried out an interest rate swap on May 11, 2017. Under the zero-premium swap agreement, *Cegedim* receives the 1-month Euribor rate if it exceeds 0%, receives nothing otherwise, and pays a fixed rate of 0.2750% for a notional amount of €30 million, starting on May 31, 2017, and maturing December 31, 2020.

- **GIE Isiaklé**

As part of the BPO contract *Cegedim* signed with the Klesia group in September 2016, the two companies created an economic interest group (GIE), held 50/50. In January 2017, *Cegedim* lent Isiaklé €9 million for a period of 10 years at an interest rate of 1m Euribor plus a margin of 1.1%. Isiaklé will use the loan to purchase from Klesia a €9 million software package necessary for it to perform its services. The GIE is accounted for in *Cegedim's* consolidated accounts using the equity method.

- **Tessi litigation**

On February 10, 2017, *Cegedim* was ordered to pay €4,636,000 to the Tessi company for failing to meet certain obligations with respect to an asset sale made on July 2, 2007.

Cegedim has decided to appeal this decision.

- **Acquisition of B.B.M. Systems in the UK**

On February 23, 2017, *Cegedim* acquired UK company *B.B.M. Systems* through its *Alliadis Europe Ltd* subsidiary. The deal strengthens the Group's expertise in developing cloud-based products for general practitioners.

B.B.M. Systems had 2016 revenues of around €0.7 million and earned a profit. It contributes to the Group's scope of consolidation from March 1, 2017.

- **Changes to Cegedim SA's Board of Directors**

In March 2017, in keeping with the wishes of Bpifrance, Ms. Anne-Sophie Hérelle has been appointed to replace Ms. Valérie Raoul-Desprez on the Board of Directors. The permanent representative of Bpifrance, is now Ms. Marie Artaud-Dewitte, Deputy Head of Legal Affairs at Bpifrance Investissements. She replaces Ms. Anne-Sophie Hérelle.

- **Acquisition of Adaptive Apps in the UK**

On May 3, 2017, Cegedim acquired UK company Adaptive Apps through its In Practice Systems Limited subsidiary. The deal strengthens the Group's expertise in developing cloud-based and mobile products for healthcare professionals.

Adaptive Apps had 2016 revenues of around €1.5 million and earned a profit. It contributes to the Group's scope of consolidation from May, 2017.

- **Euris litigation**

Cegedim, jointly with IMS Health, is being sued by Euris for unfair competition. *Cegedim* has filed a motion claiming that IMS Health should be the sole defendant. After consulting with its external legal counsel, the Group has decided not to record any provisions.

Significant post-closing transactions and events

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

- **Tessi litigation**

On July 21, 2017, *Cegedim* paid €4,636,000 to the Tessi company to comply with a court ruling of February 10, 2017.

Cegedim has decided to appeal this decision. The appeal is currently under way

- **Cegelease contemplated disposal**

As part of the business model transformation plan that the Group initiated in fall 2015, Cegedim is contemplating divestment of its *Cegelease* and *Eurofarmat* subsidiaries. These subsidiaries operate principally in the financial domain, are highly valued, and require additional resources to continue pursuing and accelerating their development for the benefit of their clients and employees.

The two businesses have 24 employees in France. In 2016 they contributed €5.4 million to Group consolidated EBITDA. The subsidiaries' standalone EBITDA amounted to €18.1 million in 2016.

If the Group receives satisfactory offers and is able to obtain the necessary approvals, it plans to close the deal in the second half of 2017. The Group in no way guarantees that a deal will be carried out.

A successful sale would give the Group a portfolio of businesses that fit well together and generate strong synergies. *Cegedim* is not planning any further divestments.

Assisting *Cegedim* on this transaction are the consulting firm of Ohana & Co and the law firm of Freshfields Bruckhaus Deringer.

Outlook

Cegedim continues to reinvent itself in 2017, pursuing innovation and investing in the future by transforming its business model. The business model transformation is well under way, so growth momentum is expected to continue and lead to improving profitability in the future.

As a result, for FY 2017, *Cegedim* had expected:

- Like-for-like revenue growth between 4.0% and 6.0%.
- EBITDA in a range of €66.0 million to €72.0 million inclusive.

Based on its H1 2017 performances, the Group reiterates its EBITDA forecast and is raising its outlook for like-for-like revenue growth, which is likely to be slightly above the previously announced forecast range.

Cegedim expects to see the full positive impact of its investments, reorganization and transformation in 2018.

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

- **Potential impact of Brexit**

In 2016, the UK accounted for 12.7% of consolidated Group revenues and 14.8% of consolidated Group EBIT.

Cegedim deals in local currency in the UK, as it does in every country where it is present. Thus Brexit is unlikely to have a material impact on Group EBIT.

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.

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 2016 Registration Document filed with the AMF on March 29, 2017, under number D.17-0255.

Financial calendar

September 22, 2017, at 2:30 pm	Half-year 2017 earnings
October 26, 2017, after market closing	Analyst meeting (SFAF)
December 12, 2017	Investor Day

September 21, 2017, at 6:15pm (Paris time)

The Group will hold a conference call in English hosted by Jan Eryk Umiastowski, Cegedim Chief Investment Officer and Head of Investor Relations.
The webcast is available at the following address: http://bit.ly/2h5UFFO

The HY 2017 Earnings 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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Additional information

The Audit Committee met on September 18, 2017, and the Board of Directors met on September 21, 2017, to review the first half of 2017 consolidated financial statements. The statutory auditors conducted a limited review of these financial statements. The statutory auditors' report is dated September 21, 2017.

The interim financial report for the first half of 2016 is available:

- on our website

In French: http://www.cegedim.fr/finance/documentation/Pages/rapports.aspx

In English: http://www.cegedim.com/finance/documentation/Pages/reports.aspx

- on Cegedim IR. the Group's financial communications app in English and French

To download the app. visit http://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx.

Appendices

Balance sheet as June 30, 2017

- **Assets as of June 30, 2017**

In thousands of euros	*06.30.2017*	*12.31.2016*
Goodwill on acquisition	**200,958**	**198,995**
Development costs	34,927	12,152
Other intangible fixed assets	103,225	127,293
Intangible fixed assets	**138,153**	**139,445**
Property	544	459
Buildings	4,376	4,712
Other tangible fixed assets	28,517	26,548
Construction work in progress	292	508
Tangible fixed assets	**33,729**	**32,227**
Equity investments	1,098	1,098
Loans	12,495	3,508
Other long-term investments	6,116	4,126
Long-term investments – excluding equity shares in equity method companies	**19,709**	**8,733**
Equity shares in equity method companies	10,006	9,492
Government – Deferred tax	27,320	28,784
Accounts receivable: Long-term portion	29,737	29,584
Other receivables: Long-term portion	-	0
Financial instruments	781	-
Non-current assets	**460,392**	**447,260**
Services in progress	-	1,034
Goods	7,924	6,735
Advances and deposits received on orders	2,603	1,773
Accounts receivables: Short-term portion	147,870	167,361
Other receivables: Short-term portion	50,760	53,890
Cash equivalents	8,000	8,000
Cash	10,074	12,771
Prepaid expenses	14,525	10,258
Current Assets	**241,756**	**261,823**
Total Assets	**702,148**	**709,082**

- **Liabilities and shareholders' equity as of June 30, 2017**

In thousands of euros	***06.30.2016***	***12.31.2016***
Share capital	13,337	13,337
Group reserves	178,452	204,723
Group exchange gains/losses	(4,455)	(2,391)
Group earnings	(3,767)	(26,747)
Shareholders' equity. Group share	**183,567**	**188,921**
Minority interests (reserves)	(23)	9
Minority interests (earnings)	19	14
Minority interests	(4)	23
Shareholders' equity	**183,562**	**188,944**
Long-term financial liabilities	250,969	244,013
Long-term financial instruments	2,010	1,987
Deferred tax liabilities	6,162	6,453
Non-current provisions	24,175	23,441
Other non-current liabilities	14,607	13,251
Non-current liabilities	**297,922**	**289,145**
Short-term financial liabilities	4,094	3,582
Short-term financial instruments	7	11
Accounts payable and related accounts	55,618	62,419
Tax and social liabilities	72,444	78,810
Provisions	2,657	3,297
Other current liabilities	85,843	82,874
Current liabilities	**220,663**	**230,993**
Total Liabilities	**702,148**	**709,082**

Income statements as of June 30, 2017

In thousands of euros	***06.30.2017***	***06.30.2016***
Revenue	**230,618**	**215,509**
Purchased used	(16,578)	(16,966)
External expenses	(66,425)	(63,290)
Taxes	(4,223)	(3,684)
Payroll costs	(109,817)	(103,670)
Allocations to and reversals of provisions	(1,476)	(2,454)
Change in inventories of products in progress and finished products	-	-
Other operating income and expenses	(416)	240
Income of equity-accounted affiliates (1)	1,493	1,158
EBITDA	**33,177**	**26,843**
Depreciation expenses	(19,589)	(16,443)
Operating income before special items	**13,588**	**10,401**
Depreciation of goodwill	-	-
Non-recurrent income and expenses	(11,719)	(3,731)
Other exceptional operating income and expenses	**(11,719)**	**(3,731)**
Operating income	**1,870**	**6,669**
Income from cash and cash equivalents	294	974
Gross cost of financial debt	(4,372)	(25,458)
Other financial income and expenses	811	634
Cost of net financial debt	**(3,267)**	**(23,851)**
Income taxes	(1,173)	(530)
Deferred taxes	(1,176)	(1,187)
Total taxes	**(2,349)**	**(1,717)**
Share of profit (loss) for the period of equity method companies	(1)	(76)
Profit (loss) for the period from continuing activities	(3,748)	(18,974)
Profit (loss) for the period from discontinued activities	-	(826)
Consolidated profit (loss) for the period	(3,748)	(19,801)
Consolidated Net income (loss) attributable to owners of the parent	**(3,767)**	**(19,775)**
Minority interests	19	(26)
Average number of shares excluding treasury stock	13,975,365	13,953,978
Current Earnings Per Share (in euros)	**(0.0)**	**(1.1)**
Earnings Per Share (in euros)	**(0.3)**	**(1.4)**
Dilutive instruments	None	None
Earning for recurring operation per share (in euros)	**(0.3)**	**(1.4)**

(1) Restatement of the Income of equity-accounted affiliates

In thousands of euros	***06.30.2017 reported***	*Income of equity-accounted affiliates*	*06.30.2016 restated*
EBITDA	25,685	1,158	26,843
Operating income before special items	9,243	1,158	10,401
Operating income	5,511	1,158	6,669

Consolidated cash flow statement as of June 30, 2017

In thousands of euros	***06.30.2017***	***06.30.2016***
Consolidated profit (loss) for the period	(3,748)	(19,801)
Share of earnings from equity method companies	(1,492)	(1,082)
Depreciation and provisions	33,941	24,511
Capital gains or losses on disposals	(266)	(38)
Cash flow after cost of net financial debt and taxes	**28,435**	**3,591**
Cost of net financial debt	3,267	23,854
Tax expenses	2,349	1,722
Operating cash flow before cost of net financial debt and taxes	**34,051**	**29,167**
Tax paid	(2,212)	(2,251)
Change in working capital requirements for operations: requirement	-	(10,638)
Change in working capital requirements for operations: surplus	3,810	-
Cash flow generated from operating activities after tax paid and change in working capital requirements (A)	**35,650**	**16,278**
Of which net cash flows from operating activities of held for sales	-	*(224)*
Acquisitions of intangible assets	(23,897)	(20,976)
Acquisitions of tangible assets	(5,849)	(7,811)
Acquisitions of long-term investments	-	-
Disposals of tangible and intangible assets	225	492
Disposals of long-term investments	464	-
Change in loans made and cash advance	(9,812)	(130)
Impact of changes in consolidation scope	(3,008)	(1,448)
Dividends received from outside Group	-	-
Net cash flows generated by investment operations (B)	**(41,878)**	**(29,872)**
Of which net cash flows connected to investment operations of activities held for sales	-	*(9)*
Dividends paid to parent company shareholders	-	-
Dividends paid to the minority interests of consolidated companies	(13)	(17)
Capital increase through cash contribution	-	-
Loans issued	10,500	169,000
Loans repaid	(3,106)	(340,262)
Interest paid on loans	(2,963)	(30,491)
Other financial income and expenses paid or received	(468)	(566)
Net cash flows generated by financing operations (C)	**3,950**	**(202,337)**
Of which net cash flows related to financing operations of activities held for sales	-	-2
Change In Cash without impact of change in foreign currency exchange rates (A + B + C)	**(2,279)**	**(215,930)**
Impact of changes in foreign currency exchange rates	(420)	(845)
Change in cash	**(2,699)**	**(216,775)**
Opening cash	20,722	228,120
Closing cash	18,024	11,345

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.

BPO (Business Process Outsourcing): BPO is the contracting of non-core business activities and functions to a third-party provider. Cegedim provides BPO services for human resources, Revenue Cycle Management in the US and management services for insurance companies, provident institutions and mutual insurers.

Business model transformation: Cegedim decided in fall 2015 to switch all of its offerings over to SaaS format, to develop a complete BPO offering, and to materially increase its R&D efforts. This is reflected in the Group's revamped business model. The change has altered the Group's revenue recognition and negatively affected short-term profitability

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: Operating expenses is 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 (L-f-l): 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.

Adjusted EBITDA : Consolidated EBITDA adjusted, for 2016, for the €4.0m of negative impact from impairment of receivables in the Healthcare Professional division

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

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

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

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