cegedim

Annual Report 2009

Including Reference Document

At the heart of decision-making and performance

Public Limited company
With a capital of 13 336 506.43 €
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2009 Reference Document

Hard copies of the Reference Document are available at
Cegedim S.A., 127 à 137, rue d'Aguesseau, 92100 Boulogne-Billancourt,
Or on the Cegedim S.A. web site: www.cegedim.com

The French language version of this *Document de Référence* (Reference Document) was filed with the *Autorité des Marchés Financiers* (French Financial Markets Authority – AMF) on April 26, 2010 in accordance with the provisions of Article 212-13 of its general regulations.

The present Reference Document was established by the issuer and the responsibility of its signatories is binding.

The French language version of this *Document de Référence* (Reference Document) may be used in support of a financial operation if it is completed by a prospectus approved by the *Autorité des Marchés Financiers.*

This document was printed on recycled paper.
This concrete measure is in line with the Cegedim Compact, the sustainable development program of Cegedim Group.

WARNING

Certain information other than historical contained in this Reference Document may concern objectives, projected data or unaudited financial projections. This information is sometimes identified by the use of the future or conditional tense and terms such as “expect”, “may”, “assume”, “intend to”, “consider”, “anticipate”, as well as other similar terms. This data is subject to risks and contingencies that may subsequently be expressed by actual data that is substantially different. By nature, it is possible that these objectives will not be achieved, and the prospective items on which they are based may prove partially or completely erroneous.

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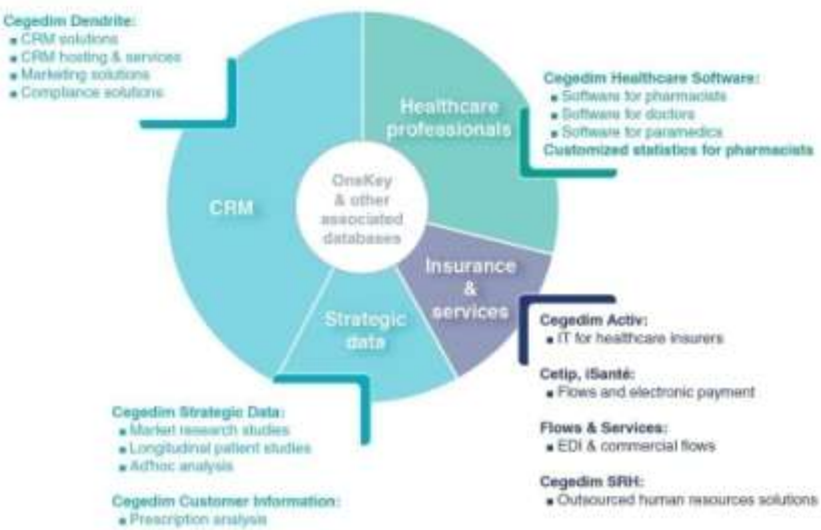
Corporate overview

Our Activities

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, pharmaceutical companies, healthcare professionals and insurance companies.

Cegedim Group's expertise lies in the three following sectors:

I CRM and strategic data I Healthcare professionals I Insurance and services

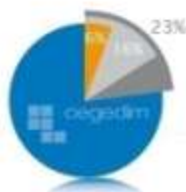


Our customers

CRM and strategic data
- Pharmaceutical companies
- Government
- University

Healthcare professionals
- Doctors
- Paramedics
- Pharmacists

Insurance and services
- Insurers
- Health mutuals



Revenues

- First client
- Top 5 clients
- Top 10 clients

Our Key Strenghts

Global Presence

Largest hosting facilities in the CRM Pharma Industry

The spirit of innovation

- Capacity to respond to global and local client need
- Around 1,300 employees (55% in R&D, 34% in Implementation, 11% in Quality Assurance / 30% in France, 24% in India,16% in US, 30% RoW)
- R&D around 7%, of Group Revenue and 15% of workforce

OneKey: THE number one worldwide database

- THE unique global healthcare professional database
- More than 6 million healthcare professionals including influential links
- Soon will exceed 8 million with China and the SK&A acquisition
- Update procedure: ISO 9001 certified

CRM and strategic data

CRM for medical reps
- Cegedim Dendrite

Mobile Intelligence - TEAMS
Target - Trends

Business Intelligence
- Reportive

Market research studies
- Cegedim Strategic Data

Sales force optimization
- Itops

Sales statistics for pharmaceutical products
- Cegedim sales statistics
- Cegers
- Infosanté

Prescription analysis
- Cegedim Customer Information

Icomed - DocScan - Physician Connect

Corporate databases and associated services
- Cegedim Communication Directe

Printing and package inserts
- Pharmapost

Medical sample management
- Pharmastock

3S -Tracere

OneKey & other associated databases

Insurances and services

Insurances, electronic payment and health

Computerization of insurers and healthcare mutuals
- Cegedim Activ - Protectia

Healthcare billing and payment flows
- Cetip
- iSanté

Other services

Electronic data interchange
- Cegedim EDI
- Hospitalis
- Qualitrans-Telepharma

Outsourced payroll and human resources management
- Cegedim SRH

Hosting, services and Internet
- Cegedim hosting
- PCO Cegedim

Healthcare professionals

Cegedim Healthcare Software

Software for pharmacists and paramedics
- Alliadis
- RM Ingénierie
- Cegedim Rx

Software for doctors - Healthcare networks - France
- Cegedim Logiciels Médicaux
- AGDF Cegedim RS
- RESIP - Banque Claude Bernard

Software for doctors - International
- In Practice Systems
- HDMP
- Millennium
- Stacks

Intranet and healthcare portal
- Santesurf

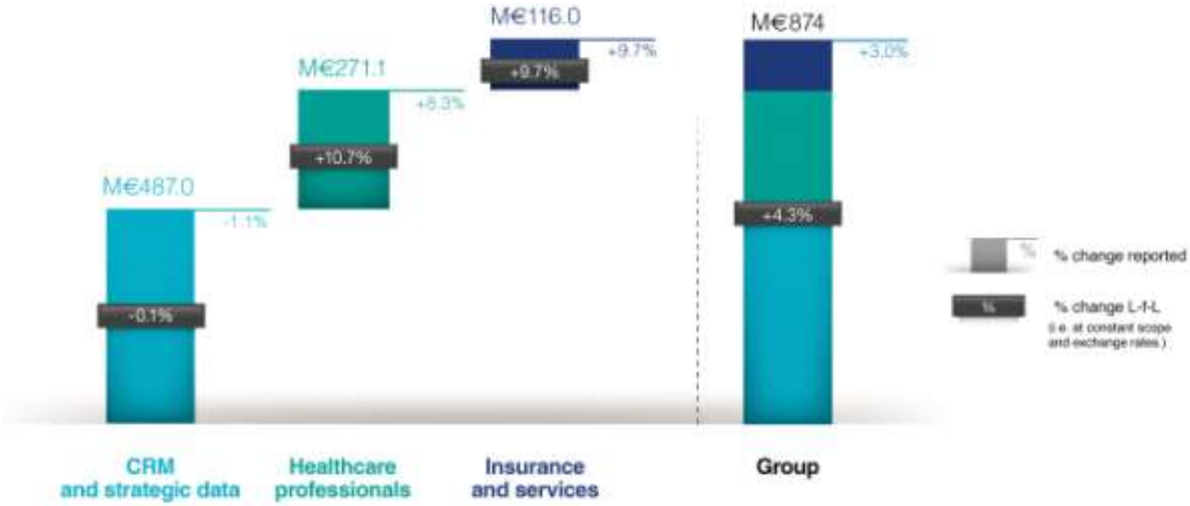
Promotional information
- RNP
- MedExact

Customized statistics for pharmacists
- Santestat

Professional databases
- Rosenwald

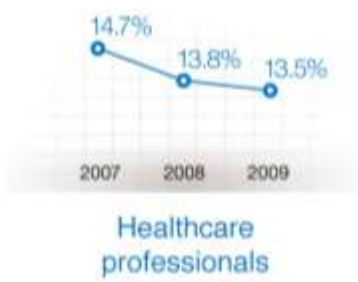
Medical financial leasing
- Cegelease

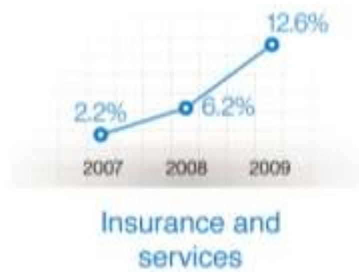
Financial snapshot



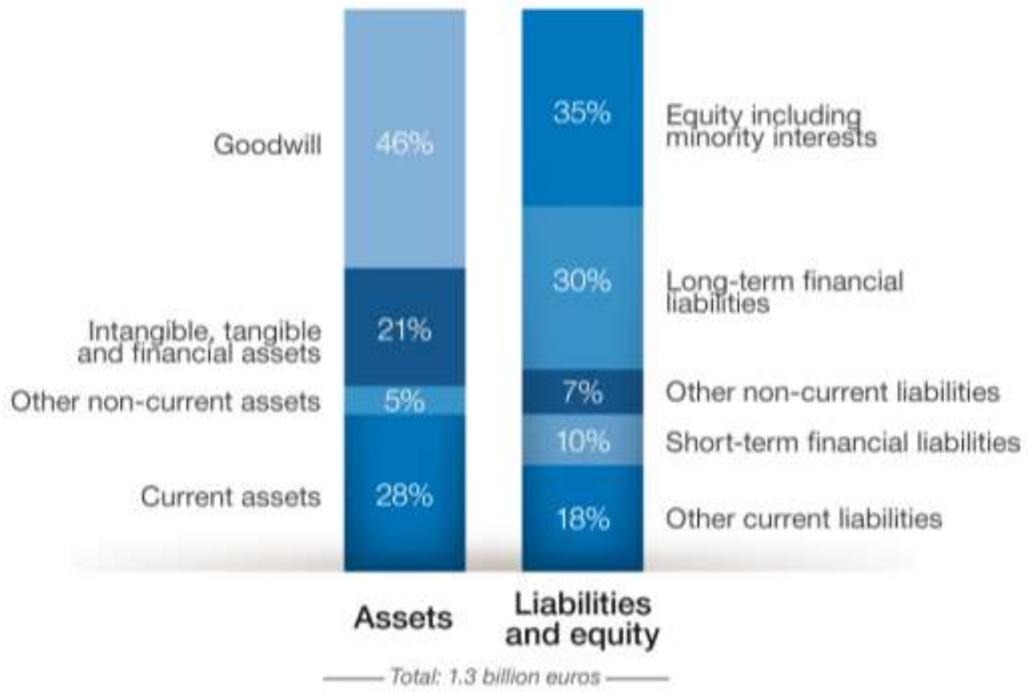
Margin (audited)	Breakdown EBIT 2009	Operating 2009	Operating 2008	Ordinary 2009	Ordinary 2008	Restated 2009*
CRM and strategic data	41%	10.2%	11.2%	12.4%	11.3%	12.9%
Healthcare professionals	44%	13.5%	13.7%	13.5%	13.8%	13.9%
Insurances and services	15%	11.8%	5.2%	12.6%	6.2%	13.1%
Group in %		**11.4%**	**10.6%**	**12.8%**	**11.4%**	**13.2%**
in M€		99.8	90.2	111.5	96.6	115.5

Margin evolution by sector

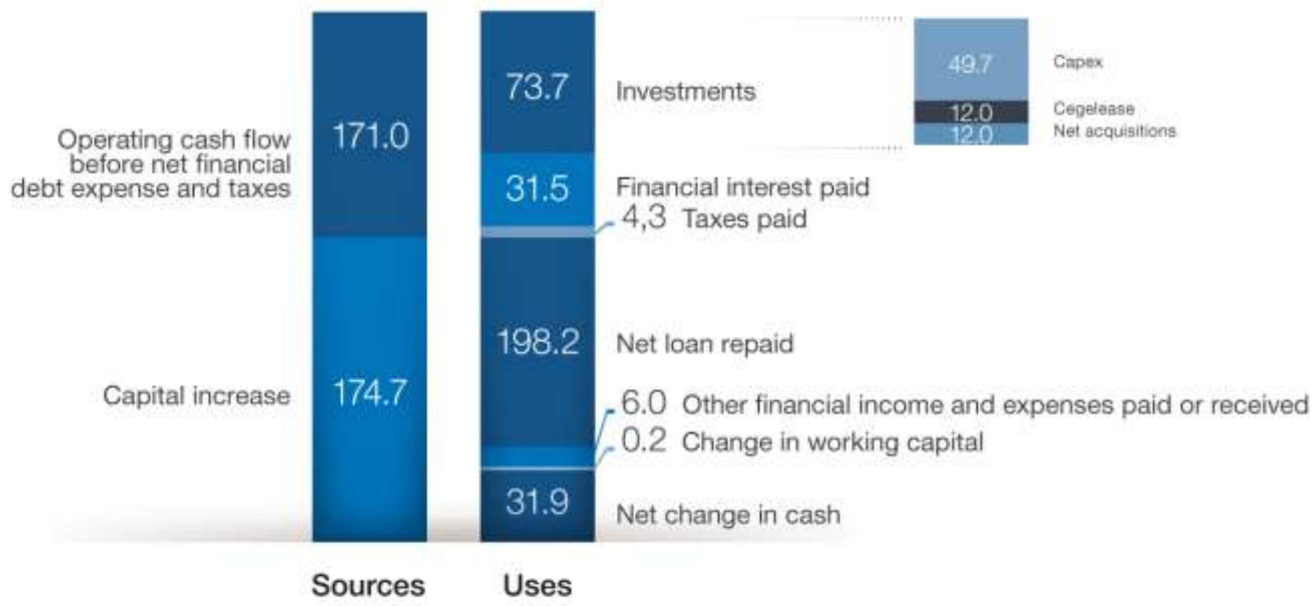




Balance sheet



Cash Flow



History

Boulogne-Billancourt, France

Chesapeake, United States

2010
Cegedim employs 8,600 people in more than 80 countries. International activities represent about 50% of full-year revenue. *OneKey*, the database of choice for healthcare professionals around the world is available in 73 countries.

2009
Cegedim successfully completed a €180.5 million capital increase to boost its external growth dynamics. In doing so, the Strategic Investment Funds (Fonds Stratégique d'Investissement - FSI) has become the Group's number 2 shareholder with 15% of the capital.

2007
Cegedim announces the acquisition of the American company Dendrite International and becomes the world leader in Pharmaceutical CRM. With the broadest and best R&D structure dedicated to this highly specific sector, Cegedim shows a unique ability to optimize promotional investments for its customers.

2006
Cegedim revenue exceeds €500 million.

1999
Computerization of health insurance and mutual companies.

1995
Cegedim has been listed on the Paris second market and is now listed on NYSE Euronext Paris, compartment B.

1994
Start of doctors' computerization offers in France and promotional activities dedicated to doctors and pharmacists. Launch of human resources management activities.

1991
Launch of the first platform of electronic data interchange.

1990
International expansion begins.

1979
Launch of CRM activities in France.

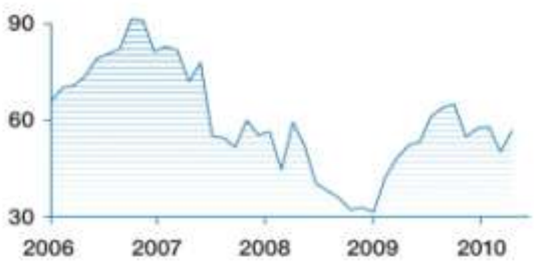
1969
Jean-Claude Labrune founds Cegedim (for CEntre de GEstion, de Documentation, d'Informatique et de Marketing) with initial vocation to pool pharmaceutical companies know how and IT resources in document research fields. Launch of first databases.

Share information

Share ID

- Quotation: NYSE Euronext Paris - compartiment B
- IPO date: April 1995
- ISIN code: FR0000053506
- Code: CGDM.PA (Reuters), CGM (Bloomberg)
- Closing date: Décember 31th
- Share value at IPO: 9.52 euros
- Number of shares as af 12/31/2009: 13,997,173
- Market capitalisation as af 12/31/2009: 805 millions of euros

Stock price

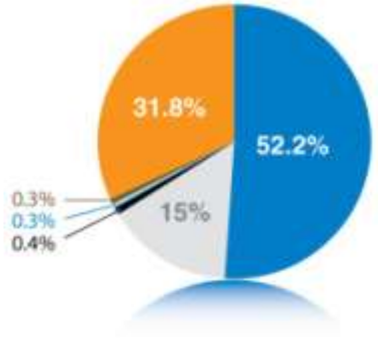


Analysts coverage

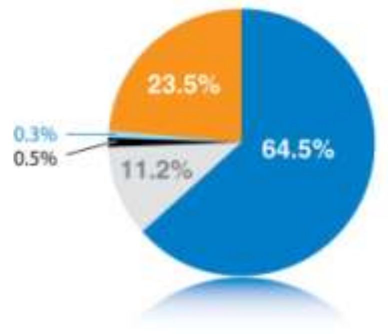
- CA Cheuvreux: Michaël Beucher
- CM-CIC Securities: Jean-Pascal Brivady
- Gilbert Dupont: Nicolas Montel / Guillaume Cuvillier
- Natixis Securities: Thomas Le Quang
- Oddo & Cie: Xavier-Emmanuel Pingault
- Société Générale: Patrick Jousseaume

Shareholder structure

Capital



Voting rights



- FCB, controlled by JC Labrune
- Fonds Stratégique d'Investissement
- Jean-Claude Labrune
- GERS
- Cegedim
- Free float including Alliance Healthcare France

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1 - Persons responsable

1.1 Name and title of the person responsible for the Reference Document

Jean-Claude Labrune
Chairman and CEO
Cegedim S.A

1.2 Statement of the person responsible for the Reference Document

I certify, after having taken all reasonable steps to this end, that to my knowledge, the information contained in this Reference Document is consistent with reality and does not comprise any omissions likely to alter its scope.

I hereby certify that, to the best of my knowledge, the financial statements have been established in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and earnings of the company and all of the companies included in the consolidation scope. I hereby certify that, to the best of my knowledge, the Corporate management report included in this document presents a true image of the change in business, earnings and financial position of the company and of all the companies included in the scope of consolidation as well as a description of the main risks and uncertainties that they are faced with.

I received a final letter from the legal Auditors indicating that they had audited the information regarding the financial position and the information given in this Reference Document and that they had read the entire Reference Document. The Auditors' letter does not contain any comments.

The Auditors' reports concerning the annual financial statements and the consolidated financial statements for fiscal year 2009 (which appear respectively in items 20.1.3 and 20.2.3 of this Reference Document) do not contain any comments.

The Auditors' reports concerning the consolidated financial statements and the statutory financial statements for fiscal year 2008 (which appear in the Reference Document filed with the "Autorité des Marchés Financiers" on April 28, 2009 under the number D.09-0331) and concerning the consolidated financial statements and the annual financial statements for fiscal year 2007 (which appear in the Reference Document filed with the "Autorité des Marchés Financiers" on April 29, 2008 under the number D.08-0328) do not contain any comments.

Drawn up in Boulogne-Billancourt, on April 23, 2010

Jean-Claude Labrune
Chairman and CEO
Cegedim S.A.

2 - Legal auditors for the period covered by the historical financial information

2.1 Permanent Auditors

Cabinet Mazars
represented by Mr.. Jean-Paul Stevenard
Exaltis, 61 rue Henri Regnault - 92 400 Courbevoie
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of 6 years until the 2013 General Meeting approving the 2012 financial statements.

Cabinet Grant Thornton
represented by Mr. Michel Cohen
100, rue de Courcelles - 75017 Paris
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of 6 years until the 2013 General Meeting approving the 2012 financial statements.

2.2 Alternate Auditors

Mr. Thierry Colin
39, rue de Wattignies - 75012 Paris
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of 6 years until the 2013 General Meeting approving the 2012 financial statements.

IGEC - Institut de Gestion et d'Expertise Comptable
represented by Mr. Victor Amselem
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of 6 years until the 2013 General Meeting approving the 2012 financial statements.

3 - Selected financial information

Consolidated data

	12/31/2009	12/31/2008	12/31/2007	
Revenue (million euros)	874	849	753	
Income from operations before non-recurring items (million euros)	112	97	95	
Net earnings (million euros)	55	33	44	A
Group share net earnings (million euros)	55	34	44	
Cash flow (million euros)	126	98	84	
Total balance sheet (million euros)	1 328	1 297	1 250	
Goodwill on acquisition (million euros)	613	617	581	
Net financial debt (million euros)	404	603	621	
Group share shareholders' equity (million euros)	465	241	207	
Number of shares outstanding	13 997 173	9 331 449	9 331 449	
Average number of shares excluding treasury shares	9 480 237	9 331 449	9 331 449	B
Earning per share (euros)	5.8	3.6	4.7	A / B

4 - Risk factors

The Group undertook a review of risks which could have a significant unfavorable impact on its activities, its financial situation or its results (or its capacity of reaching its goals) and considers that there are non other significant risks except those presented.

activities remain subject to the usual risks inherent in engaging in its trades as well as political and geopolitical risks arising from its international presence for most of its activities and unexpected instances of *force majeure*. These risks, as well as others that are unknown at this time or that are considered to be of little significance to date, could adversely affect its business and results. After a review of these risks, the most significant risks the Group believes it is exposed to are presented below in further detail.

In order to understand how the Group evaluates risks and what procedures are in place to monitor risk control, it is also necessary to consult the report prepared by the Chairman of the Board on the preparation and organization of the Board's work and on internal control, both of which are attached to this Reference Document.

4.1 Market risks

4.1.1 Interest rate risk

To limit the effects of rising interest rates on its financial expenses, and as requested in the credit agreement, the Group decided to implement a risk hedging policy to protect maximum annual finance rates for the term of loans. Only Cegedim S.A. has hedged borrowings when necessary. Interest rate hedges are monitored centrally to allow the Group's overall interest rate risk exposure to be measured and the market instruments used under hedging strategies in place to be perfectly controlled.

The Group hedges interest rate risk on the basis of both current debt and probable future debt levels, particularly accounting for changes in the use of its revolver lines of credit. Depending on the position to be managed and the benchmark rate upheld, a hedging strategy is implemented. The aim of such a strategy is to protect the benchmark rate and leverage, at least in part, on any positive changes. These hedging strategies mainly involve futures or forwards derivatives and options derivatives. There is no guarantee as to the Group’s capacity to effectively hedge itself against interest rate risks.

Financing was implemented on May 9, 2007 to purchase Dendrite and to reconsolidate the existing debt. At December 31, 2009, this financing can be broken down as follows:

- Term A1: 291 million euros for a loan depreciable until 2013 at a variable interest rate;
- Term A2: 166 million dollars for a loan depreciable until 2013 at a variable interest rate;
- 165 million euros of revolver credit facilities renewable every one, two, three or six months as the Group requires, at a variable rate, until 2012. At December 31, 2009, the Group was using 50 million euros.
- 45 million euros for a bullet loan until at least 2014 at a variable interest rate. This is a subordinated debt toward FCB. FCB granted a loan of 50 000 thousand euros to Cegedim SA in May 2007. At the time of Cegedim’s increase in capital, FCB subscribed for an amount of 4 906 thousand euros offsetting this figure against the debt. This resulted in the 50 000 thousand euros debt being reduced to 45 094 thousand euros.

- Repayment of Borrowings

Period	Term A1	Term A2
30 June 2009	€29 500 000	$17 000 000
31 December 2009	€29 500 000	$17 000 000
30 June 2010	€29 500 000	$17 000 000
31 December 2010	€29 500 000	$17 000 000
30 June 2011	€29 500 000	$17 000 000
31 December 2011	€29 500 000	$17 000 000
30 June 2012	€29 500 000	$17 000 000
31December 2012	€29 500 000	$17 000 000
03 May 2013	€114 000 000	$64 000 000

- Description of Hedges put in place by the Group

The 291 000 thousand euros loan and a proportion of the 165 000 thousand euros revolver credit contracted with a variable rate were partially hedged by an interest rate collar, no premium, 3-month Euribor pre-fixed rate receiver, 3-month Euribor post-fixed rate payer at +2.62% (floored at 4.25% and capped at 5.58%). The notional value hedged amounts to 351 667 thousand euros at 31 December 2009.

At 31 December 2009, the value of loans exposed to interest risks amounted to

- 45 million euros of subordinated debt toward FCB;
- Together with the entire A2 tranche denominated in dollars, namely 166 million dollars.

- Assessment of the Interest Rates Risk

At 31 December 2009, a 1% increase in interest rates applied to the 45 million euros subordinated debt toward FCB would have an impact of around 0.5 million euros on the Group's earnings before income tax. A 1% increase in interest rates applied to the non-hedged portion of the A2 tranche denominated in dollars would have an impact of around 1.7 million dollars on the Group's earnings before income tax.

4.1.2 Exchange rates risk

66% of the Group's activities are conducted by subsidiaries in the euro zone, exposing Cegedim to relatively limited exchange rate risk. Indeed, exchange rate effects only had a -0.9% impact on revenue growth in 2009. Such effects are mainly the result of the pound sterling (9% of revenue) and the dollar (14% of revenue). Thus the company did not introduce an exchange risk hedging policy, not even on the Group's debt in US dollars which amounted to 166 million dollars at December 31, 2009, bearing in mind the Group's income in US dollars.

Because of the substantial number of currencies involved, exposure to variations in currencies and the volatile nature of exchange rates, the Company cannot predict the impact of exchange rate fluctuations on its future operating income. However, Group subsidiaries mainly deal in their local currencies.

The breakdown of the Group's consolidated balance sheet by currency used to prepare the financial statements of subsidiaries that are part of the Group's consolidated scope at December 31, 2009, is as follows:

Consolidated Balance Sheet Total at 12/31/09	GBP	USD	EUR	Other Currencies	Total
Amount (in thousands of euros)	63 487	260 287	955 606	48 962	1 328 342
Share in % terms	**4.8%**	**19.6%**	**71.9%**	**3.7%**	**100.0%**

The 166 million dollars loan figure is not included in the euro amounts that appear in the above table.

The above table allows the loss risk on the net global foreign currency position to be calculated on the basis of unfavorable currency effects or consistent 1% growth being experienced by a currency used to prepare financial statements in comparison to the total number of foreign currencies concerned. By way of information, in the event of unfavorable effects or consistent 1% growth in the euro-dollar parity the impact on the financial statements of subsidiaries that prepare their statements in USD including the impact of the 183 million dollars loan borne by Cegedim S.A. would have a negative impact of 2.3 million euros on the Group’s equity capital.

In thousands of euros	GBP	USD
Balance Sheet Total	-552	-5 832
Off-balance sheet positions	0	0
Net position after management	**-552**	**-5 832**

Should the revenue/costs structure remain similar, any appreciation in the euro against the pound sterling would bring about a reduction in the result expressed in euros. On the basis of the fiscal year 2009, all other currencies remaining at the same level against the pound sterling, a theoretical 1% appreciation in the euro against the pound sterling would have a negative impact on revenue of around 769 thousand euros and on Cegedim's operating income of around 104 thousand euros.

Should the revenue/costs structure remain similar, any appreciation in the euro against the US dollar would bring about a reduction in the result expressed in euros. On the basis of the fiscal year 2008, all other currencies remaining at the same level against the US dollar, a theoretical 1% appreciation in the euro against the US dollar would have a negative impact on revenue of around 1 133 thousand euros and on Cegedim's operating income of around 153 thousand euros.

Exchange rate effects had a total negative effect of 7.9 million euros on revenue in 2009. It should be noted that the dollar had a positive exchange rate effect of 6.2 million euros and the pound sterling a negative exchange rate effect of 8.5 million euros. The revenue translation adjustment figure is determined by recalculating the 2009 revenue on the basis of the 2008 exchange rates. The currency rates used are the average rates for the fiscal year.

4.1.3 Liquidity risk

The Group's non-operational cash risk is caused mainly by the due date of its bank loans giving rise to the payment of interest and depreciation and the payment flows on financial instruments as well as on other debts that do not generate interest payments.

Borrowing is monitored centrally.

Net financial debt at 31 December 2009 decreased by 26% in comparison to 31 December 2008.

31 December 2009	31 December 2008
516 M euros	697 M euros

As regards financial covenants, the credit agreement entered into by the Group implies compliance with financial covenants, failing which, no additional drawings on the revolver credit will be available and any outstanding credit may become payable immediately.

At June 30, 2009, and December 31, 2009, the Group complied with all its covenants.

Aside from the usual covenants for this type of agreement, the Group must meet two ratios (contractual net financial debt over contractual EBITDA pro-forma ratio, and contractual EBITDA over contractual cost of debt pro-forma ratio).

The meaning of contractual is as defined in the financial agreement covenants. Pro forma means over a 12 month running period.

- Pro-forma ratio of contractual net financial debt to contractual EBITDA

The contractual EBITDA pro-forma (used as the basis to calculate the bank ratios) is equivalent to the restated operating income* from other non-current income and expenses from operations*, amortization expenses* and integration expenses (expenses considered non IFRS as defined in the credit agreement with the Group's creditor banks). (*: Directly transmitted into the Cegedim Group's consolidated financial statements.

The pro forma ratio of contractual net financial debt to contractual EBITDA at the end of each half calendar year must be less than a given level as indicated in the table below:

Period	Covenants	Cegedim
At the time of setting up the agreement#	4.50	3.92
31 December 2007	4.00	3.62
30 June 2008#	3.75	3.60
31 December 2008	3.50	3.15
30 June 2009#	3.25	2.996
31 December 2009	3.00	1.93
and to maturity	3.00	-

Unaudited covenants

Net financial debt excludes the subordinated loan granted by FCB to Cegedim and profit sharing plans for Cegedim employees.

- Pro-forma contractual EBITDA to contractual cost of debt ratio.

The pro forma contractual EBITDA to contractual cost of debt ratio must, at the end of each half calendar year, be greater than a given level as indicated in the table below:

Period	Covenants	Cegedim
At the time of setting up the agreement#	3.00	4.00
31 December 2007	3.00	4.11
30 June 2008#	3.00	4.20
31 December 2008	3.75	4.52
30 June 2009#	3.75	4.65
31 December 2009	3.75	6.91
and to maturity	4.50	-

Unaudited covenants

The cost of debt is defined in the credit agreement and excludes, among other things, the cost of the subordinated loan granted by FCB to Cegedim.

Restrictions on the use of capital are set out in Section 10.4 of this Reference Document.

4.1.4 Client risks

The Group's clients are mainly pharmaceutical companies, physicians, pharmacists, and healthcare insurance companies and mutuals. They do not present any significant counterparty risks.

No client of the Group represents more than 4% of the Group's turnover in the fiscal year ended 31 December 2009, with the exception of one single client who represents 6% of turnover in the fiscal year ended 31 December 2009. The top five and the top ten of the Group's clients respectively amount to 15.9% and 22.5% of the Group's turnover in the fiscal year ended 31 December 2009.

If relations with these clients were to cease, the corresponding turnover could not be replaced which would have a negative impact on the Group.

Furthermore, the majority of the Group's income is earned from clients in the healthcare industry. These clients may experience declines in demand for their products or increases in their costs. In addition, the State could introduce changes to the system for the financing and reimbursement of medical care, or impose a more stringent pricing policy for pharmaceutical companies. The Group cannot guarantee that such changes, particularly those affecting the main markets in which it operates, will not adversely affect its business and operating results.

Finally, consolidation in the areas of activity of the Group's clients could eventually result in a decrease in the Group's margins and operating results.

4.2 Legal risks

4.2.1 Specific regulations

Although the health sector is highly regulated, the Cegedim Group, as a service provider, is not subject to the same regulations to the exclusion of rules governing the protection and transfer of personal data (Data Protection Act of 6 August 2004 which transposes the European Directive 95/46/EC of 24 October 1995, on the protection of personal data and the free movement of such data, under French law) which, in particular, imposes that systematic declarations be made to the regulatory authorities of each country in which the Group owns files and databases.

The Group's subsidiaries located in the European Union act in accordance with the national laws of each of the countries in question. These countries also stipulate similar reporting obligations to those established by the CNIL in line with the previously mentioned directive. Outside of the European Union, subsidiaries comply with local laws and if these so stipulate also make declarations to the regulatory authorities in accordance with the regulations governing data protection.

The Group's Legal Department centralizes and monitors regulations in force and ensures that the Group's business activities comply with the applicable laws and rules and regulations.

However, the Group cannot exclude a change in legislation or a tightening of regulations governing the collection, protection, processing and transfer of personal data. The Group cannot guarantee that such changes, particularly those affecting the main markets in which it operates, will not adversely affect its ability to provide access to its databases which would have a negative impact on its business.

4.2.2. Intellectual property

To a large extent, the Group’s activity depends on the effective protection of its intellectual property rights pertaining to the trademarks used and the software and databases the Group develops**.**

Cegedim develops and produces all of its service offers, relying on its own human, Infrastructure and financing resources. The Group also owns the resources required for its operations. Thus, the management of expertise is internalized. Intellectual property rights (namely trademarks and software and databases) are monitored centrally by the Group’s General Management so as to ensure that protection is adequate, appropriate and up to date on an international scale. However, the Group could be faced with the complications and costs arising from action taken to fight counterfeiting or unauthorized use of products, software piracy or the inefficiency, in some parts of the world, of national legislation governing the protection of intellectual property rights which does not uphold the same standards**.** In such regions, the Group may be unable to prevent the future misuse or counterfeiting of its databases, software or products. Furthermore, the Group may not be able to guarantee the outcome of legal action brought in this domain.

The confidentiality and non-disclosure constraints imposed on the Group are directly related to these declarations.

4.3 Industrial and environmental risks

As part of its international strategy, the Cegedim Group is naturally involved in sustainable development in order to contribute to:

- Issues of social equity in relation to its employees and local communities in more than 80 countries where the Group has set up operations;
- The preservation of the environment by minimizing the impact of the Group's activities on its environment;
- Economic efficiency.

The Cegedim Group's sustainable development program was thus launched in September 2008 on the initiative of the Group's management.

Given the name "Cegedim Compact", it is inspired by the United Nations "Global Compact". Cegedim Compact comprises twelve major commitments based on those contained in the Global Compact and on Cegedim's business activities which aim to:

1. Eliminate all forms of forced or mandatory labor
2. Prohibit the employment of children under the age of 15 to the exclusion of training
3. Eliminate all discrimination in the areas of employment and professional occupation
4. Promote individual success
5. Ensure a favorable working environment on all sites
6. Promote local employment and respect the laws in effect
7. Undertake initiatives to promote greater environmental responsibility
8. Act against corruption in all forms
9. Ensure the safety of property belonging to the Group and its clients
10. Ensure the confidentiality of client information
11. Respect the laws in effect governing the protection of personal data worldwide
12. Control movements

The implementation of these commitments is coordinated by a dedicated team and is based on a three-year action plan across all Group entities. This plan has been continuously updated since 2008 with more than 110 initiatives having been undertaken. The gradual introduction of simple indicators should also assist in the verification and analysis of results so as to adapt future actions.

4.3.1 Industrial risks

Operating in the sector of technologies and services relating to information and databases, the Cegedim Group's priority is to satisfy its clients and partners concerning systems and data security. Despite all the precautions that are taken to this effect, certain events such as fires, floods or other natural disasters, power outages, computer viruses, sabotage, piracy and other similar events could cause the interruption or the loss of data flows and client access to databases made available by the Group. Such events could affect the Group's ability to provide products and services to its clients. In addition, piracy of computer systems used by the Group could, among other consequences, cause a significant loss of reputation.
However, the fact that its centers, including three Tier IV centers (in France and the United States), are spread across the world allows it to perform system back-ups and implement Business Continuity Plans (BCP) with coverage of almost every time zone.

The Chairman's report on internal control details the information system security measures implemented in the Cegedim Group. The industrial risks are also covered by adequate insurance policies.

4.3.2 Environmental risks

Given their essentially intangible nature (software, databases and intellectual services), the activities of the Cegedim Group have no significant environmental impact.
The main levers are based on:

- Reducing energy consumption, particularly through the virtualization of the data center and the purchase of latest generation equipment,
- The purchase of recycled product
- Optimizing the life cycle of manufactured goods by managing certain products' end of life (paper, cardboard, IT equipment, cartridges, etc.)
- Controlling the Group's vehicle fleet
- Controlling movements.

Within the framework of Cegedim Compact, and in order to meet these objectives, the Cegedim Group has continued to develop global and local initiatives to reduce its environmental impact.

Additionally, the subsidiaries abide by local laws and regulations relating to hygiene, safety and the environment.

In accordance with local laws and regulations concerning health, Cegedim has put in place global or local initiatives to reduce its environmental impact.

Cegedim Compact's main efforts are aimed at:

- Evaluating the environmental practices of the Cegedim Group's subsidiaries;
- Creating a sustainable development logo and an ideas box;
- Campaigns to improve employee awareness through Group or local initiatives;
- Virtualization of data centers;
- Equipping people with new generation computers that consume less;
- Introducing a travel policy;
- Developing remote communication tools;
- Supplying 100% of head office's energy consumption by means of energy sources that are guaranteed as being renewable energy sources by EDF.

4.3.3 Other risks associated with Cegedim's activity

- Risks related to Human Resources

To a large extent, Cegedim's success depends on the skills, experience, performance and commitment of its employees and key members of management. Given the specific nature of its business sector, characterized by strong and relentless competition in terms of recruiting new, highly-qualified employees, the Group could experience situations of tension if faced with difficulties in recruiting or retaining key people and managers. However, the Group's global presence, which offers different job markets and cycles, enables the Group to alleviate any such tensions.

- Risks related to the Economic Situation

The Group cannot guarantee that a general, prolonged and acute deterioration in the world economy, affecting the needs of clients and their financial capacity to renew current contracts or enter into new contracts, will not have a negative effect on its financial position, its results and its business.

- Risks related to the Competition

Although the Group considers its competitive position in its markets to be unique and sustainable, it is not impossible that one or more competitors may offer discounts on certain products or services and that the Group may be obliged to follow suit, or attempt to offer other advantages, with the risk of a negative impact on its margins or operating results. Additionally, if one or more competitors of the Group were to merge or enter into a partnership with another of its competitors, such a change in the competitive environment could result in additional pressure on the Group's pricing policy.

Also, certain Cegedim competitors may have more resources in the technical, financial or commercial fields. The Group cannot, at this stage, guarantee that it will be able to maintain its share in the markets in which it already operates, or penetrate new markets.

Finally, in the pharmaceutical industry, some of the Group's clients could choose to develop in-house CRM solutions. The Group's future results and financial position will depend, in part, on its ability to respond effectively to the internal product developments of its clients.

- Dependence on Third Parties

There is no technological connection or dependency with other companies whose threshold is significant enough to have a substantial impact on the Group (also see Section 6.4). The Group owns all assets needed for its operation.

However, the Group's products and services require access to databases collected from third parties. These data providers could increase restrictions affecting access to or use of this data, or refuse to provide the Group with this data, which could impact on the Group's ability to continue providing products and services to its clients.

- Technological Risks

The Group operates in a field that is very sensitive to rapid technological advances, changing client requirements, product enhancement and the launch of new products. The Group's future results and financial position will depend, in part, on its ability to develop new products, offer improved versions of existing offers, adapt to technological change and meet the market's ever-changing standards and the more complex requirements of its clients.

- Product-related Risks

The products and services offered by the Group use complex technologies and could occasionally contain defects of errors despite the wide array of tests performed as part of the quality control process. Potential clients could postpone their purchases, the Group's reputation could be affected or legal action claiming liability for a defective product could be sought against the Group, in which case it could be required to compensate its clients or incur additional costs. The Group could also incur loss of sales, increased operating costs and a reduction in its market share.

In addition, delays in product and service development, as well as major investments in products and services that prove to be less profitable than expected, could affect the Group's turnover and operating results.

- Share price

The Group's operating income could fail to meet analyst and investor expectations and the share price could therefore fall. Furthermore, financial markets worldwide experience significant fluctuations in share prices. The Cegedim share price could be sensitive to financial market changes and to general economic, political and market conditions.

- Risks related to acquisitions

One component of the Group's strategy is to identify opportunities for external growth through the acquisition of companies offering the potential to expand or complement the Group's business activities. The integration of acquired companies implies certain risks such as the assimilation of acquired businesses, operations and systems, the realization of potential synergies, the integration of new teams and the retention of new clients. Despite permanent monitoring by General Management, the Group cannot guarantee the successful integration of acquired businesses, nor can it guarantee that any such integration will not have a negative impact on its business and operating results.

4.4 Legal action and arbitration

There are no government, legal or arbitration proceedings, including any proceedings Cegedim is aware of that have been suspended or with which Cegedim is threatened, that during the past 12 months might have had or have recently had a significant impact on the financial position or the profitability of the Company or of the Cegedim Group.

4.5 Insurance

Cegedim S.A. has taken out contracts with a recognized insurance company covering it and all the companies belonging to the Group against all professional and civil liability risks inherent in its operations. These contracts are as follows:

- 15 million euros per claim and per policy year for companies belonging to the Cegedim Group;
- As part of this program, each of the Group's foreign subsidiaries, without exception, has taken out coverage amounting to 1 million euros with a local insurer.

Cegedim has also taken out with this same company a policy covering buildings and/or all tenant risks for all the sites occupied by it or by the companies belonging to the Group. This contract includes computer all risk coverage up to a limit of 13 046 780 euros excluding intangible losses.

For the American subsidiaries, the insurance policies covering all the risks related to civil liability (employee risks, employer risks, automobile risks, all risks relating to land ownership and other risks related to technological activities) were combined with those of Dendrite and renewed during 2009.

Several levels of coverage were established:

- 10 million dollars for risks associated with technology failures;
- 30 million dollars for risks associated with commercial activity
- 30 million dollars for risks associated with site ownership.

5 - Information concerning the issuer

5.1 History and development of the Company

5.1.1 Registered company name and trade name of the issuer

The issuer's registered company name is: Cegedim.
The issuer's trade names are: Cegedim Dendrite, Cegedim Dendrite Division TVF, Cegedim Dendrite Santesurf Division, Cegedim Dendrite Pharma CRM Division.

5.1.2 Issuer's place of registration and number

Registered in Nanterre Trade and Companies Register under the number: 350 422 622, NAF Code 6311 Z.

5.1.3 Date of incorporation and term of the issuer

Cegedim S.A. was incorporated on August 27, 1969.
On April 18, 1989, FCB was incorporated for a term of ninety-nine years.
On December 26, 1994, the holding company at that time merged with Cegedim S.A. and took on its corporate name.

5.1.4 Issuer's corporate headquarters and legal form, laws governing its business activities, country of origin, address and telephone number of the head office

Cegedim S.A.
A public limited company with a Board of Directors and capital of € 13 336 506.43.

Corporate headquarters: 127 to 137 rue d'Aguesseau, 92100 Boulogne-Billancourt, France.

Telephone: + 33 (0)1 49 09 22 00
Fax: + 33 (0)1 46 03 45 95

Country of origin: France

Laws governing the business activities of Cegedim: Law of July 24, 1966, on public limited companies.

5.1.5 Significant events in the development of the issuer's business activities

Cegedim is a global technology and services company specializing in the healthcare field. Cegedim offers services, IT tools, specialized software, and data flow management services and databases.

World leader in pharmaceutical CRM (Customer Relationship Management), its historical core business, Cegedim provides the world's largest pharmaceutical companies with vital support for successful CRM and helps measure sales effectiveness and marketing. The Cegedim Group's CRM tools, enhanced by its value-added strategic databases, provide its customers with an informed view of their market and their targets in order to optimize their strategies and return on investments. These activities are now consolidated into the "CRM and strategic data" sector.

Cegedim has also positioned itself as one of Europe's leading publishers of medical and paramedical management software. Structured, scalable, and communicative, this software adapts to the needs of healthcare professionals while meeting the latest technical and regulatory requirements. These activities are now consolidated into the "Healthcare professionals" sector.

Capitalizing on its skills in the publishing of professional software and the processing of complex information, the Group also offers solutions dedicated to health insurance players as well as high value-added management solutions to its various clients concerned with issues related to outsourcing and computerized exchanges. These activities are now consolidated into the "Insurance and services" sector.

Cegedim Group's skills are currently divided into three sectors:

- "CRM and strategic data"
- "Healthcare professionals"
- "Insurance and services"

5.1.6 History

1969	Jean-Claude Labrune founds Cegedim (for CEntre de GEstion, de Documentation, d'Informatique et de Marketing) with initial vocation to pool pharmaceutical companies know-how and IT resources in document research fields. Launch of first databases.
1979	Launch of CRM activities in France.
1990	International expansion begins.
1991	Launch of the first platform of electronic data interchange.
1994 - 1996	Start of doctors' computerization offers in France and promotional activities dedicated to doctors and pharmacists. Launch of human resources management activities.
1995	Cegedim has been listed on the Paris second market and is now listed on NYSE Euronext Paris, compartment B.
1999	Computerization of health insurance and mutual companies.
2000	Alliance Healthcare France (ex Alliance Unichem, becoming Alliance Boots) acquires a 10% stake of Cegedim which, in exchange, brings to the Group its pharmacy computerizing activities and medication databases for both pharmacies and medical practices.

2001 Establishment in the United States then acquisition of Target Software in 2005, allowing the Cegedim Group to strengthen its presence in the United States.

2006 Cegedim revenue exceeds €500 million.

2007 Cegedim announces the acquisition of the American company Dendrite International, listed on the Nasdaq, and becomes the world leader in Pharmaceutical CRM. With the broadest and best R&D structure dedicated to this highly specific sector, Cegedim shows a unique ability to optimize promotional investments for its customers.

2009 Cegedim employs 8 742 people in more than 80 countries. International activities represent more than 50% of full-year revenue. The database of choice for healthcare professionals around the world (OneKey) is available in 73 countries.
Entry of the Strategic Investment Funds (*Fonds Stratégique d'Investissement - FSI*) into Cegedim capital at 15% and success of the capital increase with retention of the pre-emptive subscription right for 180.5 million euros, offering the Cegedim Group substantial resources to boost its external growth.

5.1.7 Company development

Revenue for the "CRM and strategic data" have more than tripled since 2000 and represent 56% of the Group's revenue at December 31, 2009. This increase was particularly affected by the acquisition of Dendrite in 2007 which enabled the Group to cross a strategic threshold in its development. Sustained internal and external growth has allowed Cegedim to cover over 80 countries at present with an extensive line of products and services.

The computerization of "Healthcare professionals," initiated in French doctors' offices, expanded to the United Kingdom in 1999 and to French pharmacists in 2001. It continued through the acquisition of software for doctors publishing companies in Belgium (2003), in Italy (2006), in Spain (2006) and software for pharmacists publishing companies in the United Kingdom (2004).

The "Insurance and services" sector, historically devoted to managing direct billing and direct payment health insurance flows, has, since 2000, included computerization services and software packages for members of the healthcare insurance and pension industries. This sector has strengthened steadily since 2003 and in particular in 2008 with the marketing of the new range of "Activ'Insurance Suite" solutions and the acquisition of Protectia, a French publisher of health software packages aimed at personal insurance, particularly well established on the middle market.

5.2 Investments

5.2.1 Main investments made by the issuer during the period covered by the historical financial information up to the date of the registration document

Acquisitions on a scope of activities earning less than 10 million euros in revenue are generally internally financed. For larger operations, after the December 2009 capital increase, the Group examines case by case the advisability of having a debt financing.

The acquisition price is covered by confidentiality agreements.

The other growth operations (launch of new business activities, opening of a new country, etc.) are internally financed.

For transactions of over 20 million euros, the Board of Directors' decision must be taken on a qualified majority of 6/10 including at least one director representing the FSI (Fonds Stratégique d'Investissement).

The table below summarizes the investments made during the past three years:

Acquisition's year	Total price of acquisitions (in million €)
2007	565.2
2008	20.9
2009	13.0

Moreover, as mentioned in item 20 of this Reference Document, all earn-outs were recorded. There is no minority shareholder buyback commitment.

<u>Main Investments of 2007</u>

- "CRM and strategic data"

May 2007: acquisition of the American company Dendrite International Inc., listed on NASDAQ, by purchasing 100% of its shares for 560 million euros. Cegedim financed this acquisition through bank loans. The combination of these two companies have created a major world leader for supplying solutions to the pharmaceutical industry in the fields of sales and marketing as well as associated research. The groups are complementary both with respect to the line of products and solutions offered and from a geographic standpoint, with Cegedim well established in Europe and Dendrite present in the United States and the Asia-Pacific region. The new Group is thus able to meet the worldwide needs of its customers and provide a diversified line of high value-added integrated solutions.

Dendrite is a 100%-held subsidiary of Cegedim, contributing to the Group's consolidated earnings since May 9, 2007. In 2006, Dendrite generated sales of 424 million dollars.

September 2007: acquisition of 3ES, a company that develops integrated solutions dedicated to the management of clinical studies and online surveys. This transaction enables Cegedim to reinforce its global line of products in the medical sector, particularly for hospitals and more specifically for oncology.
In 2006, revenue from these activities contributed nearly one million euros.

- “Healthcare professionals”

June 2007: acquisition of Servilog, a publisher and distributor of computer software for retail pharmacies in France. This transaction strengthens Cegedim’s position in the French pharmacist computerization market.
In 2006, revenue from these activities was around 2 million euros.

Main Investments of 2008

- “CRM and strategic data”

February 2008: acquisition of Ultima, a supplier of CRM solutions in Turkey. The integration of the Ultima database into OneKey has made Cegedim a major player in this country.
In 2007, Ultima’s revenue represented more than one million euros.

July 2008: acquisition of Reportive, a publisher of performance management software, with more than 130 customers, including 16 of the world’s 20 largest pharmaceutical companies. The Reportive platform is an innovative solution for rapid development of reporting, analytical, and SFE (Sales Force Effectiveness) applications. While continuing the marketing of its products, this tool will initially replace the existing solution within Cegedim Strategic Data. It will then become the tool for producing statistics and field activity reports for the CRM division and will be used to complement and enhance the existing solutions.
In 2007, Reportive activities represented revenues of more than 2 million euros.

- “Healthcare professionals”

April 2008: acquisition of 01 Santé, publisher of the “MegaBaze” healthcare software. This company has a strong position in the field of oncology with its OncoBaze software, currently used by nearly 70 clinics in France (including the 25 largest). Cegedim is thus confirming its willingness to expand in the oncology sector in France and abroad.
In 2007, revenue from these activities was around one million euros.

- “Insurance and services”

February 2008: acquisition of Protectia, a French publisher of health software packages dedicated to personal insurance, managing nearly 1.5 million people. This transaction enriches Cegedim’s line of services in the “middle market” segment with a modern solution based on the latest technologies.
In 2007, the acquired activities represented revenue of 4 million euros.

Main investments of 2009 and up to March 31, 2010

- “CRM and strategic data”

February 2009: acquisition of the Belgian company Fichier Medical Central SPRL (FMC), which specializes in databases of healthcare professionals.
In 2008, revenue from these activities represented less than 1 million euros.

July 2009: acquisition of the company Nomi, one of the leading providers of business intelligence and sales force optimization solutions for the pharmaceutical industry in the Nordic region. With its three product lines: databases, CRM, and market and prescription studies, Nomi’s products and services perfectly complement the Cegedim Group’s existing offering in Sweden, Norway, Finland, and Denmark.
In 2008, the acquired activities represented revenue of more than 6 million euros.

July 2009: acquisition of the company Hospital Marketing Services Ltd (HMSL), specializing in hospital-based patient and promotion data analysis. The acquisition of this recognized player in hospital panels and studies allows the Cegedim Group to extend its skills to specialists in English hospitals.

In 2008, revenue from these activities represented more than one million euros.

January 2010: acquisition of SK&A Information Services, Inc. (SK&A). This first-rate healthcare data supplier, based in the United States, has established and maintains a database containing targeted information on more than two million healthcare professionals, including more than 800 000 prescribers. It is the only database of American prescribers and other healthcare professionals, with 100% of their e-mail addresses verified by telephone. This acquisition allows Cegedim to complement and reinforce its OneKey offering in the United States.
In 2008, the acquired activities represented annual revenue of around 15 million dollars.

- “Healthcare professionals”

March 2009: acquisition of Next Software, a publisher of pharmacy management software in Tunisia. This transaction reinforces Cegedim’s position in the pharmacist computerization market in the Maghreb.
In 2008, revenue from these activities represented less than one million euros.

October 2009: acquisition of Pharmacie Gestion Informatique (PGI), a publisher of management software for pharmacies in France. This acquisition strengthens the Cegedim’s positions in the Brittany region and rounds out its line of management solutions for French pharmacies.
In 2008, the acquired activities represented revenue of nearly one million euros.

5.2.2 Main current investments

Investments are primarily made through external growth as well as internal growth with a particular focus on the international development of activities intended for pharmaceutical companies, physicians, and pharmacists, as well as opportunities for expanding the line of services offered.

The Cegedim Group’s external growth strategy involves developing its historical core business: services for players in healthcare and strategic data.

The desire to support the Group’s customers in their markets is the main driver of international expansion. The Group regularly looks into acquisition possibilities that are consistent with this strategy. There is no active, systematic search for targets. However, the Group constantly monitors potential targets in-house in order to seize the best opportunities when the time comes.

5.2.3 Cegedim’s intended future investments for which its management has already made firm commitments

At the time of the filing of this Reference Document, no firm commitment has been given by the Cegedim Group.

6 - Summary of activities

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, pharmaceutical companies, healthcare professionals and insurance companies.

Les Cegedim Group's expertise lies in the three following sectors:
- CRM and strategic data
- Healthcare professionals
- Insurance and services

World leader[1] in life-sciences CRM, its historic core business, Cegedim provides the world's largest pharmaceutical companies with vital support for successful CRM (Customer Relationship Management) and helps measure sales and marketing effectiveness. These CRM tools, enhanced by the Group's strategic databases, provide marketing and sales departments with a clearer picture of their market and targets, in order to optimize their strategies and return on investment.

Cegedim has also positioned itself as one of Europe's leading[2] producers of medical and paramedical management software. Structured, scalable, and communicative, this software adapts to the needs of healthcare professionals while meeting the latest technical and regulatory requirements.

Capitalizing on its skills in the publishing of professional software and the processing of complex information, the Group also offers solutions dedicated to health insurance players as well as high value-added management solutions to its various clients interested in outsourcing and computerized exchanges.

Cegedim, on the cutting edge of new technologies in the industry of software and healthcare as a pioneer heavily involved in epidemiological and safety studies on pharmaceutical products, has the innovative resources and products necessary for its international growth that are adapted to the changing model of the healthcare sector.

Cegedim is involved in an ongoing process of developing and synergizing its activities, with a declared ambition of being one of the chief intermediaries for healthcare sector partners and positioning itself at the heart of their information needs.

CRM and strategic data

CRM for medical reps
- Cegedim Dendrite

Mobile Intelligence - TEAMS
Target - Trends

Business Intelligence
- Reportive

Market research studies
- Cegedim Strategic Data

Sales force optimization
- Itops

Sales statistics for pharmaceutical products
- Cegedim sales statistics
- Cegers
- Infosanté

Prescription analysis
- Cegedim Customer Information

Icomed - DocScan - Physician Connect

Corporate databases and associated services
- Cegedim Communication Directe

Printing and package inserts
- Pharmapost

Medical sample management
- Pharmastock

3S -Tracere

OneKey & other associated databases

Insurances and services

Insurances, electronic payment and health

Computerization of insurers and healthcare mutuals
- Cegedim Activ - Protectia

Healthcare billing and payment flows
- Cetip
- iSanté

Other services

Electronic data interchange
- Cegedim EDI
- Hospitalis
- Qualitrans-Telepharma

Outsourced payroll and human resources management
- Cegedim SRH

Hosting, services and Internet
- Cegedim hosting
- PCO Cegedim

Healthcare professionals

Cegedim Healthcare Software

Software for pharmacists and paramedics
- Alliadis
- RM Ingénierie
- Cegedim Rx

Software for doctors - Healthcare networks - France
- Cegedim Logiciels Médicaux
- AGDF Cegedim RS
- RESIP - Banque Claude Bernard

Software for doctors - International
- In Practice Systems
- HDMP
- Millennium
- Stacks

Intranet and healthcare portal
- Santesurf

Promotional information
- RNP
- MedExact

Customized statistics for pharmacists
- Santestat

Professional databases
- Rosenwald

Medical financial leasing
- Cegelease

6.1 "CRM and strategic data" sector

6.1.1 Description of the issuer's main operations and products in this sector

The CRM and strategic data sector brings together Cegedim Group's services intended for pharmaceutical companies, with the main objective of offering their marketing and sales divisions a better understanding of where drugs are sold, who prescribes them and why.

Cegedim develops exclusive databases that respond to these problems, along with the most efficient information tools allowing pharmaceutical companies to optimize their CRM (Customer Relationship Management) approaches. They are thus provided with the best chances of success in persuading prescribing doctors.

Cegedim's solutions combine performance and compliance with the Public Health Code and the personal data protection regulations in force in all the countries concerned.

In particular, Cegedim offers; tools for optimizing information resources, sales and marketing investments, reporting and analysis tools for sales forces, databases and tools that provide better knowledge of prescribers, strategic marketing, operational marketing and competition monitoring tools and studies, performance measurement tools and promotional spending auditing tools, business intelligence solutions.

- CRM for the life sciences industry
  - Cegedim Dendrite

With 200 000 medical representatives in more than 80 countries, Cegedim Dendrite is the leader[1] in Customer Relationship Management (CRM) for the pharmaceutical industry.
By relying on its *OneKey* database, the world's reference[3] for pharmaceutical professionals, Cegedim Dendrite offers a complete portfolio of high value-added CRM solutions in the fields of sales, marketing and compliance studies.
The Cegedim Dendrite's product line, specifically dedicated to the various medical information businesses, aims at providing its customers with the most suitable tools to address the complex issues of these businesses. Cegedim Dendrite's solutions are designed to measure and optimize the efficiency of various medical promotional media in an industry that is constantly changing.
In addition, Cegedim Dendrite has the only offering on the market built for the pharmaceutical industry's new models and capable of providing customer relation management tools that address the issues of Market Access and relational networks specific to life science businesses.

- OneKey

The *OneKey* worldwide database is the focal point of the Cegedim Group's activities. It now includes more than 6 million healthcare professionals and should soon exceed 8 million with the success of the operations initiated in 2009, particularly in China, and the recent acquisition of American company SK&A.
More than 650 collaborators in each country are connected via the Group's IT network and enrich, validate and monitor the database on a daily basis in accordance with ISO 9001 certified procedures. These very experienced collaborators, with in-depth knowledge of local healthcare problems, carry out more than 7 million updates every year.
Used by medical reps and major healthcare players, the *OneKey* database allows users to obtain accurate medical information for each category of healthcare professional as well as various means of contacting them: business addresses, telephone numbers, email, etc.
Each year, 10% of the contact information for healthcare professionals based in cities changes, and the rate goes up to almost 30% for those who are hospital-based. In this context, supplying medical reps with real-time up-to-date information is a high added value that allows them to optimize their time as well as the quality of their visits.

Around this essential information, Cegedim Dendrite offers specific services that improve knowledge of the environment, needs, influences and habits of healthcare professionals. Cegedim Dendrite integrates in its databases an exact representation of the organization of healthcare systems in use in each country, including hierarchical and influential links at institutional and individual levels.

- OneKey Market Access

The *Market Access powered by OneKey* offering enables to go beyond the traditional physician. Indeed, various stakeholders such as health technology assessment bodies, patient advocacy groups, and media… have a key role in optimizing the business model of the life sciences industry.

The *Market access powered by OneKey* solution brings a complete and accurate vision of customer universe.

- A complete line of pharmaceutical CRM software and services

With a regulatory framework that is constantly changing and an environment in which economic pressures are increasingly tense, now more than ever, players in the pharmaceutical industry need marketing and sales tools that allows them to improve their efficiency.

In order to help them respond to these challenges, Cegedim Dendrite offers a complete line of CRM products and services:

- a line of software packages adapted to the needs of large medical rep networks and complex environments,
- installation and support services adapted to the local context,
- business intelligence services,
- hosting services.

Cegedim Dendrite's top priority is the satisfaction of its customers, whether they are local, regional or worldwide players. For this reason, dedicated and highly-qualified resources are allocated for each product, service and client, with the best level of service in the industry for each country.

- A line of software available on a regional or global scale

Availability	Solutions
Global offering	*Mobile Intelligence*
Asia - Pacific	*Mobile Intelligence*
North and South America	*Mobile Intelligence*
	"Compliance" Solutions
	Integrated sales and marketing solutions
	Target (available on PDA, Personal Digital Assistant)
Europe	*Mobile Intelligence*
	Teams (ASP model)
	*Trends (*for specific markets, PDA and Web)

These solutions integrate in-depth knowledge of the pharmaceutical industry and its specificities, in particular, the importance of face-to-face contact and the emergence of new promotional channels. With *OneKey*, all interactions with healthcare professionals are coordinated and optimized.

- A global presence

Cegedim Dendrite responds to the regional and global needs and issues of pharmaceutical companies with:

- hosting centers and skills centers throughout the world among which Auckland, Bangalore, Cairo, Chesapeake, Mexico, Osaka, Paris, Toulouse, Warsaw, Milan and Tokyo.

- The largest, most robust R&D and support structure[4] dedicated to pharmaceutical CRM (connecting more than 900 people) with the capacity to extend and maximize customer investments.

Cegedim Dendrite is continually innovating as shown by the recent launch of compliance solutions. In the aim of ensuring the best quality of information in compliance with the various federal and national laws in effect, these solutions, intended for life sciences companies, have been very successful, particularly in the United States, and will undergo further development on an international scale in the wake of the proliferation of counterfeit pharmaceutical products.

- Thinking globally, acting locally

The company's strong commitment to its customers extends to product development - not only getting involved in the development process, but also helping to establish the company's product strategy and roadmap.

Cegedim Dendrite's principal strength is the ability to think globally and act locally by putting solutions in place that are adapted to the structure, issues and legislation specific to each market.

- Business Intelligence

  - Reportive

Reportive publishes an innovative solution for rapid development of reporting, analytical, and SFE (Sales Force Effectiveness) applications. Its *Reportive* platform enables business experts to develop their own applications by using a component library and creating their own composite objects in a "Plug and Play" environment, generating significant productivity gains thanks to a low TCO (total cost of ownership) and quick implementation.

Today, Reportive is a significant player on the decision computerization software publishing market, with more than 130 customers, including 16 of the world's 20 largest pharmaceutical companies.

Reportive addresses user analysis and reporting needs in all areas of business: marketing, sales, financial, management control and human resources.

- Market research studies

  - Cegedim Strategic Data

Cegedim Strategic Data (CSD) is one of the leading[5] market research company dedicated to the pharmaceutical industry.

With over 35 years experience in this industry, the Company offers a comprehensive range of market research services by integrating its numerous data sources (primary market research, promotional data, patient data, communication tracking, clinical research). This information is collected from general practitioners, specialists (office and hospital based), pharmacists and patients.
CSD is present worldwide and has over 50 global and 500 local pharmaceutical companies among its clients. Its international expertise enables it to provide its clients with comparable analyses between different countries.

CSD owns both the *INES©* software (a tool originally developed for the management of clinical studies) and *CSD Advance* (Powered by Reportive - Business Intelligence tool), it also benefits from the *Onekey* physicians database. CSD manages every stage of its research in-house, from the collection of raw data, processing, analyses, interpretation to the presentation of the completed studies to its clients.

- Promotion

Each year more than 200 000 healthcare professionals worldwide participate in CSD's panels. The data collected concerning the promotional investment of pharmaceutical companies is updated on a monthly or quarterly basis. This data makes it possible to track the pharmaceutical industry's marketing and promotional activities: marketing mix analysis (detailing, advertising, samples, direct mailings, meetings, clinical trials, Internet and DTC, etc.), the investment trends concerning different targets (general practitioners, specialists and pharmacists), the impact of medical rep visits, the effectiveness of sales forces and competitive intelligence. For data reporting, CSD now offers its clients *CSD Advance*, a highly adaptable tool that provides easy-to-use custom reports.

- Patient

CSD has two sources for patient and prescription information ensuring complete coverage of the patients' choice of treatment.

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CSD has 10 longitudinal patient databases with anonymised data.
CSD also has a panel of specialists (Patient Diary Study) that ensures constant monitoring of a given market. This offer was recently reinforced with hospital data following the acquisition of the UK Company HMSL.

The patient data collected offers a wide range of studies: market trends, product performance tracking particularly during the launch phase, monitoring of patient cohorts, changes in prescribing behaviour concerning a particular therapeutic class, product etc.

- Medical Research

L'offre de CSD intègre également une activité CRO (Contract Research Organization). Ses observatoires de CSD's offer includes CRO (Contract Research Organization) activities.
With its patient management software installed in doctor's offices and its web-based data collection tool *(INES©),* it is possible for CSD to respond to any pharmaceutical company's medical research needs such as clinical trials, epidemiological studies or observational studies.

In particular, CSD develops post-marketing authorization or worldwide studies to examine and control the effects of products under conditions of actual use.

- Communication

The communication range provides pharmaceutical companies with an in-depth view of market communications. It measures sales force performance, evaluates message recall and analyses the impact of their communication on prescribing behaviour. CSD has carried out more than 3 000 recall studies over the course of the past ten years. These reports are adapted to the specific needs of each client, and deal with product communication, its evolution over time, allowing for strategic adjustments and communication strategies if necessary.

- Primary Market Research

CSD offers a wide range of primary market research studies both qualitative and quantitative, in order to provide customized strategic recommendations to its clients. With valuable international experience, CSD conducted in 2009 over 800 international and local studies (recall tests, prescribing behavior, analyses of rep visits, brand equity, advertising overview, etc.).

With its various sources of data, CSD has developed an integrated offer that provides an in-depth view of a specific market or product.

- Sales force optimization

  - Itops

Itops offers its customers to assist them in reorganizing their promotional networks. Its expertise lies mainly in the following areas:

- the strategic analysis of market issues and the definition of a promotional plan (marketing plan, segmentation, targeting),
- the size and structure of the target sales force, definition of an action plan per network, challenging the positioning of products in a portfolio,
- sectorization of sales forces by optimizing human criteria (distance from the delegate, the sector size), trades (customer retention, new knowledge of the sector) and environmental (road density, consistency between the medical sectors created),
- support the implementation of the new structure, the allocation of visitors, the challenge and the definition of bonus plans, customized reporting tools, managing change.

The *Itops Navi* software provides Itops customers with a tool specifically offering a geographical overview that also features physician geocodes and allows reps, regional managers, sales managers and general managers to conduct a monthly performance analysis of their territory in terms of sales, business and any other cost indicator associated with an individual (physician, pharmacists, etc.) or a geographical zone in France and in Europe (Geographic Analysis Units, sector, region).

- Sales statistics for pharmaceutical products

  - Cegedim sales statistics

This department manages the French pharmaceutical products database (CIP codes file) on behalf of the pharma industry CIP (Club Inter Pharmaceutique) association.

It processes and establishes sales statistics for all the pharmaceutical products by geographic analysis units (Unités Géographiques d'Analyse or UGA) on behalf of the GERS (economic interest group made up of the pharmaceutical companies operating in France) using data collected from wholesale distributors and pharmaceutical companies.

Since 1999, these statistics have been available online on a weekly basis. The most recent geographical segmentation (746 geographic units divided into 4 612 Sales Points Aggregates or APV each containing 3 to 8 pharmacies), which is much more homogeneous in terms of activity volume, allows pharmaceutical companies to develop true micro-marketing strategies.

France is one of the few countries in the world in which the industry has joined forces to produce its own statistics and the system has become a benchmark notably for public health authorities.

  - Cegers

Cegers is a subsidiary owned 50% by Cegedim SA and 50% by GERS. It develops “customized” studies for pharmaceutical companies and service providers based on sales data from a range of different sources (GERS, IMS, Nielsen, IRI, etc.).

Cegers also oversees the objectives of pharmaceutical companies (calculation and monitoring of targets, rankings, bonus calculation).

These customized studies are sent on a monthly or weekly basis to the pharmaceutical companies' sales forces via various media:

- *Click-Pharma:* micro software that retrieves trend charts and pre-formatted graphs,
- *Click-Pocket:* palm or pocket PC software whose philosophy is identical to *Click-Pharma*,
- *TEAMS Vision*: EIS (Executive Information System) integrated in the *TEAMS* package.

- InfoSanté

With its InfoSanté subsidiaries in Romania and Tunisia, the Cegedim Group provides sales statistics on pharmaceutical products significantly different from those offered by competitors. In both countries, InfoSanté is now the market leader[6] in regional and national sales data, and offers a full range of products and services for the pharmacy and hospital segments.

- Medical prescription analysis

- Cegedim Customer Information

Cegedim Customer Information provides pharmaceutical companies defined nominative information on healthcare professionals.

Relying on its *OneKey* database, the worldwide database reference[3] for healthcare professionals, Cegedim Customer Information offers its customers four main types of studies:

- *Icomed* (*Medimed* in Germany)

Icomed measures physicians' preferential attachment to the products that they prescribe while evaluating the size and profile of their patients. More than half of all French doctors in 19 branches of medicine inform Icomed of their prescribing habits each year.
This personal prescribing data allows pharmaceutical companies to:

- define physician profiles and adapt information strategies,
- measure the effectiveness of their information,
- perform general interest studies on the markets in which they are present or that they wish to develop.

For certain fields of therapy (cardiology, rheumatology, and dermatology) multi-country studies are performed based on the same questionnaire making it possible to consolidate and compare information.

- *PharmExact*

The *PharmExact* line offers the pharmaceutical industry studies on the delivery of drugs or OTC medications, as well as customer loyalty promotion and information communication tools for pharmacists computerized by Alliadis.

With its *Net-enquête* panel of 600 representative pharmacies, *PharmExact* produces ad'hoc studies on prescribing and drug delivery. These surveys provide information on medical prescriptions, the attitude of the pharmacy team and may even offer patient opinion.

- *DocScan*

DocScan, more specifically, provides information on the physicians' therapeutic behaviors as well as their promotional preferences. *DocScan* studies can also be carried out in response to a company's specific needs.

DocScan is available in all European countries and in Australia.

- *Physician Connect*

Physician Connect evaluates the existing ties among opinion leaders (KOL: Key Opinion Leaders) and prescribers, and makes it possible to identify local networks of influence among physicians treating a specific pathology at the local, regional or national level, for therapeutic management and continuing education purposes. *Physician Connect* is available in some thirty countries.

For certain pathologies (rheumatology in 2008, oncology in 2009), multi-country studies are carried out in Europe, Canada and the United States.

- Corporate databases and associated services

  - Cegedim Communication Directe

Specializing in professional databases and promotional tools throughout the world and backed by its expertise in these areas[3], Cegedim has developed a specific department for its French activities in the field of direct marketing, Cegedim Communication Directe (CCD), which offers:

- Specific data bases
  - Business & Management: 278 912 companies, classified by revenue, with telephone and fax numbers. More than 500 000 skilled functions
  - 3 193 314 corporate headquarters with details of the main executive, telephone and fax
  - INSEE : 5 253 131 establishments (comprehensive directory of companies).
  - Businesses: professional occupations, administrations, elected officials

- Data processing
  - Database audit, normalization, restructuring, clearing
  - Merge and purge, reconciliation, data consolidation
  - Sirénage (reconciliation with the SIRENE database)
  - Data cleaning and enrichment
  - Client data" maintenance using updates specific to CCD
  - Analysis of data and client profiles, segmentation, marketing scores

- Online services
  - *DataDistri:* online counter/extractor that independently feeds postal mailing, telemarketing and faxing campaigns with a history of targeting strategies.
  - *SirWeb:* allowing access to the INSEE's SIRENE repository, enriched with Cegedim information, for the identification and qualification of data contained in client CRM.
  - *GlobalDataControl:* providing open access for the triggering of automatic data enrichment and reliability processes

To offer all of these services, CCD relies on programs and tools, a number of which are unique in France, such as the "Source" database logging all establishment transfers and changes of domicile since 1993.

- Products and services dedicated to Press and Web publishers

Cegedim Communication Directe provides a set of solutions to print and digital news publishers to optimize their customers' knowledge:

- *SIGA* meets the requirements of press publishers in the fields of subscription management, direct marketing, circulation, and business intelligence.
- *OWA* is a Web service designed specifically for publishers of professional content sites requiring strict validation of access. *OWA* can construct very precise visitor profiles by relying on the Group's business reference systems.

- Printing and package inserts

  - Pharmapost

Pharmapost, an ISO 9001 certified company, is a mass production printing company that specializes in fine paper printing and finishing. In 2009 it produced 400 million flat, folded or single, double or triple roll pharmaceutical inserts thus placing it among the leading French producers.
Pharmapost also prints sales brochures, annual reports, and any type of promotional materials.

- Medical sample management

  - Pharmastock

Pharmastock is a pharmaceutical dealer specializing in the management and shipment:

- samples to physicians,
- documentations to medical representatives.

To comply with traceability and sample distribution requirements facing pharmaceutical companies. Pharmastock, backed by the Cegedim Group's knowledge of healthcare professional file management, offers the following:

- *Tracere*, designed to respond to the sample management needs of medical representatives and doctors,
- *3S*, for the processing of sample requests submitted by healthcare professionals.

6.1.2 Products or services released on the market during fiscal year 2009 for the "CRM and strategic data" sector

- **For CRM**: finalized integration in 2009 of the Dendrite and Cegedim lines, particularly with the combination of databases in *OneKey*, the central point of the Group's CRM activities, which now counts more than six million healthcare professionals and is continuing its rapid development particularly in the United States and China. The successful integration of Dendrite came to a close and the final stage of synergies, along with the R&D optimization.

  Convinced that the expectations of its customers can only be anticipated through constant innovation, the Group continues to expand its portfolio of products in this sector with, for example, the increased activity in the US of tracking counterfeit pharmaceutical products (compliance solutions) and the introduction in Europe of new OTC lines, one of the pharmaceutical industry's most dynamic businesses. Cegedim Dendrite is also continuing its development on emerging markets, particularly in India with the expansion of its CRM operations in this country.

  The continued updating of the line was also reflected in the new version 5.0, launched in 2009, of the CRM solution Mobile *Intelligence*™ as well as its adaptation for BlackBerry® and other Smartphones, which were particularly well received.
  Cegedim Dendrite also announced the deployment of a global helpdesk solution, in partnership with Amdocs, to meet the needs of its international customers.

- **For strategic data:** Cegedim Strategic Data (CSD) strengthened its organization in 2009 with the creation of a new "Global Strategic Data Integration and Reporting" department aimed at integrating the various sources of CSD data, such as promotional data, longitudinal patient data, PDS patient cases, and ZOOM data, in order to provide its customers with complete analyses of their market.

  CSD is also continuing the expansion of its global line with the launch of new solutions, such as *CSDSuite* (combined analysis of Patient data, CSD Promotion and Communication on a given market) and *Marketing Performance Indicators* (management chart and tool for analyzing the main marketing performance indicators of pharmaceutical companies).

  In 2009, CSD also became the first research firm to offer longitudinal patient data in the Europe Top 5 (Germany, Spain, France, Great Britain, and Italy) with a dedicated team in each of these countries.

- **In the Business Intelligence (BI)** field, version 8.2 of the Reportive BI platform, launched in 2009, includes many improvements in terms of ease of use, security, support for international information, and sophistication of published documents.

- **For corporate databases and associated services,** the new Cegedim Communication Directe Web portal marks a new stage in the placement of its relational marketing and data management services online.

6.1.3 Main markets

- Key figures

56% of the Cegedim Group's consolidated revenue.
Geographic presence: across 5 continents; more than 80 countries.
Main clients: Sales and Marketing Departments in the Healthcare and Life Sciences sectors.

- Competition

The services offered by Cegedim are unique in the healthcare sector and are highly differentiated from competitors' offers. Cegedim is the only company with an offer that combines the most comprehensive databases on the global market with CRM solutions.

Cegedim develops a full range of strategic databases that allow pharmaceutical companies to better understand where their drugs are sold, by whom they are prescribed, and why and to what extent their marketing efforts are effective. The objective is to provide them with the information necessary to define their marketing and sales strategies. Data on healthcare professionals is indeed essential information that allows pharmaceutical companies to direct their sales forces in the field. Cegedim owns its OneKey database and updates it daily. Few alternative offers exist and when they do, they are more limited geographically, unlike OneKey which is present in 73 countries in 2009.

Cegedim's competitors in terms of CRM offers do not have a database offer. Additionally, the main competitor in terms of databases does not have a CRM offer.

More specifically, Cegedim's main competitors in these two business areas are as follows:

- CRM

Oracle (Siebel) and **SAP.** These companies are software generalists who, contrary to Cegedim, do not focus exclusively on the healthcare sector. They focus on supplying software, while Cegedim also supplies outsourced solutions combining them with a complete range of services (hosting, maintenance, help-line, fleet management, training, etc.). Oracle bought out Siebel in 2006, thereby becoming the world leader in generalist CRM software.
Update is an Austrian publisher specializing in CRM that offers a dedicated healthcare solution and primarily targets the European market.
Veeva Systems is a competitor that appeared on the US market in 2007. It offers a solution that is only available in SaaS (Software as a Service) mode whose analytical capacities are limited.
There are also a number of local competitors in the different countries.

- Strategic data

IMS is the world leader in the health sector strategic study market (in terms of sales).
Taylor Nelson Sofres plc and **GFK** are generalists who offer ad hoc studies in the medical field.
Synovate Healthcare, founded in 2003, is very present in South America and Asia;
There are also a number of local competitors in this market.

- Main market trends

Despite the unfavorable economic context, pressure from international competition, the development of the generics market and attempts to impose State regulations, the global drug market should grow by 4% to 6% in 2010 with sales exceeding 825 billion dollars.

This IMS estimate (October 2009) was revised upwards from 4.5% to 5.5% following unexpected growth in the American market in 2009 (due more particularly to an increase in the price of drugs), growth which should be in the region of 3 to 5% in 2010, while waiting for President Obama's healthcare system reform to come into force.

Emerging markets should continue to sustain world growth in 2010 with an average increase of between 12% and 14% (more than 20% in the case of China), despite some decreases, as a consequence of the economic crisis, in certain countries such as Russia, Turkey, South Korea and Mexico.

Cegedim primarily provides solutions intended for the sales and marketing departments of pharmaceutical companies, so it is essential to understand how promotion spending is organized.

According to the studies published by Cegedim Strategic Data (CSD), which serve as a benchmark[5] in the healthcare sector, the amount set aside for promotional spending worldwide in 2009 was 93 billion dollars broken down as follows: 60% related to medical examinations, 12% went on samples distributed, 8% on so-called DTC (Direct To Consumer) expenses and lastly 20% on other promotional resources such as public relations, the press and the internet.

- Worldwide Healthcare Sector Trends

The worldwide healthcare sector is reorganizing itself to cope with changes in its model and its profitability being slowly eroded.

Sales and promotions functions, along with R&D quality, are the main areas of differentiation in the healthcare sector. Also, increasing attention is being paid to the personalization of client relations, acknowledgment of all stakeholders in the decision to reference a drug, new forms of promotion, including the Internet, and the concept of a return on investment (ROI) from promotional tools.

In the United States, advertising directed at the general public, "Direct To Consumer” or DTC, is also one of this market’s main trends. Indeed, the "patient" has become a preferred target for American pharmaceutical companies. In Europe however, legislation currently limits such communication.

- Healthcare sector trends in France

Since 1995, France has been the European Union's leading drug manufacturer; today it is also ranked third in the world market. In 2008, there were 326 industrial companies including 177 biotechnology companies and more than 103 000 employees in France (*source: LEEM).*

Promotion is the main leverage to optimize pharmaceutical company marketing and sales. Despite government attempts to regulate the sector, it continues to benefit from considerable resources: 4.9 billion dollars in 2009 (as opposed to 4 billion in 2008).
For example, the promotional budgets of French pharmaceutical companies in 2009 may be broken down as follows: 59% related to medical examinations, approximately 23% went on public relations type promotions, the press, the internet, just over 17% on so-called DTC expenditure and less than 1% on samples distributed.
(Source: CSD, Cegedim Group).

6.1.4 Notes

[1] Cegedim, via its subsidiary Cegedim Dendrite, is the world leader in terms of the number of users of its CRM solutions for the pharmaceutical industry, according to in-house estimates.
[2] Cegedim is one of the leading European publishers of software for healthcare professionals in terms of the number of workstations installed.
[3] The Onekey database is the benchmark in the pharmaceutical industry in terms of number of countries covered and data entered, as well as in terms of user numbers.
[4] Cegedim has the largest and best R&D and support structure dedicated to pharmaceutical CRM in terms of numbers of specialized employees in this sector.
[5] CSD is a leading player in market research for the healthcare industry in view of the variety and coverage of the research available.
[6] InfoSanté is the leader in terms of revenue on the Romanian and Tunisian sales data markets.

6.2 “Healthcare professionals” sector

6.2.1 Description of the issuer’s main operations and products in this sector

Working alongside healthcare professionals for many years, Cegedim has positioned itself as a leading[2] European publisher of medical and paramedical management software.
As such, the Group works with paramedical professionals, pharmacists, general practitioners, and specialists on a daily basis, whether they work independently or in group practices, in healthcare centers, or healthcare networks.
Cegedim’s software meet the needs of professionals and the latest technical and regulatory requirements. It is an important vector for transferring scientific, medical, and promotional information between healthcare professionals at the place of practice.

Cegedim Healthcare Software (CHS)

Created in 2009 in order to coordinate and consolidate all activities pertaining to software solutions for healthcare professionals, the Business Unit Cegedim Healthcare Software (CHS) has more than 119 000 healthcare professionals and 16 000 pharmaceutical professionals using its solutions in seven countries (France, United Kingdom, Spain, Italy, Belgium, Tunisia, Chile). This new division reflects the Group’s intentions of structuring its products and services and reinforcing the synergies between its business activities in order to take advantage of new growth prospects, particularly in Europe.
Cegedim Healthcare Software is organized around four areas: pharmacist software (Alliadis, Cegedim Rx, Next Software), medical and healthcare network software (CLM, AGDF Cegedim RS, Stacks, HDMP, INPS, Millennium), paramedical software (RM Ingénierie), medication database (Resip / Banque Claude Bernard).

- Software for pharmacists

  - Alliadis

Specialized in pharmacy computerization, the Alliadis group (Alliance-Software, Alliadis, Data Conseil and Servilog) has been providing support to pharmacists since that sector began to be computerized more than 20 years ago. It develops and markets comprehensive, integrated software solutions, including the supply of suitable IT equipment.
Alliadis is at the forefront of the latest technological innovations, and is meeting its customers’ occupational needs with high value-added and continuously updated solutions.
The new regulatory challenges such as the Pharmaceutical File, the development of the SESAM-Vitale environment, substitution objectives, product traceability and coding and over-the-counter drugs,
all require the development of IT tools in the short or medium term.
A seasoned observer of new developments in the pharmaceutical industry, the Alliadis group has succeeded in adapting to economic challenges by offering customized solutions to the different market players:

- independent pharmacists who nevertheless require, for example, *PharmADSL* solutions,
- pharmacies with a private healthcare agreement, the core of the Premium solution’s targeting strategy,
- pharmacies organized in SELs (independent professional companies), with different products that allow colleagues to network,
- pharmacist groups for whom, to date, the Alliadis solutions are the most popular, and even the only solution of some. Some partnerships allow members to use exclusive IT tools adapted to the specific operational characteristics of their group,
- pharmaceutical companies, via a dedicated solution. Since 50% of drug flows are managed through its software applications, the Alliadis group is the preferred partner of the leading pharmaceutical companies for implementing information and promotional systems designed for pharmacists.

With the arrival of over-the-counter drugs, selling area profitability is becoming highly strategic. To assist its clients in the wake of this change in the pharmaceutical industry, in 2008, the Alliadis Group formed a sales network called *NTPharm* aimed at increasing selling area value and security.

In 2009, the Alliadis group continued its growth strategy:

- through its acquisition of PGI, reinforcing its positions in the Brittany region. This structure also offers a specific response to large pharmacy groups through “open”, extremely communicative technology.
- by supporting pharmacists in the diversification of their functions, such as medical equipment leasing and nursing home management. To do this, the group integrates or develops specific solutions interfaced with its business software.

In France, 450 employees, 30 skills centers and 2 hot-lines deployed throughout the entire territory provide daily local service whose quality is unanimously recognized by clients. With 9 380 clients, the Alliadis Group holds 41% of pharmaceuticals IT market in France.

- Cegedim Rx

Cegedim Rx is the leading supplier of software solutions and computer services in United Kingdom with around 50% of the pharmacy market which represents 12 200 pharmacies.
Its product line includes *Nexphase* and *Pharmacy Manager PMR systems* which process over 180 million prescriptions every year. Cegedim Rx was awarded ISO accreditation 9001, 2000 and 27001 and now employs over 160 staff who are based in two main sites in the UK.
The majority of leading pharmacy multiples such as Asda, Boots, Tesco, Morrisons and Superdrug use one of Cegedim Rx’s solutions.
Cegedim Rx is heavily involved in the development and provision of Electronic prescriptions and electronic minor ailment software in the UK and also provided its customers with the government sponsored broadband communications within pharmacies as well as providing its own Message Handling service which will eventually handle upwards of 60% of the English prescriptions managed by its own Network Operating Centre.
Cegedim Rx also offers products for:

- hardware distribution and engineering,
- support and training for users,
- the sale of consumables.

- Next Software

Next Software is a company specialized in publishing and distributing solutions for healthcare professionals in Tunisia.
A leader in pharmacy computerization with 40% market share, Next Software is the sole player present in Tunisia.
Already heavily involved in IT support for reimbursement systems installed by the healthcare authorities, Next Software will quickly benefit from the experience of the Group’s other “pharmaceutical” publishers, enhancing its offering in therapeutic banks (Banque Claude Bernard) and electronic information exchange.

- Software for doctors and healthcare networks - France

  - Cegedim Logiciels Médicaux (CLM)

CLM offers solutions for office-based physicians, oncology institutions and healthcare centers:

- for physicians: *Crossway, Doc'Ware, Cardiolite, Médiclick, Eglantine, Médigest*, and *Mégabaze* software offer simple and efficient management of patient records.
- for oncology institutions: *Oncobaze* software offers comprehensive management of the workflow for chemotherapy treatments and their complete traceability.
- for healthcare centers: *Crossway* software offers medical center management (coupled with a management solution for direct payment).
- for *Secure Medical Mail®* and *Resip FSE* software programs, used alone or integrated with medical software, respectively allow medical information to be shared through secure e-mail and CPS authentication and electronic care sheets to be prepared in compliance with the latest regulations in force.

The use of international interoperability standards in the healthcare software programs of the *LC2009* line was strengthened in 2009, particularly in their interactions with platforms for sharing medical information between professionals (DMP/DM-Pro). These products are currently positioned as the most successful model tools for healthcare coordination and continuity and have been completely integrated into the daily practice of healthcare professionals.

The efforts regarding interoperability made in 2009 will be continued in 2010, particularly through active participation in cross-border European projects implementing the “Patient Summary” and illustrating CLM's collaboration with the Cegedim Group's other “medical software” entities.

  - AGDF Cegedim RS

AGDF Cegedim RS ensures the development, deployment, and maintenance of healthcare data exchange and sharing solutions applied to healthcare networks, regional electronic healthcare platforms (ENRS), as well as the Electronic Patient File. It also hosts them under conditions compliant with the requirements of the personal healthcare data hosting order.

This offering responds to the interoperability issues of healthcare professional solutions, referring to the national interoperability framework published by ASIP Santé. It deliberately places itself in a dynamic synergy strategy through the various Cegedim Group product lines for healthcare professionals (physicians and paramedical professionals, healthcare centers) and numerous partner offerings extending to the hospital field. The success of this offering was largely demonstrated during the experimentation phases for the electronic patient file and as part of the implementation and deployment of the information system for management of the national influenza A H1N1 pandemic.

AGDF Cegedim RS's offering is particularly built upon:

- the support of all players (healthcare professionals, patients, manufacturers, healthcare information system publishers),
- respect for limitations on performance, security, robustness, and durability through the relevance and quality of the hosting system,
- user confidence through the quality and performance of support systems (telephone call services, operational maintenance).

- Software for doctors - International

  - In Practice Systems (INPS)

INPS is strengthening its position as leader[7] in the Primary Care sector in the United Kingdom with its *Vision* offer. The reforms undertaken by the National Health Service require different levels of interoperability between healthcare professionals, and In Practice Systems continues to develop and adapt its software solutions in order to meet these requirements for General Practitioners.

The Vision clinical application is used by almost 10 000 doctors at more than 2 300 primary care locations in the United Kingdom.

  - HDMP

The second-leading player on the Electronic Patient File market for general practitioners in Belgium with the *Health One* solution, HDMP is also very active in sectors involving hospitals, industrial medicine, out-of-hours services, prevention centers, healthcare centers, etc. with more than 2 000 references.

  - Millennium

Based in Florence, Millennium, 49% owned by Cegedim, is Italy's leading[8] medical software publisher, with *Millewin* installed on nearly 12 000 workstations. In 2009, Millennium strengthened its regional presence and became a principal shareholder of two other publishers, one focused on general practitioners and the other on pediatricians. Millennium now directly or indirectly equips more than 21 000 physicians, representing a market share of 37% with Italian general practitioners and 45% with pediatricians.

  - Stacks

The leader[9] in physician software in Spain with more than 30 000 users, Stacks specializes in the analysis, design and development of information systems dedicated to the healthcare sector. Stacks also offers consulting and technical services for identification, adaptation and integration of solutions in order to meet the needs of healthcare professionals.
The primary market for Stacks is the Spanish public sector, which represents more than 60% of its sales. The company has its own commercial network throughout the country. It is also present in South America through its establishment in Chile.

- Software for paramédical professions

  - RM Ingénierie

RM Ingénierie offers a full range of software (+4000 line, *BioRescue* rehabilitation solutions and *Bioval*) for para-medical professions: nurses, physiotherapists, speech therapists, orthoptists, chiropodists, podiatrists, midwives. Designer, in 1984, of France's first practice management software for physiotherapists, RM Ingénierie has positioned itself as French leader in management software solutions for para-medical practices with approximately 30 000 users.

RM Ingénierie also develops innovative tools designed for physiotherapists and sports medicine customers. These tools make it possible to analyze, measure, and rehabilitate movement.

- Medication database

  - Banque Claude Bernard – RESIP company

RESIP (Recherches et Etudes en Systèmes Informatiques Professionnels) provides healthcare professionals with a scientific database to assist them in prescribing and issuing medications: the *Banque Claude Bernard (BCB)*.

The *BCB* is the first drug database accredited late September 2008 by the French national health authority, Haute Autorité de Santé (HAS), in the context of the certification of prescription assistance software.

The *BCB* is integrated into the pharmacy management software marketed by the Alliadis network (Alliance+, Premium and Servilog software), representing more than 9 000 subscribing pharmacies. The *BCB* is also represented in software programs for doctors: more than 12 500 medical practices are now equipped.

It will be gradually present on all computerized physicians' workstations owned by the Cegedim Group in France and is also distributed by other medical software publishers.

As the lead[10] player in the Web market, the *BCB* is integrated into healthcare sites and portals. The *BCB's* technology makes it easy for hospitals to incorporate the database into their Intranet systems for consultation (already more than 1 200 institutions are using it).

APIs (Application Program Interface) also make it possible to interface with the hospital management software. Almost 150 hospitals have integrated the *BCB* into their prescription or dispensation software.

- Customized statistics for pharmacists

  - Santestat

Using sales data collected from a panel of pharmacies, Santestat has compiled a statistics database that is continuously enriched.Thanks to Santestat, pharmacists and their groups have the tools necessary to optimize the management of their agencies, the monitoring of their pricing policies and the vision of their purchasing market.
At the same time, these statistics enhance studies offered by GERS by providing pharmaceutical companies with the data necessary to better understand drug distribution channels.

- Intranet et portail de santé

  - Santesurf

Santesurf is France's secured IT portal dedicated to healthcare professionals. Doctors equipped with Cegedim systems or other solutions can transmit electronic care sheets (FSE) to primary health insurance providers.
They also benefit from specialized services (e-mail boxes, company mail boxes) and Internet access. Santesurf is the only free and secure French Intranet exclusively for healthcare professionals (doctors, pharmacists).

- 31 000 subscribers use Santesurf.com every day and 9 000 transmit electronic care sheets, making Santesurf the leading private French data concentrator with a market share of close to 17%.
- Santesurf, as a private operator, has become the benchmark data exchange platform for healthcare professionals and medical sales reps.
- Santesurf also serves as a hub for the majority of information flows managed by Cegedim.

- Professional databases

  - Rosenwald

Rosenwald, specialized in publishing directories of healthcare professionals, offers three directories, the physicians' directory (including notably a geographic listing of private and hospital practitioners by specialty), the pharmacists' directory (which lists retail and hospital pharmacists) and the hospital directory (providing helpful information on more than 9 700 public and private hospitals). These directories are available in hard copy (except the pharmacists' directory) or may be consulted on line at www.rosenwald.com.
A new drug guide has been published since 2008 a Drug Guide (le Guide des Médicaments) in collaboration with RESIP that presents more than 3 500 monographs from the Claude Bernard drugs database.

With its Mail Group business, the French leader[11] in medical bus mailings, Rosenwald allows advertisers to share the costs of their mailing operations and has confirmed its role as provider of promotional tools dedicated to healthcare professionals.

- Promotional information

  - Réseau National de Promotion (RNP)

RNP (Réseau National de Promotion) is the French benchmark[12] for POS (Point Of Sale) advertising in the pharmaceutical and para-pharmaceutical industry. RNP promoters and merchandisers provide pharmaceutical companies with privileged access to 20 000 pharmacies in France every three weeks.
Services include:

- Window dressing
- Implementing in-store promotional materials (shelving, counters)
- Conduct surveys

Equipped with PDAs, they transmit their activity and supporting digital photos in real time.
Pharmaceutical companies can monitor their campaigns online.
Today, equipped with cutting-edge equipment, RNP offers new window and event concepts to pharmaceutical companies while continuing to offer customized services to pharmacists.
RNP is the necessary relay between pharmaceutical companies and pharmacists.

  - MedExact

MedExact works in synergy with Cegedim Group companies involved in promotion, with the exception of medical reps promotion.
The *ScreenPub* offer concerns doctors equipped with Cegedim Logiciels Médicaux software interconnected to the Cegedim server. It allows the information exchanges and the downloading and circulation of advertising campaigns directly onto screensavers.

- Medical financial leasing

  - Cegelease

Cegelease, with its *Cofidata, Pharmalease, Pharmaloc* and *Médilease* brands, is a financial leasing company that offers financing options to retail pharmacies and healthcare professionals.

6.2.2 Products or services released on the market during fiscal year 2009 for the "Healthcare professionals" sector

Throughout 2009, the Group continued to strengthen the international synergies among the various entities of its "Cegedim Healthcare Software" business unit, particularly on the technical level, in order to maintain its technological advance and the quality of its services.

- **In France:** With its new *LC 2009* (Logiciels Cegedim 2009) line, Cegedim Logiciels Medicaux (CLM) guarantees its customers using different software published by the Group the same level of technological performance and functionality: scheduling and appointment, patient file administrative management and history, standard consultations, coordinating treatment, etc. CLM also continued to grow in the oncology field, particularly with the release of version 8 of *Oncobaze*, a true tool ensuring chemotherapy treatment security and traceability.

  In 2009, Alliadis continued its growth strategy: the acquisition of PGI, which has a strong position in the Brittany region, rounds out its line of management solutions for French pharmacies through open, communicating technology.

  Alliadis is also continuing to support pharmacists in the diversification of their functions, such as medical equipment rental and nursing home management, by integrating or developing specific solutions interfaced with its business software.

- **In the United Kingdom**: in 2009, In Practice Systems launched *Vision 360*, a major upgrade of its lead software *Vision*, allowing healthcare professionals to safely file and store patient medical data. These data can be used for reporting purposes and/or shared by the healthcare community beyond medical surgeries.

  In the field of software for pharmacists, Cegedim RX obtained ISO certification in spring 2009 in three key fields: Quality (9001), IT Service Management (20000), and IT Security (27001) and has positioned itself as a major player in the electronic prescription project.

- **In Spain**: The people of La Rioja (a region in northern Spain) now have access to their medical files online thanks to the OMIap solution and Web services provided by Stacks. The data presented in a summary format pertain to general practice medicine, clinical and hospital reports, emergencies, lab results, and outside consultations.

- **In Belgium:** In 2009, HDMP was the country's first company to obtain accreditation for the management of general practitioner out-of-hours services. On the product side, the *HEALTHone*™ software has been enhanced with an online backup system.

6.2.3 Main markets

- Key figures

31% of the Cegedim Group's consolidated revenue.
Geographic presence: Belgium, Spain, France, Italy, the United Kingdom, Tunisia and Chile.
Main clients: doctors, pharmacists and paramedical professionals.

- Competition

There is currently no global competition operating in all the countries covered by Cegedim. The analysis must therefore be segmented according to market and country.

- Software for doctors

In France: Cegedim is one of the market leaders[2]. Its main competitors are Compugroup (with more particularly AxiSanté software), Imagine Editions (Hellodoc software) and Prokov Editions (Medistory software).

In the United Kingdom: Cegedim with its subsidiary, In Practice Systems, is ranked the number two player in terms of user numbers (market share estimated at more than 22%), after EMIS (market share estimated at 51%) and ahead of TPP (10%) and iSoft (8%).

In Belgium: Cegedim is a major[2] player at the forefront of this very fragmented market which has a substantial number of healthcare software publishers including Corilus, Windoc, Epicure...

In Spain: with 60% of the estimated general practitioner market share, Cegedim, with its subsidiary, Stacks, is the leader[9] in this niche market. Indra and Siemens are among the main competitors.

- Software for pharmacists

In France: The Alliadis Group (Alliance-Software, Alliadis, Data Conseil and Servilog), which belongs to Cegedim, and Pharmagest Interactive are joint leaders in the pharmacy computerization market in France.

In the United Kingdom: Cegedim entered this market at the end of 2004, with the acquisition of NDC Health and Enigma Health, which today are combined into one entity called Cegedim Rx. With an estimated 50% market share, Cegedim Rx occupies a leading position in terms of the number of computerized retail pharmacies in Britain, ahead of Rx Systems and Celesio Retail.

- Software for paramedical professions

In France : A leading[13] company supplying physiotherapists, speech therapists, podologists and orthoptists, RM Ingéniérie holds a major position at the forefront in France in the field of the computerization of the paramedical professions, its main competitor being Epsilog.

- Other

As regards promotions, Cegedim is the French leader[12] both in terms of advertising at points of sale (POS) in pharmacies, through the number of pharmacies included in its display network, and advertising at points of prescription (given its fleet of computerized physicians).
As regards medication databases: Cegedim's BCB (Banque Claude Bernard) and its competitor, Vidal, are the main players in this field in France.

- Mains market trends

Cegedim strives to provide all healthcare professionals with effective tools for managing their day-to-day practices. Doctors and pharmacists, particularly in France and the United Kingdom, constitute a prime example in this sector of activity. The number of staff employed in these professions gives a good estimate of Cegedim's potential market.

- Population United Kingdom

General practitioners*			
42 876			
Pharmacists**			
Total	For England and Wales	For Scotland	For Northern Ireland
12 694	10 998	1192	504

Sources : * *Royal College of General Practitioners, 2006* and ** British *Government, 2008*

- Population France

Physicians				
In regular practice*	In general medicine*	In general medicine and private practice*	Generalist services transmitted electronically**	Specialist services transmitted electronically**
199 736	75 204	39 321	53 977	38 183
Pharmacists				
Practising***	Holding a pharmacy licence***	Assistant pharmacists***	Number of pharmacies***	Transmitted electronically**
72 716	28 148	22 319	22 462	23 077
Physiotherapists				
Practising****	Individual practices****	Group practices****	Office-based****	Transmitted electronically**
69 919	32 582	18 112	52 804	45 14

Sources:
* *French National Council of Physicians (Conseil National de l'Ordre des Médecins) - Atlas of Medical Demography - situation at 1st January 2009*
** *GIE SESAM-Vitale, figures at end January 2010*
*** *Statistics from the French National Council of Pharmacists (l'Ordre National des Pharmaciens) at 1st January 2009*
**** *French Federation of Masseur-Physiotherapists & Therapists (Fédération Française des Masseurs Kinésithérapeutes Rééducateurs), figures at 1st January 2009*

- Computerization of doctors in France

The large majority of French medical practices, almost 90% according to our estimates, are computerized. However, this level of computerization essentially concerns electronic care sheet management: Only 40 to 60% of computerized doctors (again according to our estimates) use a computerized patient file to record their diagnoses, their prescriptions and to update their patient's profile (pathologies, allergies, family history, test results, etc.). Nonetheless, it can be noted that the use of the internet on a daily basis is becoming common practice in medical surgeries.

On the whole, the doctor computerization market in France, which depends on individual initiative, has remained relatively stable over the last few years. There are numerous areas for improvement both in terms of the number of doctors equipped and in terms of making use of the most sophisticated tools.
While waiting for the restarting of the Personal Medical Record (DMP), the need for healthcare professionals to exchange information and the development of wide-spread networks are positive factors that feed growth in this market.

- Computerization of Pharmacists in France

All French pharmacies are now computerized: The market for pharmacist software is therefore a replacement market. Nevertheless, this market remains dynamic given the considerable technological developments it has experienced and continues to experience, particularly with respect to computerizing flows (both for managing direct billing with health insurance and for orders placed with wholesalers and pharmaceutical companies). The new regulatory challenges such as the Pharmaceutical File, the development of the SESAM-Vitale environment, substitution objectives, product traceability and coding and the arrival of over-the-counter drugs, all require short- or medium-term IT developments.

- Physician Software in the UnitedKingdom

All medical practices are computerized in the United Kingdom. This is encouraged by the National Health Service that is undertaking a program to introduce wide-ranging reforms of the IT required to improve the provision of healthcare in the United Kingdom.

The program is intended to last at least 10 years and is financed through centralized IT budgets.

All suppliers of IT systems and applications to the healthcare market are affected by the changes, including physicians (GPs), pharmacists and hospital staff.

This program requires that GP Systems progressively achieve levels of interoperability with national systems to improve the management and administration of patients and their medical records, using a private telecommunications network called N3.

For GP systems the interoperability agenda covers the following topics:

- Compliance with NHS standards (RFA99 accreditation with subsequent changes).
- Electronic appointments system between GP Practices and hospital consultants.
- Electronic transmission of prescriptions (ETP) from GPs to pharmacists – phase 1 is implemented and phase 2 is in progress.
- Electronic transmission of patient files between GPs – this is already implemented and current activity is restarted to minor refinements.
- Centralized hosting of GP IT systems to accredited standards which INPS has implemented successfully.

For GP systems, adherence to the standards and the commercial arrangements are administered by a department of the NHS called GP Systems of Choice (GPSoC). There are numerous smaller projects too which have subsequently been introduced through Change Control Notices and become mandatory requirements for GP Systems.

The overall program is ambitious and demanding for all of the players in the British market. Cegedim through its subsidiaries In Practice Systems (GP Systems) and Cegedim Rx (Pharmacy Management Systems) are at the forefront[2] of all of these projects.
Take-up for the new developments is ensured through government financial incentives and targets, which pay for the roll-out of new functionality and the ongoing technical support for GP Systems. Pharmacists are also reimbursed for implementing systems that have been accredited for ETP and for connection to the national secure N3 network.

6.2.4 Notes

[2] Cegedim is one of the leading European publishers of software for healthcare professionals in terms of the number of workstations installed.
[7] In Practice Systems is the leader in terms of the number of physicians' software workstations installed in the Windows environment in the UK.
[8] Millennium is the leading publisher of physicians' software in terms of the number of workstations installed in Italy.
[9] Stacks is the leader for physicians' software in terms of the number of workstations installed in Spain.
[10] BCB is the leading player on the web market in France, with deployment of the database on the tools used daily by healthcare professionals (software, intranets, portals, etc.).
[11] Mail Group is the French leader for joint medical mail shots in terms of the number of communications processed.
[12] RNP is the French benchmark for point-of-sale advertising in terms of the number of pharmacies covered by its display network.
[13] RMI is the leader among physiotherapists, speech therapists, chiropodists and orthoptists in terms of the number of FSEs (electronic care sheets) transmitted (source GIE SESAM-Vitale).

6.3 "Insurance and services" sector

6.3.1 Description of the issuer's main operations and products in this sector

Leveraging on its skills in software publishing and in processing complex information, the Cegedim Group brings together offers in the Insurance and services sector for major healthcare insurance players and technological expertise for its partners and clients in all sectors.

Insurance, electronic payment and health

The Insurance, electronic payment and health division includes all of the Group's products and services for insurers, mutual and contingency companies through its subsidiaries Cegedim Activ, Cetip and iSanté for electronic payment.
This division regroups synergies along the entire exchange chain ranging from the healthcare professional to the private health insurers.

- IT for healthcare insurers

    - Cegedim Activ

With 30 million policyholders in France managed with its solutions, Cegedim Activ is now the leader[14] of software and services dedicated to personal insurance (supplementary health schemes, mandatory health plans, contingency plans, life insurance and retirement). Its products are intended for all market operators: insurance companies, mutual healthcare companies, provident institutions and brokers.

With its expertise in personal insurance, Cegedim Activ works closely with its customers to create innovative offers and help them optimize the profitability of their business. To accomplish this, Cegedim Activ has a unique combination of expertise: the expertise of its employees, the availability of technologies and an offer of consulting, integration, facilities management and healthcare flow management services with 250 million EDI flows per year (Noemie, direct payment by insurers and SESAM-Vitale 1.40).

In 2009, Cegedim Activ made several large projects a reality:

- Creation of a new local branch in Nantes, following the signing of an original partnership with the Mutualist Ressources Mutuelles EIG, to resume its "information system management" activities. In particular, this partnership allows Cegedim Activ to speed up its development in western France and have a branch that is already operational with around forty employees.

- Following the acquisition of the *Miriam* software in late 2008 and the integration of the corresponding customer portfolio into its business, 2009 saw the success of the porting operations of the Java platform on Unix/Oracle, as well as the achievement of a technical benchmark demonstrating the power of the *ACTIV'RO* solution and its ability to manage volumes of several million protected people.
  Several contracts for migration to the new software platform were signed, demonstrating the interest that social security managers have in it.

- Deployment of the *ACTIV'Infinite* offering, with most Large Account customers having entered the migration process. This is particularly the case with Harmonie Mutuelles, which successfully launched its first site in September 2009 as part of its major plan to converge the healthcare management of all of the group's mutual healthcare companies.

- Lastly, the *ACTIV'Premium* solution was selected by MATMUT to support the development of its new healthcare offerings as well as by the mutual healthcare companies of the APREVA Group, which successfully launched the production of this solution for the entire group in late 2009.

- Flows and electronic payment

  - Cetip

Cetip, an operator with the Association Santé-Pharma since 1991, is the leader[15] in the management of direct payment by insurers. In 2009, Cetip's flow receipt and management platform processed more than 102 million invoices for direct payment by insurers, 98% of which were transmitted electronically, with the highest rate of secure 1.40 electronic claim submissions (Demandes de Remboursement Electroniques or DRE) on the market.

Cetip handles all regulatory and technical changes related to direct payment by insurers for its customers (SESAM-Vitale 1.40 standard, Common Classification of Medical Acts, electronic claim submissions (DRE), care initiative management, etc.). Cetip's information system was produced in cooperation with Cegedim Activ.

More than 222 Supplemental Health Insurance agencies, close to 80 000 healthcare professionals and 12 million beneficiaries through SP Santé have placed their trust in Cetip for more than 18 years.

At present, direct payment by insurers has been extended to all healthcare professions. Cetip works in partnership with the French Federation of Insurance Companies and with APRIAR SA for delegated project management.

In 2009, Cetip contributed to the success of a major experiment: the receipt, encryption and transmission of made anonymous prescription data as part of the Babusiaux experiment – Inédit Santé AXA France.

Cetip also participated in the acknowledgment of data from the DUO supplementary card and the dissemination of card suspension requests to partners involved in the experiment. One of the project's benefits involves the accelerated management of payments to healthcare professionals. In addition, the SESAM-Vitale EIG made the decision in 2009 to make the DUO card system widely available.

Cetip also automated the processing of optical insurance acceptance requests for SP Santé.

  - iSanté

iSanté is an operator of direct payment by insurers, geared primarily towards mutual healthcare companies, which has a complete line over the entire processing chain (from healthcare professional agreements to the liquidation of invoices as well as real-time processing of insurance acceptance requests).
The subsidiary aims to develop new services in relation with the healthcare offering: health risk management (preventive health programs, dedicated networks of healthcare professionals, etc.), new methods for verifying the rights of the insured, and processing of personal healthcare data. Its customers represent more than 5 million beneficiaries. iSanté manages agreements for 85 000 healthcare professionals and handles 200 000 telephone calls annually.

- Data flow and services offerings (Offres de Flux et de services or OFS)

  - Cegedim EDI

Dedicated to Electronic Data Interchange (EDI), the Cegedim EDI department offers electronic management of all documents circulating between the companies.

Born of a partnership with GIE Edipharm in 1991, which enabled the creation of an EDI system between wholesale distributors and pharmaceutical companies, this activity quickly spread to medical laboratories and the animal health sector before reaching the industry, distribution and services sectors as the offer was adapted to meet the needs of these new markets.

Backed by its experience, Cegedim EDI is now able to offer its customers an industrial solution for electronic exchanges that adapts to their specific requirements and integrates the constraints of their particular trade that rely on the strength of the Cegedim Group's IT infrastructure.

As such, the *Edipharm* solution, operated by Cegedim EDI:

- meets drug traceability requirements (batch number, expiration date) by triggering a shipping notice message.
- optimizes supply management through the development of Collaborative Managed Inventory messages (Gestion Partagée des Approvisionnements or GPA).
- integrates the new direct order service for pharmacies through the Pharma-ML standard.

In addition, Cegedim EDI offers *Global Invoice Services (GIS),* the most comprehensive European SaaS mode computerized invoice platform, allowing partners equipped with compatible systems to connect and share electronic documents with the integration of a full line of value-added services.

GIS is a rich, flexible solution offering services for processing all incoming and outgoing paper flows, structured files, or image files until they are archived with probative value.

A pioneer, having received the approval of France's General Tax Directorate in 1992 for its tax-compliant computerized invoices, Cegedim EDI has everything to support its customers in the deployment of the solution and assist them with regard to new issues surrounding computerized invoicing and sustainable development.

  - Hospitalis

Hospitalis is a Web portal that provides information and data exchanges between healthcare institutions and their suppliers, ensuring the global computerization of all procurements of drugs, medical equipment and laboratory reagents. The scope of what *Hospitalis* offers includes product repositories, purchase orders, orders, logistics information and invoices.

Hospitalis contributes to the traceability of exchanges by centralizing all information on its Web portal.
It also handles interoperability between the different software used by order placers, their suppliers or their service providers.

Hospitalis is interfaced with the portals of CAHPP and CACIC, two of the main principals in the private hospital sector, for which it routes purchase order data flows.

In 2009, *Hospitalis* also worked with the Cancer Research Institutes, to provide a repository of drugs, medical equipment and laboratory products and to make the appropriate infrastructure for the computerization of procurement flows available.

Hospitalis is now present in more than 600 major healthcare institutions, including 21 university hospitals, and was used to transmit more than 1.2 million orders in 2009.

- Qualitrans-Telepharma

Qualitrans-Telepharma is a technical concentrator agency (Organisme Concentrateur Technique or OCT) that centralizes the claims for electronic care sheets issued by pharmacies and allocates them to the appropriate mandatory and supplementary healthcare insurers.

This is crucial when it comes to the acceptance of direct billing by healthcare professionals.

On the cutting edge of technology, Qualitrans-Télépharma is fully compatible with SESAM-Vitale 1.40 standards and, with a high level of responsiveness, can integrate legislative and regulatory changes (LOI, RPPS, etc.).

It also offers value-added services such as the monitoring of claims and payments via its Web portal.

Qualitrans-Telepharma handles over 84 million electronic care sheets per year for over 3 000 pharmacists. This makes Qualitrans-Telepharma France's number two[16] technical concentrator.

Other services

- Outsourced payroll and HR management

  - Cegedim SRH

A specialist[17] in the outsourced payroll and human resources (HR) management market in France, Cegedim SRH designs, develops and markets outsourcing services based on innovative application software solutions.

Also operating on Swiss and British markets, Cegedim SRH's role is to assist and advise businesses with the management of their projects for a more efficient HR information system: payroll management and human capital management and development.

A partner with HR divisions, Cegedim SRH makes a contractual commitment to its customers with regard to payroll compliance, meeting deadlines and system availability.

- *TEAMS*^RH^, an outsourced HRIS solution

Nativement conçue pour l'externalisation, la plateforme *TEAMS*^RH^ a été la première solution SIRH du marché basée sur une technologie JAVA. Avec son architecture modulaire et son approche orientée processus, *TEAMS*^RH^ apporte des services de qualité, adaptés aux besoins d'externalisation des entreprises.

Benefiting from recent technological advances, *TEAMS*^RH^ is an interactive, real-time solution that contributes to the optimization of management modes within the company by deploying transversal processes ranging from the collection of information to its control and dissemination. It is integrated into the company's global information system and communicates with all of the market's information systems.

TEAMS^RH^ offers a set of extended features and is structured around major functional areas, such as:

- Payroll and personnel administration
- HR portal (leave/absences, ESS/MSS, expense reports, decentralized entry, etc.)
- Corporate steering
- GPEC (occupation and skill forecasting) and training
- Time management
- International, global, unified HR database

In a volatile, complex legal environment, Cegedim SRH offers outsourcing services that are customized and adapted to the needs, context and size of businesses. These services, for which Cegedim SRH is SOX-accredited, rely on Cegedim Group's computing power, which allows Cegedim SRH to have its own hosting platforms.

- Hosting, services and Internet

  - Cegedim hosting

Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurers and healthcare mutuals and healthcare networks (e.g. Electronic Patient File trials), as well as in the management of financial flows and electronic documents. Due to their strategic and sensitive nature, all these activities have led the Group's teams to devise architectures with very high availability that meet the security requirements of its customers and, in particular, standards governing the hosting of medical records.

Cegedim facilities management services are located in three different geographical zones:

- America (Chesapeake site in the USA),
- Europe (sites in Boulogne-Billancourt and Toulouse in France),
- Asia-Pacific (in Bangalore, India, and in Singapore).

These sites, of which three are Tier IV level (in France and in the USA), provide the back up and launching of Business Continuity Plans (BCP) due to coverage of all time zones.

  - PCO Cegedim

PCO Cegedim provides infrastructure solutions and facilities management services to companies, allowing them to secure, administer and supervise information systems. PCO Cegedim's product line covers two main operational areas:

- Integration involves designing and implementing all or part of the IT systems and networks requiring the integration of assorted elements: servers, virtualization, storage, active components, security, supervision, and workstations.
- Facilities management includes services associated with the management of IT infrastructures: distribution, asset leasing, on-site technical assistance, service desk, fleet management, school computerization and outsourcing of backups.

6.3.2 Produits Products or services released on the market during fiscal year 2009 for the "Insurance and services" sector

- **For computerization of insurers and mutual healthcare companies:** in 2009, Cegedim Activ enhanced its line of *"Activ'Insurance suite"* solutions with a new offering, *Activ'RO*. Designed to manage volumes of several million people, Activ'RO is intended for organizations managing the general scheme, AMPI (Health Insurance for Independent Workers), SL (Local Sections), and RSAM (Special Health Insurance Plan). Cegedim Activ also deployed into production *Activ'Infinite*, its product dedicated to the market segment of Key Accounts, IP insurers, and managers.

  In addition, the 2009 rollout of a new R&D operational platform in Rabat, working in collaboration with the company's other sites in France, allowed Cegedim Activ to strengthen its presence in Morocco.

- **For flow and services offerings:** In a full commercial success, the various flow management platforms continued to go from strength to strength in 2009, following the example set by the European e-billing project established for Egencia, one of the world leaders in business travel. Based on Cegedim's *Global Invoice Services* platform, this tax-compliant e-billing project involves 3 000 Egencia customers in nine European countries, with an annual volume of 1.4 million invoices (in 2009).

- **For outsourced payroll and HR management:** In a changing, complex legal environment, Cegedim SRH continually adapts its outsourcing services based on the needs, context, and size of the companies involved, thanks in particular to the flexibility of its technological platform *TEAMS^{RH}.* This approach won over many new customers in 2009, such as Saintt Gobain, Aéroports de Lyon, and L'Equipe (Amaury Group).

6.3.3 Main markets

- Key figures

13% of the Cegedim Group’s consolidated revenue.
Geographic presence: France, Francophone Africa, Great Britain and Switzerland (Payroll and HR).
Main clients: Insurance companies and healthcare mutuals, companies in all sectors including businesses related to the healthcare universe.

- Competition

With 30 million insured people managed by its solutions, Cegedim Activ is the French leader[14] in the personal insurance computerization market. Its key competitors are mainly generalists in fields such as Consulting, Engineering and Integration such as CSC, Sopra, Linedata and Accenture.

Offering value-added services for the management of direct billing and healthcare contracts (Cetip and iSanté subsidiaries), the Group occupies a key position at the forefront[15] of this market managing 15 million people under direct billing, more than 120 million claims paid and more than 250 million flows handled. Viamedis and Orange Business Services (Almerys) are its main competitors in this field.

"Services" activity mainly covers a natural extension of the Group’s expertise with among other things outsourced payroll and human resources management, paperless exchanges and outsourced IT services.

There are a large number of competitors in these different businesses.
For example, Cegedim SRH is ranked number two in out-sourced payroll services in France (according to a study conducted by CXP in 2009) with its main competitors being ADP and HR Access.

- Main Insurance Market Trends in France

Following a two year period that saw a downturn in business, the insurance market in France shows 9% growth in 2009 achieving 199.5 billion euros (source: FFSA). In a contrasting economic and financial environment, French insurance growth is driven by personal insurance which, according to the French Federation of Insurance Companies (FFSA) still accounts for more than three quarters of the global market in 2009 and is returning to its 2006 level in terms of income.
In this context, the healthcare market remains extremely strategic. The inevitable growth in healthcare spending and the program for withdrawal or reduction of reimbursements for certain treatments currently covered by Social Security which is already underway signal an increase in the market’s value which will increase competitiveness.

The concentration of players continues with the emergence of powerful groups handling several million beneficiaries, such as Harmonie Mutuelles, which boasts more than 4 million beneficiaries, Médéric-Malakoff in the field of pension institutions and groups such as Eovi or Adrea.
Players are working on making their offers different by creating innovative products that closely meet the needs of those insured. They seek to play a major role in the quality and cost of care via direct negotiations with healthcare professionals (healthcare contracts, networking…), while improving their productivity. The outsourcing of certain functions is becoming widespread.

All of these changes, along with the reforms to France’s mandatory healthcare insurance scheme, render the system more complex, thus creating new needs. The Internet culture, with its potential and facilitated communications, is winning all healthcare players. Behind this cultural and technical change is a desire to better control timeframes and costs, increase the reliability of circuits and fully guarantee confidentiality.

More and more projects are leveraging on the entire chain of healthcare value, from the healthcare professional to the supplementary insurance organization. Cegedim is involved in piloting several innovative projects such as the implementation of Babusiaux recommendations (access to healthcare data by the supplementary insurance organizations), the management of electronic insurance cards or the establishment of direct connections (Web services) between the workstations of healthcare professionals and supplementary insurance providers, thus reducing timeframes and increasing reliability.

On an international level, the Cegedim Group is expanding its services to markets whose health insurance systems are similar to the French system, particularly in French-speaking Africa, with confirmed success in Morocco.

6.3.4 Notes

[14] Cegedim Activ is the leader with 30 million beneficiaries in France.
[15] Cetip is the French leader in terms of number of direct billing flows processed per year.
[16] Qualitrans-Télépharma is the No. 2 OCT (Technical Centralizing Body) on the market in terms of the number of Electronic Care Sheets processed each year and the number of users among healthcare professionals.
[17] Cegedim SRH is number 2 on the market for payroll outsourcing in France according to research published by the CXP in 2009.

6.4 Exceptional events

There were no exceptional events that affected the information provided in items 6.1, 6.2 and 6.3.

6.5 Degree of dependency

Cegedim does not depend on either patents or licenses. The Group owns its own operating resources

The share of revenue achieved in 2009 with the first client was 6%, with the first 5 clients, 16%, and with the first 10 clients, 23%. Also, none of the Group’s clients, except the first one, represented more than 4% of revenue in 2009.

Due to its activity as a service provider, the Group has no particular dependency with respect to its suppliers

6.6 Information on which any declaration made by the issuer concerning its competitive position is based

The sources of the figures presented in item 6 of this Reference Document are generally cited in the text or explained in the references given below. The topics discussed in the market information in items 6.1, 6.2, 6.3 were gathered from web sites, trade publications, CXP, LEEM and discussions with pharmaceutical industry experts.

7 - Organization chart

7.1 Cegedim Group and Cegedim's place within the Group

Cegedim S.A. is a subsidiary of FCB, the lead holding company of Cegedim Group. It is the only Group company listed for trading and does not belong to another group.

Cegedim S.A. is active in the following fields:

Information technologies: development and upgrading of most of the IT tools used by the other departments and subsidiaries of the Group to supply the services they sell. It is also the Group's IT operations center.

Centralized services: payroll processing, employee management, billing, accounting and monthly reporting. All the security, insurance and onfidentiality rules in effect in the IT facilities management fields are obeyed. Centralized services also include handling tax, legal, social and accounting, organization and audit questions, insurance, purchasing, external communication and intellectual property. Based on an annual projected operating budget, these expenses are allocated monthly to the Group's subsidiaries according to the allocation key specific to each family of services.

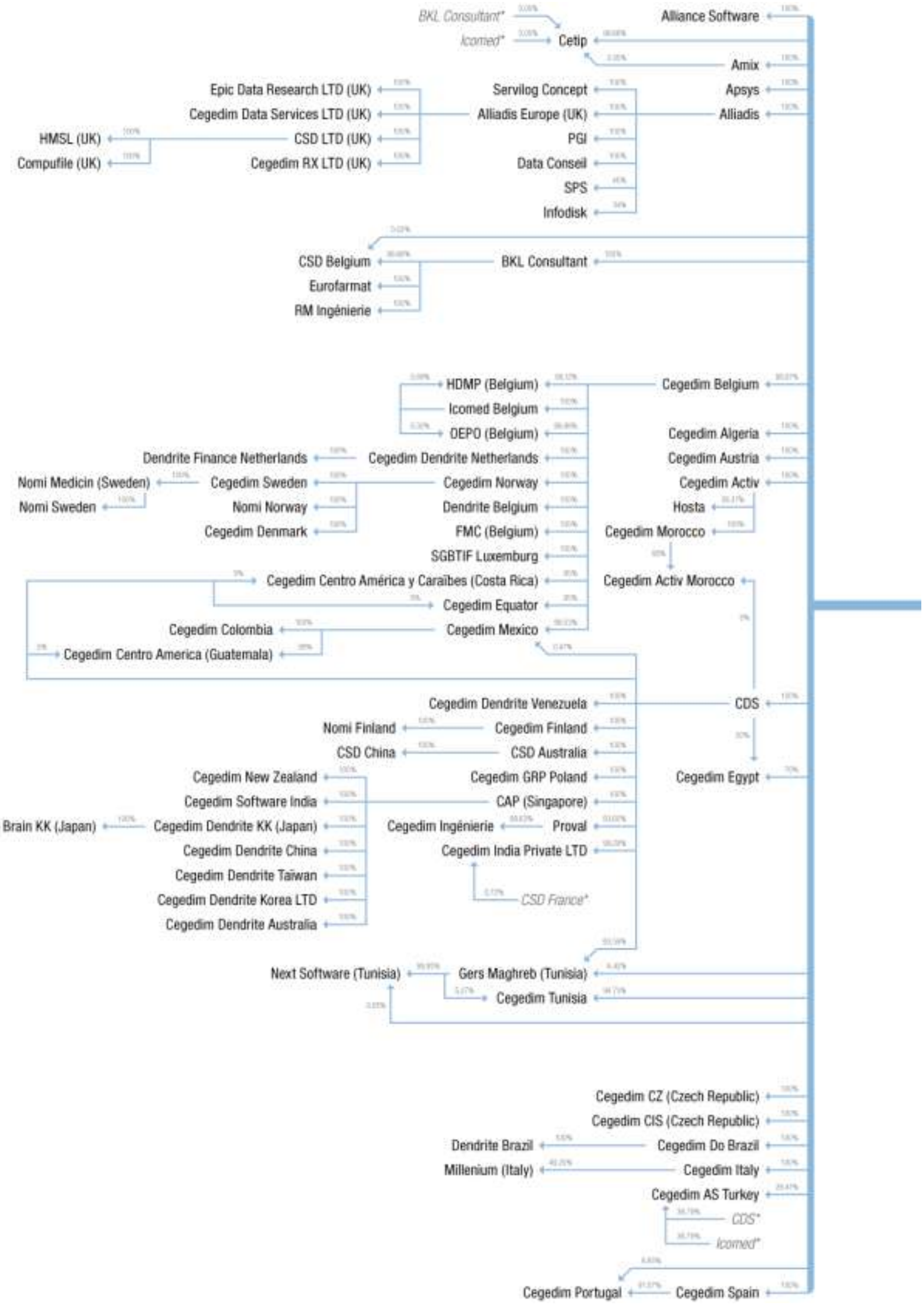
Cegedim S.A. also plays an operational role with its departments:

Cegedim Sales Statistics: management of the French pharmaceutical products file, processing and establishment for GERS (EIG uniting all the pharmaceutical companies established in France) of sales statistics for all the pharmaceutical products using data gathered from wholesale distributors and pharmaceutical companies in France.

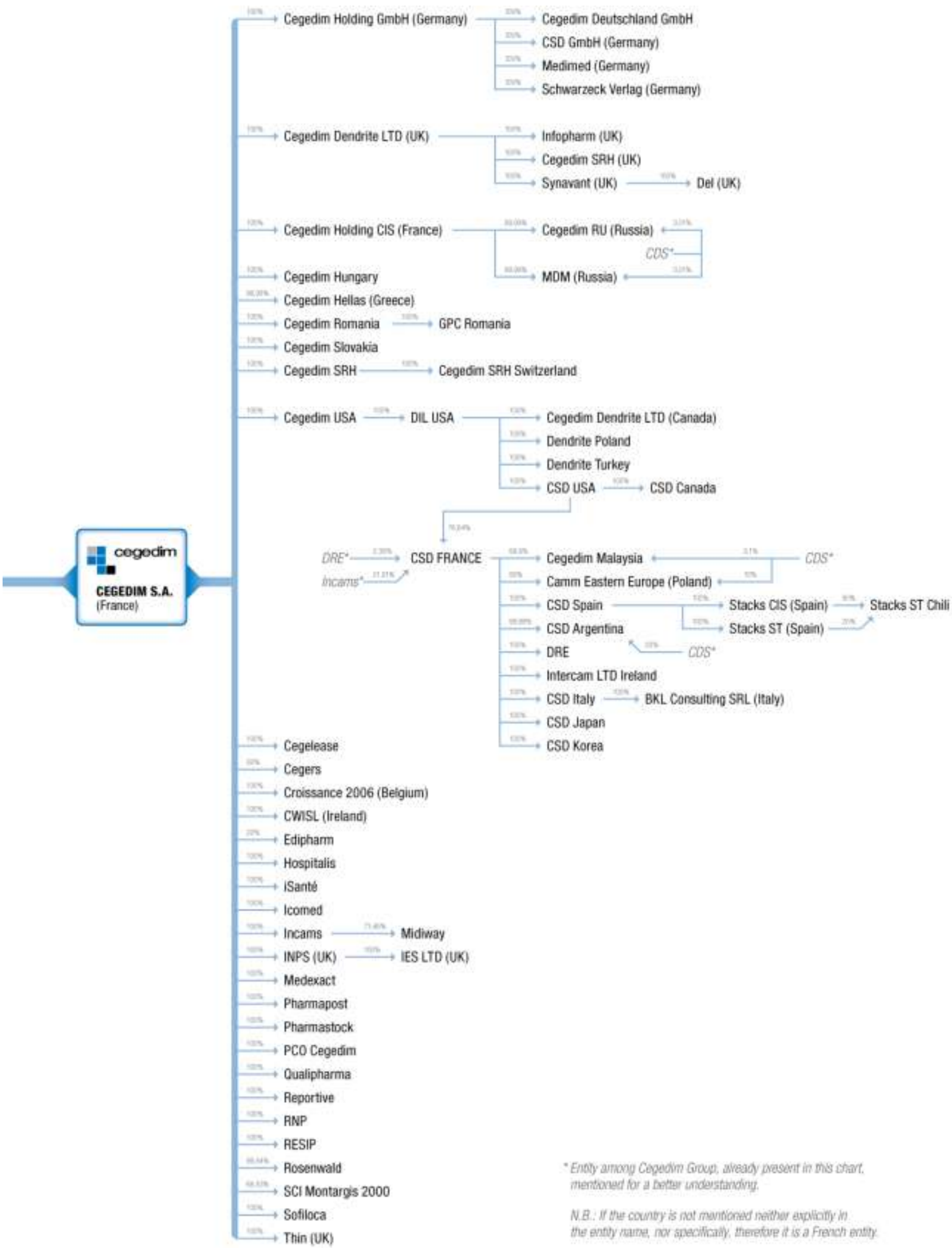
Cegedim Communication Directe (CCD): design, management and marketing of different personal databases (business addresses and associated direct marketing services) as well as management and processing of files for third parties.

Electronic data interchange (Echange de Données Informatisées or EDI): data concentrator for the transmission of orders and bills between pharmaceutical companies, wholesale distributors and hospitals (Edipharm system) and the transmission of subrogatory bills between pharmacies and payer agencies (Télépharma). Hosting of application software developed by the Group and information flows management.

Cegedim Hosting: Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurance providers and health networks (e.g. personalized medical record experimentations, etc.), as well as in the management of capital flows and paperless documents. Due to their strategic and sensitive nature, these activities have led the Group's teams to devise architectures with very high availability that meet the security requirements of its customers and, in particular, standards governing the hosting of medical records.



BKL Consultant*
Icomed*
Cetip
Alliance Software
Amix
Epic Data Research LTD (UK)
Cegedim Data Services LTD (UK)
HMSL (UK)
CSD LTD (UK)
Compufile (UK)
Cegedim RX LTD (UK)
Servilog Concept
Alliadis Europe (UK)
PGI
Data Conseil
SPS
Infodisk
Apsys
Alliadis
CSD Belgium
Eurofarmat
RM Ingénierie
BKL Consultant
HDMP (Belgium)
Icomed Belgium
OEPO (Belgium)
Cegedim Belgium
Dendrite Finance Netherlands
Cegedim Dendrite Netherlands
Cegedim Algeria
Cegedim Austria
Nomi Medicin (Sweden)
Cegedim Sweden
Cegedim Norway
Cegedim Activ
Nomi Sweden
Nomi Norway
Dendrite Belgium
Hosta
Cegedim Denmark
FMC (Belgium)
Cegedim Morocco
SGBTIF Luxemburg
Cegedim Centro América y Caraïbes (Costa Rica)
Cegedim Activ Morocco
Cegedim Equator
Cegedim Colombia
Cegedim Mexico
Cegedim Centro America (Guatemala)
Cegedim Dendrite Venezuela
CDS
Nomi Finland
Cegedim Finland
CSD China
CSD Australia
Cegedim New Zealand
Cegedim GRP Poland
Cegedim Egypt
Cegedim Software India
CAP (Singapore)
UTO Brain KK (Japan)
Cegedim Dendrite KK (Japan)
Cegedim Ingénierie
Proval
Cegedim Dendrite China
Cegedim India Private LTD
Cegedim Dendrite Taiwan
Cegedim Dendrite Korea LTD
CSD France*
Cegedim Dendrite Australia
Next Software (Tunisia)
Gers Maghreb (Tunisia)
Cegedim Tunisia
Cegedim CZ (Czech Republic)
Cegedim CIS (Czech Republic)
Dendrite Brazil
Cegedim Do Brazil
Millenium (Italy)
Cegedim Italy
Cegedim AS Turkey
CDS*
Icomed*
Cegedim Portugal
Cegedim Spain



*Entity among Cegedim Group, already present in this chart, mentioned for a better understanding.

N.B.: If the country is not mentioned neither explicitly in the entity name, nor specifically, therefore it is a French entity.

7.2 List of Cegedim subsidiaries

The list of the Group’s subsidiaries, their country of origin and the percentage of control held are given in the item 20.1.1 of the consolidated financial statements of this Reference Document.

In addition, more detailed information on the activity of the Group's main subsidiaries appears in item 26.2.5 of this Reference Document.

The Group’s organization chart is presented on the previous pages.

Revenue analysis

8 - Real Estate, Production Plants and Equipment

8.1 Significant, existing or planned tangible assets, including real estate leased and any major spending related to them

Only 22 companies out of the 145 included in the Group's scope of consolidation own buildings or land for a net book value 6.6 million euros on 31 December 2009.

Most of the companies belonging to the Cegedim Group rent the buildings in which they carry out their businesses.

In particular, Cegedim S.A. rents all of the facilities it occupies in Boulogne-Billancourt. Some rent amounts are paid to companies (managing holding company FCB or different real estate holding companies) that have common directors with Cegedim S.A, as indicated in the Auditors' Special report reproduced and appended to this Reference Document. The total rent amounts involved (premises and parking) amounted to 6.1 million euros excluding occupancy expenses for 2009. The rent amounts are established based on market conditions and will remain so.

8.2 Use of tangible assets with respect to the environment

As indicated in item 4.3.2, given their essentially intangible nature, the activities of the Cegedim Group have no significant impact on the environment. The use of tangible assets with respect to the environment thus does not call for any particular remarks

9 - Analysis of the financial position and earnings

9.1 Description and change in Cegedim's financial position

The Corporate management report prepared by the Board of Directors of Cegedim S.A. gives a description of the financial position of Cegedim S.A. and of the Group. It appears in item 26 of this Reference Document.

9.2 Operating earnings

The Corporate management report prepared by the Board of Directors of Cegedim S.A. (appearing in item 26 of this Reference Document) gives, where relevant, a description:

- of the major players, unusual or infrequent events and new developments having an impact on operating revenue;
- of the reasons for significant changes in net revenue or in net income.

To the Company's knowledge, except for the developments presented in item 4.2.1, there are no specific governmental, economic, budgetary, monetary or political strategies or factors capable of influencing Cegedim's operations directly or indirectly.

10 - Cash Position and Capital

10.1 Cegedim equity capital

The consolidated equity capital totaled 466.0 million euros at December 31, 2009, compared with 242.0 million euros at December 31, 2008, showing an increase of 223.9 million euros. This increase is explained by the increases in company capital of 4.4 million euros, the issue premium of 170.6 million euros following the capital increase carried out in December 2009, the Group reserve of 36.2 million euros and the Group earnings of 21.1 million euros combined with a negative Group conversion difference of 8.1 million euros and a change in minority holdings (-0.2 million euros). The portion of equity relating to minority interests is 0.7 million euros as at December 31, 2009, or 0.2%.

10.2 Borrowing terms and Cegedim financing structure

Financial liabilities payable in less than one year amounted to 131.8 million euros, and financial liabilities payable in more than one year came to 384.7 million euros, i.e. a total of 516.4 million euros, compared to 687.9 million euros in 2008.

Considering the positive cash position, the Group's net financial debt amounted to 395.1 million euros compared to 594.4 million euros at the end of 2008, a decrease of 199.4 million euros. It represented 0.8 times the amount of equity as a result of the increase in capital carried out in December 2009.

The Group's operating cash flow before the cost of net financial debt is 171.0 million euros at December 31, 2009, compared to 154.6 million euros at December 31, 2008.

Cegelease concluded a flow exchange transaction with Natixis, under the terms of which Natixis must pay forecasted amounts for lease receivables to Cegelease, and Cegelease must pay the actual amounts for these same receivables to Natixis. As the flow exchange transaction guarantees Cegelease's future receivables, Natixis has granted the latter a cash collateral that is repaid as the receivables are collected.

As a guarantee of its obligations to repay the cash collateral, Cegelease must transfer full ownership of certain receivables resulting from its leasing activity to Natixis. The financial interest (2 888 thousand euros for 2009) is calculated on the cash collateral. The cash collateral, which represents the up-to-date outstanding rents yet to be collected from clients on behalf of Natixis, is 36 million euros as at December 31, 2009. The 2010 repayments are estimated as 21.5 million euros.

10.3 Source and amount of Cegedim cash flows and description of these flows

Closing cash was 102.3 million euros in 2009 compared to 70.2 million euros in 2008, up 32.1 million euros.

A detailed cash flow statement is presented in the consolidated financial statements in section 20.

- Net cash flow generated by operating activities

166.5 million euros in 2009 compared to 166.9 million euros in 2008 (-0.4 million euros).

The change in working capital requirements is -0.2 million euros in 2009 versus 20.1 million euros in 2008.

Before the cost of net financial debt and income tax, operating cash flow represents 171.0 million euros in 2009, compared to 154.6 million euros in 2008, an increase of 16.4 million euros.

Interest on loans is 31.5 million euros in 2009 versus 44.4 million euros in 2008. The cost of net financial debt is 40.3 million euros in 2009 versus 43.6 million euros in 2008. These decreases are mainly a result of the gradual depreciation of the loan debt contracted for the acquisition of Dendrite in May 2007.

Operating cash flow after net financial debt and income tax stands at 125.7 million euros for 2009 compared to 98.0 million euros in 2008, up 27.7 million euros (+28.3%). This increase mainly reflects the positive impact of annual earnings and capital gains on disposals.

At the same time, the Group's new combined tax situation has resulted in a significantly lower consolidated income tax rate (8.5% in 2009 versus 27.9% in 2008).

- Net flows tied to investment operations:

They stand at 73.7 million euros in 2009 compared to 101.3 million euros in 2008 (-27.6 million euros). This significant decline is mainly linked to the implementation of a new policy for the almost-systematic disposal of Cegelease financial lease agreements as well as a significant cutback in external growth operations.

Acquisitions of intangible assets stand at 37.7 million euros for 2009 (versus 49.4 million euros in 2008) and are mainly the result of a decrease in capitalized R&D within the Group from 32.7 million euros in 2008 to 16.6 million euros in 2009.

Acquisitions of plant, property and equipment represent 26.4 million euros for 2009 (compared to 51.0 million euros in 2008), mainly due to a decrease in technical facilities acquisitions in the amount of 18.5 million euros.

- Net cash flows resulting from financing transactions

They stand at 61.0 million euros for 2009, compared to 52.8 million euros in 2008 (+8.1 million euros).

This evolution is explained by the increase in loan repayments in the amount of 187.3 million euros, largely compensated for by the cash increase in capital (+174.7 million euros).

In 2009, the Group did not pay out any dividends, versus a payout of 8.4 million euros in 2008.

10.4 Restriction on the use of capital

The credit agreement entered into by the Group implies compliance with financial covenants, failing which, no additional drawings on the revolver credit will be available and any outstanding credit may become payable immediately.

Aside from the usual covenants for this type of agreement, the Group must meet two ratios (the contractual net financial debt to EBITDA, and EBITDA to the contractual cost of debt) and comply with the threshold for acquisitions.

Besides these conditions, there are no restrictions on the use of capital having directly or indirectly appreciably influenced or that may appreciably influence Cegedim's operations.

10.5 Expected sources of financing necessary to honor investment commitments (mentioned in sections 5.2.3 and 8.1)

Considering the operating cash flow and the overdraft margins authorized but not used in full, the Cegedim Group has the necessary cash assets to meet its operating cycle and its capital expenditure plan for the next 12 months.

Cegedim does not rule out the option of going to the market to obtain additional sources of financing if so required.

11 - Research and development, patents and licenses

The Corporate management report prepared by the Board of Directors of Cegedim S.A. gives a description of the Cegedim Group's research and development policy. It appears in item 26 of this Reference Document.

Cf. also item 4.2.2, relating to intellectual property.

12 - Information concerning trends

The trends applicable at the beginning of 2010 do not show any major differences with those encountered during the 2009 fiscal year. In fact, since most Cegedim customers work in the area of healthcare, the Group has not experienced any marked repercussions from the decline in the world economic situation that started in 2009 and is continuing into 2010, despite signs of recovery.

- Operating revenue and pricing policy

It should be noted that the Group realizes more than the two thirds of its revenue in the healthcare field, a sector known for its particularly defensive nature which makes the Group rather insensitive (or with a certain amount of inertia) to the general tensions which can affect the economy. The aging tendency of the population in mature countries or the increase in population with a standard of living which is progressively increasing in emerging countries make for an increase in healthcare spending, which is a favorable indicator for the Group's activities.

For 2010, Cegedim's international growth perspectives are being confirmed for territories such as South America, Asia and Russia. China and India also offer strong potential which the Group is only starting to tap.

The Group does not foresee any significant changes in its pricing policy and is exposed to general parameters which are relatively unchanged for the beginning of 2010. Cegedim permanently negotiates with its customers to maintain its selling prices in line with the quality of its services and the permanent updating of its products.

- Operating expenses

Employees make up the Group's main resource and represent one of the most significant expenses. Cegedim adapts its wage policy appropriately in order to motivate talent, ensure training and recruiting while maintaining salary costs within a reasonable growth level. For 2010, the Group is expecting wages to climb by around 3%.

In 2009, Cegedim continued its integration and restructuring (in particular Dendrite), thus incurring non-recurrent costs that are partly recognized by the IFRS. These initiatives should, all other things being equal, have a positive effect on the Group's fixed costs.

The Group is continuing to focus strongly on research and development, so that it may continue to offer solutions that meet world demand and and the changing economic model of pharmaceutical companies.

- Inventory and production

These items do not require any specific comments, and are not significant because of the nature of Cegedim's activities as a service provider

13 - Profit projections or estimates

For 2010: an increase in revenue of about 4 to 5% is expected, including 2 to 3% of organic growth.

All of the cost-reduction policies implemented in 2008 and 2009 should, all things being equal, contribute to the improvement of margins.

The Group does not disclose profit projections or estimates.

14 - Administrative and management bodies

14.1 Name, business address and offices of the corporate officers

14.1.1 Members of the Board of Directors

The Board of Directors during the 2008 fiscal year was made up of the following members:

- Jean-Claude Labrune, & CEO and Founder of Cegedim S.A.
- FCB S.A.S., lead holding company represented by Pierre Marucchi, also CEO of Cegedim S.A.
- GERS, an Economic Interest Grouping (EIG) of pharmaceutical companies operating in France, represented by Philippe Alaterre.
- Alliance Healthcare France, a company held by the pharmaceuticals distributor Alliance Boots represented by Anthony Roberts
- Laurent Labrune, Chairman and CEO of Cegedim SRH, a subsidiary of Cegedim S.A.
- Aude Labrune-Marysse, Chairman and CEO of Rosenwald, a subsidiary of Cegedim S.A.

Jean-Claude Labrune is the father of Aude Labrune-Marysse and Laurent Labrune.

The business address of the Directors is the Company's corporate headquarters.

List of offices occupied during the last five years excluding the subsidiaries of the Cegedim Group

Director	Company	Office	Start	End
Jean-Claude Labrune	Cegedim			
		Director	04/12/1989	
		CEO	12/20/1989	
		Chairman and CEO	08/18/1994	
	FCB			
		Chairman of the Board of Director	07/21/1997	06/24/2005
		President (SAS)	24/06/2005	
	JCL			
		Managing Director	11/30/1994	
Pierre Marucchi	Cegedim			
		Representative of FCB on the Board of Directors	04/12/1989	
		General Manager	04/23/2002	
	IRIS			
		Managing Director	1997	
	Laboratoire Biodim			
		President (SAS)	06/30/2003	06/23/2006

Director	Company	Office	Start	End
Laurent Labrune	Cegedim	Director	04/18/2001	
	Brun	co-Managing Director	03/11/2002	12/29/2006
	FCB	Director and Executive General Manager	11/21/2005	
Aude Labrune-Marysse	Cegedim	Director	04/27/2007	
	Brun	co-Managing Director	03/11/2002	12/29/2006
	FCB	Director and Executive General Manager	11/21/2005	
Philippe Alaterre	Cegedim	Representative of GERS on the Board of Directors	03/20/09	
	GERS	President	12/11/08	
Anthony Roberts	Cegedim	Representative of Alliance Healthcare France on the Board of Directors	12/21/09	
	Pharmology.com	Member of the Board of Directors	July 2000	
	Enigma Health	Member of the Board of Directors	February 2004	December 2004

CEO : Chief Executive Officer

Jean-Claude Labrune and Pierre Marucchi also hold various other positions in Cegedim's French and foreign subsidiaries.

14.1.2 Experience

Jean-Claude Labrune graduated from the Ecole Nationale Supérieure des Arts et Métiers. During his years of experience with IBM as a sales engineer, he became very familiar with the pharmaceutical industry. He was among the promoters of business focus groups bringing together IT directors from pharmaceutical companies like Cedhys. Concerned with providing responses to the problems raised by the profession, he founded Cegedim in 1969.

Pierre Marucchi graduated from the Ecole Nationale Supérieure des Télécommunications, Stanford University (USA) and the Centre d'Etudes Supérieures Bancaires. He was also Member of the Institute of French Actuaries. Pierre Marucchi began his career in 1977 at Crédit Lyonnais where he held various technical and commercial positions. He joined the Cegedim Group in 1984.

Laurent Labrune graduated from the Ecole Nationale Supérieure des Arts et Métiers. He joined Cegedim in 1995, where he was coordinator of IT development for the Group, before taking over as manager of the subsidiary Cegedim SRH. Following Dendrite International's buyout, since May 2007 Laurent Labrune has been CEO of the new entity, Cegedim Dendrite.

Aude Labrune-Marysse has a Master's in Commercial Law and a DESS in International Taxation. She joined Cegedim in 1999 before assuming the direction of Rosenwald, a Cegedim subsidiary and holding the position of Executive General Manager in charge of legal matters for the lead holding company, FCB.

GERS EIG, a grouping of pharmaceutical companies operating in France, is very familiar with the expectations of the industry. It exercises special vigilance concerning the nature and quality of the services supplied by Cegedim, and is a particularly informed source of proposals.

Alliance Healthcare France, a subsidiary of one of the main European pharmaceutical distributors Alliance Boots, also offers Cegedim the advantage of its excellent knowledge of the pharmaceutical market.
It contributes to fruitful exchanges of viewpoints concerning the opportunities, challenges and strategies specific to the Cegedim environment.

14.1.3 Declaration

During the last five years and to the Company's knowledge:

- No member of the administrative and management bodies has been convicted of fraud
- No member of the administrative and management bodies has been involved in bankruptcy, placed under sequestration undergone liquidation proceedings
- No indictments and/or official public sanctions have been handed down against these persons by the statutory or regulatory authorities and the designated professional agencies
- No member of the administrative and management bodies has been prevented by a court from acting in his capacity as member of an administrative, management or supervisory body of an issuer or from taking part in the management and conduct of the issuer's business dealings.

14.2 Conflicts of interest in the administrative and management bodies

To the Company's knowledge, there are no conflicts of interest in the administrative and management bodies of Cegedim.

In particular, the Company maintains commercial relationships with certain of its shareholders and their respective groups, especially the GERS EIG and Alliance Healthcare France, each of these holding a position of Director on the Board. The respective contracts with these entities were concluded under market conditions. These contracts represent a revenue that is lower than 1.5% and 0.2% respectively of the annual consolidated revenue of the Company.

Cegers is owned by both Cegedim SA (50%) and the GIE GERS (50%).

15 - Compensation and benefits

15.1 Total compensation and in-kind benefits paid individually, directly or indirectly, during the fiscal year to each corporate officer by Cegedim and by any company of the Group

Compensation and benefits of corporate officers take into account AMF recomandations relating to information in Reference Document, in particular, when the listed company is owned by a group, the information regarding compensation and benefits of corporate officer is resting on amounts of all companies of the control chain.

The total gross compensation for each corporate officer is as follows:

In euros Fiscal year 2009	Total compensation except in-kind benefit	Fixed portion	Variable portion	Extraor-dinary variable portion	Directors' fees	In-kind benefit Amount	In-kind benefit
Jean-Claude Labrune	724 782	714 182	-	-	10 600	1 132	Car
Pierre Marucchi	541 305	289 605	241 100	-	10 600	4 606	Car
Laurent Labrune	322 415	213 915	101 000	-	7 500	5 915	Car
Aude Labrune-Marysse	93 580	79 830	6 250	-	7 500	1 830	Car
Philippe Alaterre	- (1)	-	-	-	- (1)	-	-
Anthony Roberts	- (2)	-	-	-	- (2)	-	-

(1) Directors' fees for an amount of €7 500 directly paid to GERS company
(2) Corporate officer appointed December 21, 2009, after payment of director's fees

The variable portion is based on the Group's profits.

Apart from the allocation of free shares (see item 15.3), the Company has made no commitments to its corporate officers involving compensation or benefits owed or that may be owed as a result of the assumption, cessation or change of these duties or subsequent to them.

There are no stock-option plans (subscription or purchase options) within the Cegedim Group.

There are no financial instruments giving access to the capital, nor other optional instruments of any kind subscribed by the management or employees as part of reserved operations.

There are management fees agreements binding Cegedim to other companies with common directors. These agreements are governed by article L.225-38 of the French commercial code relating to agreements concluded at arm's length. For example, the amount of the existing services agreement between FCB and Cegedim is of 2 050 thousand euros VAT excluded.

These sums correspond to the salaries and consulting fees when borne by FCB and chargeable to Cegedim. The consulting fees represent less than 10% of the amount of the management fees agreement between FCB and Cegedim. The salary part corresponds to the reinvoicing of 90% of Jean-Claude Labrune, Laurent Labrune, Aude Labrune and half of Pierre Marucchi is compensation as well as executive officer compensation.

15.2 Total amounts allocated or accrued by the issuer or its subsidiaries for the purposes of paying pensions, retirement or other benefits

There are no specific supplemental retirement plans set up for certain corporate officers.
All the pertinent information related to calculating the provision for retirement compensation is presented in Accounting Principles and note 13 (retirement liabilities) of the consolidated financial statements found in item 20.2.2.3 of this Reference Document.

15.3 Allocation of free shares award plan

Following a resolution of the extraordinary shareholders' meeting of February 22, 2008, the Board of Directors, in their meetings of March 21, 2008 and November 5, 2009, were authorized to award a total number of free shares not to exceed 10% of the total number of shares making up the capital to the directors and employees of the Cegedim Group, i.e. a total of 933 144 shares.

	Plan n°1	**Plan n°2**
Date of the General Meeting	02/22/08	02/22/08
Date of the Board Meeting	03/21/08	11/05/09
Number of shares authorized by the General Meeting	933 144	933 144
Total number of shares that may be allocated under the plan	43 410	28 750
Of which Board members	2 880	Néant
Pierre Marucchi	*1 280*	*Néant*
Laurent Labrune	*1 600*	*Néant*
Number of recipients	48	48
Award date	03/21/08	11/05/09
Acquisition date	03/21/10* - 03/21/12**	11/05/11* - 11/05/13**
End of lock-in period	03/21/12	11/05/13
Shares permanently acquired at 12/31/09	None	None
Balance of shares awarded at 12/31/09	27 910	27 768

* For French and US residents on the date of the allocation
** For non French residents on the date of the allocation

16 - Fonctionnement Operation of the administrative and management bodies

16.1 Expiry date and length of the current Directors' terms of office

Jean-Claude Labrune joined the Board on December 1, 1969.

FCB, which joined the Board on April 12, 1989, has been represented by Pierre Marucchi since this date.

The GERS EIG, which joined the Board on March 6, 1995, has been represented by Philippe Alaterre since March 2009.

Alliance Healthcare France, which joined the Board on November 15, 2000, has been represented by Anthony Roberts since December 2009.

Laurent Labrune joined the Board of Directors following the meeting of the Board of Directors on April 18, 2001. In 2007, his term was renewed for 6 years until the General Meeting which will approve the 2012 financial statements.

Aude Labrune-Marysse joined the Board of Directors following the meeting of the Board of Directors on April 27, 2007 for a 6-year term until the General Meeting which will approve the 2012 financial statements.

The terms of the Directors of Cegedim S.A. were renewed on April 28, 2004 for 6 years (or until the Meeting called to approve the financial statements for the fiscal year ending in 2009).

Also refer to the Chairman's report on Internal Control, item 26.2.6 and the Auditors' report, item 26.3.

16.2 Information concerning the service contracts binding the members of the administrative and management bodies to the issuer or to any of its subsidiaries and providing for the granting of benefits at the end of this contract

As indicated in note 26 of item 20 of the consolidated financial statements, FCB reinvoiced its head office expenses, in the amount of 2 050 thousand euros.

16.3 Information concerning the audit committee and the compensation committee

According to the terms of the agreement dated October 28, 2009 and the Board meeting of March 22, 2010, the Company complies with the principles of the AFEP-MEDEF Code, and has amended its internal regulations. An audit committee and a compensation committee have been created. These committees will meet for the first time during the second quarter of 2010.

16.4 Compliance with the corporate governance system in effect in France

In 2009, Cegedim did not apply the recommendations of the Viénot (1995 and 1999) and Bouton (2002) reports concerning corporate governance.

In 2009, Cegedim complied with all the provisions of Corporate Law and the Code of Commerce governing the operation and organization of its administrative and management bodies. The Company feels that these legal provisions offer completely satisfactory and suitable guarantees for exercising and controlling the powers of its management bodies.

17 - Employes

17.1 Cegedim Group workforce on the closing date

The total number of Group employees (Open-ended contracts and Fixed-term contracts) on the closing dates of the last three fiscal years are given in the following table.

	12/31/2009	12/31/2008	12/31/2007
CRM and strategic data	6 404	6 015	5 883
Healthcare professionals	1 554	1 465	1 437
Insurance and services	784	759	712
Total	**8 742**	**8 239**	**8 032**

17.2 Managers' interests in the capital and stock options

At December 31, 2009,

- Jean-Claude Labrune, Chairman and CEO of Cegedim, among its 57 812 registered shares of Cegedim, holds 38 496 registered shares entitling him to a double voting right representing 0.41% of the capital and 0.51% of the voting rights.
- Pierre Marucchi, CEO of Cegedim, among its 3 334 registered shares of Cegedim, holds 16 registered shares entitling him to a double voting right, representing non significant portion of the capital and voting rights.
- Jean-Claude Labrune, CEO of FCB, indirectly through FCB owns 52.21% of the share capital and 64.42% of voting rights.

To the Company's knowledge, there are no other members of the administrative and management bodies who hold registered shares.

Cf. also item 18.1 of this Reference Document.

There are no stock-option plans in the Cegedim Group either for management or for any other category of employees. However, the Group recently implemented a system for the allocation of free shares (cf item 15.3 in this Reference Document for the description of the allocation of free shares).

17.3 Agreement providing for Cegedim employee equity participation plans

There are employee equity sharing agreements in accordance with the legal provisions with application of the ordinary law calculation formula. The share may, at the employee's choice, be paid into a Mutual Fund or left in a current account frozen in the corporate accounts.

On December 31, 2009, the Corporate Mutual Fund consisted of 77 500 Cegedim shares, representing 0.55% of the capital.

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18 - Main Shareholders

18.1 Shareholders

Shareholders on December 31, 2009 - the capital and voting rights were as follows:

Shareholders	Number of shares held	% held	Number of single votes	# double votes		Total votes	% voting rights
				Shares	Votes		
FCB	7 307 393	52.21%	2 441 556	4 865 837	9 731 674	12 173 230	64.42%
FSI	2 102 061	15.02%	2 102 061	0	0	2 102 061	11.12%
JCL	57 812	0.41%	19 316	38 496	76 992	96 308	0.51%
GERS	36 432	0.26%	12 144	24 288	48 576	60 720	0.32%
Alliance Healthcare	1 215 432	8.68%	1 215 432	0	0	1 215 432	6.43%
Free float	3 238 853	2314%	3 229 055	9 798	19 596	3 248 651	17.19%
Cegedim	39 190	0.28%	0	0	0	0	0.00%
Sub-total JCL/FCB/FSI	9 467 266	67.64%	4 562 933	4 904 333	9 808 666	14 371 599	76.05%
Total	**13 997 173**	**100.00%**	**9 019 564**	**4 938 419**	**9 876 838**	**18 896 402**	**100.00%**

To the Company's knowledge, on the date this Reference Document was compiled, the shareholders holding more than 5% of the capital and voting rights are: FCB, FSI, Alliance Healthcare France and Financière de l'Echiquier.

- FCB is a Simplified Joint-Stock Company (S.A.S.) with capital of €479 240 (Trade and Companies Register of Nanterre 340 651 132) mostly held by Jean-Claude Labrune. It is a lead holding company.
- Alliance Healthcare France is a Business Corporation (S.A.) with capital of €22 107 536.00 (Trade and Companies Register of Nanterre 025 420 068) mostly held by the Alliance Boots Group (ex. Alliance Unichem) (pharmaceutical distributor).
- Financière de l'Echiquier is an independent Portfolio Management company that specializes in stocks and is wholly owned by its management and its employees. It is now one of the leading private management companies in France.
- FSI is a Business Corporation (S.A.) that is 51% owned by the Caisse des Dépots and 49% owned by the French government. FSI is an informed investor which intervenes in share capital by becoming a minority investor in French companies involved in industrial projects that create value and competitiveness for the economy.

The impact of the entrance of FSI in Cegedim's share capital on corporate governance is explained in the Highlights section of the Management Report.

The latest declared threshold crossings are as follows:

- March 28, 2001: Alliance Healthcare France (10% threshold)
- November 23, 2006: Financière de l'Echiquier (5% threshold)

- July 26, 2007: AB Acquisition Holding (5% and 10% thresholds). The threshold crossings result from the acquisition by AB Acquisition Holding Limited of the control of Alliance Boots Capital plc, which holds an indirect interest in Alliance Santé Distribution S.A (France), which itself holds a direct interest in Cegedim.

- December 22, 2009: FSI (5% and 10% thresholds)

On December 31, 2008, the capital and voting rights were as follows:

Shareholders	Number of shares held	% held	Number of single votes	# double votes Shares	# double votes Votes	Total votes	% voting rights
FCB	6 271 555	67.21%	79 511	6 192 044	12 384 088	12 463 599	75.34%
Alliance Healthcare France	933 145	10.00%	0	933 145	1 866 290	1 866 290	11.28%
Financière de l'Echiquier	496 680	5.32%	496 680	0	0	496 680	3.00%
Jean-Claude Labrune	38 496	0.41%	0	38 496	76 992	76 992	0.47%
GERS	36 788	0.39%	0	36 788	73 576	73 576	0.44%
Free float	1 554 785	16.66%	1 544 397	10 388	20 776	1 565 173	9.46%
Cegedim	0	0.00%	0	0	0	0	0.00%
Total	**9 331 449**	**100.00%**	**2 120 588**	**7 210 861**	**14 421 722**	**16 542 310**	**100.00%**

18.2 Special Voting Rights

Cf. Point 18.1 of this Reference Document.

18.3 Control of Cegedim

Cegedim is controlled by FCB and Jean-Claude Labrune, as indicated in the Reference Document. Although not applying, at this stage, the AFEP-MEDEF recommendations in governance, the Company reminds that it complies with the legal requirements on this subject, for the exercise and the control of powers of its managing board.

Pursuant to the Memorandum concluded between FCB, the FSI and Jean-Claude Labrune, the Company will have to modify its governance rules at the latest on June 30, 2010.

18.4 Agreement that may result in a change in control at a later date

Simultaneously with the memorandum signed on October 28, 2009 between Mr. Jean-Claude Labrune, FCB and FSI, the implementation of a shareholders' agreement to govern the relations between the different parties to the transaction was discussed (cf. Point 26 for more details).

To the Company's knowledge, there are no agreements whose implementation could, at a later date, result in a change in its control.

19 - Operations with related parties

The regulated agreements that were submitted for the prior authorization of the Board of Directors are detailed in the Auditors' Special report contained in item 26 of this Reference Document.

Note 26 of the notes to the 2009 consolidated financial statements appearing in item 20 of this Reference Document also provides detailed figures for operations with related parties.

No new convention has been allowed to date.

20 – Financial information concerning the issuer's assets, financial position and earnings

20.1 Historical Financial Information - Statutory Financial Statements

20.1.1 Financial Statements as at December 31, 2009 for Cegedim S.A.

- Balance Sheet Assets
  In thousands of euros

	Gross Amount	Depreciation & provision	Net euros 12/31/09	Net euros 12/31/2008	Net euros 12/31/2007
Intangible fixed assets					
Development costs	9 526	0	9 526	23 431	17 963
Concessions, patents, and similar rights	495	311	184	246	308
Goodwill	174	174	0	0	0
Other intangible assets	78 447	12 409	66 038	15 604	3 614
Tangible fixed assets					
Buildings	4 302	852	3 450	569	610
Technical facilities, tooling	24 089	19 118	4 971	6 508	6 993
Other tangible fixed assets	1 985	1 825	160	207	194
Construction work in progress	3	0	3	2 486	442
Long-term investments					
Other equity investments	858 991	60 573	798 418	791 584	487 228
Minority interest related receivables	740	0	740	0	0
Loans	27 664	5 321	22 343	45 474	346 483
Other long-term investments	3 166	0	3 166	2 939	2 669
Fixed Assets	**1 009 583**	**100 583**	**909 000**	**889 047**	**866 502**
Inventories and Work in Progress					
Inventories of goods and raw materials	20		20	60	64
Advances and deposits made on orders	463		463	498	725
Receivables					
Trade receivables and associated accounts	58 489	1 473	57 016	63 458	39 908
Other receivables	12 597		12 597	27 599	12 888
Subscribed and Called Capital not paid					
Marketable securities	31 416	0	31 416	19 399	0
Cash and cash equivalents	6 492		6 492	9 071	8 038
Accruals					
Prepaid expenses	3 563		3 563	3 493	2 406
Current Assets	**113 041**	**1 473**	**111 568**	**123 578**	**64 031**
Deferred loan issuing costs	5 223		5 223	6 781	8 338
Unrealized exchange losses	264		264	3 615	23 108
Total assets	**1 128 110**	**102 056**	**1 026 055**	**1 023 021**	**961 979**

- Balance Sheet Liabilities

In thousands of euros

	12/31/2009	12/31/2008	12/31/2007
Share capital	13 337	8 891	8 891
Merger, contribution issue premium	244 313	73 732	73 732
Legal reserves	889	889	889
Regulated reserves	1 879	2 926	2 926
Other reserves	51 217	72 869	70 056
Retained earnings	104	104	104
Profit or loss for the year	61 849	-22 699	11 211
Regulated Provisions	1 385	1 323	919
Shareholders' equity	**374 972**	**138 035**	**168 728**
Provisions for risks	4 058	6 165	20 710
Provisions for expenses	3 156	1 805	1 418
Provisions for risks and expenses	**7 214**	**7 970**	**22 127**
Financial liabilities			
Borrowings and liabilities from financial institutions	476 941	713 437	664 045
Miscellaneous borrowings and financial liabilities	58 148	52 472	53 066
Advances & payments on account received on orders in progress	105	33	110
Operating liabilities			
Accounts payable and related accounts	68 160	61 658	18 820
Tax and social liabilities	22 357	22 238	20 185
Miscellaneous liabilities			
Payables on fixed assets and associated accounts			
Other liabilities	1 090	4 095	2 796
Deferred income	127	186	159
Liabilities	**626 929**	**854 120**	**759 181**
Unrealized exchange gains	16 939	22 896	11 942
Total liabilities & shareholders' equity	**1 026 055**	**1 023 021**	**961 979**

Income Statement (Part 1)

In thousands of euros

	12/31/2009	12/31/2008		12/31/2007
Sale of goods France	4	14		54
Sale of goods outside France	33	58		
Production sold - goods France	26	20		18
Production sold - services France	128 585	125 906		122 132
Production sold - services outside France	27 239	20 166		15 836
Net Revenue	**155 887**	**146 164**		**138 039**
Capitalized production	19 534	21 945	(1)	7 117
Write-back of depreciation, provisions and transfer of costs	1 357	672		10 549
Other income	448	66		20
Operating income	**177 225**	**168 846**		**155 725**
Purchase of goods	37	64		34
Variations in inventories of goods and raw materials	41	3		28
Purchase of raw materials and supplies	0	19		6
Other external purchases and expenses	86 681	89 236	(1)	69 844
Taxes, duties and similar payments	4 087	3 875		4 219
Wages and salaries	46 540	45 136		40 296
Payroll taxes	21 846	20 209		18 139
Depreciation of fixed assets	10 186	7 393		5 964
Provisions for current assets	572	847		295
Provisions for risks and expenses	1 595	480		47
Other expenses	158	2 017		274
Operating expenses	**171 742**	**169 280**		**139 146**
Operating earnings	**5 483**	**-433**		**16 579**

(1) Outside capitalized production for 2008 for 14 044 thousand euros was restated in "Capitalized production" and "Other outside purchases and expenses" accounts. The restatement had no impact on earnings.

- Income Statement (Part 2)
  In thousands of euros

	12/31/2009	12/31/2008	12/31/2007
Financial income from equity interests	73 485	34 011	8 442
Other interest and related income	21 195	37 474	16 047
Writebacks on provisions and transferred expenses	15 304	21 001	26 269
Foreign exchange gains	3 869	651	835
Net gain on disposal of short-term investments	299	22	3 852
Financial income	**114 152**	**93 160**	**55 445**
Financial depreciation and provisions	7 231	28 544	26 326
Interest and related expenses	54 931	70 327	33 064
Foreign exchange losses	4 414	27 171	6 942
Financial expenses	**66 575**	**126 042**	**66 332**
Financial profit/loss	**47 577**	**-32 882**	**-10 887**
Earnings before taxes	**53 060**	**-33 315**	**5 692**
Non-recurring income on management operations	0	0	0
Non-recurring income on capital operations	107	4 659	20 460
Writebacks on provisions and transferred expenses	481	252	3 383
Non-recurring income	**588**	**4 911**	**23 844**
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions	72	4 279	25 057
Non-recurring expenses from depreciation and provisions	542	655	390
Non-recurring expenses	**613**	**4 934**	**25 447**
Non-recurring profit/loss	**-26**	**-23**	**-1 603**
Employee profit-sharing	316	660	254
Income taxes	-9 130	-11 300	-7 378
Total revenue	**291 964**	**252 873**	**235 014**
Total expenses	**230 116**	**275 572**	**223 802**
Net earnings	**61 849**	**-22 699**	**11 211**
Net earnings per share (in euros)	4.42	0.00	1.20
Earnings before tax per share (in euros)	3.77	-3.64	0.41
Earnings before non-recurring items per share (in euros)	3.79	-3.57	0.61

■ Table of Subsidiaries and Equity Interests

Subsidiaries	Share capital (1)	Shareholders' equity other than share capital (1)	% control	Book value of securities held - Gross value
AMIX	160	-27	100.00%	8
ALLIADIS	1 244	7 828	100.00%	44 224
ALLIANCE SOFTWARE	1 563	2 118	100.00%	8 962
APSYS NET	80	-83	100.00%	956
BKL Consultants	647	-1 663	100.00%	20 662
CDS	10 008	2 393	100.00%	12 518
CEGELEASE	10 000	9 934	100.00%	10 219
CEGEDIM ACTIV	13 323	4 915	100.00%	30 000
CEGEDIM SRH	7 000	-4 086	100.00%	12 446
CEGEDIM HOLDING CIS	400	-1 481	100.00%	420
CETIP	749	2 500	99.66%	1 179
HOSPITALIS	37	-801	100.00%	37
ICOMED	3 087	1 040	100.00%	189
INCAMS	38	509	100.00%	2 626
MEDEXACT	37	3 095	100.00%	655
PCO CEGEDIM	2 500	-1 181	100.00%	5 553
PHARMAPOST	2 302	-188	100.00%	5 366
PHARMASTOCK	576	536	100.00%	576
QUALIPHARMA	10	-643	100.00%	234
REPORTIVE SA	8 002	-4 199	100.00%	2 448
RESIP	159	1 145	100.00%	20 435
RNP	495	3 702	100.00%	2 430
ROSENWALD	101	-542	99.84%	1 000
I SANTE (ex SANTESTAT)	8	-2 253	100.00%	8
SOFILOCA	15	378	100.00%	15
SCI 2000	4	524	68.83%	847
CEGEDIM INC USA	298 464	-14 931	100.00%	302 632
CEGEDIM DO BRAZIL	716	-3 024	100.00%	716
CEGEDIM HOLDING GMBH	11 559	4 061	100.00%	12 600
CEGEDIM GMBH (Austria)	130	212	100.00%	130
CEGEDIM dendrite LTD	5 172	-4 838	100.00%	5 220
IN PRACTICE SYSTEMS (England)	19 845	15 674	100.00%	0
THIN (England)	2	-687	100.00%	188
CEGEDIM WORLD INT.SERVICES LTD	60 000	3 977	100.00%	60 000
CEGEDIM HUNGARY KFT	90	109	100.00%	89
CEGEDIM HELLAS	358	1 876	99.98%	360
CEGEDIM ROMANIA SRL	2	2 048	100.00%	1 031
CEGEDIM SK (Slovakia)	12	443	100.00%	8
CROISSANCE 2006 (Belgium)	1 378	5 811	100.00%	6 243
CEGEDIM Belgium	269 075	3 265	99.97%	268 985
CEGEDIM TUNISIA	1 504	-1 685	94.73%	1 394
CEGEDIM ALGERIA	85	-3	100.00%	85
CEGEDIM CIS (ex: CEI STAT) Czech Republic	6	36	100.00%	1 142
CEGEDIM CZ Czech Republic	29	948	100.00%	29
CEGEDIM Italy	10 000	6 666	100.00%	10 025
CEGEDIM TRENDS (Egypt)	14	1 073	70.00%	434
CEGEDIM Spain	810	3 072	100.00%	1 656
Total subsidiaries held at over 50%				**856 981**
CEGERS	46	483	50.00%	23
EDIPHARM	15	242	20.00%	3
NETFECTIVE TECHNOLOGY	460	3 481	7.11%	899
NEX & COM	500	1 164	20.00%	13
CSD Belgium (ex BKL Pharma Consulting)	62	-879	0.02%	0
CEGEDIM Portugal	560	3 549	8.93%	535
CEGEDIM TURKEY	485	505	26.41%	497
GERS MAGHREB (Tunisia)	547	-286	6.42%	40
NEXT SOFTWARE (Tunisia)	11	-69	0.05%	0
Total subsidiaries held at over 50%				**2 010**
Total				**858 991**

(1) Share capital and shareholders' equity of subsidiaries that are not in the Euro zone are given at their exchange value in thousands of euros at historical date.

Provision for impairment	Book value of shares held - Net value	Loans and advances granted not reimbursed: Gross value	Loans and advances granted not reimbursed: Provision	Provision for risks	Revenue excl. tx.(2)	Net earnings (2)	Dividends received
0	8				2 815	23	
0	44 224				44 233	4 540	20 000
2 982	5 980				24 022	1 776	2 300
0	956				144	130	
20 662	0	8 070	1 015		17 653	-342	
0	12 518				0	5 463	
0	10 219				112 865	4 804	
5 618	24 382	3 100			60 831	3 195	6 145
8 868	3 579	1 550			17 743	-998	
420	0	500	500	559	0	-101	
0	1 179	1 000			12 153	1 727	2 986
0	37	600			1 467	547	
0	189				17 886	712	1 600
0	2 626				2 370	132	17 000
0	655				6 198	1 291	693
4 234	1 319				6 612	-298	
2 902	2 464				6 185	-236	350
0	576				3 357	188	
234	0			306	2 273	-244	
0	2 448				1 953	455	
0	20 435				3 766	1 066	1 000
0	2 430				26 456	3 521	4 300
689	311				798	-208	
8	0	1 500	1 500	746	6 439	305	
0	15				2 562	305	500
0	847				251	221	100
0	302 632				0	-511	
716	0	1 250	1 250	1 058	2 742	284	
5 694	6 906				1 386	-2 113	
0	130				1 422	323	
4 885	334				15 519	1 516	
0	0				36 713	5 123	
188	0			371	945	-1	
0	60 000				83	2 993	12 000
0	89				952	21	
0	360				7 325	1 596	900
0	1 031				5 111	750	735
0	8				1 467	106	
0	6 243				0	261	
0	268 985				5 680	-1 475	
1 394	0	326	171		176	-371	
3	82	214			419	73	
146	996				530	41	
0	29				4 411	314	735
0	10 025				20 724	348	1 960
0	434				1 239	-7	
0	1 656				11 024	1 991	
59 642	**797 339**	**18 110**	**4 437**	**3 040**			**73 304**
0	23				3 911	173	150
0	3				4 596	170	31
619	280				7 265	1 480	
0	13				5 092	230	
0	0				1 403	-308	
168	367				9 709	625	
121	376				3 610	691	
24	17	97			398	62	
0	0				139	-82	
931	**1 079**	**97**	**0**	**0**			**181**
60 573	**798 418**	**18 207**	**4 437**	**3 040**			**73 485**

(2) Revenue and net earnings of subsidiaries that are not in the Euro zone are given in thousands of euros at the annual average exchange rate for 2009.

20.1.2. Notes to the Statutory Financial Statements – Cegedim S.A.

- Note 1: Characteristics of the 2009 Fiscal Year

  - Increase in Cegedim S.A.'s Capital

On October 28, 2009. Mr. Jean-Claude Labrune, FCB and the Strategic Investment Funds (the "FSI") signed a memorandum of agreement whose purpose was to define the acquisition conditions for part of the company's capital from FCB by FSI.

All of the suspensive conditions in the memorandum were lifted on November 20, 2009, the date approval was received from the AMF.

A shareholders' meeting held on May 27, 2009, in its seventh resolution, delegated all the necessary authority to the Board of Directors to decide on a share capital increase within a 26-month period. In application of the shareholders' meeting authorization mentioned above, a first Board of Directors meeting held on November 5, 2009, decided on the principle regarding the present increase in capital. A second Board of Directors meeting held on November 19, 2009, set the terms and conditions for the increase in capital and decided, in compliance with the Memorandum, to call a shareholders' meeting to nominate new directors.

On December 17, 2009, new shares were issued. The total issue amount, including the share premium, amounted to €180 563 518.80 (including €4 445 501.83 for nominal value and €176 118 016.97 in share premiums) corresponding to the product of the number of new shares issued, which was 4 665 724 new shares, multiplied by the subscription price for a new share, which is €38.70 (consisting of €0.9528 for the nominal value and €37.7472 for the share premium).

The costs resulting from the increase in capital were charged against the share premium amount. This allocation was done net of tax for €5 537 486.19.

  - Capitalization of Development Expenses

Development expenses for software (consisting of payroll expenses and cost of outside services) were capitalized as intangible assets in the amount of 18 743 thousand euros, since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

  - Free Share Awards

On November 05, 2009, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to award free shares to the directors and employees of the Cegedim Group (see Note 28).

  - Complete Transfer of Assets and Liabilities

Cegedim Activ absorbed Dendrite France. This complete transfer of assets and liabilities took place on December 31, 2009. As a result, the Cegedim S.A. balance sheet as of December 31, 2009, consists of the both the assets and liabilities of the company and those of the assets and liabilities for the company taken over. This transaction resulted in a merger loss, corresponding to the difference in the proportionate share of the net assets received from Dendrite France and Cegedim's net book value of the securities. Because of the absence of any unrealized capital gains on the assets received and the unrecognized liabilities, this merger loss corresponds to a "real" loss. In compliance with the chart of accounts, this loss is recognized as a financial loss for 6 962 thousand euros.

- Note 2: Accounting Rules and Methods

The annual financial statements are prepared in accordance with the French legal and regulatory provisions.

The general accounting principles were applied in accordance with the principle of conservatism with the following basic assumptions:

1. Operational continuity
2. Consistency of the accounting methods from one fiscal year to another
3. Independence of fiscal years.

The basic method used to value the items included in the financial statements is the historical costs method.

The main rules and methods used are as follows:

- Intangible Fixed Assets

Cegedim S.A.'s intangible assets consist essentially of development expenses and acquired software.

- Research and Development Expenses

Cegedim incurs costs in connection with project development operations.

Development costs for new projects are capitalized as long as the following criteria are fully satisfied (CRC Regulation # 2004-06):

- The technical feasibility necessary to complete the intangible asset in order to use it or sell it
- The intention to complete the intangible asset and to use or sell it
- The ability to use or sell the intangible assets
- The way in which the intangible asset will generate probable future economic benefits
- The availability of appropriate resources (technical, financial and other) to complete the development and use or sell the intangible asset
- The ability to reliably measure the expenses attributable to the intangible assets during its development.

If one of these criteria is not satisfied, development costs are recorded as expenses for the fiscal year during which they were incurred.

Development costs include all expenses that can be directly attributed to the intangible asset and that are necessary to create it, produce it and prepare it so that it operates in accordance with the use planned by management.

Depreciation is calculated using the straight-line method starting with the initial use of the underlying asset and is calculated over its foreseeable useful life.

The recognition method for research and development expenses was refined during the 2009 fiscal year to make it easier to follow while remaining compliant with the general chart of accounts.

Outside projects are recognized first to an expense account called "Studies and research" and at the end of the year, restated as Intangible assets in progress offset by an outside capitalized production account.

The other projects are recognized to the corresponding expense accounts during the year. At the closing date, they are transferred to research and development costs and offset by a capitalized production account.

Cegedim S.A. capitalized the amount of 55 844 thousand euros including 18 743 thousand euros for the 2009 fiscal year in research and development.

Economically, the 2 main projects involve the CRM and strategic data sector for a total amount of 28 192 thousand euros. They are depreciated over 20 years. The other miscellaneous projects involve all of Cegedim's activity sectors for a total of 27 652 thousand euros and are depreciated over an average of between 6 and 7 years.

- Acquired Assets

Acquired intangible assets are valued at their purchase cost and depreciated using the straight-line method over their economic useful life.

- Tangible Fixed Assets

Acquired tangible assets are valued at their purchase cost and depreciated over their economic useful life. The depreciable base used is the purchase cost. The useful lives are reviewed periodically and may be modified prospectively depending on the circumstances.

Cegedim S.A.'s tangible assets consist essentially of computer hardware and fixtures and facilities.

The depreciation periods and methods used are generally the following:

- IT Equipment

Microcomputers intended for office use: between 3 and 4 years; straight-line method
Server systems: straight-line depreciation; between 5 and 15 years

- Fixtures and Facilities

Fixtures and facilities have a useful life from 8 to 15 years (8 years is the basic useful life). They are depreciated using the straight-line method.

- Equity Investments and Other Investments

Their gross value consists of the purchase cost, excluding ancillary acquisition expenses.

Equity investments are valuated to verify the need for a provision for impairment. This method's objective is to compare the amount of the securities to the subsidiary's net consolidated book value.

Provisions deemed necessary are charged against equity investments, loans or current accounts or are accounted for as provisions for risks and expenses.

- Treasury Shares

Treasury shares held pursuant to an authorization granted by the General Meeting are valued at their purchase price and recognized as long term investments or investment securities depending on their type. A provision for impairment is set up if the average price for the last month of the fiscal year is lower than the acquisition value. The provision is equal to this difference.

However, the existing treasury shares on December 31, 2009 involve all of the treasury shares intended for the Cegedim Group's managers and employees (cf. Note 28), therefore they are recorded as investment securities and there is no need to record any impairment.

- Accounts Receivable

Receivables are valued at their face value.

A provision for impairment is recognized if the inventory value, based on the probability of collection, is less than the recorded value. Thus, doubtful clients are routinely impaired at 100 % and receivables outstanding for more than six months are monitored on a case-by-case basis and, if necessary, impaired in the amount of the estimated risk of non-collection.

- Retirement Obligations

Retirement obligations are accounted for as a provision for expenses. Cegedim S.A. effectively applies the provisions of the CNC recommendation #2003-R-01 of April 1, 2003, related to accounting for and measuring retirement obligations and similar benefits as the preferred method.

Cegedim S.A.’s obligations are partially covered by funds paid to a financial agency; the amount of these dedicated investments is therefore deducted from the total obligation on the liabilities side of the balance sheet.

The company’s actuarial liabilities are calculated using the projected credit unit method and on the basis of measurements that include assumptions concerning wage increases, inflation, life expectancy, employee turnover and return on dedicated investments. Changes tied to periodic modifications of the actuarial assumptions listed above related to financial and economic situations or to demographic conditions are recorded in the income statement.

- Revenue Recognition

Cegedim S.A.’s revenues consist primarily of services and any sales of software and hardware.

  - Services

The main categories of services and the methods of revenue recognition are as follows:

- Access to Cegedim databases is generally realized by subscription with periodic billing (monthly or annually); sales revenues are then recorded on a prorated basis according to elapsed time.
- Standard and specific studies supplied by Cegedim are accounted for when they are delivered to clients.
- Data processing performed for clients is recorded when the service is provided.

- Support services (assistance, maintenance, etc.) are covered by a contract (generally annual) calculated on a lump sum basis in relation to the costs and resources committed by Cegedim to provide these services. Income from these contracts is recorded on a prorated basis over the term of the contract and results in the recognition of deferred income.

- Software and Hardware Sales

These sales are recorded at the time of delivery, concomitant with installation at the professional's site. Any discounts and rebates are subtracted from sales.

- Transactions in Foreign Currencies

Expenses and income in foreign currencies are recorded at their exchange value in euros on the date of the transaction.
Liabilities and receivables in foreign currencies appear in the balance sheet at their exchange value in euros at the end of the fiscal year. Differences resulting from the translation of liabilities and receivables into foreign currencies at this closing exchange rate are listed in the balance sheet as "unrealized translation gains or losses." Unrealized, unhedged exchange losses are covered by a provision for risks.

- Deferred Charges / Loan Issue Costs

This represents the deferment of loan issue costs over the duration of the loans (i.e. 6 years). The amount for the past fiscal year is 1 558 thousand euros.

- Statutory Auditors' Fees (Decree #2008-1487 dated December 30, 2008)

The information pertaining to the statutory auditors' fees is not provided because it is listed in the Notes to Cegedim S.A.'s consolidated financial statements.

- Note 3: Fixed Assets
  In thousands of euros

	Balance at 12/31/2008		Complete transfer of assets and liabilities (1)	Acquisitions Contributions		Disposals Withdrawals		12/31/2009
Intangible fixed assets	**46 789**		**0**	**42 145**		**291**		**88 643**
Buildings on un-owned land	1 115		0	0		0		1 115
General buildings & facilities	2 486	(4)	0	701		0		3 187
Technical facilities, tooling	25 586		5	1 082		2 583		24 089
Office and IT equipment and furniture	1 977		130	26		148		1 985
Tangible assets under construction	0	(4)		3				3
Total tangible fixed assets	**31 164**		**135**	**1 811**		**2 731**		**30 378**
Other equity investments	855 779			10 178	(2)	6 226	(2)	859 732
Loans and other financial investments	55 319		9	54 277	(3)	78 776	(3)	30 830
Total long term investments	**911 099**		**9**	**64 456**		**85 002**		**890 562**
Grand total	**989 052**		**144**	**108 411**		**88 024**		**1 009 583**

(1) Transfer of the companies taken over (Dendrite France) by Cegedim on December 31, 2009.

(2) The increase and the reduction in value of the participating interests and shares can mainly be explained by the increase in Dendrite France's capital for 6 200 thousand euros then the removal of the securities due to the complete transfer of assets and liabilities on December 31, 2009.

(3) The account "Loans, other financial assets" is made up of security deposits paid for 3 166 thousand euros and loans to subsidiaries for 27 488 thousand euros and 176 thousand euros in loans for construction efforts. The main loans granted to subsidiaries during the fiscal year were: CSD France for 10 200 thousand euros, CDS for 6 000 thousand euros, Cegedim Activ for 5 000 thousand euros, and BKL for 14 700 thousand euros. The main loan repayments from subsidiaries during the fiscal year were: CSD France for 13 200 thousand euros, CDS for 9 000 thousand euros, Cegedim Activ for 6 400 thousand euros, and BKL for 32 530 thousand euros.

(4) Restatement of the 2008 opening balance for tangible fixed assets in progress in the amount of 2 486 thousand euros to the general buildings & facilities account.

The typical features of loans granted to subsidiaries are:

- A 5% interest rate for the 1st quarter, 4% for the 2nd quarter and 3.5% for the second half-year
- Varying duration
- The lack of an automatic renewal clause and other specific clauses.

- Note 4: Depreciation
  In thousands of euros

Positions and changes during the fiscal year:

	12/31/2008	Complete transfer of assets and liabilities	Allowances	Reversals	12/31/2009
Intangible fixed assets	**7 508**		**5 629**	**243**	**12 895**
Buildings on un-owned land	546		40	0	586
General buildings & facilities	0		266	0	266
Technical facilities, tooling	19 078	2	2 618	2 581	19 118
Office and computer equipment	1 770	128	75	148	1 825
Total tangible fixed assets	**21 394**	**130**	**2 999**	**2 729**	**21 794**
Grand total	**28 903**	**130**	**8 628**	**2 972**	**34 559**

	Breakdown of depreciation			Accelerated	
	Straight-line	Complete transfer of assets and liabilities	Declining balance	Allowances	Reversals
Intangible fixed assets	**5 629**				
Buildings on un-owned land	40				
General buildings & facilities	266				
Technical facilities, tooling	2 618	2		542	481
Office and computer equipment	75	128			
Total tangible fixed assets	**2 999**	**130**	**0**	**542**	**481**
Grand total	**8 628**	**130**	**0**	**542**	**481**

- Note 5: Provisions

In thousands of euros

	12/31/2008	Complete transfer of assets and liabilities [1]	Allowances	Reversals Used	Reversals Not used	12/31/2009
Accelerated depreciation	1 323	1	542		481	1 385
Total regulated provisions	**1 323**	**1**	**542**		**481**	**1 385**
Provisions for litigation	55		300	15	0	340
Provision for exchange losses	3 615		264		3 615	264
Provisions for pensions and similar obligations	1 805	100	681	43	0	2 543
Provisions for shares allocated to employees	0		613			613
Other provisions for risks and expenses	0	415	0	0	0	415
Provisions for risk on equity investments	2 496		1 720		1 176	3 040
Total provisions for risks and expenses	**7 970**	**515**	**3 578**	**58**	**4 791**	**7 214**
Equity investments	64 196		4 797		8 420	60 573
Other long-term investments	6 906		450		2 035	5 321
Provisions for impairment of trade receivables	1 133	80	572	15	297	1 473
Other provisions for impairment	59		0	0	59	0
Total provisions for impairment	**72 294**	**80**	**5 819**	**15**	**10 811**	**67 367**
Grand total	**81 587**	**596**	**9 939**	**73**	**16 082**	**75 967**
Operating depreciation and reversals			2 166	73	297	
Financial depreciation and reversals			7 231	0	15 304	
Non-recurring depreciation and reversals			542	0	481	

(1) Transfer of the companies taken over (Dendrite France) by Cegedim on December 31, 2009.

Note 6: Due Dates for Receivables and Liabilities

In thousands of euros

- Statement of Receivables

	Gross amount	1 year or less	Non-current
Minority interest-related receivables	740	740	0
Loans	27 664	0	27 664
Other long-term investments	3 166	0	3 166
Doubtful or litigious customer receivables	2 506	2 506	
Other customer receivables	55 983	55 983	
Employees and related obligations	91	91	
Social security and other social agencies	1	1	
Government: Corporate tax	0	0	
Government: Value added tax	1 959	1 959	
Government: Miscellaneous receivables	28	28	
Group and associates	10 155	10 155	
Miscellaneous debtors	364	364	
Prepaid expenses	3 563	3 563	
Grand total	**106 219**	**75 390**	**30 830**
Loans granted during the fiscal year	53 780		
Repayments received during the fiscal year	78 496		

- Statement of Liabilities

	Gross amount	1 year or less	Between 1 and 5 years	More than 5 years
Loans due in under 1 year maximum originally	20 712	20 712		
Loans initially due in more than 1 year (1)	456 230	82 601	373 628	
Miscellaneous borrowings and financial liabilities	58 148	11 303	46 845	
Accounts payable	68 160	68 160		
Employees and related obligations	8 891	8 891		
Social security and other social agencies	2 613	2 613		
Government: Corporate tax	1 943	1 943		
Government: Value added tax	7 313	7 313		
Government: Other income tax, and other related taxes	1 597	1 597		
Payables on fixed assets and associated accounts	0	0		
Group and associates	0	0		
Other liabilities	1 090	1 090		
Deferred income	127	127		
GRAND TOTAL	**626 825**	**206 351**	**420 474**	**0**
Loans taken out during the fiscal year	0			
Loans reimbursed during the fiscal year	172 386			

(1) Including changes in unrealized exchange gains/losses on the 200 million dollars loan between the 2008 and 2009 closing dates for -4 651 thousand euros: Unrealized exchange loss 2008 writeback for 4 056 thousand euros - Recognition of a new unrealized exchange loss for 2009 for 8 707 thousand euros.

- Note 7: Retirement

	Through an insurance fund	Through a provision for expenses
Retirement obligation covered	€1 418 K	€2 542 K

When employees retire, they receive retirement compensation as defined in the collective bargaining agreement.

An actuarial valuation plan has been set up to fund the obligations tied to this compensation. The total obligation comes to €5 351 742 including €1 417 637 paid to an insurance company.

The actuarial assumptions used are as follows:

Economic assumptions		Net interest rate: 5.00% Wage increases: 2.0% inflation included
Demographic assumptions (TPG93)	Mortality: Mobility:	the mortality tables used are the prospective tables by generation 5.0% a year up to age 35 3.0% up to age 45 1.5% up to age 50 and 0% after that.
Retirement age		retirement at age 65 for non-management personnel
Retirement age		Retirement at age 65 for management personnel

Collective bargaining agreement:

Cegedim comes under the national collective bargaining agreement for the Pharmaceutical Industry.

- Note 8: Tax Consolidation Scope

Cegedim S.A. is the parent company and head of the Group.

The following companies elected to form a consolidated tax group with Cegedim S.A.:

- Alliadis, Alliance Software, AMIX, APSYS NET, BKL Consultants, CDS, Cegedim Activ, Cegedim Holding CIS, Cegedim Ingénierie, Cegedim SRH, Cegelease, Cetip, Data Conseil, Euroformat, Hospitalis, Icomed, Incams, I Santé, Medexact, PCO Cegedim, Pharmastock, Pharmapost, Qualipharma, RESIP, RNP, RMI, Rosenwald, Servilog Concept, SOFILOCA, Proval SA.
- Tax expenses are borne by the consolidated companies as if there were no tax consolidation.
- The tax savings of unprofitable subsidiaries are recorded as an immediate gain in the parent company and amount 10 757 thousand euros for 2009 (10 388 thousand euros for 2008).
- The deficits of the companies included in the consolidated tax group scope flowed to the parent company.
- The companies that would become beneficiaries generated an additional tax expense evaluated at 12 097 thousand euros as of December 31, 2009 for Cegedim S.A.
- Cegedim S.A.'s loss carryforward amounts to 68 593 thousand euros as of December 31, 2009.

- Note 9: Data coming under several balance sheet and income statement items
  In thousands of euros

	Consolidated entities	Equity Investments	Related businesses
Fixed assets			
Equity Investments	858 079	912	
Loans	26 604	884	
Current Assets			
Trade receivables and associated accounts	24 433	209	
Other receivables	10 157	14	28
Liabilities			
Financial liabilities			45 094
Trade payables and related accounts	53 453	7	2 120
Other liabilities	11 329		
Investments			
Financial expenses	19 050		2 047
Financial income	21 162		
Operating			
Management fees			2 050
Rent			5 957

- Note 10: Advances Paid to Management

In accordance with article L 225-43 of the French Code of Commerce, no advances or loans were granted to the Company's management.

- Note 11: Income Receivable
  In thousands of euros

	12/31/2009
Clients - Invoices to be prepared	16 837
Trade receivables	**16 837**
Suppliers, accrued credits	237
Miscellaneous accrued receivables	3 135
Receivables from employees	14
Other receivables	**3 386**
Banks, accrued interest receivable	0
Total	**20 223**

- Note 12: Payables Breakdown
  In thousands of euros

	12/31/2009
Accrued interest payable on loans	0
Accrued interest payable on equity investments	91
Accrued interest payable on overdrafts	15
Borrowings and financial liabilities	**106**
Suppliers, accrued invoices	18 109
Accounts payable and related accounts	**18 109**
Provision for paid holidays	5 224
Reduced work time provision	1 171
Provision CET holidays	78
Other personnel expenses payable	2 045
Government, expenses payable	921
Tax and social liabilities	**9 438**
Clients - Credits to be established	**1 089**
Total	**28 741**

- Note 13: Deferred Revenue and Accrued Expenses
  In thousands of euros

	12/31/2009
Purchase of files	89
Custom work	182
Technical Honoraria	0
Transpac IT lines	121
Water, EDF, heating	0
Consumables purchased	1
Rent	958
Rental IT equipment	7
Software royalties	281
Rental misc. equip.	5
Maintenance premises and facilities	23
Maintenance IT equipment	662
Maintenance software	961
Maintenance machinery and equipment	7
Insurance	26
Subscriptions & Documentation	11
Temporary contract	151
Advertising	36
Stock market fees	3
Travel & entertainment expenses	19
Telephone	1
Contributions	1
Recruiting costs	14
Training	5
Total Accrued Expenses	**3 563**
Service revenues	127
Total Deferred Income	**127**

- Note 14: Deferred Expenses Breakdown
  In thousands of euros

Type	12/31/2008	Increase	Allowances	12/31/2009
Loan issue costs	6 781	0	1 558	5 223

The loan issue expenses for the loan required to acquire the Dendrite Group on May 9, 2007 have been distributed over the entire term of the loan, meaning 6 years, using the straight-line method.

- Note 15: Share Capital Details
  In thousands of euros

	Number of shares				Par Value	
Categories of shares	**End of the fiscal year**	**Created during fiscal year**	**Created by splitting the par value**	**Start of the fiscal year**	**End of the fiscal year**	**Start of the fiscal year**
Common shares	9 331 449	4 665 724		13 997 173	0.9528	0.9528

Shareholders	Number of shares % Held	% held	Number of votes single	# double votes Shares	# double votes Votes	Total votes	% Voting rights
FCB	7 307 393	52.21%	2 441 556	4 865 837	9 731 674	12 173 230	64.42%
FSI	2 102 061	15.02%	2 102 061	0	0	2 102 061	11.12%
JCL	57 812	0.41%	19 316	38 496	76 992	96 308	0.51%
GERS	36 432	0.26%	12 144	24 288	48 576	60 720	0.32%
Alliance Healthcare	1 215 432	8.68%	1 215 432	0	0	1 215 432	6.43%
Public	3 238 853	23.14%	3 229 055	9 798	19 596	3 248 651	17.19%
Cegedim	39 190	0.28%	0	0	0	0	0.00%
Total	**13 997 173**	**100.00%**	**9 019 564**	**4 938 419**	**9 876 838**	**18 896 402**	**100.00%**

- Note 16: Identity of Cegedim's Parent Company FCB

A business corporation (SA) held primarily by Mr. Labrune, his family and by certain members of the Board of Directors of Cegedim S.A.

Note 17: Share Capital Details

In thousands of euros

	Capital	Premiums	Legal reserves	Regulated reserves	Other reserves	Retained earnings	Earnings	Regulated Reserves	Total
Capital increase									0
Decrease in capital									0
2006 earnings					32 490		-32 490		0
Dividends					-7 465				-7 465
Carry forward						33			33
Regulated Provisions								-329	-329
2007 earnings							11 211		11 211
At 12.31.2007 (1)	**8 891**	**73 732**	**889**	**2 926**	**70 056**	**104**	**11 211**	**919**	**168 728**
Capital increase									0
Decrease in capital									0
2007 earnings					11 211		-11 211		0
Dividends					-8 398				-8 398
Carry forward									0
Regulated Provisions								403	403
2008 earnings							-22 699		-22 699
At 12.31.2008 (1)	**8 891**	**73 732**	**889**	**2 926**	**72 869**	**104**	**-22 699**	**1 323**	**138 035**
Capital increase	4 446	176 118							180 564
Decrease in capital		-5 537							-5 537
2008 earnings					-22 699		22 699		0
Dividends									0
Carry forward									0
Restated reserves				-1 047	1 047				0
Regulated Provisions								62	62
2009 earnings							61 849		61 849
At 12.31.2009 (1)	**13 337**	**244 313**	**889**	**1 879**	**51 217**	**104**	**61 849**	**1 385**	**374 972**

(1) Equity capital before distribution

Note 18: Breakdown of Revenue

In thousands of euros

	France	Outside France	Total
Sales of goods	4	33	37
Production of goods	26	0	26
Production of services	128 585	27 239	155 824
Total	**128 615**	**27 272**	**155 887**

Note 19: Share of Net Income on Joint Operations

In thousands of euros

	Total earnings	Transferred earnings
Edipharm	170	34
Total	**170**	**34**

Note 20: Non-recurring Expenses and Income
In thousands of euros

Description of expense	12/31/2009
Book value of intangible fixed assets sold	43
Book value of tangible fixed assets sold	2
Book value of long-term investments sold	26
Accelerated amortization and depreciation	542
Total	**613**

Type of Income	12/31/2009
Gain on the sale of intangible fixed assets	43
Gain on the disposal of tangible fixed assets	52
Gain on the disposal of long term investments	11
Writeback of accelerated depreciation	481
Total	**588**

Note 21: Breakdown of Corporate Tax
In thousands of euros

	Earnings before income tax	Taxes due	Net earnings after income tax
Earnings before non-recurring items	53 060	-117	53 177
Corporate tax savings on deficits/consolidated companies		-10 757	10 757
CT refunds consolidated companies		358	-358
Neutralization of CT tax consolidation		-1 399	1 399
Short term non-recurring earnings	-26	0	-26
Employee profit-sharing	-316	0	-316
Tax on transferred companies		0	0
Source withholding		15	-15
CT previous years		2 769	-2 769
Accounting Earnings	**52 718**	**-9 130**	**61 849**

Note 22: Deferred and Latent Tax Situation
In thousands of euros

Deferred taxation is as follows:

- Organic: 297 thousand euros
- Equity interests: 316 thousand euros
- Retirement provision: 681 thousand euros
- Provision for exchange losses: 264 thousand euros
- Other non-deductible provisions: 300 thousand euros

The corresponding deferred tax amounts to 640 thousand euros.

- Note 23: Compensation of Management and Board of Directors
  In thousands of euros

Directors' fees paid to board members came to 45 thousand euros in 2009 and are recorded as "Other expenses" in the income statement.

	12/31/2009	12/31/2008
Short-term benefits (wages, bonuses, etc.)	287	214
Post-employment benefits	none	none
Severance pay	none	none
Benefits recognized	**287**	**214**
Termination benefits	none	none
Benefits not recognized	**none**	**none**

- Note 24: Employees
  In thousands of euros

	12/31/2009
Management	550
Non-management	453
Trainees	2
Total	**1 005**

- Note 25: Financial Liabilities
  In thousands of euros

	12/31/2009	12/31/2008
Long-term financial borrowing and liabilities (> 5 years)	0	0
Medium- and long-term financial borrowing and liabilities (> 1 year, < 5 years)	420 474	592 217
Short-term financial borrowing and liabilities (< 1 year)	93 904	86 629
Current bank loans	20 712	87 064
Total financial liabilities	**535 090**	**765 910**
Total positive cash flow *	37 909	28 471
Net financial debt	**497 181**	**737 439**
Operating cash flow	65 783	-6 665

* Including Investment Securities for 29 682 thousand euros and shares allocated to employees for 1 234 thousand euros.

The complete financing of the acquisition of the Dendrite Group was carried out through an outside loan contracted by the Cegedim Group. Financing was implemented on May 9, 2007 to purchase Dendrite and to reconsolidate the existing debt.

The financing is divided in the following way:

Terms for Main Loans	Residual value
Year 2012	50 000
As revolver credit facilities renewable every month	
Year 2013	
Loan for 291 000 thousand euros	291 000
Loan for 166 000 thousand dollars with an exchange value in euros on 12/31/2009 of 115 230 thousand euros.	115 230
As an amortizable loan with the following terms:	
The loan for 291 000 thousand euros and the revolver credit facilities for 166 000 thousand dollars subscribed at a variable rate have been partially hedged by derivatives offering the following rates:	
The notional amount hedged was 351 667 thousand euros as of 12/31/2009.	
An interest rate collar no premium 3 month pre-set Euribor receiver, 3 month payer post-set + 2.62% (floored at 4.25% and capped at 5.58%).	

- Note 26: Off-Balance Sheet Commitments

  - Guarantees Given by Cegedim to Its Subsidiaries

    - Pharmastock Subsidiary

Joint and several surety of its subsidiary Pharmastock in favor of Baticentre concerning the performance of the terms of the leasing operation in the amount of 299 thousand euros (Board of Directors authorization dated August 13, 2002).

- Cegelease Subsidiary

Guarantee given in case Cegelease defaults on the lease with GUILAUR Sarl (Board of Directors authorization of September 3, 2003).
Letter of comfort issued to the IXIS CIB Company for a flow exchange transaction concluded between itself and the Cegelease subsidiary (Board of Directors authorization dated April 20, 2007).

- Dendrite International Inc Subsidiary

Security of 3.5 million dollars in favor of the Bank of America (Board of Directors authorization dated December 27, 2007).

- All Subsidiaries

Authorization of one year for all subsidiaries to grant securities, endorsements and other guarantees for a total of 5 million euros provided no single commitment exceeds 2 million euros (authorized by the Board of Directors on April 07, 2009).

Bank guarantee (LCL) has been granted by Cegedim for an amount of 30 thousand euros in favor of C.R.P.C.E.N (valid until 10/13/2012).

- Subsidiary Shares Pledged

For the signing of an amendment to the financing agreement for the acquisition of Dendrite, shares of the following companies were pledged in 2008: Icomed, RNP, Sofiloca, Resip, Pharmastock, Pharmapost, Medexact, Hospitalis, Cegedim Activ, Cegelease, PCO Cegedim, Alliance Software, Alliadis, Cegedim Belgium, Cegedim Italia.

Subsidiary share pledges at December 31, 2007 are still in effect (In Practice Systems, Alliadis Europe, Epic Database Research Company Ltd, Cegedim RX, Dendrite International Inc. (DIL), Cegedim USA Inc.).

- Note 27: Treasury Shares

In 2009, the Company did not acquire or dispose of any treasury shares except for the shares bought as part of the free share award plan (acquisition of 39 190 shares on March 26, 2009).

- Note 28: Allocation of Free Shares

Following a resolution of the extraordinary shareholders' meeting of February 22, 2008, the Board of Directors, in their meetings of March 21, 2008 and November 5, 2009, were authorized to award a total number of free shares not to exceed 10% of the total number of shares making up the capital to the directors and employees of the Cegedim Group. The main characteristics are the following:

- The free shares awarded will grant the right to dividends. Their distribution will be determined as of the award date. The plan dated March 21, 2008 authorized a maximum allocation of 43 410 free shares and the plan dated November 05, 2009 authorized a maximum allocation of 28 750 free shares.
- The award of these shares to the beneficiaries will become final at the end of a lock-in period of two years for beneficiaries whose residence for tax purposes is in France as at the award date, and four years for beneficiaries whose residence for tax purposes is not in France as at the award date.
- The shares will be permanently awarded to their beneficiaries on a single condition: the absence of resignation, dismissal or layoff.
- As from the final award date, beneficiaries whose residence for tax purposes is in France as at the award date must keep their shares for a term of two years.

On the closing date, December 31, 2009, Cegedim S.A. recorded a provision of 613 thousand euros in its financial statements.

- Note 29: Information Regarding the Individual Right to Training

The volume of training hours accumulated for rights acquired under the individual right to training (DIF) by employees at 12/31/2009 is 73 098 of which 70 253 had not yet been the object of a request.

20.1.3 Statutory Auditor's Report on the Annual Financial Statements

To the Shareholders,

In our capacity as Statutory Auditors, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying annual financial statements of CEGEDIM,
- the justification of our assessments,
- the specific verifications and information required by French law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by management, and the overall financial statements presentation. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities as of December 31, 2009 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II - Justification of assessments

In accordance with the provisions of article L. 823-9 of the French commercial code (Code de commerce), we made our own assessments that we bring to your attention:

- Capitalisation of development costs

In the context of our assessment of the accounting policies applied by your company, we reviewed the conditions for capitalisation of development costs, the amortisation method used and the manner in which their recoverable amount was validated and we ensured that note 2 "Accounting policies – paragraph Intangible assets" of the notes to the annual financial statements provided appropriate disclosures.

- Valuation of investments

Investments recorded in your company's balance sheet are valued in accordance with the methods presented in note 2 "Accounting policies – paragraph Investments and other securities" of the notes to the annual financial statements. We carried out the assessment of the items taken into consideration in making the estimates at the balance sheet date and, as necessary, verified the calculation of the provisions for impairment.
In the context of our assessments, we verified the reasonableness of these estimates.

- Retirement benefit obligations

Note 2 "Accounting policies – paragraph Retirement benefits" of the notes to the annual financial statements describes the valuation methods used for retirement benefit obligations. Our work involved reviewing the figures used, assessing the assumptions retained and verifying that note 7 to the annual financial statements provided appropriate disclosures.

In the context of our assessments, we verified the reasonableness of these estimates.

The assessments were thus made in the context of the performance of our audit of the annual financial statements taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

III - Specific verifications and information

We have also performed the specific verifications required by French law.

We have no matters to report regarding the fair presentation and the conformity with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the annual financial statements.

Regarding the information provided in accordance with the requirements of article L. 225-102-1 of French Commercial Code (Code de commerce) relating to the compensation and benefi ts paid to the Corporate offi cers concerned and the engagement granted to them, we verifi ed the conformity with the fi nancial statements, or with the data used for the reparation of the fi nancial statements ; and, when applicable, with the information collected by the Company from the companies which control your Company or controlled by your Company. On the basis of the audit we performed, we attest that this information is true and fair.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders has been provided to you in the management report.

Paris and Courbevoie, April 23, 2010

The Statutory Auditors

GRANT THORNTON - GRANT THORNTON INTERNATIONAL MICHEL COHEN
MAZARS JEAN-PAUL STEVENARD

20.2 Historical Financial Information – Consolidated Financial Statements

20.2.1. Consolidated Financial Statements as at December 31, 2009

- Consolidated Assets Balance Sheet

In thousands of euros

	Note	12/31/2009 Net	12/31/2008 Net	12/31/2007 Net
Goodwill on acquisition (Note 7)	a	**613 342**	**613 709**	**577 518**
Development costs		57 644	44 446	27 429
Trademarks, patents		104 810	109 519	104 594
Other intangible assets		63 192	55 611	41 242
Intangible fixed assets (Note 3)		**225 646**	**209 576**	**173 265**
Property		417	507	537
Buildings		6 225	3 547	8 890
Plant, machinery and equipment		24 377	28 477	32 546
Other tangible fixed assets		13 969	19 340	20 283
Construction work in progress		234	2 830	15
Tangible fixed assets (Note 4)		**45 221**	**54 701**	**62 271**
Equity investments		302	225	228
Loans		551	858	373
Other long-term investments		8 030	6 069	6 577
Financial assets - Excluding equity shares in equity method companies (Note 5)		**8 883**	**7 152**	**7 178**
Equity shares in equity method companies (Note 6)	b	7 173	7 300	8 177
Government - Deferred tax (Note 20)		33 350	36 603	29 095
Accounts receivable: Long-term portion (Note 9)		15 282	9 175	24 119
Other receivables: Long-term portion (Note 10)		983	2 760	2 136
Non current assets		**949 881**	**940 976**	**883 759**
Services in progress (Note 8)		200	958	769
Goods (Note 8)		10 956	11 358	8 735
Advances and deposits received on orders		1 172	1 142	723
Accounts receivable: Short-term portion (Note 9)		210 502	198 950	214 889
Unpaid, called capital		0	0	0
Other receivables: Short-term portion (Note 10)		18 413	30 733	36 062
Cash equivalents		30 630	22 433	1 666
Cash		90 739	71 068	85 687
Prepaid expenses		15 847	18 998	17 423
Current assets		**378 461**	**355 640**	**365 954**
Total Shares		**1 328 341**	**1 296 616**	**1 249 713**

- Balance Sheet Liabilities
  In thousands of euros

	12/31/2009	12/31/2008	12/31/2007
Share capital	13 337	8 891	8 891
Issue premium	185 562	14 981	14 981
Group reserves	249 732	213 570	192 818
Group translation reserves	-238	-238	-238
Group translation gains / losses	-37 844	-29 698	-53 586
Group earnings	54 719	33 661	43 839
Investment subsidies	0	0	0
Regulated Provisions	0	0	0
Shareholders' equity, Group share	**465 267**	**241 167**	**206 705**
Minority interests (reserves)	609	1 056	920
Minority interests (earnings)	114	-174	312
Minority interests	**724**	**882**	**1 232**
Shareholders' equity	**465 991**	**242 049**	**207 937**
Long-term financial liabilities (Note 14)	391 408	585 327	677 222
Long-term financial instruments	16 517	22 525	
Deferred tax liabilities (Note 20)	51 394	55 946	53 926
Non-current provisions (Note 12)	21 517	18 753	18 174
Other non-current liabilities (Note 16)	9 550	19 822	14 004
Non-current liabilities	**490 386**	**702 373**	**763 326**
Short-term financial liabilities (Note 14)	133 621	111 296	31 145
Short-term financial instruments		1 706	
Accounts payable and related accounts	73 604	63 131	81 223
Tax and social liabilities	113 705	115 762	113 183
Provisions (Note 12)	7 133	6 234	3 114
Other current liabilities (Note 16)	43 902	54 065	49 785
Current liabilities	**371 965**	**352 194**	**278 450**
Total liabilities & shareholders' equity	**1 328 341**	**1 296 616**	**1 249 713**

Consolidated Income Statement

In thousands of euros

	Note	12/31/2009	12/31/2008	12/31/2007
Revenue *(Note 17)*		874 072	848 577	752 994
Other operating income		-	-	-
Capitalized production		32 631	33 502	19 801
Purchases used	c	-104 565	-84 825	-54 426
External expenses *(Note 18)*	c	-208 642	-229 152	-223 996
Taxes		-12 561	-12 281	-12 325
Payroll costs		-401 496	-394 643	-352 367
Depreciation expenses		-66 328	-67 864	-36 210
Allocations to and reversals of provisions		-1 406	-2 154	-2 990
Change in inventories of products in progress and finished products		-900	440	-182
Other operating expenses		726	5 037	4 965
Ordinary operating income	d	**111 530**	**96 637**	**95 264**
Other non-current income and expenses from operations*(Note 19)*		-11 697	-6 478	-5 379
Operating income		**99 833**	**90 159**	**89 885**
Income from cash & cash equivalents		1 429	11 570	2 667
Gross cost of financial debt		-34 705	-51 135	-35 884
Other financial income and expenses		-7 033	-4 053	5 588
Cost of net financial debt *(Note 15)*	e	**-40 309**	**-43 618**	**-27 629**
Income taxes		-9 950	-7 823	-4 941
Deferred income taxes		4 901	-5 171	-12 931
Tax expense (Note 20)		**-5 048**	**-12 994**	**-17 872**
Share of net earnings of equity method companies		357	-60	-233
Net earnings before earnings from activities that have been discontinued or are being sold		54 833	33 487	44 151
Earnings net of income tax from activities that have been discontinued or are being sold		-	-	-
Consolidated net earnings		**54 833**	**33 487**	**44 151**
Group share		**54 719**	**33 662**	**43 839**
Minority interests		114	-175	312
Average number of shares excluding treasury stock		9 480 237	9 331 449	9 331 449
Earnings per share in Euro *(Note 23)*		5.8	3.6	4.7
Diluting instruments		none	none	none
Diluted earnings per share in Euro *(Note 24)*		5.8	3.6	4.7

Reclassifications	Note	12/31/2008	12/31/2007
Goodwill on acquisition published	a	616 952	581 195
Reclassification of goodwill on acquisition for companies consolidated by the equity method from the "Goodwill on acquisition" account to the "Equity shares in equity method companies" account		-3 677	-3 677
Cancellation of 2008 reclassification		434	
		613 709	**577 518**
Equity shares in equity method companies published	b	4 057	4 500
Reclassification of goodwill on acquisition for companies consolidated by the equity method from the "Goodwill on acquisition" account to the "Equity shares in equity method companies" account		3 677	3 677
Cancellation of 2008 reclassification		-434	
		7 300	**8 177**

Reclassification of purchases used	Note	12/31/2009	12/31/2008	12/31/2007
Purchases used published	c	0	0	-42 180
Reclassification of purchases used wrongly recognized as external expenses		0	0	-12 246
Purchases used		**0**	**0**	**-54 426**
External expenses published		0	0	-236 242
Reclassification of purchases used wrongly recognized as external expenses		0	0	12 246
External expenses		**0**	**0**	**-223 996**

Impact of disposals made on July 2, 2007	Note	12/31/2009	12/31/2008	12/31/2007
Operating income before non-recurring items	d	0	0	95 264
Including group share of earnings on activities that have been sold		0	0	-2 517
Operating income before non-recurring items excluding activities sold		**0**	**0**	**97 781**

Net debt costs published	Note	12/31/2009	12/31/2008	12/31/2007
Income from cash & cash equivalents	e	0	26 191	20 164
Gross cost of financial debt		0	0	-47 793
Net financial debt costs		**0**	**-43 618**	**-27 629**

Statement of Total Earnings

In thousands of euros

	12/31/2009	12/31/2008	12/31/2007
Consolidated net earnings	**54 833**	**33 487**	**44 151**
Other items included in total earnings:			
Unrealized translation gains / losses	-8 145	23 863	-51 821
Free shares award plan	477	394	3 107
Hedging financial instruments (net of income tax)	3 224	-15 172	
Items recognized as shareholders' equity net of income tax	-4 444	9 085	-48 714
Total earnings	**50 389**	**42 572**	**-4 563**
Minority interests' share	114	-200	312
Group share	50 275	42 772	-4 875

- Statement of Changes in Consolidated Shareholders' Equity
  In thousands of euros

		Capital	Reserves tied to capital	Conso. reserves and earnings	Unrealized translation gains / losses	Total Group share	Mino. interests	Total
Balance at 01/01/2007		**8 891**	**14 981**	**196 858**	**-2 003**	**218 727**	**1 788**	**220 515**
Earnings for the fiscal year				43 839		43 839	312	44 151
Earnings recorded directly as shareholders' equity:								
- Transactions on shares				3 107		3 107		3 107
- Hedging of financial instruments								
- Unrealized translation gains/losses					-51 821	-51 821		-51 821
Total earnings for the fiscal year				46 946	-51 821	-4 875	312	-4 563
Capital transactions								
Distribution of dividends	*(1)*			-7 465		-7 465	-271	-7 736
Other changes							-244	-244
Change in consolidation scope				318		318	-353	-35
Balance at 12/31/2007		**8 891**	**14 981**	**236 657**	**-53 824**	**206 705**	**1 232**	**207 937**
Earnings for the fiscal year				33 662		33 662	-175	33 487
Earnings recorded directly as shareholders' equity:								
- Transactions on shares				394		394		394
- Hedging of financial instruments				-15 172		-15 172		-15 172
- Unrealized translation gains/losses					23 888	23 888	-25	23 863
Total earnings for the fiscal year				18 884	23 888	42 772	-200	42 572
Capital transactions								
Distribution of dividends	*(1)*			-8 398		-8 398	-255	-8 653
Other changes				89		89	105	194
Change in consolidation scope								
Balance at 12/31/2008		**8 891**	**14 981**	**247 232**	**-29 936**	**241 168**	**882**	**242 050**
Earnings for the fiscal year				54 719		54 719	114	54 833
Earnings recorded directly as shareholders' equity:								
- Transactions on shares				477		477		477
- Hedging of financial instruments				3 224		3 224		3 224
- Unrealized translation gains/losses					-8 145	-8 145		-8 145
Total earnings for the fiscal year				58 420	-8 145	50 275	114	50 389
Capital transactions		4 446	170 580			175 026		175 026
Distribution of dividends	*(1)*					0	-230	-230
Treasury shares				-1 234		-1 234		-1 234
Other changes				33		33		33
Change in consolidation scope							-42	-42
Balance at 12/31/2009		**13 337**	**185 561**	**304 451**	**-38 081**	**465 268**	**724**	**465 992**

(1): The total amount of dividends is distributed to common shares. There are no other classes of shares. There were no issues, repurchases or redemptions of equity securities during 2007, 2008 and 2009, except for the shares acquired under the free share award plan.

- Statement of Changes in the Consolidation Scope

The changes in the Group's consolidation scope are as follows:

Companies involved	% held during the fiscal year	% held during the previous fiscal year	Conso. method for the fiscal year	Cons. method for prev. fiscal yr.	Comments
Companies entering the consolidation scope					
Fichier medical central (fmc)	100.00%		FC		Acquired in February 2009
Next Software	100.00%		FC		Acquired in March 2009
Services premium sante (sps)	40.00%		FC		Created in March 2009
Nomi Group: Nomi Medicin, Nomi Sweden, Nomi Finland, Nomi Norway	100.00%		FC		Acquired in July 2009
Hospital Marketing Services Ltd	100.00%		FC		Acquired in July 2009
Pharmacie gestion informatique	100.00%		FC		Acquired in October 2009
Companies leaving the consolidation scope					
Dendrite deutschland		100.00%		FC	Merged with Cegedim Holding Gmbh in January 2009
Dendrite Portugal		100.00%		FC	Merged with Cegedim Portugal in January 2009
Cegedim Onekey Inc		100.00%		FC	Liquidation in January 2009
Tridom		91.45%		FC	Liquidation in April 2009
Lääketietokeskuksen osoitepankki oy		100.00%		FC	Merged on January 1st, 2009
Cegedim Customer Information International (CBU)	100.00%	100.00%	FC	FC	Assigned in June 2009
Dendrite Spain	100.00%	100.00%	FC	FC	Merged with Cegedim Hispania in June 2009
Proval ntic	99.99%	99.99%	FC	FC	Complete transfer of assets and liabilities to Proval SA on 06/30/09
Dendrite Mexico	100.00%	100.00%	FC	FC	Merged with Cegedim Mexico in September 2009
Cegedim Strategic Data Mexico	100.00%	100.00%	FC	FC	Merged with Cegedim Mexico in September 2009
Protectia	100.00%	100.00%	FC	FC	Complete transfer of assets and liabilities to KAIROS on 12/29/09
Kairos	100.00%	100.00%	FC	FC	Complete transfer of assets and liabilities to Cegedim Activ on 12/29/09
Agdf cegedim rs	100.00%	100.00%	FC	FC	Complete transfer of assets and liabilities to BKL Consultants on 12/31/2009
3es (essais cliniques evaluation epidemiologies statistiques)	100.00%	100.00%	FC	FC	Complete transfer of assets and liabilities to CSD France on 12/31/2009
Dendrite France	99.98%	99.98%	FC	FC	Complete transfer of assets and liabilities to Cegedim SA on 12/31/2009
Cegedim Strategic Data Portugal (ex. Cam Portugal)	100.00%	100.00%	FC	FC	Merged with Cegedim Portugal in December 2009
Cegedim Poland	100.00%	100.00%	FC	FC	Liquidation in December 2009
Dendrite Colombia ltda	100.00%	100.00%	FC	FC	Merged with Cegedim Colombia in December 2009
Ultima	100.00%	100.00%	FC	FC	Merged with Cegedim Bilisim AS in

December 2009

- Cash Flow Statement from Earnings of Consolidated Companies
In thousands of euros

	12/31/2009	12/31/2008	12/31/2007
Consolidated net earnings	54 833	33 487	44 151
Share of earnings from equity method companies	-357	60	233
Depreciation and provisions	70 190	70 334	37 625
Capital gains or losses on disposals	996	-5 924	2 435
Cash flow after net financial debt expense and taxes	**125 662**	**97 957**	**84 444**
Cost of net financial debt	40 309	43 618	28 672
Tax expense	5 048	12 994	17 872
Operating cash flow before net financial debt expense and taxes	**171 019**	**154 569**	**130 988**
Tax paid	-4 305	-7 823	-4 941
Plus: Change in working capital requirements for operations	-199	20 132	20 031
Net cash generated by operations (A)	**166 515**	**166 878**	**146 078**
Acquisitions of intangible fixed assets	-37 744	-49 408	-24 043
Acquisitions of tangible fixed assets	-26 382	-51 026	-40 200
Acquisitions of financial assets	-2 917	-1 763	-851
Disposals of tangible and intangible fixed assets	4 809	7 348	3 670
Disposals of financial assets	75	1 338	24 759
Impact of changes in consolidation scope	-11 989	-8 164	-522 061
Dividends received from equity method companies	486	383	2 228
Net cash flows generated by investment operations (B)	**-73 662**	**-101 292**	**-556 498**
Dividends paid to parent company shareholders	0	-8 398	-7 465
Dividends paid to the minority interests of consolidated companies	-231	-255	-272
Increase in cash capital	174 700	0	0
Loan issues	3 761	2 901	711 255
Loans repaid	-201 998	-14 721	-191 532
Interest paid on loans	-31 460	-44 416	-32 557
Other financial income and expenses paid or received	-5 748	12 062	5 299
Net cash flows generated by financing operations (C)	**-60 976**	**-52 827**	**484 728**
Change in cash (A+B+C)	**31 877**	**12 759**	**74 308**
Opening cash position	70 254	57 772	-16 536
Closing cash position	102 338	70 254	57 772
Impact of changes in foreign currency exchange rates	-207	277	0

- Segment Reporting as at December 31, 2009
  In thousands of euros

  - Income Statement Items

		CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total Rest of world
A	Outside Group sales	487 000	271 054	116 018	874 072	449 530	424 542
B	Sales to other Group sectors	33 201	5 656	5 935	44 792	43 422	1 370
C=A+B	**Total sector sales**	**520 201**	**276 710**	**121 953**	**918 864**	**492 952**	**425 912**
D	**Sector operating income**	**60 240**	**36 658**	**14 632**	**111 530**		
D/A	**Operating margin outside Group**	**12.4%**	**13.5%**	**12.6%**	**12.8%**		
D/C	Sector operating margin	11.6%	13.2%	12.0%	12.1%		
	Sector depreciation and amortization	**24 422**	**34 395**	**7 512**	**66 328**		

  - Geographic Breakdown of 2009 Consolidated Revenue

	France	Euro Zone outside France	Pound Sterling Zone	US Dollar Zone	Rest of world	Total
Geographic breakdown	449 530	130 148	77 736	114 459	102 199	**874 072**
%	51%	15%	9%	13%	12%	**100%**

  - Balance Sheet Items

	CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total Rest of world
Goodwill on acquisition (Note 7)	493 185	78 670	41 487	613 342	94 407	518 935
Intangible assets (Note 3)	170 110	18 941	36 595	225 646	119 830	105 816
Tangible assets (Note 4)	30 752	8 918	5 551	45 221	25 353	19 868
Shares accounted for under the equity method (Note 6)		7 122	51	7 173	61	7 112
Net total	**694 047**	**113 651**	**83 684**	**891 382**	**239 651**	**651 731**
Goodwill on acquisition	7 614	3 141		**10 755**	2 716	8 039
Intangible assets (Note 3)	23 176	5 501	9 066	**37 743**	33 870	3 873
Tangible assets (Note 4)	5 977	18 335	2 071	**26 383**	21 574	4 809
Equity shares accounted for using equity method	0	0	0	**0**	0	0
Gross total	**36 767**	**26 977**	**11 137**	**74 881**	**58 160**	**16 721**
Non-current provisions (Note 12)	14 335	4 474	2 708	**21 517**	10 870	10 647
Current provisions (Note 12)	6 604	437	92	**7 133**	869	6 264
Advances and deposits received on orders (Note 16)	515	2 329	81	**2 925**	514	2 411
Accounts payable and related accounts	47 140	16 641	9 823	**73 604**	38 439	35 165
Tax and social liabilities	74 394	20 815	18 496	**113 705**	67 532	46 173
Other debts (Note 16)	9 823	6 698	3 935	**20 456**	12 474	7 982

Transactions carried out between the different business sectors are done at market prices.
Segment liabilities are reviewed by the Group's Managing Director who is the main decision-maker regarding these commitments.

- Segment Reporting as at December 31, 2008
  In thousands of euros

• Income Statement Items

		CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total Rest of world
A	Outside Group sales	492 620	250 214	105 743	848 577	418 145	430 432
B	Sales to other Group sectors	27 873	4 762	6 247	38 882	37 995	887
C=A+B	**Total sector sales**	**520 493**	**254 976**	**111 990**	**887 459**	**456 140**	**431 319**
D	**Sector operating income**	**55 565**	**34 537**	**6 535**	**96 637**		
D/A	**Operating margin outside Group**	**11.3%**	**13.8%**	**6.2%**	**11.4%**		
D/C	Sector operating margin	10.7%	13.5%	5.8%	10.9%		
	Sector depreciation and amortization	**25 972**	**35 807**	**6 085**	**67 864**		

• Geographical Breakdown of 2008 Consolidated Revenue

	France	Euro Zone outside France	Pound Sterling Zone	US Dollar Zone	Rest of world	Total
Geographic breakdown	418 145	123 859	81 730	124 493	100 350	**848 577**
%	49%	15%	10%	15%	12%	**100%**

• Balance Sheet Items

	CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total Rest of world
Goodwill on acquisition(Note 7)[1]	499 954	72 268	41 487	**613 709**	92 049	521 660
Intangible assets (Note 3)	165 335	14 276	29 965	**209 576**	77 648	131 928
Tangible assets (Note 4)	38 961	9 616	6 124	**54 701**	29 393	25 308
Shares accounted for under the equity method (Note 6)[2]	0	6 867	433	**7 300**	447	6 853
Net total	**704 250**	**96 160**	**77 576**	**877 986**	**199 090**	**678 896**
Goodwill on acquisition	2 165	1 055	10 480	**13 700**	11 535	2 165
Intangible assets (Note 3)	34 227	6 056	8 427	**48 710**	40 325	8 385
Tangible assets (Note 4)	14 624	34 345	2 056	**51 025**	41 793	9 232
Equity shares accounted for using the equity method	0	0	0	**0**	0	0
Gross total	**51 016**	**41 456**	**20 963**	**113 435**	**93 653**	**19 782**
Non-current provisions (Note 12)[3]	13 415	3 290	2 048	**18 753**	7 713	11 040
Current provisions (Note 12)[3]	5 648	254	332	**6 234**	1 495	4 739
Advances and deposits received on orders(Note 16)	669	3 024	41	**3 734**	190	3 544
Accounts payable and related accounts	39 037	14 176	9 918	**63 131**	41 139	21 991
Tax and social liabilities	78 412	19 801	17 548	**115 761**	66 373	49 388
Other debts (Note 16)	20 055	12 258	2 694	**35 007**	15 266	19 741

Transactions carried out between the different business sectors are done at market prices.
Segment liabilities are reviewed by the Group's Managing Director who is the main decision-maker regarding these commitments.

Modifications were made to the IFRS financial statements closed on December 31, 2008, initially published on April 28. 2009. The notion of "Primary Sectors" and "Secondary Sectors" was replaced by "Breakdown by Business Sector" and "Geographic Breakdown", reclassifications were carried out between the "Goodwill on Acquisition" account and the "Equity shares in equity method companies" account, item that was added to the presentation of sector assets, the sector liabilities was broken down by geographic zones "France" and "Rest of the world" and the "Provisions" account was split into "Current provisions" and "Non-current Provisions".

These modifications were integrated with each item of each sector as of Wednesday, December 31, 2008, presented above, for the following amounts:

	CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total Rest of world
(1)						
Goodwill on acquisition published	499 954	75 127	41 871	616 952	92 433	524 519
- Reclassification of goodwill on acquisition for companies consolidated by the equity method from the "Goodwill on acquisition" account to the "Equity shares in equity method companies" account		-2 859	-818	-3 677	-818	-2 859
- Cancellation of 2008 reclassification			434	434	434	
	499 954	**72 268**	**41 487**	**613 709**	**92 049**	**521 660**
(2)						
Equity shares in equity method companies	-	4 008	49	4 057	63	3 994
- Reclassification of goodwill on acquisition for companies consolidated by the equity method from the "Goodwill on acquisition" account to the "Equity shares in equity method companies" account	-	2 859	818	3 677	818	2 859
- Cancellation of 2008 reclassification	-		-434	-434	-434	-
	0	**6 867**	**433**	**7 300**	**447**	**6 853**
(3)						
Provisions, published	19 063	3 544	2 380	24 987	9 208	15 779
- Reclassification of the non-current portion of provisions	-13 415	-3 290	-2 048	-18 753	-7 713	-11 040
Current provisions	5 648	254	332	6 234	1 495	4 739

20.2.2 Notes to the Consolidated Financial Statements for the Cegedim Group

20.2.2.1 Highlights of the 2009 Fiscal Year

On February 16, 2009, Cegedim Belgium, a subsidiary of Cegedim S.A, acquired the Belgian company, Fichier Medical Central SPRL (FMC) which specializes in databases of healthcare professionals.

On March 2, 2009, Cegedim Group acquired the Tunisian company Next Software, a publisher of pharmacy management software in Tunisia.

On July 1st, 2009, Cegedim Group acquired the NOMI Group, which offers a complete range of solutions and services enabling players in the healthcare sector to optimize their actions aimed at prescribers. With its three product lines: databases, CRM, and market and prescription studies, Nomi's products and services perfectly complement the Cegedim Group's existing offering in the northern regions (Sweden, Norway, Finland, and Denmark).

On July 29, 2009, Cegedim Strategic Data (CSD) UK, a Cegedim S.A. subsidiary, acquired Hospital Marketing Services Ltd (HMSL) which specializes in the analysis of patient and in-hospital promotion data in the United Kingdom.

On October 30, 2009, Cegedim Group acquired Pharmacie Gestion Informatique (PGI), a publisher of management software for pharmacies in France. This acquisition strengthens the Cegedim Group's positions in the Brittany region and rounds out its line of management solutions for French pharmacies.

In December 2009, Cegedim launched a 180.5 million euros capital increase with retention of the pre-emptive subscription rights in order to accelerate the Group dynamic external growth policy. The Group intends to undertake a series of medium-sized acquisitions. The capital increase was supported by the Fonds Stratégique d'Investissement (FSI) who also became at that time the Cegedim second largest shareholder with 15.02% of the capital after FCB which holds 52.21%.

20.2.2.2 Accounting Principles

- IFRS Accounting Standards

Pursuant to European Regulation no. 1606/2002 of July 19, 2002 on the application of international accounting standards, amended by EC Regulation no. 297/2008 of March 11, 2008 and subsequent European Regulations on IAS/IFRS standards, the consolidated financial statements of the Cegedim Group were closed on December 31, 2009 in accordance with international accounting standards. The international accounting standards include the IFRS ("International Financial Reporting Standards"), the IAS ("International Accounting Standards") and their mandatory application interpretations on the closing date.

The consolidated financial statements were accepted by the Board of Directors of Cegedim S.A. during their meeting held on 4/12/2010, and will be submitted to the General Meeting for approval.

The new IFRS standards, interpretations and modifications, as adopted by the European Union for the fiscal years started on or after January 1st, 2009, were applied by the Company and did not result in any significant changes in the assessment methods for assets, liabilities, income and expenses.

The new standards, modifications and interpretations that are mandatorily applicable for 2009 annual financial statements are the following:

- Amendments to IFRIC 9 and IAS 39 - Reassessment of Embedded Derivatives
- Amendments to IFRS 2 - Vesting Conditions and Cancellations
- Amendments to IAS 32 and IAS 1 - Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation
- Amendments to IFRS 7 - Financial Instruments: Disclosures
- IFRIC 13 - Customer Loyalty Programs
- 2008 Improvements to IFRS - Annual Improvements to IFRS (except the amendment to IFRS 5 that is applicable to fiscal years starting on or after July 1st, 2009
- Revised IAS 1 - Presentation of Financial Statements; the Group has chosen the option of presenting performance in two statements: a separate income statement and a statement detailing other elements of global income.
- IFRS 8 - Operating Segments: Segments previously presented under IAS 14 meet the definition of operating segments that have been identified and grouped together in accordance with sections 5 and 12 of IFRS 8. The Group presented its segment reporting on the basis of the activity sectors "CRM and strategic data", "Healthcare Professionals" and "Insurance Services" as detailed in internal reports and shows elements of reconciliation with the summary statements. Furthermore, it was deemed appropriate to continue to represent geographic data for certain indicators considered relevant.
- IFRIC 14 - Defined Benefit Assets and Minimum Funding Requirements
- Revised IAS 23 - Borrowing Costs. Mandatory capitalization of borrowing costs.

Some standards and interpretations adopted by the IASB or the IFRIC (International Financial Reporting Interpretations Committee) and the European Union and whose mandatory application is subsequent to 01/01/2009, have not resulted in an early application by the Group. This mainly concerns the following standards:

- Revised IFRS 3 - Business Combinations;
- IFRS 9 – Financial Instruments
- Amendments to IAS 32 - Financial Instruments Presentation
- Amendments to IAS 39 – Financial Instruments: Recognition and Measurement - Eligible Hedged Items
- IAS 27 - Consolidated and Separate Financial Statements
- IFRIC 12 - Service Concession Arrangements
- IFRIC 15 - Agreements for the Construction of Real Estate
- IFRIC 16 - Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 - Distributions of Non-cash Assets to Owners
- IFRIC 18 - Transfers of Assets from Customers
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments
- Amendment to IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding
- Improvements to IFRS 2009 - Annual improvements to IFRS
- Amendment to IFRS 2 - Inter company transactions whose cash payment is based on shares

- Valuation Bases

General principle: The financial statements are prepared according to the historic cost principle, except for derivative instruments and financial assets available for sale, which are valued at fair value.

- Use of Estimates and Assumptions

In order to prepare the financial statements, the management of the Group or the subsidiaries must make estimates and use certain assumptions that impact the value of the assets and liabilities, the valuation of positive and negative contingencies on the closing date, as well as income and expenses for the fiscal year.

Due to the uncertainties inherent in any valuation process, the Group revises its estimates based on regularly updated information. It is possible that the future results of the operations involved will differ from these estimates.

The assumptions and estimates primarily concern:
- The valuation of the recoverable value of assets (assumptions described in the § "Impairment of Assets" and in Note 7)
- The valuation of retirement obligations (assumptions described in Note 13).

- Consolidation Methods

Subsidiaries and equity investments are included in the consolidation scope on the date on which control is effectively transferred to the Group, while subsidiaries and equity investments sold are excluded from the consolidation scope on the date on which control is lost.

Subsidiaries over which the Group exercises exclusive control are consolidated using the full consolidation method, even if the percentage held is less than 50%. Exclusive control is presumed if the parent company directly or indirectly holds the power to dictate the financial and operational policies of a company so as to benefit from its activities.

The full consolidation method used is the method by which the assets, liabilities, income and expenses are fully consolidated. The share in net assets and net earnings attributable to the minority shareholders is presented separately as minority interests in the consolidated balance sheet and the consolidated income statement.

Equity investments over which the Group exercises joint control with a limited number of other shareholders such as joint ventures are consolidated using the proportional consolidation method.

Equity investments over which the Group exercises significant influence are consolidated using the equity method. Significant influence is presumed if the Group holds a percentage of voting rights greater than or equal to 20%. According to this method, the Group records the “share of the net earnings of the companies consolidated using the equity method” on a specific line of the consolidated income statement.

The list of consolidated entities is given in Note 1. Some companies, insignificant from the Group’s perspective, are not consolidated.

- Business Combinations (IFRS 3)

Business combinations are accounted for using the acquisition method in accordance with the provisions of standard IFRS 3 - Business combinations.

The assets, liabilities and contingent liabilities of the entity acquired are accounted for at their fair value at the end of a valuation period, which may cover 12 months following the date of acquisition or the closing date of the fiscal year following that in which the transaction took place.

The difference between the acquisition cost and the Group's interest in the net fair value of assets, liabilities and contingent liabilities of the acquired entity at the acquisition date is recorded as goodwill. In general, the acquisitions made by the Group correspond to acquisitions of market shares leading to limited allocations of acquisition on goodwill. If the acquisition cost is less than the fair value of the identified assets, liabilities and contingent liabilities acquired, the difference is immediately recognized as "badwill" in the income statement.

Goodwill on acquisition is recorded in the functional currency of the entity acquired. Standard IAS 21 (§ 47) requires that goodwill on acquisition in foreign currencies be recognized at the closing rate on each accounting closing date and not at the historical cost.

Goodwill on acquisition is not depreciated and is subject, in accordance with revised standard IAS 36, to impairment testing when an impairment indicator is identified and at least once a year (see § "Impairment of Assets"). If necessary, impairments are recorded as "Other non-recurring income and expenses from operations."

- Goodwill on Acquisition

Commercial goodwill acquired in connection with business combinations for which the length of consumption of the future economic benefits cannot be determined are not depreciated. On the other hand, in accordance with revised standard IAS 36, they are subjected to impairment testing whenever an impairment indicator is identified and at least once a year (see § "Impairment of Assets"). If the current value of commercial goodwill is less than the net book value, the difference in value is recorded on the income statement. The current value is estimated based on the present and future profitability of the division concerned.

- Intangible Assets (IAS 38)

    - Intangible Assets Acquired Separately or in Connection with a Business Combination

The intangible assets acquired (primarily software) are recorded in the balance sheet at their historical cost. They are recognized when (1) it is probable that future economic benefits attributable to them will go to the Group and (2) their cost can be measured reliably. They are then valued at the amortized cost according to the prescribed treatment of standard IAS 38 - "Intangible Assets".

Intangible assets acquired in connection with business combinations (primarily commercial goodwill) are recorded in the balance sheet at their fair value. Their value is monitored regularly to ensure that no impairment must be recognized.

With the exception of commercial goodwill, intangible assets are depreciated using the straight-line method over their useful life (excluding goods with an indefinite life span). The value of depreciated intangible assets is tested if an impairment indicator is identified. If necessary, impairments are recorded as "Other non-recurring income and expenses from operations."

    - Research and Development Expenses / Software Developed Internally

Research expenses are recorded as expenses for the fiscal year during which they were incurred.

Development expenses for new internal projects are capitalized if the following criteria are fully satisfied in accordance with standard IAS 38:

- The project is clearly identified and the related costs are separable and tracked reliably
- The technical feasibility of the project has been demonstrated, and the Group has the intention and the financial capacity to complete the project and use or sell the products resulting from this project
- It is probable that the developed project will generate future economic benefits that will flow to the Group.

Otherwise, the development expenses are recorded as expenses for the fiscal year during which they were incurred.

Once in use, an asset whose development is complete is removed from the development expenses item and recognized under the corresponding asset item (generally software).

Depreciation is calculated as of the moment the fixed asset is in use and is calculated over its foreseeable useful life.

The depreciation periods used are as follows:

		Method
Depreciation period	1 - 20 years	Straight-line
Average length	6 - 7 years	Straight-line

- Trademarks

Trademarks present in the assets on 12/31/2009 are associated with the company's service life and therefore are not depreciated because they will contribute future economic advantages.

The trademarks' longevity is indivisible from the Group's core activity and is therefore considered to have an indefinite life span.

- Tangible Assets (IAS 16)

Tangible assets consist primarily of computer hardware and industrial equipment and are recorded at their purchase cost less accumulated depreciation and impairment losses, according to the treatment prescribed in standard IAS 16 - Tangible Assets.

Depreciation is calculated based on the economic service life, the depreciable basis used being the purchase cost less any estimated residual value.

The following depreciation terms (period and method) are used:

Description	Depreciation period	Method
Computer hardware:		
Micro-computers for office use	3 - 4 years	Straight-line
Server systems	5 - 15 years	Straight-line
Industrial equipment:		
Printing equipment	8 - 10 years	Straight-line
Industrial equipment and machinery	5 - 8 years	Straight-line
Fixtures and facilities	8 - 15 years	Straight-line
Transportation equipment	4 years	Straight-line
Office equipment	4 years	Straight-line
Moveable property	8 years	Straight-line

Additionally, standard IAS 16 prescribes the separate component approach for assets that can be broken down into elements that each have different uses or offer economic benefits at a different rate. In the Cegedim Group, this involves buildings consisting of administrative offices and industrial facilities (shop, warehouse, storage area, etc.) for which separate depreciation plans have been established based on the useful life of the different components (shell, facades and waterproofing, general and technical facilities, fixtures).

The useful lives of intangible assets are reviewed periodically and may be modified prospectively depending on the circumstances.

Tangible assets are subject to impairment testing if an impairment indicator is identified. If necessary, additional impairment is recorded in the income statement as “Other non-recurring income and expenses from operations.”

- Finance Leases (IAS 17)

A finance lease is a lease agreement that transfers almost all risks and benefits of ownership of an asset to the lessee.

Assets used for lease agreements are capitalized at their fair value and offset by a financial debt if these lease agreements effectively transfer virtually all the risks and benefits inherent in ownership of this property to the Group. Lease payments are broken down into financial expense (recorded as “Net cost of the financial debt”) and debt retirement.

Assets that are the object of financial leases are depreciated over the same periods as own property of the same category.

- Impairment of Assets (IAS 36)

  - Cash Generating Units (CGU)

Impairment tests are performed on the Cash Generating Units (CGUs) to which these assets may be allocated. The CGU is the smallest identifiable group of assets that generates cash flows which are largely independent of the cash inflows generated by other assets or groups of assets. CGUs generally correspond to a set of entities contributing to the same sector of activity (type of services) and using the same tools.

CGUs follow the divisions of the Group's main sectors of activity, which are further divided themselves into separate industry components if they are relevant to the definition of the cash flows. In some cases, the geographic component takes precedence over the industry component due to synergies established in certain countries or in certain regions thus leading to the definition of geographic CGUs.

Sectors of Activity and CGUs:

- CRM and Strategic Data: This sector includes all services for pharmaceutical companies worldwide. The industry components of this sector are not strictly separate. Indeed, they have strong synergies in that they revolve around a skills center and a shared database. The division into CGUs thus favors a geographic division (Americas, Europe, Asia) on the basis of which it is possible to monitor distinct cash flows;
- Healthcare Professionals: This sector groups together all services for medical professionals. There are two major industry components and two CGUs, thus a distinction between services for physicians and services for pharmacists.
- Insurance and Services: This sector is a CGU in its own right. It brings together the know-how needed to develop services for insurance companies, mutuals and other organizations involved in the processing of healthcare flows.

For impairment testing purposes, as of the acquisition date, goodwill acquired within a business combination is allocated to the CGU that is likely to benefit from the synergies of the combination. This assignment is also consistent with the manner in which the Group's management monitors the performance of operations.

- Discount Rate

The Group retains a single rate for all CGUs. Indeed, the skills center and databases used to support all of these Group services are centralized and only the distribution is local. In addition, Cegedim's customers in its core business are worldwide groups.

Also, given that the value of an asset is independent of its financing method, the discount rate used corresponds to a zero-debt cost of equity. This is consistent with the recommendations of IAS 36, appendices 15 to 21.

The Group has mandated an independent firm of experts to calculate this discount rate. The calculations namely refer to comparable stock samples and benchmark indexes to determine Cegedim's own risk premium and coefficient. It is updated as required according to market conditions and at least once a year.

In compliance with standard IAS 36, impairment tests are carried out using a pre-tax discount rate that includes a target debt-equity ratio applicable to Cegedim's activity sector and an industry risk coefficient that is also re-indebted. This pre-tax rate amounts to 10.53% as of December 31, 2009. It is applicable to operating cash flow before income taxes. On 12/31/2008, Cegedim used a discount rate of 9.08%, corresponding to the cost of capital with zero indebtedness, applicable to cash flow after income taxes.

- Valuations of Recoverable Value and Impairment Tests

The recoverable amount of a CGU is the higher of its fair value less costs to sell and value in use.

The Group evaluates the recoverability of its long-term assets as follows:

- Amortized Intangible Assets (Software, Databases)

Although these intangible assets are amortized, they are individually monitored. This monitoring is based on indices intended to detect a possible loss of value: namely the productivity of the asset or business opportunities. In the presence of a loss of value, the Group carries out an impairment test that may result in the recognition of additional impairment.

- Unamortized Intangible Assets (Trademarks, Goodwill on Acquisition)

Once a year, the Group performs impairment tests to assess the possible loss of value for these assets. Business plans are set for each CGU from which the net present value of expected future cash flows for the CGU using the DCF (Discounted Cash Flow) method is calculated. The length used for business plans is 5 years. The discount rate is determined as explained above.

The indefinite growth rate chosen is based on economic data that is weighted so as to reflect the specificities of the Cegedim Group (at December 31, 2009, this rate corresponds to the average volume growth rate for the years 2009-2014 estimated by the IMF, weighted using revenues by Cegedim geographic zone). Since 2008, an independent firm of experts has been mandated to calculate this rate which is 2% (versus the assumption of 1.5% used in previous years). In addition, sensitivity tests are conducted on various parameters, namely by varying the assumptions upheld for the discount rate or the indefinite growth rate, EBIT and Free Cash Flows growth.

In addition to these annual impairment tests, the Group individually monitors these assets in the same manner as amortized intangible assets. Indications of a loss in value specifically account for changes in revenues and the operating margins of the CGUs to which the assets are allocated. Where a risk of impairment is identified, the Group performs an impairment that may result in the recognition of additional impairment.

A loss in value is recorded if the recoverable amount of an asset or of a CGU is less than its book value.

If the CGU tested comprises goodwill on acquisition, the impairment is first allocated to this goodwill.

Impairment is recognized under "Other non-recurring income and expenses from operations" and is the object of and is clearly explained in the notes to the consolidated financial statements.

- Financial Assets (IAS 32 / IAS 39)

Equity investments in non-consolidated companies are classified as securities available for sale. They are initially recorded at the purchase cost, and then subsequently valued at their fair value if this fair value can be determined reliably.

Changes in fair value are accounted for in a separate item of shareholders' equity until the securities are effectively sold, at which time the transaction is recognized in the Income Statement.

Additionally, if an identified loss in value is considered permanent in view of the circumstances, it is accounted for as financial profit/loss.

Loans granted are accounted for at their amortized cost and are impaired if there is an objective indication they may be impaired. Long-term financial receivables are discounted if the effect of discounting is deemed significant.

- Deferred Taxes (IAS 12)

Deferred taxes are calculated using the variable tax rate method for all temporal differences between the book value entered in the consolidated financial statements and the tax basis of the Group's assets and liabilities. Deferred tax assets and liabilities are valued at the tax rate expected to be applied for the fiscal year during which the asset will be realized or the liability paid, based on the tax rates approved on the closing date.

Deferred tax assets on deductible temporal differences and on unused tax losses carried forward are recognized to the extent that it is likely that future taxable profits will be offset by as yet unused tax losses.

Deferred tax assets and liabilities are not discounted. They are offset when (1) the entity has a legally enforceable right to offset tax assets and liabilities, (2) they relate to income taxes levied by the same taxation authority on the same taxable entity.

- Inventories of Goods and Services in Progress (IAS 2)
  - Inventories of Goods

Inventories of goods are valued using the weighted average cost method. The gross value of goods and supplies includes the purchase price and ancillary expenses.

Impairment is recorded if the book value is less than the inventory value (net realizable value).

  - Services in Progress

The inventory value consists solely of the direct costs recorded on contracts being performed. An impairment is recorded when future billings for work in progress will not cover the corresponding direct costs.

- Trade Receivables and Other Operating Receivables

An impairment is established when the inventory value is less than the recorded value based on the probability of recovery.

Receivables are accounted for at their discounted amount if they are payable in more than one year and if the effects of discounting are significant.

- Cash and Cash Equivalents

Cash equivalents are valued at their market value on the closing date. Differences in value are recorded as financial income.

- Treasury Shares (IAS 32)

In accordance with standard IAS 32, treasury shares are accounted for at their purchase cost and are recorded against consolidated shareholders' equity.

Gains (losses) arising from sales of treasury shares are added to (deducted from) consolidated reserves at their amount net of tax effects.

Sales of treasury shares are accounted for using the FIFO method.

- Provisions and Contingent Liabilities (IAS 37)

A provision is recorded if the Group has a probable obligation resulting from past events, whose extinguishment should correspond to an outflow without any at least equivalent compensation and whose amount can be reasonably measured. The provision is maintained as long as the due date and the amount of the outflow of resources have not been precisely determined.

If the loss or the liability is not probable or cannot be measured reliably, but remains possible, the Group records a contingent liability in commitments.

Provisions are estimated on a case by case basis or based on statistics and discounted when they are due in more than one year.

Cegedim Group's main commitments (excluding retirement compensation) are intended to cover employee, client and supplier litigation.

- Retirement Benefits (IAS 19)

    - Defined-Contribution Plans

Defined contribution plans are post-employment benefit plans under which an entity makes defined contributions to a separate entity (a fund) and shall have no legal or implied obligation to pay additional contributions if the fund has insufficient assets to provide all the benefits corresponding to the services rendered by employees during current and prior periods. These contributions are recorded as expenses for the period in which they due with no liability recognized in the balance sheet.

    - Defined-Benefits Plans

The defined benefit plans designates post-employment benefits other than defined-contribution plans.

These primarily involve retirement obligations. If these obligations are assumed directly by the Group's companies, the corresponding actuarial liabilities are covered by a provision in the balance sheet; the change in this obligation is accounted for in the underlying earnings for the fiscal year, including the effect of financial discounting.

Actuarial liabilities are calculated using the projected credit units method and are based on valuations specific to each country and to each company of the Group; these valuations include assumptions concerning wage increases, inflation, life expectancy, employee turnover and the profitability of dedicated investments. The discount rate applied to retirement obligations is determined using the closing benchmark market rate based on first-class bonds. In countries where this type of market is not active, the Group uses the closing rate of Government bonds. Changes tied to periodic modifications of the actuarial assumptions listed above related to the overall financial and economic situation, or to demographic conditions, are immediately recognized in the amount of the Group's obligation in the income statement.

Additionally, the impact of changes to the collective bargaining agreements on the valuation of the provision for retirement is spread over the residual length of the employees' working life.

Finally, if this obligation is partially or completely covered by funds paid by the companies of the Group to financial agencies, the amounts of these dedicated investments are deducted from the liability on the balance sheet.

- Financial Debts (IAS 32 / IAS 39)

Share premiums and issue costs impact the value at the recognition of financial liabilities, and are included in the calculation of the EIR (Effective Interest Rate) in compliance with IAS 32 and 39 standards. Loans and other financial liabilities which carry interest are valuated according to the depreciated cost method using the effective interest rate for the loan. The costs are thus spread out over the loan's life cycle via the EIR.

In the event of financial liabilities arising from financial leases, the financial liability recorded to offset the tangible asset is initially recorded at the fair value of the leased asset or, if this is lower, at the present value of the minimum lease payments.

- Derivatives and Hedging Instruments

Financial instruments are recognized at fair value and subsequent changes in fair value of the instrument are recognized according to whether or not the instrument is a hedging instrument and if so, the nature of the item hedged.

The Group's use of derivatives such as interest rate swaps, caps or other equivalent term contracts, is intended to hedge risks associated with fluctuations in interest rates.

These derivative instruments are recorded in the balance sheet at market value. Changes in market value are recognized in the income statement excluding transactions qualified as cash flow hedges (flows related to a variable interest rate debt) for which changes in value are recorded under equity.

From the outset of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and hedging policy.

The financial elements covered by derivatives follow hedging accounting principles which are of two types:

- Fair value hedges
- Cash flow hedges

For fair value hedges, the underlying financial liability of the derivative is revalued in the balance sheet under the risk hedged (risk relating to interest rate fluctuations). Changes in value are recorded in the income statement (as financial expenses) and offset changes in the value of the derivate allocated to the underlying for the hedged portion.

For cash flow hedges, the financial liability is recorded in the balance sheet at amortized cost. Changes in the value of the derivative are recorded in equity. As the financial expenses or income of the hedged element impact on the income statement for a given period, the financial expenses or income recorded under equity in relation to the derivative for the same period are transferred to the income statement.

When a derivative does not qualify under hedge accounting principles, changes in fair value are recognized in the income statement (other operating profits/losses).

- Revenue Recognition (IAS 18)

Cegedim Group's revenues consist primarily of services, software sales and to a lesser extent, hardware sales.

- Services

The main categories of services and the methods of revenue recognition are as follows:

- Access to the Group's databases is generally realized by subscription with periodic billing (monthly or yearly); sales revenues are then recorded on a prorated basis according to elapsed time.
- Standard and specific studies supplied by the Group are recorded when they are delivered to clients.
- Data processing performed for clients is recorded when the service is provided.
- Support services (assistance, maintenance, etc.) are covered by a contract (generally annual), calculated on a lump sum basis in relation to the costs and resources committed by the Group to provide these services. Income from these contracts is recorded on a prorated basis over the term of the contract and results in the recognition of deferred income.

- Software and Hardware Sales

These sales are recorded at the time of delivery, concomitant with installation at the professional's site. Any discounts and rebates are subtracted from sales.

- Methods for Translating Items into Foreign Currencies (IAS 21)

- Transactions in Foreign Currencies

Transactions in foreign currencies are recorded using the exchange rate applicable on the date the transactions are recorded. On the closing date, accounts payable or receivable denominated in foreign currencies are converted into euro at the closing exchange rate.

Translation differences for transactions in foreign currencies are recorded as financial income or expenses. Such transactions are very limited in number. Therefore, there is no specific management of the exchange risk.

- Financial Statements of Foreign Entities

The currency used to prepare consolidated financial statements is the Euro.

The financial statements of foreign entities using a different functional currency are converted into euro using:

- The official closing rate for assets and liabilities
- The average rate for the fiscal year ended for items of the income statement and the cash flow statement
- The historic cost for shareholders' equity.

Translation gains or losses resulting from this treatment and those resulting from the translation of the shareholders' equity of subsidiaries at the beginning of the fiscal year based on the closing rates are included as "Group translation gains and losses" under consolidated shareholders' equity.

Translation gains or losses on intra-group loans are neutralized via the Group translation gains or losses (in reserves) in order to smooth out fluctuations in exchange rates because these loans are long term and may be, if applicable, transformed into increases in capital.

Finally the translation gains or losses corresponding to the subsidiaries in the euro zone were entered in "Group translation reserves" in consolidated shareholders' equity.

- Cash Flow Statement (IAS 7)

In compliance with the standard IAS 7 "Cash Flows Statement", the consolidated cash flow statement is prepared using the indirect method: this method presents the reconciliation of net earnings with the net cash flow generated by the operations during the fiscal year. The opening and closing cash positions include cash and cash equivalents which are made up of investment instruments less overdrafts and outstanding bank loans.

- Segment Reporting (IFRS 8)

Segment reporting is prepared according to the accounting methods used for the preparation and presentation of consolidated financial statements.

In application of the provisions in IFRS 8, the segment reporting presents operating segments that are comparable to the activity sectors previously identified according to IAS 14.

The segment reporting corresponds to the organization of the Group's internal reporting, which leads to the development of the management tools used by the Group's management. This is also the main line upheld for financial communication.

The Group's activities are divided into three activity sectors:

- CRM and strategic data, which includes all activities dedicated to pharmaceutical companies (optimizing marketing strategies and sales, namely through tools and databases for managing sales forces, returns on investment, market or prescriber studies, etc.).
- Healthcare professionals, which includes activities for medical professionals such as physicians and pharmacists (software publishing with availability of promotional information);
- Insurance and services, which brings together the know-how needed to develop services for insurance companies, mutuals and other organizations involved in the processing of healthcare flows (software publishing and management of healthcare reimbursement flows)

Note: Following July 2007's sale of distribution and logistics activities, which represented a significant portion of the "Technologies and services" sector, the Cegedim Group's segment breakdown went from 4 to 3 sectors.

The Group continues to publish information by geographic area, which shows the France / outside France dichotomy. This analysis is refined for consolidated sales in order to show the Group's exposure to the different currencies, to the extent this information is significant.

Intra-Group transfer prices are relative to standard agreements signed under normal terms.

- Risk Management

The Group's activities remain subject to the usual risks inherent to its industries, political and geopolitical risks arising from its international presence for most activities, and unexpected instances of force majeure. The main identified risks are as follows:

- Interest Rates Risk

To limit the effects of rising interest rates on its financial expenses, and as requested in the credit facility agreement, the Group decided to implement a risk hedging policy to protect maximum annual finance rates for the term of loans. Only Cegedim SA has hedged borrowing with derivatives instruments when necessary.

The amount of loans exposed to an interest rate risk amounts to 166 000 thousand dollars plus 45 094 thousand euros corresponding to the entire subordinated debt to FCB. All other debt has been hedged against adverse changes in interest rates.

- Exchange Rates Risk

The foreign currencies representing a significant percentage of consolidated revenues are the pound sterling (9%) and the dollar (around 14%). The Group has not implement a specific strategy to hedge changes in these currencies against the euro, including on the Group's debt in dollars that amounted to 166 000 thousand dollars at December 31, 2009. This leaves the Group potentially exposed to a more or less significant exchange rate risk from year to year.

The table below shows the impact of the exchange rate risk on the Balance Sheet:

In thousands of euros	GBP	USD
Balance Sheet total	-552	-5 832
Off-balance sheet positions	0	0
Net position after management	-552	-5 832

This table allows the loss risk on the net global foreign currency position to be calculated on the assumption of an unfavorable and consistent change of 1% in the currency used to prepare financial statements in comparison to the total amount of foreign currencies involved. For informational purposes, the impact of an unfavorable and consistent change of 1% in the euro-dollar exchange rate on subsidiaries' financial statements whose operating currency for financial statements is USD would have a negative impact of 2.3 million euros on the Group's shareholders' equity.

Should the revenue/costs structure remain similar, any appreciation in the euro against the pound sterling would bring about a reduction in the result expressed in euro. On the basis of the 2009 fiscal year, all other currencies remaining at the same level against the pound sterling, a theoretical 1% appreciation in the euro against the pound sterling would have a negative impact on revenue of around 769 thousand euros and on Cegedim's operating income of around 104 thousand euros.

Should the revenue/costs structure remain similar, any appreciation in the euro against the US dollar would bring about a reduction in the operating income expressed in euro. On the basis of the 2009 fiscal year, all other currencies remaining at the same level against the US dollar, a theoretical 1% appreciation in the euro against the US dollar would have a negative impact on revenue of around 1 133 thousand euros and on Cegedim's operating income of around 153 thousand euros.

The exchange rate had a total negative effect of 7.9 million euros on the 2009 revenue. It should be noted that the dollar had a positive exchange rate effect of 6.2 million euros and the pound sterling had a negative effect of 8.5 million euros. The translation gains or losses amount on the sales is determined by recalculating the 2009 sales based on the 2008 exchange rate. The currency exchange rates used are the average rates for the fiscal year.

20.2.2.3 Notes and Additional Tables

- Note 1: List of Consolidated Companies (France)

Companies	Main place of business		SIREN #	% control	% interest	Method
Fully consolidated companies (France)						
Cegedim	127-137, rue d'Aguesseau	Boulogne	350 422 622	100.00%	100.00%	FC
Alliance Software	Le Crystal Palace -369/371 Promenade des Anglais	Nice	407 702 208	100.00%	100.00%	FC
Alliadis	3, impasse des Chênes	Niort	342 280 609	100.00%	100.00%	FC
Amix	Le Gros Moulin - AMILLY	Montargis	339 137 895	100.00%	100.00%	FC
Apsys net	137 rue d'Aguesseau	Boulogne	438 099 582	100.00%	100.00%	FC
BKL consultants	122, rue d'Aguesseau	Boulogne	353 754 088	100.00%	100.00%	FC
CSD France (Cegedim Strategic Data France)	90-92 route de la reine	Boulogne	318 024 338	100.00%	100.00%	FC
C d s - centre de services	137, rue d'aguesseau	Boulogne	344 480 066	100.00%	100.00%	FC
Cegedim activ	Imm.le Pyrénéen-ZAC de la Grande Borde	Labege	400 891 586	100.00%	100.00%	FC
Cegedim holding cis	137, rue d'Aguesseau	Boulogne	452 742 976	100.00%	100.00%	FC
Cegedim ingenierie	326, rue du Gros Moulin - AMILLY	Montargis	402 338 719	99.63%	99.00%	FC
Cegedim s.r.h.	17, rue de l'Ancienne Mairie	Boulogne	332 665 371	100.00%	100.00%	FC
Cegelease	Rue de la Zamin	Capinghem	622 018 091	100.00%	100.00%	FC
Cegers	137, rue d'aguesseau	Boulogne	340 576 693	50.00%	50.00%	FC
Cetip	122, rue d'Aguesseau	Boulogne	410 489 165	99.81%	99.81%	FC
Data conseil	71, rue des Hautes Pâtures	Nanterre	422 630 335	100.00%	100.00%	FC
Decision research europe	90-92 route de la reine	Boulogne	322 548 371	100.00%	100.00%	FC
Eurofarmat	54, rue Jacquemars Giélée	Lille	489 278 978	100.00%	100.00%	FC
Hospitalis	137, rue d' Aguesseau	Boulogne	452 121 320	100.00%	100.00%	FC
Icomed	137, rue d' Aguesseau	Boulogne	333 046 274	100.00%	100.00%	FC
Incams	95, rue de Billancourt	Boulogne	429 216 351	100.00%	100.00%	FC
I sante	137, rue d' Aguesseau	Boulogne	433 937 729	100.00%	100.00%	FC
Medexact	137, rue d'Aguesseau	Boulogne	432 451 912	100.00%	100.00%	FC
Midiway	Miniparc bât 1 Innopole voie 2	Labege	415 394 030	73.46%	73.46%	FC
PCO cegedim	15, rue Paul Dautier	Velizy	303 529 184	100.00%	100.00%	FC
Pharmacie gestion informatique	ZA de Kerangueven	Hanvec	391 865 847	100.00%	100.00%	FC
Pharmapost	573, av. d'Antibes	Montargis	322 769 308	100.00%	100.00%	FC
Pharmastock	326, rue du Gros Moulin - AMILLY	Montargis	403 286 446	100.00%	100.00%	FC
Proval sa	137, rue d'aguesseau	Boulogne	383 118 684	99.36%	99.36%	FC
Qualipharma	Imm. Guilaur rue de la Zamin	Capinghem	432 078 707	100.00%	100.00%	FC
Reportive	183, av.Georges Clémenceau	Nanterre	388 447 179	100.00%	100.00%	FC
Resip	56, rue Ferdinand Buisson	Boulogne s/mer	332 087 964	100.00%	100.00%	FC
Rosenwald	137, rue d' Aguesseau	Boulogne	582 151 486	99.84%	99.84%	FC
Rm ingenierie	av de la gineste	Rodez	327 755 393	100.00%	100.00%	FC
Rnp	15 rue de l'ancienne mairie	Boulogne	602 006 306	100.00%	100.00%	FC
Sci montargis 2000	573, av. d'Antibes	Montargis	324 215 128	68.83%	68.83%	FC
Servilog concept	471, rue Nungesser - Mas des cavaliers	Mauguio	421 354 960	100.00%	100.00%	FC
Services premium sante (sps)	100, rue des Fougères	Lyon	513 188 771	40.00%	40.00%	FC
Sofiloca	137, rue d'aguesseau	Boulogne	348 940 255	100.00%	100.00%	FC
Companies consolidated using the equity method (France)						
EDIPHARM	137, rue d'Aguesseau	Boulogne	381 819 309	20.00%	20.00%	EM
HOSTA	6, rue Emile Raynaud - Tour la Vilette	Paris	440 367 357	38.37%	38.37%	EM
INFODISK	Immeuble CPL - Californie 2	Le lamentin	490 029 774	34.00%	34.00%	EM

Note 1 (Cont.): List of Consolidated Companies (International)

Companies	Main place of business		% control	% interest	Method
Fully consolidated companies (International)					
Alliadis Europe Ltd	Great Britain	London	100.00%	100.00%	FC
BKL Consulting Srl	Italy	Milan	100.00%	100.00%	FC
Camm america latina argentina	Argentina	Buenos Aires	100.00%	100.00%	FC
Camm Eastern Europe	Poland	Warsaw	100.00%	100.00%	FC
Cegedim India Private Limited	India	Mumbai	100.00%	100.00%	FC
Cegedim activ maroc	Morocco	Rabat	100.00%	100.00%	FC
Cegedim Belgium	Belgium	Drogenbos	99.97%	99.97%	FC
Cegedim bilisim as	Turkey	Istanbul	100.00%	100.00%	FC
Cegedim centroamerica y el caraibe	Guatemala	Guatemala	95.00%	90.22%	FC
Cegedim cis	Czech Republic	Brno	100.00%	100.00%	FC
Cegedim Colombia ltda	Colombia	Bogota	100.00%	99.97%	FC
Cegedim cz sro	Czech Republic	Prague	100.00%	100.00%	FC
Cegedim Data Services Limited (ex Cegedim RX Ltd)	Great Britain	Preston	100.00%	100.00%	FC
Cegedim dendrite kk	Japan	Chuo-ku	100.00%	100.00%	FC
Cegedim Dendrite (China) Co Ltd	China	Shanghai	100.00%	100.00%	FC
Cegedim dendrite algerie	Algeria	Algiers	100.00%	100.00%	FC
Cegedim Dendrite Korea Ltd	Korea	Seoul	100.00%	100.00%	FC
Cegedim dendrite netherland bv	Netherlands	Naarden	100.00%	99.97%	FC
Cegedim dendrite Venezuela	Venezuela	Caracas	100.00%	100.00%	FC
Cegedim Denmark as	Denmark	Glostrup	100.00%	99.97%	FC
Cegedim deutschland gmbh	Germany	Bensheim	100.00%	100.00%	FC
Cegedim do brasil	Brazil	Sao Paolo	100.00%	100.00%	FC
Cegedim Ecuador	Equador	Quito	100.00%	99.97%	FC
Cegedim Finland	Finland	Espoo	100.00%	100.00%	FC
Cegedim gmbh	Austria	Vienna	100.00%	100.00%	FC
Cegedim Group Poland	Poland	Warsaw	100.00%	100.00%	FC
Cegedim Hellas	Greece	Athens	99.98%	99.98%	FC
Cegedim Hispania	Spain	Barcelona	100.00%	100.00%	FC
Cegedim Holding Gmbh	Germany	Bensheim	100.00%	100.00%	FC
Cegedim Inc	USA	Allentown	100.00%	100.00%	FC
Cegedim Italia	Italy	Milan	100.00%	100.00%	FC
Cegedim kft	Hungary	Budapest	100.00%	100.00%	FC
Cegedim Dendrite Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim Malaysia Sdn	Malaysia	Kuala Lumpur	100.00%	100.00%	FC
Cegedim maroc	Morocco	Casablanca	100.00%	100.00%	FC
Cegedim Mexico	Mexico	Mexico	100.00%	99.97%	FC
Cegedim Norway As	Norway	Oslo	100.00%	99.97%	FC
Cegedim Portugal	Portugal	Lisbon	100.00%	100.00%	FC
Cegedim Romania Srl	Romania	Bucharest	100.00%	100.00%	FC
Cegedim ru	Russia	Moscow	100.00%	100.00%	FC
Cegedim Rx Limited (ex Enigma Health UK)	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim S.R.H. Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim sk sro	Slovakia	Bratislava	100.00%	100.00%	FC
Cegedim Software India Private Limited	India	Bengaluru	100.00%	100.00%	FC
Cegedim srh	Switzerland	Geneva	100.00%	100.00%	FC
Cegedim Strategic Data (China) Co., Ltd	China	Shanghai	100.00%	100.00%	FC
Cegedim Strategic Data Australia Pty Ltd	Australia	Chippendale	100.00%	100.00%	FC
Cegedim Strategic Data Belgium	Belgium	Brussels	100.00%	100.00%	FC
Cegedim Strategic Data Canada Ltd	Canada	Montreal	100.00%	100.00%	FC
Cegedim strategic data espana	Spain	Madrid	100.00%	100.00%	FC
Cegedim strategic data gmbh	Germany	Bensheim	100.00%	100.00%	FC
Cegedim strategic data italia	Italy	Milan	100.00%	100.00%	FC
Cegedim strategic data kk (ex cam kk)	Japan	Osaka	100.00%	100.00%	FC
Cegedim Strategic Data Korea	Korea	Seoul	100.00%	100.00%	FC
Cegedim Strategic Data UK Limited (Ex Healthcare Data Services Ltd)	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim Strategic Data USA Llc (Ex Cam Corp International)	USA	New Jersey	100.00%	100.00%	FC
Cegedim Sweden Ab	Sweden	Kista	100.00%	99.97%	FC
Cegedim Taiwan Co Ltd	Taiwan	Taipei	100.00%	100.00%	FC
Cegedim Trends L.l.c	Egypt	Cairo	100.00%	100.00%	FC
Cegedim tunisie	Tunisia	Tunis	100.00%	100.00%	FC
Cegedim World Int.Services Ltd	Ireland	Dublin	100.00%	100.00%	FC
Compufile Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Croissance 2006	Belgium	Forest	100.00%	100.00%	FC
Cegedim Asia Pacific Pte Ltd	Singapore	Singapore	100.00%	100.00%	FC

Companies	Main place of business		% control	% interest	Method
Fully consolidated companies (International)					
Cegedim Dendrite Australia Pty Ltd	Australia	Pymble	100.00%	100.00%	FC
Dendrite Belgium	Belgium	Drogenbos	100.00%	99.97%	FC
Dendrite brasil	Brazil	Sao Paolo	100.00%	100.00%	FC
Cegedim Dendrite Canada Ltd	Canada	Scarborough	100.00%	100.00%	FC
Dendrite Europe Limited	Great Britain	Loughborough	100.00%	100.00%	FC
Dendrite Finance Netherlands	Netherlands	Naarden	100.00%	99.97%	FC
Dendrite International Inc	USA	New Jersey	100.00%	100.00%	FC
Cegedim New Zealand Ltd	New Zealand	Auckland	100.00%	100.00%	FC
Dendrite sp zoo	Poland	Warsaw	100.00%	100.00%	FC
Dendrite Turkey Inc	USA	Wilmington	100.00%	100.00%	FC
Epic Data Base Research Company Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Fichier medical central (fmc)	Belgium	Brussels	100.00%	99.97%	FC
Gers maghreb	Tunisia	Tunis	100.00%	100.00%	FC
Global pharma consult s.r.l	Romania	Bucharest	100.00%	100.00%	FC
Hdmp	Belgium	Brussels	100.00%	99.97%	FC
Hospital Marketing Services Ltd	Great Britain	Eastleigh	100.00%	100.00%	FC
Icomed Belgium	Belgium	Brussels	100.00%	99.97%	FC
In Practice Systems	Great Britain	London	100.00%	100.00%	FC
Infopharm Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Inpratice Entreprise Solution Ltd	Great Britain	Dundee	100.00%	100.00%	FC
Intercam Ltd Ireland	Ireland	Dublin	100.00%	100.00%	FC
Medical Data Management Llc	Russia	Moscow	100.00%	100.00%	FC
Medimed gmbh	Germany	Bensheim	100.00%	100.00%	FC
Ms centroamerica y el caribe, sa	Costa Rica	Heredia	100.00%	99.97%	FC
Next Software	Tunisia	Ariana	100.00%	100.00%	FC
Nomi Finland	Finland	Espoo	100.00%	100.00%	FC
Nomi medicin	Sweden	Stockholm	100.00%	99.97%	FC
Nomi Norway	Norway	Trollasen	100.00%	99.97%	FC
Nomi Sweden	Sweden	Stockholm	100.00%	99.97%	FC
Oepo	Belgium	Brussels	100.00%	99.97%	FC
Schwarzeck verlag gmbh	Germany	Munich	100.00%	100.00%	FC
Sgbtif	Luxembourg	Luxembourg	100.00%	99.97%	FC
Stacks consulting e ingeniera de software	Spain	Barcelona	100.00%	100.00%	FC
Stacks servicios tecnologicos s.l.	Spain	Barcelona	100.00%	100.00%	FC
Stacks servicios tecnologicos s.l. Chile ltda	Chile	Providencia	100.00%	100.00%	FC
Synavant UK Holding	Great Britain	Loughborough	100.00%	100.00%	FC
Thin	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Uto Brain LLC	Japan	Chuo-ku	100.00%	100.00%	FC
Companies consolidated using the equity method (International)					
Millennium	Italy	Florence	49.20%	49.20%	EM

Art & Strategie and Netfective Technologie are held at 20% or less and are not consolidated.

- Note 2: Impact of the Change in Consolidation Scope
  In thousands of euros

  - On the Balance Sheet (at the Closing Date)

	Consolidated before the change at 12/31/2009	Change	Consolidated after the change at 12/31/2009
Goodwill on acquisition	603 102	10 240	613 342
Other non-recurring assets (excluding goodwill on acquisition)	336 323	215	336 538
Current assets	375 493	2 968	378 461
Balance Sheet Total	**1 314 918**	**13 423**	**1 328 341**

Figures used were not the consolidation entry values but the figures from the financial statements as of 12/31/2009.

At the acquisition date, the impact of the companies entering the consolidation was:
On assets: 3 351 thousand euros
On liabilities: 2 814 thousand euros

- On the Balance Sheet (at the Closing Date)

	Consolidated after the change at 12/31/2008	Consolidated before the change at 12/31/2009	Change 2009	Consolidated after the change at 12/31/2009
Revenue	848 577	870 210	3 862	874 072
Income from operations	90 159	98 098	767	98 865
Consolidated net earnings	33 487	54 152	681	54 833

The figures mentioned refer to the creation and acquisition of companies starting on the date of their entry into the Group and is therefore not representative of the impact for a full year.

- Company Acquisition Financing

The acquisitions of Fichier Medical Central SPRL, Next Software, Nomi Group, Hospital Marketing Services Ltd and Pharmacie Gestion Informatique were entirely financed with cash flow in the amount of 10 700 thousand euros.

Note 3: Intangible Assets

In thousands of euros

	12/31/08	Opening reclassification and correction		Increase: Acquisitions	Increase: Change in scope	Decrease	Change in rate	12/31/09
Development costs	44 446	-3 404	*	16 627	-	-25	-	57 644
Trademarks	111 191	-303		-	-	-	-3 657	107 231
Patents	6 179	-		204	-	-	-	6 383
Internal software	53 929	4 409	*	16 119	-	-	-	74 457
External software	55 881	-10		4 793	7	-2 625	18	58 064
Total gross value	**271 626**	**692**		**37 743**	**7**	**-2 650**	**-3 639**	**303 779**

	12/31/08	Opening reclassification and correction	Increase: Allowances	Increase: Change in scope	Decrease	Change in rate	12/31/09
Depreciation of trademarks, patents	7 851	-244	1 258			-61	8 804
Depreciation Software	54 199	1 006	16 520	7	-2 479	76	69 329
Total depreciation & impairment	**62 050**	**762**	**17 778**	**7**	**-2 479**	**15**	**78 133**
Net values	**209 576**						**225 646**

*Reclassification of Development costs of internal software following launch for a net total of 3 404 thousand euros

The two main research and development projects involve the CRM and strategic data sector for a total amount of 28 192 thousand euros and the Healthcare professionals sector for a total amount of 12 898 thousand euros. They are depreciated over 20 years. The other miscellaneous projects involve all of Cegedim Group's activity sectors and are depreciated over an average of between 6 and 7 years.

Note 4: Tangible Fixed Assets

In thousands of euros

		Balance 12/31/2008	Opening reclassification and correction	Increase: Acquisitions	Increase: Change in scope	Decrease	Change in rate	Balance 12/31/2009
Land	(1)	525				-77	7	455
Buildings	(1)	6 167	2 699	1087	16	-578	38	9 429
Plant, machinery and equipment (1)		84 682	1 266	23 025	403	-22 992	455	86 839
Other tangible fixed assets		47 297	-881	1 993	130	-4 898	131	43 772
Construction work in progress		2 825	-2 867	278			-2	234
Advances and payments on account		5	-5					0
Total gross value		**141 501**	**212**	**26 383**	**549**	**-28 545**	**629**	**140 729**

	Balance 12/31/2008	Opening reclassification and correction	Increase: Allowances	Increase: Change in scope	Decrease	Change in rate	Balance 12/31/2009
Depreciation of land	18		19			1	38
Depreciation of buildings	2 620	128	557	15	-114	-2	3 204
Depreciation of plant, machinery and equipment	56 205	720	42 253	212	-37 174	246	62 462
Depreciation of other tangible fixed assets	27 957	-707	5 728	109	-3 550	266	29 803
Total depreciation	**86 800**	**141**	**48 557**	**336**	**-40 838**	**511**	**95 507**
Net values	**54 701**						**45 222**

(1) Including lease (see Note 22)

Note 5: Non-current Long Term Investments (Excluding Shares From Equity Method Companies)

In thousands of euros

		Balance 12/31/2008	Reclassification	Increase: Acquisitions	Increase: Change in scope	Decrease	Change in rate	Balance 12/31/2009
Equity investments	(1)	980			7	-36		951
Loans		1 765		495	6	-804	4	1 466
Security deposits		6 069		2 581	1	-588	-33	8 030
Other long-term investments		0						0
Total gross value		**8 814**	**0**	**3 076**	**14**	**-1 428**	**-29**	**10 447**
Provisions for equity investments		755			218	-324		649
Provisions on loans		907		8				915
Total provisions		**1 662**	**0**	**8**	**218**	**-324**	**0**	**1 564**
Total net values		**7 152**	**0**	**3 068**	**-204**	**-1 104**	**-29**	**8 883**

(1) Including Netfective in the amount of 899 thousand euros.

Note 6: Equity shares accounted for using the equity method

In thousands of euros

Value of Shares in Companies Accounted for by the Equity Method

	% interest 2008	Shareholders' equity as of 12/31/2008	Group-share of the total net shareholders' equity 2008	Allocation for goodwill on acquisition	Net value of shares in companies accounted for by the equity method at 12/31/2008 published	Goodwill on acqui-sition	Allocation for goodwill on acquisition	Net value of shares in companies accounted for by the equity method at 12/31/2008 corrected
Edipharm	20.00%	243	49		49			49
Hosta	38.38%	-1 132	-434	434	0	818	-434	384
Infodisk	34.00%	44	15		15			15
Millennium	49.20%	8 118	3 994		3 994	2 859		6 853
		7 273	3623	434	4057	3 677	-434	7 300

	% interest 2009	2009 earnings	Group share 2009 earnings	Allocation for goodwill on acquisition	Group share 2009 earnings restated	Shareholders' equity as of 12/31/2009	Allocation for goodwill on acquisition	Goodwill on acquisition	Provision for risks	Net value of shares in companies accounted for by the equity method at 12/31/2009
Edipharm	20.00%	170	34		34	257	51			51
Hosta	38.37%	-2 128	-817	430	-387	-2 254	-865	818	46	0
Infodisk	34.00%	-14	-5		-5	30	10			10
Millennium	49.20%	1451	714		714	8 644	4 253	2 859		7 112
		-521	-73	430	357	6 677	3 450	3 677	46	7 173

Change in shares in companies accounted for by the equity method

The change in equity shares accounted for using the equity method can be analyzed as follows:

Shares accounted for using the equity method at January 1, 2009	7 300
Distribution of dividends	-486
Capital increase	386
Group share 2009 earnings	357
Allocation for goodwill on acquisition 2009	-430
Provision for risks 2009	46
Shares accounted for using the equity method at December 31, 2009	**7 173**

Note 7: Goodwill on Acquisition

In thousands of euros

The first time a controlled company is consolidated, the entry value of the identifiable items of its assets and liabilities is determined using the methods described in chapter 1 - Accounting Principles.

An impairment test is carried out at least once a year and as soon as an impairment indicator is identified.

In compliance with standard IAS 36, impairment tests are carried out using a pre-tax discount rate that includes a target debt-equity ratio applicable to Cegedim's activity sector and an industry risk coefficient that is also re-indebted. This pre-tax rate amounts to 10.53% as of December 31, 2009. It is applicable to operating cash flow before income taxes. The perpetuity growth rate used for these tests is 2% as of December 31, 2009 (as given in paragraph "Valuations of Recoverable Value and Impairment Tests" in the Accounting Principles). No impairment has been identified as a result of these tests.

The sensitivity of impairment tests was measured by varying the assumptions upheld for the discount rate and the indefinite growth rate by + or – 5 basis points and for the perpetuity growth rate by + or - 0.25 basis points. No impairment was recognized, even in the case of a simultaneous decrease in both criteria.

Sensitivity tests on the free cash flows simulate a reduction of 5 to 10% of free cash flows before corporate tax.

The discounting of the business plans for Cegedim Group's six CGUs, by varying these parameters can, in all cases, continue to fully cover the operating assets (including goodwill) allocated to these CGUs.

Segment Presentation of CGUs	12/31/2008	Re appropriation of the goodwill on acquisition for equity method companies	Balance 12/31/2008 modified	Scope	Impair-ment	Reva-luation	12/31/2009
CRM and strategic data	499 954		499 954	7 485	-61	-14 193	493 185
Healthcare professionals	75 127	-2 859	72 268	4 784		1 618	78 670
Healthcare insurance services	41 871	-384	41 487			0	41 487
Total	**616 952**	**-3 243**	**613 709**	**12 269**	**-61**	**-12 575**	**613 342**

Note 8: Inventories and Work in Progress

In thousands of euros

	Gross values as of 12/31/2009	Provision	Net values as of 12/31/2009	Net values as of 12/31/2008
Services in progress	200		**200**	958
Inventories of goods	11 753	797	**10 956**	11 358
Total	**11 953**	**797**	**11 156**	12 316

Note 9: Accounts Receivable

In thousands of euros

	Customers			
	Current	non current	12/31/2009	12/31/2008
French companies	123 096	15 282 *	138 378	125 392
Foreign companies	93 778		93 778	88 527
Total gross value	**216 874**	**15 282**	**232 156**	**213 919**
Provisions	6 371		6 371	5 794
Total net values	**210 502**	**15 282**	**225 784**	**208 125**

(*) Receivables corresponding to financial leases granted by Cegelease and due for payment in more than one year.

Receivables are valued at their face value.

A provision for impairment is recognized if the inventory value, based on the probability of collection, is less than the recorded value. Thus, doubtful clients are routinely impaired at 100% and receivables outstanding for more than six months are monitored on a case-by-case basis and, if necessary, impaired in the amount of the estimated risk of non-collection.

The share of past-due receivables, gross amount, is 78 million euros at December 31, 2009.

- Aged Trial Balance

Aged trial balance 2009	Total past-due receivables	Receivables < 1 month	Receivables 1 to 2 months	Receivables 2 to 3 months	Receivables 3 to 4 months	Receivables > 4 months
French companies	**34 202**	16 030	6 796	4 940	698	5 738
Foreign companies	**43 517**	24 282	6 839	3 557	2 087	6 751
Total	**77 719**	**40 312**	**13 636**	**8 497**	**2 785**	**12 489**

- Note 10: Other Receivables

In thousands of euros

	Social debtors	Tax debtors	Other receivables	12/31/2009	12/31/2008
Current receivables					
French companies	354	9 799	994	11 147	19 643
Foreign companies	1 256	4 978	1 056	7 290	11 114
Total gross values		**14 777**	**2 050**	**18 437**	**30 757**
Provisions			24	24	25
Total current receivables (net values)	**1 610**	**14 777**	**2 026**	**18 413**	**30 732**
French companies				0	0
Foreign companies		431	552	983	2 760
Total gross values		**431**	**552**	**983**	**2 760**
Provisions				0	0
Total non-current receivables (net values)	**0**	**431**	**552**	**983**	**2 760**

- Note 11: Distribution of the Capital

In thousands of euros

In December 2009, the company increased its capital by €4 445 501.82 by creating 4 665 724 shares.

	Number of shares				Par Value	
Category	**At the beginning of the fiscal year**	**Created during the fiscal year**	**Created by division**	**At the end of the fiscal year**	**At the beginning of the fiscal year**	**At the end of the fiscal year**
Common shares	9 331 449	4 665 724		13 997 173	0.9528	0.9528

Considering the transactions that occurred during the year, the closing position for the fiscal year analyzed is as follows:

Shareholders	# shares held	% held	# single votes	# double votes Shares	# double votes Votes	Total votes	% of Voting rights
FCB	7 307 393	52,21%	2 441 556	4 865 837	9 731 674	12 173 230	64,42%
FSI	2 102 061	15,02%	2 102 061	0	0	2 102 061	11,12%
JCL	57 812	0,41%	19 316	38 496	76 992	96 308	0,51%
GERS	36 432	0,26%	12 144	24 288	48 576	60 720	0,32%
Alliance Healthcare	1 215 432	8,68%	1 215 432	0	0	1 215 432	6,43%
Free float	3 238 853	23,14%	3 229 055	9 798	19 596	3 248 651	17,19%
Cegedim	39 190	0,28%	0	0	0	0	0,00%
Total	**13 997 173**	**100,00%**	**9 019 564**	**4 938 419**	**9 876 838**	**18 896 402**	**100,00%**

- Note 12: Current and non-current provisions
  In thousands of euros

Provisions are determined on the basis of estimated future costs for the company.

				Allowances		Reversals			
	12/31/08	**Reclas-sification**	**Change in conso scope**	**Additional provisions**	**New prov.**	**On provisions used**	**On provisions not used**	**Change in rate**	**12/31/09**
Provision for litigation with employees *	1 771				1 716	600	19		2 868
Other provisions **	1 386	(1 083)				71	59	(2)	171
Provision for restructuring	2 349		590		551	55	63	(22)	3 350
Provisions for expenses	728		81		163	139	97	8	744
Total current provisions	**6 234**								**7 133**
Provision for restructuring	10 477				1 910	2 404		(337)	9 646
Employee-related provisions					44			(1)	43
Provision for retirement	7 654	358			2 531	524		1	10 020
Provisions for litigation	190				230	76		(3)	341
Provisions for guarantees	11					11			-
Other provisions for risks	87	692			164	284			659
Provisions for expenses	334	3			517	15	30	(1)	808
Total non current provisions	**18 753**								**21 517**
Total	**24 987**	**(30)**	**671**	**-**	**7 826**	**4 179**	**268**	**(357)**	**28 650**

The amounts involved are insignificant if taken individually.

*: There is an ongoing salary litigation in the Cegedim Italie subsidiary for which a transactional agreement is under negotiation.
**: Provisions for client risks, supplier risks.

- Note 13: Retirement Commitments
  In thousands of euros

  - Retirement commitments: French companies

	Through an insurance fund	Through cost of past service	Through a provision for expenses
Retirement obligation covered	1 855	4 328	9 314

When employees retire, they receive retirement compensation as defined in the collective bargaining agreements.

An actuarial valuation plan has been set up to fund the obligations resulting from this compensation. The total obligation comes to 15 497 thousand euros including 1 855 thousand euros paid to an insurance company.

The amount of retirement contributions provisioned as expenses during the fiscal year amounts to 2 126 thousand euros.

The Group chose the immediate depreciation option for the actuarial differences by allocation to the Income Statement.

The actuarial assumptions used are as follows:

		2009	2008	2007	
Economic assumptions	Net interest rate:	5,0%	5,0%	5,0%	
	Expected asset yield rate:	3,8%	5,0%	4,5%	
	Wage increases:	2%	2%	2%	inflation included

The discount rate used for 2009 is 5% (zero coupon 15 year corporate coupon published by Bloomberg - ref: F66715Y-) compared to 5% in 2008.

Demographic assumptions	Mortality:	INSEE 2004-2006 Table
	Mobility:	5% a year up to age 35 3% up to 45 years 1.5% up to 50 years 0% 51 years old and older

Retirement age	Voluntary retirement at 65 years		
Sensitivity of discount rate	4.5%	5.0%	5.5%
Commitment	16 720	15 496	14 390

The Group's collective bargaining agreements are the following:

- National collective bargaining agreement for the publishing industry
- National collective bargaining agreement for road salesmen, representatives, ushers
- National collective bargaining agreement for the advertising industry
- National collective bargaining agreement for the pharmaceutical industry
- Syntec national collective bargaining agreement
- Labor Code.

- Retirement commitments: Foreign companies

Retirement commitments covered by a provision for 706 thousand euros.

The amount of retirement contributions provisioned as expenses during the fiscal year amounts to 352 thousand euros.

The amount of retirement contributions provisioned as expenses and paid during the fiscal year amounts to 3 434 thousand euros.

- Comparison of Actuarial Commitments and Hedge Assets

	2007	2008	2009
Actuarial commitments	9 552	14 036	16 203
Hedge Assets	(1 713)	(1 784)	(1 855)
Unrecognized prior service cost	(371)	(4 597)	(4 328)
Recognized liabilities	7 468	7 655	10 020

- Change in the cost of services rendered and in the fair value of hedge instruments

			Hedged com-mitment	Un-hedged com-mitment	Foreign compa-nies	Total
Opening actuarial liabilities	(1)	(1)	5 486	8 320	230	14 036
Cost of services rendered during the fiscal year	(a)		513	726	226	1 465
Financial cost for the fiscal year	(a)		274	416	126	816
Unrecognized prior service cost	(a)					
Costs for the fiscal year	Σa	(2)	787	1 142	352	2 281
Benefits paid out	(2)	**(3)**	(43)	(247)	(234)	(524)
Actuarial Losses (gains) generated during the fiscal year for the obligation	(3)	**(4)**	(45)	98		53
Newly consolidated companies		**(5)**				-
Companies no longer consolidated		**(6)**				-
Reclassification		**(7)**			358	358
Closing actuarial liabilities	**A=1+2+3**	**A=1+2+3+4+5+6**	**6 185**	**9 312**	**706**	**16 203**
Value of the hedge assets						
Opening fair value of the hedge assets	(4)		1784			1 784
Expected return on assets	(b)		71			71
Contributions	(b)					-
Benefits paid out	(b)					-
Actuarial Gains (Losses) for the fiscal year generated on assets	(b)					-
Newly consolidated companies						-
Companies no longer consolidated						
Closing fair value of the hedge assets	**(B)=Σb+4**		**1 855**			**1 855**

- Amounts recorded in the balance sheet and in the income statement

	Hedged com-mitment	Un-hedged com-mitment	Foreign compa-nies	Total
Cost of services rendered at the closing date	6 185	9 312	706	16 204
Fair value of the hedge assets	(1 855)			(1 855)
	4 330	**9 312**	**706**	**14 348**
Unrecognized prior service cost	(1 612)	(2 715)		(4 328)
Liabilities recognized on the Balance Sheet	**2 718**	**6 597**	**706**	**10 021**
Cost of services rendered during the fiscal year	513	726	226	1 465
Financial cost for the fiscal year	274	416	126	816
Return on assets	(71)			(71)
Recognized prior service cost- vested rights	95	174		268
Effect of plan reduction or liquidation	-	-		-
Expenses recognized in the Income Statement	**811**	**1 315**	**352**	**2 478**

- Change in net liabilities recorded in the balance sheet

	Hedged com-mitment	Un-hedged com-mitment	Foreign compa-nies	Total
Opening net liabilities	**1 995**	**5 430**	**230**	**7 655**
Actuarial losses (gains)	(45)	98	-	53
Expenses recognized in the Income Statement	811	1 315	352	2 478
Benefits paid out	(43)	(247)	(234)	(524)
Contributions paid	-			-
Newly consolidated companies	-	-	-	-
Companies no longer consolidated			-	-
Reclassification		-	358	358
Closing net liabilities	**2 718**	**6 596**	**706**	**10 020**

Note 14: Net Financial Debt

In thousands of euros

	Financial	Miscellaneous (*)	12/31/2009	12/31/2008
Long-term financial borrowing and liabilities (> 5 years)	-	-	-	-
Medium- and long-term financial borrowing and liabilities (> 1 year, < 5 years)	384 670	6 739	391 408	585 326
Short-term financial borrowing and liabilities (> 6 months < 1 year)	41 401	1 863	43 264	44 938
Short-term financial borrowing and liabilities (> 1 year, < 6 months)	51 322	-	51 322	43 113
Short-term financial borrowing and liabilities (< 1 month)	20 005	-	20 005	-
Bank overdraft	19 031	-	19 031	23 246
Total financial liabilities	**516 428**	**8 601**	**525 029**	**696 623**
Positive cash position	121 369		121 369	93 500
Net financial debt	**395 059**	**8 601**	**403 660**	**603 123**

*: The account includes mainly the participating interest for an amount of 8 189 000 euro and the lease for an amount of 142 thousand euros.

- Net Cash and Cash Equivalents

	Financial	12/31/2009	12/31/2008
Bank overdraft	19 031	19 031	23 246
Positive cash position	121 369	121 369	93 500
Net cash and cash equivalents	**102 338**	**102 338**	**70 254**

- Statement of Change in Net Indebtedness

	12/31/2009	12/31/2008
Net debt at the beginning of the fiscal year (a)	**603 123**	**621 014**
Impact of discontinued activities	0	0
Operating cash flow before net financial debt expense and taxes	171 020	154 569
Tax paid	-4 306	-7 823
Change in working capital requirement	-199	20 132
Net cash flow generated from operating activities	**166 515**	**166 878**
Change resulting from investment transactions	-62 159	-93 511
Impact of changes in consolidation scope	-11 989	-8 164
Dividends	255	-8 270
Increase in cash capital	174 700	0
Impact of changes in foreign currency exchange rates	207	-277
Interest paid on loans	-31 460	-44 416
Other financial income and expenses paid or received	-5 748	12 062
Other changes	-30 858	-6 411
Total net change for the year (b)	**199 463**	**17 891**
Net debt at year end (a-b)	**403 660**	**603 123**

- The bank loans have the following terms:

	< 1 month	> 1 month, < 6 months	> 6 months, < 1 year	> 1 year
Fixed Rate	5	21	100	1 612
1-month Euribor Rate	20 000	39 500	29 500	292 860
1-month Libor USD Rate		11 801	11 801	90 198
	20 005	**51 322**	**41 401**	**384 670**

The main bank loans taken out are accompanied by terms involving the consolidated financial statements and related more particularly to net debt compared to the Group's consolidated gross operating margin (or the EBITDA). This ratio, satisfied at the close of the fiscal year, was the subject of an attestation by the statutory auditors.

- Rate hedging

Starting date	Ending date	Par value	Rate paid	Rate rec'd	Variable rates	2010 annual flow	2011 annual flow	2012 annual flow	2013 annual flow	Term
06/30/08	05/04/13	351 667	4.25			-15 153	-15 153	-15 195	-5 148	**3.39**

Starting date	Ending date	Par value	Rate paid	Rate rec'd	Variable rates	2010 annual flow	2011 annual flow	2012 annual flow	2013 annual flow	Term
06/30/08	05/04/13	351 667		Euribor 3M	0,70	2 496	2 496	2 503	848	**3.39**

- Financing

The financing of the acquisition of the Dendrite Group was carried out entirely through an outside loan contracted by the Cegedim Group.

Financing was implemented on May 9, 2007 to purchase Dendrite and to reconsolidate the existing debt.

At 12/31/2009, the financing is broken down as follows:

- 291 000 thousand euros: As an amortizable loan until 2013
- 50 000 thousand euros: As revolver credit facilities renewable every three months (amount used out of a total available line of 165 000 thousand euros) until 2012.
- 166 000 thousand dollars: As an amortizable loan until 2013.

The loan, in the amount of 291 000 thousand euros, and part of the 165 000 thousand euros in revolver credit facilities, subscribed at a variable interest rate have been partially hedged by a derivative instrument described below. As of December 31, 2009, the revolver credit facilities was used in the amount of 50 000 thousand euros.

An interest rate collar no premium 3 month pre-set Euribor receiver, 3 month post set 3-month Euribor payer + 2.62% (floored at 4.25% and capped at 5.58%).

The notional amount hedged is depreciated and was 351 667 thousand euros as of 12/31/2009.

The interest expense resulting from these loans amounts to 26 318 thousand euros for 2009.

For 2009, the change in market value of these derivatives was recognized under equity for the effective part of those qualified as cash flow hedges (+4 918 thousand euros before corporate tax) and in the income statement for their ineffective part and for those not qualified as hedges under IFRS standards (+2 776 thousand euros before corporate tax).

FCB granted a loan to Cegedim SA for 50 000 thousand euros in May 2007. The interest resulting from this loan for 2009 amounts to 2 047 thousand euros.

When Cegedim increased its capital, FCB subscribed for an amount of 4 906 thousand euros by extinguishment of debt resulting in a decrease in the debt from 50 000 thousand euros to 45 094 thousand euros.

- Liquidity Risk

Contractual cash flows are not discounted.
For variable rate instruments, the rate used for calculation is the spot rate on 12/31/2009.
When there is a fixed rate, the rate is used to calculate the future interest drops.

- Cash Flow

	Cash flow > 1 month	Cash flow (< 1 month, < 6 months)	Cash flow (>6 months, > 1 year)	Cash flow (> 1 year, < 5 years)
Bank loans and interest	20 640	54 209	44 672	395 128
Hedging instruments	0	0	0	0
Current bank loans	19 032	0	0	0
Finance lease	0	0	102	41
Equity Investments	0	0	1 628	6 560
Miscellaneous including deposits & guarantees	0	0	133	137

- Financial Instruments

Assumption: Variable rates 12/31/2009

EUR3M	0.7000%	EUR1M	0.4530%
LIBO3M$	0.2506%	LIBO1M$	0.2309%

- Forecasted cash flows – Financial instruments

	Rate	2010	2011	2012	2013	Total
Swaps MT EUR						
Swaps borrowers EUR						
Fixed paid	4.25	-15 153	-15 153	-15 195	-5 148	-50 650
Var. rec'd	0.70	2 496	2 496	2 503	848	8 342
Total swaps MT		**-12 658**	**-12 658**	**-12 692**	**-4 300**	**-42 307**

- Note 15: Cost of Net Debt

In thousands of euros

	12/31/2009	12/31/2008
Income or cash equivalent	**1 429**	**11 570**
- Interest paid on loans	-31 460	-44 416
- Other financial interest and expenses	-3 245	-6 719
Cost of gross financial debt	**-34 705**	**-51 135**
- Net exchange differences	-3 951	-7 416
- Valuation of financial instruments	-3 563	3 363
- Other:	481	*0*
Other financial income and expenses	**-7 033**	**-4 053**
Net financial debt costs	**-40 309**	**-43 618**

- Note 16: Other Liabilities

In thousands of euros

	Current		Non-current		Total	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Advances and payments on account	**2 925**	**3 734**	**-**	**-**	**2 925**	**3 734**
Clients - Credits to be made	1 206	1 182	-	-	1 206	1 182
Expenses payable	54	8	-	-	54	8
Miscellaneous payables	9 646	13 996	9 550	19 822	19 196	33 818
Other liabilities	**10 906**	**15 186**	**9 550**	**19 822**	**20 456**	**35 008**
Debts on acquisition of assets	**100**		**-**	**-**	**100**	**-**
Dividends payable	**-**	**-**	**-**	**-**	**-**	**-**
Deferred income	**29 971**	**35 146**	**-**	**-**	**29 971**	**35 146**
Total	**43 902**	**54 065**	**9 550**	**19 822**	**53 452**	**73 887**

- Note 17: Sales Revenue

In thousands of euros

	12/31/2009	12/31/2008	12/31/2007
Sales of goods	88 346*	60 312	50 011
Production of goods sold	10 864	14 696	21 037
Production of services sold	774 862*	773 569	681 946
Revenue	**874 072**	**848 577**	**752 994**

**: Reclassification of the production of goods and services sold for 18 884 thousand euros in 2008 wrongly included in sales of goods.*

- Note 18: External Expenses

In thousands of euros

	12/31/2009	12/31/2008
Purchases of studies & services and purchases of unstocked goods	52 614	62 517
External services (leasing, maintenance, insurance)	63 506	60 137
Other: advertising, detached personnel, entertainment expenses, postal expenses, etc.	92 522	106 498
Total external charges	**208 642**	**229 152**

- Note 19: Other Non-current Income and Expenses from Operations

In thousands of euros

	12/31/2009	12/31/2008	12/31/2007
Ordinary operating income	110 562	96 637	95 264
Capital gains or losses on disposals	-1 269		
Impairment loss on tang. and intang. fixed assets (incl. ECA)			
Impairment loss on goodwill on acquisition for EM co.	-431	-434	
Restructures	-9 028	-8 186	-4 143
Deprec. on intang. asses from acquisitions (FC companies)			
Other	-969	2 141	-1 236
Income from operations	**98 865**	**90 158**	**89 885**

- Note 20: Deferred Taxes

In thousands of euros

- Breakdown of Income Tax Expenses

The tax expense recognized during the fiscal year amounts to 5 048 thousand euros (compared to 12 994 thousand euros in December 2008). This expense is broken down as follows:

	12/31/2009	12/31/2008
France	5 615	-882
Foreign	4 335	8 704
Total corporate tax due	9 950	7 822
France	2 332	2 425
Foreign	-7 233	2 747
Total differed corporate tax	-4 901	5 172
Total tax expense recognized in earnings	**5 048**	**12 994**

- Theoretical Tax Expense and Recognized Tax Expense

The reconciliation between the theoretical tax expense for the Group and the tax expense effectively recognized is presented in the following table:

	12/31/2009	12/31/2008
Net earnings	54 833	33 487
Group share of EM companies	-357	60
Income taxes	5 048	12 994
Earnings before tax for consolidated companies (a)	59 524	46 541
Including French consolidated companies	*1 555*	*3 853*
Including foreign consolidated companies	*57 969*	*42 688*
Normal tax rate in France (b)	34,45%	34,45%
Theoretical tax expense (c) = (a) x (b)	**20 506**	**16 033**
Impact of income and expenses ultimately not deductible or not taxable	1 309	1 402
Impact of differences in tax rates on profits	-5 808	-3 241
Impact of differences in tax rates on capitalized losses	0	-2 719
Uncapitalized tax on losses	3 361	2 112
Reversal of capitalization on prior losses	4 476	0
Impact of differences in tax rates on earlier activation	0	38
Impact tax credit	-18 796	-631
Impact of exit of companies sold	0	0
Tax expenses recognized in the Income Statement	**5 048**	**12 994**
Effective tax rate	8.48%	27.92%

- Recognized Deferred Tax Assets and Liabilities

Analysis by category of the temporal difference for the net deferred tax position recognized in the balance sheet (before compensation by fiscal entities for deferred tax assets and liabilities)

	12/31/2008	Earnings	Change in consolidation scope	Other changes in equity	Change in exchange rate	12/31/2009
Tax loss carryforwards and tax credits	26 033	-4 387	-46		-3 468	18 132
Pension plan commitments	2 304	726				3 030
Non-deductible provisions	1 554	205				1 759
Updating to fair value of financial instruments	7 753	-369		-1 694		5 690
Cancellation of margin on inventory	187	35				222
Cancellation of internal capital gain	894	5 712				6 606
Restatement of preliminary expenses	14	-8				6
Restatement of R&D margin	511	474				985
Restatement of allowance for the assignment of intangible assets	0	139				139
Other	1 677	1 138				2 815
Total differed income tax assets	**40 927**	**3 665**	**-46**	**-1 694**	**-3 468**	**39 384**
Translation adjustments	-5 687	831			117	-4 739
Cancellation of accelerated depreciation	-2 122	98				-2 024
Cegelease unrealized capital gain	-3 171	147				-3 024
Cancellation of depreciation on goodwill	-1 021	-102				-1 123
Cancellation of depreciation internal capital gains	0	-184				-184
Leasing	-110	-13				-123
R&D capitalization	-2 829	-714				-3 543
Restatement of the allowance for the R&D margin	0	-32				-32
Updating to fair value of financial instruments	-1 211	1 059				-152
Allocation DIL trademarks	-43 866	338			1 489	-42 039
Other	-253	-192				-445
Total differed income tax liabilities	**-60 270**	**1 236**	**0**	**0**	**1 606**	**-57 428**
Net differed tax	**-19 343**	**4 901**	**-46**	**-1 694**	**-1 862**	**-18 044**

Change in deferred taxes recognized to the consolidated Balance Sheet after compensation by fiscal entities for the deferred tax assets and liabilities can be proved in the following way:

	Assets	Liabilities	Net
At December 31, 2008	**36 603**	**-55 946**	**-19 343**
Impact on earnings for the period	3 665	1 236	4 901
Impact on shareholders' equity	-5 208	1 606	-3 602
Impact of net presentation by fiscal entity	-1 710	1 710	0
At December 31, 2009	**33 350**	**-51 394**	**-18 044**

The amount of uncapitalized tax as of December 31, 2009 amounts to 15 607 thousand euros.

- Note 21: Lease Commitments
  In thousands of euros

  - Financial Leases - Cegedim Group Lessor

Financial leases involve the Cegelease Company who provides financing for pharmacies and doctors.

Schedule of payments receivable and present value is as follows:

These leases are financial leases with terms of 24 to 60 months for computer equipment and 36 to 84 months for capital goods.

	Lease payments due	Present value of payments
Within one year	11 794	11 207
Between one and 5 years	18 596	15 009
More than 5 years	475	273
Total (A)	30 865	26 489
Financial income not acquired (B)	-	4 376
Minimum payments (A) + (B)	**30 865**	**30 865**

- Operating Leases - Cegedim Group Lessee

The Group lists different types of operating leases in the Group:

- Real estate
- Computer equipment
- Photocopiers
- Vehicle leases

The expense resulting from these leases amount to 43 699 thousand euros for 2009.
As for real estate leases, they are renewable every 3-6-9 years.

The Group signs standard leasing agreements.
The discount rate applied is 10.53%.

Schedule of payments and present value is as follows:

	Lease payments due	Present value of payments
Within one year	33 570	-
Between one and 5 years	64 772	-
More than 5 years	16 486	-
Total	**114 828**	**91 111**

- Note 22: Restatement of Capital Leases

In thousands of euros

- Commitments on Cegedim Lessee Financial Lease Contracts

	Dep. term	Gross value	Acc. Deprec.	Net book value
Property	-	46	-	46
Buildings	15 - 40 years	1 006	552	454
Vehicles	3 years	203	124	79
Total assets held under financial leases	**-**	**1 255**	**676**	**579**

- Payment Schedule and Present Value

	Lease payments due	Present value of payments
Within one year	122	101
Between one and 5 years	49	41
More than 5 years	-	-
Total (A)	171	142
Financial expenses (B)	29	-
Present value of payments (A)-(B)	**142**	**142**

Lease payments are not indexed.

The option exercise dates fall between 2010 and 2011 for virtually nil residual values.

Note 23: Earnings per Share

Earnings per share are calculated by dividing Group earnings by the number of shares making up the capital, excluding treasury shares. The number of shares must be the weighted average number of outstanding ordinary shares during the fiscal year (thus 9 480 237 shares as of 12/31/2009 and 9 331 449 shares as of 12/31/2008).

Earnings per share amounted to €5.8 for the 2009 fiscal year.

	12/31/2009	12/31/2008
Weighted average number of outstanding ordinary Cegedim SA shares	9 510 408	9 331 449
Less average number of treasury shares held	-30 171	
Number of shares for the earnings per share calculation	9 480 237	9 331 449

Note 24: Diluted Earnings per Share

IAS 33 - Diluted earnings per share are calculated by dividing the net earnings for the fiscal year attributable to the ordinary shareholders (net earnings for the fiscal period after deducting preferred dividends) by the weighted average number of common shares outstanding during the fiscal year. On December 31, 2009, the diluted earnings per share were identical to the earnings per share due to the lack of instruments that would dilute the capital.

Note 25: Off-Balance Sheet Commitments

There are no commitments for earn-outs to be paid.
There are no stock repurchases from minority interests.

Guarantees Given by Cegedim to Its Subsidiaries

Pharmastock Subsidiary

Joint and several surety of its subsidiary Pharmastock in favor of concerning the performance of the terms of the leasing operation in the amount of 299 thousand euros (Board of Directors authorization dated August 13, 2002).

Cegelease Subsidiary

Guarantee given in case Cegelease defaults on the lease with (Board of Directors authorization dated September 3, 2003).
Letter of comfort issued to for a flow exchange transaction concluded between it and (authorized by the Board of Directors on April 20, 2007).

Dendrite International Inc Subsidiary

Security of 3.5 million dollars in favor of the Bank of America (Board of Directors authorization dated December 27, 2007).

- All Subsidiaries

Authorization of one year for all subsidiaries to grant securities, endorsements and other guarantees for a total of 5 million euros provided no single commitment exceeds 2 million euros (authorized by the Board of Directors on April 07, 2009).

- Subsidiary Shares Pledged

For the signing of an amendment to the financing agreement for the acquisition of Dendrite, shares of the following companies were pledged in 2008: Icomed, RNP, Sofiloca, Resip, Pharmastock, Pharmapost, Medexact, Hospitalis, Cegedim Activ, Cegelease, PCO Cegedim, Alliance Software, Alliadis, Cegedim Belgium, Cegedim Italia. Subsidiary share pledges at 31 December 2007 are still in force. (In Practice Systems, Alliadis Europe, Epic Database Research Company ltd, Cegedim RX, Dendrite International Inc (DIL), Cegedim USA Inc.).

- Subsidiary Securities

  - Pharmastock Subsidiary

Security in favor of in the amount of 200 thousand euros.

  - Cegedim Activ subsidiary

Security in favor of the Caisse Nationale de Sécurité Sociale de Casablanca in the amount of 133 thousand euros.
Security in favor of in the amount of 180 thousand euros.
Security in favor of ANAM in the amount of 28 thousand euros.

  - Other Subsidiaries

Other securities have been granted by Cegedim and its subsidiaries for a total amount of 105 thousand euros.

Note 26: Related Parties

The object of the present note is to present the transactions that exist between the Group and its related parties.

The remuneration of key management personnel is presented in note 27.

- Identity of Cegedim's Parent Company: FCB

Limited company (S.A.) held primarily by Mr. Jean-Claude Labrune, Chairman and Chief Executive Officer of Cegedim S.A., his family and by certain members of the Board of Directors of Cegedim S.A.

- Figures Pertaining to the Related Parties

Certain transactions were carried out with companies who share a Cegedim S.A. Director.

The main subsidiaries (companies consolidated with the fully consolidated method) are listed in Note 1. Only the significant transactions are described below:

FCB:

- The FCB reinvoiced leases to Cegedim S.A., PCO Cegedim and Cegedim Activ for an amount of 6 938 thousand euros, as well as associated taxes in the amount of 508 thousand euros.
- FCB reinvoiced head office costs for 2 050 thousand euros.
- FCB granted a loan to Cegedim SA for 50 000 thousand euros in 2007. When Cegedim increased its capital, FCB subscribed for an amount of 4 906 thousand euros by extinguishment of debt resulting in a decrease in the debt from 50 000 thousand euros to 45 094 thousand euros. Interest relating to this loan for 2009 amounts to 2 047 thousand euros.
- FCB acted as a guarantor for the securitization contract between Cegelease and Ixis CIB for 2 575 thousand euros.

	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
	Companies under joint control or significant influence	Companies under joint control or significant influence	FCB	FCB	Family companies	Family companies
Income	none	none	151	151		
Expenses	none	none	11 078	12 997	1 178	117
Loans	none	none	45 094	50 000		
Security deposits	none	none	2 030	1 971	266	49
Receivables	none	none	38	30	-	-
Provisions for receivables	none	none	none	none	none	none
Liabilities	none	none	2 120	6 902	-	-
Commitments given	none	none				
Commitments received	none	none	2 575	2 575		

- Note 27: Management Compensation
  In thousands of euros

Directors' fees paid to Directors came to 45 thousand euros on December 31, 2009, and are recorded in the "Other outside purchases and expenses" item of the income statement.

In compliance with the IAS 24 standard, Cegedim's "key managers" correspond to the people sitting on the Board of Directors with the authority and responsibility of planning, managing and controlling Cegedim's activities as well as any of the Group's companies, directly or indirectly.

	12/31/2009 Gross Amount	12/31/2008 Gross Amount
Short-term benefits (wages, bonuses, etc.)	1 632	1 566
Post-employment benefits	*none*	*none*
Severance pay	*none*	*none*
Benefits recognized	1 632	1 566
Termination benefits	*none*	*none*
Benefits not recognized	*none*	*none*

The short term benefits include the variable and fixed portions of the manager's compensation.

- Note 28: Employees

	12/31/2009	12/31/2008
France	3 841	3 239
International	4 901	5 000
Total	**8 742**	**8 239**

Personnel costs for 2009 amounted to 401 496 thousand euros.

- Note 29: Dividends

No dividend was paid for 2008, in compliance with the decision made during the Ordinary General Shareholders' Meeting held on May 27, 2009.

- Note 30: Capital

As of December 31, 2009, the share capital is made up of 13 997 173 shares each with a nominal value of 0.9528 euro, i.e. total capital of 13 336 506 euros.

- Note 31: Treasury Shares

There were no transactions for the acquisition or sale of treasury shares during 2009 except for the 39 190 shares bought in March 2009 for an amount of 1 234 thousand euros under the free share award plan.

Concerning the awarding of free shares, on March 21, 2008 and November 5, 2009, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to allot a total number of free shares not to exceed 10% of the total number of shares making up the capital to the directors and employees of the Cegedim Group. The main characteristics are the following:

- The free shares awarded will grant the right to dividends. Their distribution will be decided at the award date. The plan dated March 21, 2008 authorized a maximum allocation of 43 410 free shares and the plan dated November 5, 2009 authorized a maximum allocation of 28 750 free shares.
- The allotment of said shares to their beneficiaries will become final at the end of an acquisition period of two years for beneficiaries whose residence for tax purposes is in France as of the allocation date and four years for beneficiaries whose residence for tax purposes is not in France as of the allocation date.
- The shares will be permanently awarded to their beneficiaries on a single condition: no resignation, dismissal, or layoff.
- As from the final award date, beneficiaries whose residence for tax purposes is in France as at the award date must keep their shares for a term of two years.

In application of standard IFRS 2, the expense measuring "the benefit" offered to employees is spread out linearly over the period of acquisition of the rights by the beneficiaries. The amount capitalized for the 2009 fiscal year amounted to 477 thousand euros.

The main characteristics of the plans are the following:

		Plan dated 3/21/08	**Plan dated 11/5/2009**
Date of the General Meeting		02/22/08	02/22/08
Date of the Board of Directors meeting		03/21/08	11/05/09
Date of plan opening		03/21/08	11/05/09
Total number of shares than can be allotted		43 410	28 750
Initial subscription price		52.00€	65.00€
Date of free disposal of free shares			
	France	03/21/10	11/05/11
	Foreign	03/21/12	11/05/13

Position of plans as of December 31, 2009

		Plan dated 3/21/08	Plan dated 11/5/2009
Total number of shares allotted		27 910 shares	27 768 shares
Total number of shares left to be acquired after recorded exercising of options and cancelled options		-	16 488 shares
Adjusted acquisition price of free share allotments			
	France	48.77€	61.36€
	Foreign	41.24€	52.11€

- Note 32: Assignment of Receivables

The Cegelease Company concluded a flow exchange transaction with Natixis, according to the terms of which, Natixis must pay forecasted amounts for lease receivables to Cegelease, and Cegelease must pay the actual amounts for these same receivables to Natixis.

FCB has granted Natixis its guarantee to cover the risks of this flow exchange transaction.

To pay for the service provided by FCB, Cegelease paid the latter a bonus of 1.2 million euro in 2007. This is a one-time, firm and final bonus for the duration of the transaction.

The flow exchange transaction having guaranteed Cegelease's future receivables, Natixis has granted the latter a cash collateral that is repaid as the receivables are collected.

As a guarantee of its obligations to repay the cash collateral, Cegelease must transfer full ownership of certain receivables resulting from its goods leasing activity to Natixis. The financial interest (2 888 thousand euros for 2009) is calculated on the cash collateral.

The cash collateral, which is the discounted receivables for the leases that remain to be received from customers on Natixis' behalf amounts to 36 million euros as of 12/31/2009. Reimbursements for 2010 are estimated to be 21.5 million euros.

- Note 33: Auditor's Fees

In thousands of euros

	Mazars in 2009	%	Grant Thornton in 2009	%
Auditing, certification, review of individual and consolidated financial statements				
Cegedim SA	347	43.73%	345	63.65%
Fully consolidated subsidiaries	447	56.27%	197	36.35%
Other work and services directly linked to the Auditors' assignment				
Cegedim SA	-	0.00%	-	0.00%
Fully consolidated subsidiaries	-	0.00%	-	0.00%
Sub-total audit	**794**	**100.00%**	**542**	**100.00%**
Legal, fiscal, social	-	0.00%	-	0.00%
Other	-	0.00%	-	0.00%
Sub-total Other services provided by the networks to fully consolidated subsidiaries	**-**	**0.00%**	**-**	**0.00%**
Total	**794**	**100.00%**	**542**	**100.00%**

	Mazars in 2008	%	Grant Thornton in 2008	%
Auditing, certification, review of individual and consolidated financial statements				
Cegedim SA	225	33.02%	225	56.30%
Fully consolidated subsidiaries	456	66.98%	163	40.76%
Other work and services directly linked to the Auditors' assignment				
Cegedim SA	-	0.00%	-	0.00%
Fully consolidated subsidiaries	-	0.00%	4	1.00%
Sub-total audit	**681**	**100.00%**	**392**	**98.05%**
Legal, fiscal, social	-	0.00%	8	1.95%
Other	-	0.00%	-	0.00%
Sub-total Other services provided by the networks to fully consolidated subsidiaries	**-**	**0.00%**	**8**	**1.95%**
Total	**681**	**100.00%**	**400**	**100.00%**

- Note 34: Events Occurring After the Closing Date

On January 7, 2010 the Cegedim Group acquired SK&A Information Services, Inc. (SK&A). The acquisition of this supplier of first-rated healthcare data allows the Cegedim Group to complement and reinforce its OneKey offering in the United States.

20.2.3 Statutory Auditors' Report on the Consolidated Financial Statements

To the Shareholders,

In our capacity as Statutory Auditors, we hereby report to you, for the year ended December 31, 2009, on:

- The audit of the accompanying consolidated financial statements of CEGEDIM.
- The justification of our assessments,
- The specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with auditing standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by management, and the overall financial statements presentation. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

In our opinion, the consolidated financial statements for the year give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of entities in accordance with IFRS as adopted by the European Union.

II - Justification of assessments

In accordance with the provisions of article L. 823-9 of the French commercial code (Code de commerce), we made our own assessments that we bring to your attention:

- Capitalisation of development costs

In the context of our assessment of the accounting policies applied by your company, we reviewed the conditions for capitalisation of development costs, the amortisation method used and the manner in which their recoverable amount was validated and we ensured that the "Accounting policies –Intangible assets and Asset impairment" paragraphs of the financial statements provided appropriate disclosures.

- Impairment tests

At each balance sheet date, the company systematically performs impairment tests of goodwill and assets with indefinite useful lives and it also assesses whether any indications of impairment of long-term assets exist, in accordance with the methodology described in the "Accounting policies – Asset impairment" paragraph of the financial statements. We reviewed the manner in which this impairment test was implemented and the cash flow forecasts and assumptions used and verified that the "Accounting policies – Asset impairment" paragraph as well as note 7 to the financial statements provided appropriate disclosures.

- Retirement benefit obligations

The “Accounting policies – Retirement benefits” paragraph describes the valuation methods used for retirement benefit obligations. Our work involved reviewing the figures used, assessing the assumptions retained and verifying that note 13 to the financial statements provided appropriate disclosures.
In the context of our assessments, we verified the reasonableness of these estimates.
The assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report

III –Specific verification

We have also verified the information given in the group management report as required by French law.
We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris and Courbevoie, April 23, 2010

The Statutory Auditors

GRANT THORNTON - GRANT THORNTON INTERNATIONAL	MICHEL COHEN
MAZARS	JEAN-PAUL STEVENARD

20.3 Audit of Annual Historical Financial Information

20.3.1 Audit of the Historical Financial Information

The statutory financial statements drawn up as at December 31, 2009 (and their comparative financial statements as at December 31, 2008 and 2007) and the consolidated financial statements drawn up as at December 31, 2009 (and their comparative financial statements drawn up in accordance with IFRS standards as at December 31, 2008 and 2007) were audited by the independent Auditors. Their reports concerning fiscal year 2009 are presented respectively in points 20.1.3 and 20.2.3 in this Reference Document.

The reports for fiscal year 2008 are presented in the Reference Document filed with the Autorité des Marchés Financiers on April 28, 2009, under the number D.09-0331.

The reports for fiscal year 2007 are presented in the Reference Document filed with the Autorité des Marchés Financiers on April 29, 2008, under the number D.08-0328.

These reports and the statements accompanying them are included by reference in this Reference Document.

20.3.2 Other Information Contained in This Reference Document That Was Audited by the Statutory Auditors

This entire Reference Document and its notes were read by the Auditors who reported their findings in a final letter. Their comments, where relevant, are reproduced in the statement by the person responsible for the Reference Document appearing in point 1.2.

20.3.3 Source of the Financial Information

The financial information appearing in this Reference Document was taken from the audited financial statements of Cegedim.

20.4 Date of the Latest Financial Information

On the date of this Reference Document, the latest information audited goes back to December 31, 2009.

20.5 Interim Financial Information

No interim financial information has been published since December 31, 2009.

20.6 Dividend Distribution Policy

For the prior fiscal years, the dividend distribution policy consisted in increasing the dividend each year in the same proportions as the net earnings.

For 2007, each shareholder received a dividend of €0.90 per share, a sum representing 19.2% of the Group share of consolidated net earnings.

Contrary to previous years, for 2008, the General Meeting voted no distribution of dividends.

Following the signature of the protocole between Jean-Claude Labrune, FCB and the FSI, the dividend distribution policy consists in distributing between 25% and 30% of the Group share consolidated net earnings.

For 2009, it will be proposed to the General Meeting a dividend of €1.00 per share, a sum representing 26% of the Group share of consolidated net earnings.

The number of shares remained the same in 2007 and 2008. In 2009, pursuant to an increase in capital, the number of shares was increased to 13 997 173 (cf. item 26).

In accordance with the law, all dividends that have not been collected within five years of their payment date expire in favor of the Government.

20.7 Legal and Arbitration Procedures

Cf. item 4.4 in this Reference Document.

20.8 Significant Changes in the Financial or Commercial Position

The Group’s financial and commercial position has not changed significantly since the end of the 2009 fiscal year.

21 - Additional Information

21.1 Share capital

The share capital of Cegedim S.A. is €13 336 506.43.

The following information is given at December 31, 2009.

21.1.1 Subscribed Capital

There are 13 997 173 authorized shares. The shares have a par value of €0.9528.

There is no authorized unissued capital and there are no issued shares that are not fully paid up.

During fiscal year 2009, the Group finalized a capital increase. This transaction resulted in an increase in the number of outstanding shares, which totals 13 997 173 as of December 31, 2009.

21.1.2 Shares not representing capital

There are no shares not representing capital.

21.1.3 Number, book value and par value of the shares held by Cegedim or in its own name

At December 31, 2009, Cegedim has 39 190 of its own shares.

21.1.4 Total convertible or exchangeable securities or securities accompanied by subscription notes

There are no convertible or exchangeable bonds or bonds redeemable as shares or share subscription notes or any other securities capable of increasing the capital stock.

21.1.5 Conditions governing all acquisition rights and all obligations attached to subscribed, unpaid up capital or any undertaking seeking to increase the capital stock

None.

21.1.6 Information concerning the capital of any member of the Group subject to an option or a conditional or unconditional agreement placing it under option

None.

21.1.7 History of the share capital

Date	Transaction	Number of shares: Created	Number of shares: After transactions	Premiums (in €)	Capital (in €)	Per value (in €)
	Initial number of shares	488 300	-	-	-	15.24
12/94	Takeover of Cegedim [1]	6 594	494 894	3 308 684.72	7 544 610.39	15.24
	Division of the par value by 4	1 484 682	1 979 576	-	7 544 610.39	3.81
	Capital increase	120 000	2 099 576	7 090 892.39 [2]	8 001 957.45	3.81
04/98	Division of the par value by 4	6 298 728	8 398 304	-	8 001 957.45	0.9528063
12/00	Conversion of the capital into euros [3]	-	8 398 304	-	8 001 904.05	0.9528
12/00	Capital increase through in-kind contribution	891 112	9 289 416	70 900 927.60 [4]	8 850 955.56	0.9528
12/00	Capital increase through cash contribution	42 033	9 331 449	73 910 793.03 [5]	8 891 004.61	0.9528
12/09	Capital increase through cash contribution	4 665 724	13 997 173	-	13 336 506.43	0.9528

(1) FCB, which, since it was founded in 1989, has held 98.61% of Cegedim, merged with Cegedim on December 26, 1994, and took over its name (cf item 5, note 5.1.3). This internal operation was carried out on the basis of the companies' book value.

(2) Cumulative 1994 merger premium, and €3 782 207.67 in issue premium.

(3) When the capital stock was converted into euros, the par value of the share was set at €0.9528. The conversion rounding based on 8 398 304 shares (i.e. €53.40) resulted in a capital reduction allocated to the unavailable reserves.

(4) The cumulative premiums mentioned in [2] are increased by the contribution premium of €63 810 035.21.

(5) The cumulative premiums mentioned in [3] are increased by the issue premium of €3 009 865.44.

21.2 Deed of incorporation and bylaws

21.2.1 Cegedim's business purpose

According to Article 2 of the bylaws, the business purpose of the Company is:

- The acquisition of stakes or interests in all companies or enterprises that offer data processing, studies and marketing.
- The provision of various services in various fields.
- Economic and social studies of all kinds in various fields, particularly statistical, financial, commercial and legal studies, market studies, opinion pools, surveys of all kinds and in all fields, the creation and use of panels, public relations, advertising and calculations of all kinds.
- The organization and management of companies and company information by the most diverse means.
- Documentation through all means and in all fields, particularly the scientific, economic, social and statistical fields, etc.
- Marketing, particularly the penetration of various markets with all the operations such penetration requires.
- All activities involving information and its processing, information technologies and machine processing in all their design and operational aspects in the various fields.
- All administrative, financial, accounting or management services for the Company's subsidiaries or all other companies in which it holds a stake or any other company.
- The acquisition, subscription and management of all securities.
- All industrial, commercial and financial, moveable and real property operations that may be directly or indirectly related to the business purpose and all similar or related purposes.
- The acquisition by the Company, by all means, of equity interests in all enterprises or companies created or to be created related to the business purpose, particularly through the creation of new companies, contributions, general partnerships, the subscription or acquisition of shares or corporate rights, mergers, alliances or joint ventures or economic interest groups or lease management.

21.2.2 Provisions contained in the deed of incorporation and bylaws concerning the members of the administrative or management bodies

The provisions of the Cegedim bylaws concerning the members of its administrative and management bodies are conform to the laws in effect, with the exception of the following terms and conditions:

- unless the Code of Commerce exempts him from this obligation, each Director is required to own at least one share for his entire term of office;
- no one over the age of 75 may be named Chairman of the Board of Directors. If the Chairman in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors;
- decisions are made by the majority of members present or represented; each Director has one vote. In case of a tie, the Chairman casts the deciding vote;
- no one over the age of 75 may be named CEO. If the CEO in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors.

21.2.3 Rights, privileges and restrictions attached to each class of existing shares

All the shares making up the Company's capital are of the same class.

The extraordinary shareholder's meeting held on February 8, 1995, decided that in consideration of the share of the capital stock they represent, a double voting right would be allotted to all fully paid-up shares providing proof of registration for at least 4 years in the name of the same shareholder. This double voting right is reserved for shareholders with French nationality and for shareholders originating from a Member State of the European Union.

Furthermore, in case of a capital increase through incorporation of reserves, profit or issue premium, the double voting right is attached, as of their issuance, to the registered shares allotted free of charge to a shareholder in the amount of the old shares that entitle him to this right.

The double voting right ceases for any share that has been converted into a bearer share or transferred, to the exclusion of any transfer of registered shares through inheritance or family gift.

In accordance with the law, all dividends that have not been collected within five years of their payment date expire in favor of the Government.

Treasury shares give no right to dividends: the pertaining portion is allocated to the carry forward account.

21.2.4 Actions necessary to modify shareholders' rights

There are no stricter conditions than those set forth by law for modifying shareholders' rights.

21.2.5 Conditions under which Annual General Meetings and extraordinary shareholder's meetings are called

General Meetings are called and transact business under the conditions set forth by law. They are held at the corporate headquarters or at any other location indicated in the notice of meeting.

Any shareholder has the right to attend General Meetings and to take part in votes personally or through a proxy regardless of the number of shares he owns, upon simple proof of his status as shareholder at least five days before the meeting. However, the Board of Directors has the right to reduce this time frame. All shareholders may vote by mail.

21.2.6 Provisions of the deed of incorporation and bylaws that could delay, defer or prevent a change in control of the Company

None.

21.2.7 Provisions of the deed of incorporation and bylaws setting the threshold beyond which any equity interest must be disclosed

The bylaws contain no special provision for declaring threshold crossings. Only the legal provisions are applicable.

21.2.8 Conditions set by the deed of incorporation and bylaws governing modifications of the capital if these conditions are stricter than those required by law

None.

22 – Important contrats

Significant contracts for the two years preceding the publication of this Reference Document, other than contracts signed in the normal course of business to which Cegedim or any other member of the Group is party, concern external growth operations. They are systematically subject to confidentiality agreements. If these transactions are concluded and are likely to have a significant impact on the issuer's situation, they are published in a press release that can also be consulted at the Company's web site (www.cegedim.com).

Cf. item 5.2.1 of this Reference Document for a recall of these operations.

Any contract signed by any member of the Group that contains provisions conferring on any member of the Group a significant obligation or commitment for the entire Group on the date of this Reference Document is mentioned in the off balance sheet commitments appearing in note 25 to the notes to the consolidated financial statements presented in item 20 of this Reference Document.

23 - Information from Third Parties, Declarations Filed by Experts and Declarations of Interest

None

24 - Publicly Available Documents

During the term of validity of this Reference Document, the following documents (or copies of these documents) may be consulted at Cegedim S.A. corporate head-quarters:

(a) The Cegedim deed of incorporation and bylaws;

(b) All reports, correspondence and other documents, historical financial information, valuations and declarations prepared by an expert at the request of Cegedim, some of which are included or referred to in the registration document;

(c) The historical financial information for Cegedim S.A. and its subsidiaries for each of the two fiscal years preceding the publication of this Reference Document.

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25 - Information on trade investments

Cegedim's trade investments are presented in the organizational chart in item 7 of this Reference Document. They are taken into account to prepare the Group's consolidated financial statements in accordance with the methods presented in note 1 of the consolidated financial statements presented in item 20. Specific comments concerning the main subsidiaries (whose individual revenue exceed €30 000 000) are included in the Management Report found in item 26.

26 - Management report

26.1. Management report on operations for the fiscal year ended December 31, 2009

Annual Ordinary General Meeting held on June 8, 2010.

Corporate management report on operations for the fiscal year ended December 31, 2009.

Ladies and Gentlemen,

We have called this annual ordinary General Meeting pursuant to the bylaws and the provisions of the Code of Commerce to report to you on the Company's activity during the fiscal year ended December 31, 2009, the results of this activity, and the future outlook and to submit the balance sheet and the annual financial statements for this fiscal year for your approval. These financial statements are appended to this report.

The notices of meeting required by law were duly sent to you, and all the documents set forth in the regulations in force were made available to you within the required time frames.

26.1.1 Cegedim S.A. corporate management report

- Presentation of the annual financial statements

The annual financial statements for the fiscal year ended December 31, 2009, which we are submitting for your approval, were prepared in accordance with the presentation rules and valuation methods set forth in the regulations in force.

The presentation rules and valuation methods used are identical to those used for the previous fiscal year.

- Company situation and operations during the past fiscal year
    - Cegedim S.A. operations

Cegedim S.A. is a subsidiary of FCB, the lead holding company of the Cegedim Group. It has been listed for trading on NYSE Euronext since 1995.

Cegedim provides various centralized services for its subsidiaries, such as: accounting, financial, legal, human resources and purchasing management. It also plays an operational role by pooling the Group's resources and IT tools, which it makes available to its French and foreign subsidiaries. This infrastructure is in particular the source of a certain number of product developments that benefit the entire Group.

Cegedim also carries out certain commercial activities associated with information production under its own name, particularly with its statistics (pharmaceutical product sales statistics), file management and processing (professional nominative databases), and EDI (electronic data interchange) departments.

- Highlights

  - Entry into the capital of the FSI [Strategic Investment Funds] and increase in capital

Following the signature on October 28, 2009, between Mr. Jean-Claude Labrune, FCB and the FSI of an agreement adopted on December 15, 2009, FCB sold 15% of the capital to the FSI at the price of €64 per share.

Following the increase in capital with retention of the preferential subscription right of the shareholders of 180 million euros, achieved in December 2009, the FSI and FCB participated at least in the proportion of their stake in the capital of Cegedim, and settle a shareholders' agreement for governing the relationships between Mr. Jean-Claude Labrune, FCB and the FSI.

Therefore, as at Devember 31, 2009, FCB will hold 7 307 393 Cegedim shares representing 52.21% of the capital and 64.42% of the voting rights of Cegedim, so FCB by itself will retain the majority of the capital and voting rights of Cegedim.

The draft agreement states that Mr. Jean-Claude Labrune, FCB and the FSI will act in concert with respect to Cegedim in accordance with Article L.233-10 of the Code of Commerce, counted from the date of transfer of the Cegedim shares from FCB to FSI and for as long as the FSI holds over 5% of the capital of Cegedim, with Mr. Jean-Claude Labrune and FCB being the predominant members in their party. In this respect, the parties undertook not to act in concert with a third party throughout the duration of the agreement.

- Non-transferability

Mr. Jean-Claude Labrune and FCB undertook, for a duration of three years counted from the date of sale of the shares and subject to transfers to affiliated entities or entities controlled by the Labrune family, to keep at least 35% of the capital of Cegedim. For its part, the FSI undertook to keep its Cegedim shares for a period of 12 months counted from the date of increase in capital.

- Liquidity rights

Right of first offer: the parties to the draft agreement undertook, prior to any transfer of Cegedim shares to identified third parties, to allow the other parties to benefit from a right of first offer for a period of 20 working days under the same terms and conditions (mainly price) as the draft share purchase agreement;

Right of proportional joint withdrawal: if it does not exercise its right of first offer, the party benefiting from the right is entitled to sell a number of shares proportional to the number of shares sold by the transferor under the same terms and conditions as the transferor;

The right of first offer and the right of proportional joint withdrawal described above do not apply (i) to transfers made by one party on the market, by accelerated private placement or by any other sale process after which the identity of the purchasers is not known if these transfers represent less than €20 M over a period of six months, (ii) if Mr. Jean-Claude Labrune and FCB are concerned, to transfers after which Mr. Jean-Claude Labrune and FCB jointly hold over 35% of the capital of Cegedim and (iii) to transfers to affiliated entities.

- Cooperation

The parties agreed on mechanisms for cooperation in order to avoid, in the case of transfers on the market, a significantly unfavorable impact on the rate. Moreover, Mr. Jean-Claude Labrune and FCB undertook to cooperate with the FSI to facilitate a sale by public offering or private placement should the FSI wish to sell its shares.

- Compulsory anti-public offering clause

The parties undertook certain commitments not to exceed, alone or in concert, the threshold of capital or voting rights which would result, for the parties acting in concert, in their being obliged to implement a compulsory public offering or a guaranteed rate. This clause may oblige the parties to restrict their purchases of shares or voting rights of Cegedim if, alone or in concert, after going below the threshold of 50% of the capital or voting rights, a party exceeds a threshold of capital or voting rights which, for the parties in concert, has the effect of obliging them to implement a compulsory public offering.

The Autorité des Marchés Financiers considered that there is no reason for the compulsory lodging by the parties in concert of a draft public offer pursuant to Article 234-7 1° general regulations, as after the transactions, Mr. Jean-Claude Labrune retains the majority of voting rights of Cegedim, by a decision published on November 4, 2009 (decision 209C1355).

- Impact on governance

On November 5, 2009, the Company agreed to the Draft Agreement, which was sent to the AMF in accordance with Article 233-11 of the Code of Commerce on November 2, 2009. This dispatch was announced on November 4, 2009 (decision 209C1355).

The Draft Agreement envisages that the following changes will have to be made to the governance of the Company in a General Meeting called on January 8, 2010 by the Board of Directors on November 19, 2009.

- The terms of participation of the FSI in the governing bodies of Cegedim are as follows:

The composition of the Board of Directors of Cegedim was changed by the General Meeting called on January 8, 2010. After the Meeting, the Board of Directors consists of ten members, comprising five representatives of Mr. Jean-Claude Labrune and FCB, two representatives of the FSI, an independent director chosen by Mr. Labrune, FCB and the FSI from a list of three candidates drawn up jointly by them before the increase in capital, and two directors representing respectively two minority shareholders of Cegedim.

Mr. Jean-Claude Labrune acts as chairman of the Board of Directors and Managing Director of Cegedim, and is helding the casting vote in the case of equal votes of the Board of Directors.

Certain important decisions of the Board of Directors (in particular dissolution or winding up of Cegedim, issue of transferable securities, investments, additional indebtedness, agreement referred to in Article L. 225-38 of the Code of Commerce, revocation of any member of the Board of Directors appointed at the proposal of the FSI, determination of the indicative annual budget) must be taken on a qualified majority of 6/10 including at least one director representing the FSI; the FSI's rights will be reduced if its share of the capital or voting rights is reduced.

With regard to the determination of the indicative annual budget mentioned above, the FSI in particular has a stronger right of consultation under which, in the event of persistent disagreement between the FSI and the Managing Director of Cegedim on this budget, the budget for the previous year will be brought forward after adjustment for inflation and for current projects already authorized by the Board, without prejudice to the Managing Director's right to change it subsequently, if necessary after having informed the members of the Board of Directors in the case of a significant change, provided that the FSI's share of the capital or voting right does not fall below certain thresholds.

- Exceptions to the recommendations of the AFEP MEDEF code

Exceptions to the recommendations of the AFEP MEDEF code that the parties to the draft agreement agreed not to apply:
In accordance with the draft agreement, FCB guaranteed that, within a time period which cannot exceed June 30, 2010, the Company will conform to the principles of the AFEP-MEDEF code and will change the bylaws of the Board of Directors in order to observe the Code, except for the stipulations stated below which are included in an annex to the draft agreement:

- Article 2.2. of the AFEP MEDEF code will not be applied. The Company will provide information concerning non-balance sheet items in accordance with the law;
- Article 3 of the AFEP MEDEF code relating to the separation of the duties of the chairman of the Board of Directors and the Managing Director will not be applied;
- sub-section 7.2. of the AFEP MEDEF code will not be applied. In fact, the FSI and Alliance Healthcare, which both have a holding in the Company's capital, would like to be represented in the Board of Directors;
- sub-section 8.2 of the AFEP MEDEF code cannot be applied because the number of independent directors will be lower than the recommendation of the said code which is 1/3 in subsidiary companies;
- Article 9 of the AFEP MEDEF code relating to the evaluation of the Board of Directors will be applied subject to the evaluation of the performance of the Managing Director;
- Article 10 of the AFEP MEDEF code will be applied subject to indication in the annual report of the duration of sessions which Cegedim does not wish to announce;
- Article 11 of the AFEP MEDEF code will be applied in so far as the bylaws will be amended within a reasonable period after the increase in capital. Moreover, bearing in mind the size of the company, the directors' right to information under this article must be exercised in a reasonable manner in terms of time period and documents or information requested;
- Article 12 of the AFEP MEDEF code relating to the duration of the directors' duties will be applied subject to the duration of the directors' terms of office, which will be kept at 6 years to ensure stability of the Board of Directors and in accordance with the maximum duration authorized by the AFEP MEDEF code, and to the staggering of the directors' terms of office which the Company considers satisfactory;
- Article 17 of the AFEP MEDEF code relating to the code of ethics of the director will be applied subject to application for certain directors of the recommendation relating to the significant number of shares that each director in office must hold;
- Article 19 of the AFEP MEDEF code relating to the termination of the employment contract if the position of corporate officer is taken up will not be applied as it might constitute an obstacle if the Company wishes to ask an employee to take on the duties of corporate officer;
- sub-section 20.1 of the AFEP MEDEF code will not be applied as the salaries of the directors who act as corporate officers are revised annually.

- Capitalization of development expenses

Development expenses for internal and external projects were capitalized as intangible assets in the amount of 18 743 thousand euros, since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

- Free share awards

On November 5, 2009, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to award free shares to the directors and employees of the Cegedim Group.

- Complete Transfer of Assets and Liabilities

Cegedim S.A. took over Dendrite France. This complete transfer of assets and liabilities took place on December 31, 2009, without accounting retroactivity. As a result, the Cegedim S.A. balance sheet as of December 31, 2009, consists, on the one hand, of the assets and liabilities of the company and, on the other, of the assets and liabilities of the company taken over. Concerning the income statement as of December 31, 2009, Cegedim S.A. takes into account the merger mali relating to the complete transfer of assets and liabilities.

- Changes in activity during fiscal year 2009

    - Revenue

In 2009, Cegedim S.A.'s business grew by 6.7%, with sales revenue increasing from 146.2 million euros to 155.9 million euros.

Cegedim S.A.'s revenues consist primarily of services and any sales of software and hardware. These are relatively mature activities that Cegedim S.A. has been carrying out for many years. They do not call for any particular comments.

    - Operating income and expenses

Operating income increased by 5.0%. Operating expenses increased by 1.5%.

In particular, the fiscal year saw:

- an increase in amounts released from provisions for depreciation, amortization and diminution in value of 0.7 million euros compared to 2008;
- a reduction in "Other external purchases and expenses" of 2.6 million euros, which is -2.9% compared to 2008;
- an increase in payroll and benefit-related expenses of 3.0 million euros during the fiscal year;
- an increase in allocations to fixed asset depreciation of 2.8 million euros, allocations to provisions for liabilities and charges of 1.1 million euros, compared to a reduction in allocations to provisions of 0.3 million euros.

The impact as an absolute value of the few changes in other operating income and expense items was insignificant.

Operating earnings amounted to 5.5 million euros, showing a large increase of 5.9 million euros compared to 2008.

- Accounts payable

Accounts payable aging balance of Cegedim S.A.:
In €

	Expired debt > 3 months	Expired debt 2 to 3 months	Expired debt 1 to 2 months	Expired debt < 1 month	Non expired debt < 1 month	Non expired debt 1 to 2 months	Non expired debt 2 to 3 months	Non expired debt > 3 months	Total accounts payable 31/12/2009
Total accounts payable	**4 613 353**	**1 714 672**	**750 006**	**1 208 650**	**31 818 472**	**6 135 944**	**2 080 216**	**109 937**	**48 431 249**

- Financial income and expenses

Financial earnings amounted to a profit of 47.6 million euros compared to a loss of 32.9 million euros in 2008.

It was made up of 66.6 million euros in financial expenses, including 54.9 million euros in interest and related expenses primarily associated with the establishment of financing for the acquisition of the Dendrite Group and foreign exchange losses of 4.4 million euros.

The financial income was 114.2 million euros in 2009. It includes dividends received of 73.5 million euros in 2009, an increase of 39.5 million euros compared to 2008.

- Earnings before taxes

Earnings before taxes were 53.1 million euros compared to -33.3 million euros in 2008.

- Non-recurring earnings

The non-recurring earnings for 2009 were virtually zero, the same as in 2008.

- Income taxes

Income taxes in 2009 resulted in proceeds of 9.1 million euros primarily because of the corporate tax savings on the losses of the integrated companies.

- Net earnings

The profit of the year 2009 was 61.8 million euros compared to a loss of 22.7 million euros in 2008.

The earnings statement for the last five fiscal years required by Article 148 of the decree of March 23, 1967, is appended to this Report.

- Balance Sheet

At December 31, 2009, the balance sheet total of Cegedim S.A. came to 1 026 million euros compared to 1 023 million euros for the previous fiscal year, which is an increase of 0.3%.

- Subsidiary activities

The subsidiaries' activity is described in the part of the Corporate Management Report devoted to the consolidated financial statements. The table of subsidiaries and equity investments, appended to the financial statements, also provides the necessary details.

Special commentary on the subsidiaries whose corporate sales revenue exceeded 30 million euros is included in an appendix to this Report.

- Financial structure and debt

The equity capital totaled 375.0 million euros at December 31, 2009, compared to 138.0 million euros at December 31, 2008, showing a very large increase of 236.9 million euros following the issue premiums.

Financial liabilities decreased substantially to 535.1 million euros compared to 765.9 million euros for the previous fiscal year.

Considering the positive cash position, the net financial debt amounted to 497.2 million euros compared to 737.4 million euros at the end of 2008, a reduction of 240.3 million euros.

- Investments

Cegedim S.A.'s investments are associated with its activities and logically involve the IT infrastructure and equity investments. Net intangible and tangible fixed assets increased by 35.3 million euros in 2009 (mainly for capitalized development projects).

- Acquisition of direct and indirect equity investments

Company	% Held	Holding	Entry date
FMC	100%	Indirect holding via its subsidiary Cegedim Belgium	February 09
Next software	100%	Direct holding of 0.05% and indirect holding via its subsidiary Gers Maghreb (99.95%)	March 09
Nomi Finland	100%	Indirect holding via its subsidiary Cegedim Finland	July 09
Nomi Norway	100%	Indirect holding via its subsidiary Cegedim Norway	July 09
Nomi Sweden	100%	Indirect holding via its subsidiary Cegedim Sweden	July 09
Nomi Medicine	100%	Indirect holding via its subsidiary Cegedim Sweden	July 09
HMSL	100%	Indirect holding via its subsidiary CSD Ltd	July 09
PGI	100%	Indirect holding via its subsidiary Alliadis	October 09

- Sales of equity interests

During fiscal year 2009, Cegedim sold equity interests for non significant amount.

- Research and development activity

Cegedim S.A. brings together the pooled development teams assigned to projects using the Group's shared IT infrastructure. The development projects are capitalized for a total of 18.7 million euros, for all the projects together. These were capitalized as intangible assets, since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

The company put considerable effort into the development of a Cegedim Dendrite convergence solution for the management of pharmaceutical company sales forces, the development of OneKey offers in the United States, and the expansion of American offers to the global market.

At the same time, the projects particularly involved the revamping of the back-office for the Group's CRM offering, the invoice exchange and computerizing chain, the portals allowing commercial operation of the Group's solutions, as well as the revamping of the Care Sheet processing chain.

Aside from these specific developments, Cegedim handles daily application maintenance for all of the Group's pooled offers based on a budget that is relatively comparable each year.

- Analysis of business developments

  - Key financial performance indicators

The key financial indicators at Cegedim S.A. are the following:

- sales revenue achieved within the Group and outside the Group;
- dividends collected;
- investments;
- financial structure.

Detailed comments on these are provided above.

- Key non-financial performance indicators

Cegedim has pooled its IT resources available to its subsidiaries and their clients. It is therefore essential for Cegedim to be on the cutting edge of new technologies, to make sure that these systems are operating optimally, and to handle their maintenance and security (physical security, security of access, information, and administration of systems and developments).

Cegedim considers the training of its teams to be a key factor of success, making it possible to ensure client satisfaction and employee motivation. The general training policy implemented at Cegedim consists primarily of continuously adapting the skills of its research and development teams and assisting its employees in acquiring new skills necessary for their work.

The Cegedim Group's international expansion, particularly through external growth, relies on its ability to incorporate new activities. Here, the measures taken by Cegedim seek to accelerate the incorporation of new activities, control the risks inherent in growth operations, and track their performance.

- Risk factors and use of financial instruments

The activities of Cegedim SA remain subject to the usual risks inherent in engaging in its trades as well as the political and geopolitical risks associated with its international presence for most of its activities and also unexpected instances of *force majeure*. The main identified risks are as follows:

- Exchange rate risk

Cegedim S.A. makes 17% of its sales revenue through exports, mostly in the Euro zone. As such, the Company has relatively limited exposure to an exchange rate risk. Thus the company did not introduce an exchange risk hedging policy, not even on the debt in US dollars which was 166 million euros at December 31, 2009.

- Interest rates risk and financial instruments

To limit the effects of rising interest rates in its financial expenses, and as requested in the credit agreement, Cegedim decided to implement a risk hedging policy involving protecting an annual maximum financing rate for the term of the loans.

Cegedim hedges interest rate risk on the basis of both current debt and probable future debt levels, namely accounting for changes in the use of its revolver lines of credit. Depending on the position to be managed and the benchmark rate upheld, a hedging strategy is implemented. The aim of such a strategy is to protect the benchmark rate and leverage, at least in part, on any positive changes. These hedging strategies mainly involve futures or forwards derivatives and options derivatives. There is no guarantee as to the Group's capacity to effectively hedge itself against interest rate risks.

The amount of loans exposed to exchange risk is 166 000 thousand euros on the one hand, and 45 094 thousand euros corresponding to all of the debt towards FCB on the other hand.

Cf. infra: for the significant risk factors at the consolidated level.

- Client risk

The clients of Cegedim S.A. are mainly pharmaceutical companies, physicians, pharmacists, and healthcare insurance companies and mutuals. They do not present any significant counterparty risks.

- Significant events that have occurred since the end of the fiscal year

Since the end of the fiscal year, business has been conducted in compliance with the trends recorded during 2009.

Cf infra for events after the end of the fiscal year for the consolidated scope.

- Foreseeable trend of the Company's situation and future prospects

The 2010 operating margin should show a positive trend in accordance with the expected significant growth in revenue comprising a mix of mature and emerging activities.

- Non-tax deductible expenses

In accordance with the provisions of articles 223 quater and 223 quinquies of the General Tax Code, we indicate that the financial statements for the past fiscal year take into account the sum of €164 403.39 corresponding to non tax-deductible expenses.

As a result, the income tax paid due to these costs and expenses amounted to €56 637.00.

- Earnings allocation

The General Meeting decides to allocate the profit for the fiscal year amounting to €61 848 660.31 as follows: by way of Group reserves in order to reach a 10% share capital, the sum of €444 550.18, by way of dividend, the sum of €13 997 173 and the rest, i.e. the sum of €47 406 937.13, to the "Other reserves".

- Amount - Payment - Tax treatment of the dividend

The unit dividend is €1.00.

The cash dividend will be paid at the corporate headquarters beginning July 6, 2010.

This dividend is eligible, for individuals with tax domicile in France, for the allowance referred to in point 2 of Article 158-3 of the General Tax Code.

- Dividend and holding by the Company of its own shares

If, when the dividend is paid, the Company holds some of its own shares, the distributable earnings corresponding to the dividend not paid because the company holds these shares will be allocated to the carry-forward item.

- Reminder of the dividends distributed

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, we have presented the amounts distributed as dividends for the three previous fiscal years as follows:

Fiscal year	**Number of shares**	**Deductible income allowance**			**Non-deductible income allowance**
		Dividend		**Other income distributed**	
		Per share	**Total**		
2006	9 331 449	€0.80	€7 465 159.20	None	None
2007	9 331 449	€0.90	€8 398 304.10	None	None
2008	9 331 449	€0.00	€0.00	None	None

- Information on the holding of capital by certain shareholders

In accordance with the provisions of Article L. 233-13 of the Code of Commerce, and given the information and notifications received pursuant to Articles L. 233-7 and L. 233-12 of this Code, below we have identified the shareholders (individuals or legal entities) who directly or indirectly hold more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths, or nineteen-twentieths of the capital stock or voting rights at December 31, 2009:

Shareholders	Number of shares held	% held	Number of votes simple	Number of votes double		Total votes	% voting rights
				Shares	Votes		
FCB	7 307 393	52.21%	2 441 556	4 865 837	9 731 674	12 173 230	64.42%
FSI	2 102 061	15.02%	2 102 061	0	0	2 102 061	11.12%
JCL	57 812	0.41%	19316	38 496	76 992	96 308	0.51%
GERS	36 432	0.26%	12 144	24 288	48 576	60 720	0.32%
Alliance Healthcare	1 215 432	8.68%	1 215 432	0	0	1 215 432	6.43%
Free float	3 238 853	23.14%	3 229 055	9 798	19 596	3 248 651	17.19%
Cegedim	39 190	0.28%	0	0	0	0	0.00%
Sub-total JCL/FCB/FSI	9 467 266	67.64%	4 562 933	4 904 333	9 808 666	14 371 599	76.05%
Total	**13 997 173**	**100.00%**	**9 019 564**	**4 938 419**	**9 876 838**	**18 896 402**	**100.00%**

To the Company's knowledge, on the date this Reference Document was compiled, the shareholders holding more than 5% of the capital and voting rights are: FCB, FSI, Alliance Healthcare France and Financière de l'Echiquier.

On December 22, 2009, the FSI sent to the Company its declaration that it went beyond the thresholds of 5% and 10% of the Company.

The impact on the company government of the entry of FSI into the capital of Cegedim is explained in the highlights of this Corporate Management Report.

On December 31, 2008, the capital and voting rights were as follows:

Shareholders	Number of shares held	% held	Number of votes simple	Number of votes double		Total votes	% voting rights
				shares	votes		
FCB	6 271 555	67.21%	79 511	6 192 044	12 384 088	12 463 599	75.34%
Alliance Healthcare France	933 145	10.00%	0	933 145	1 866 290	1 866 290	11.28%
Financière de l'Echiquier	496 680	5.32%	496 680	0	0	496 680	3.00%
Jean-Claude Labrune	38 496	0.41%	0	38 496	76 992	76 992	0.47%
GERS	36 788	0.39%	0	36 788	73 576	73 576	0.44%
Free float	1 554 785	16.66%	1 544 397	10 388	20 776	1 565 173	9.46%
Cegedim.	0	0.00%	0	0	0	0	0.00%
Total	**9 331 449**	**100.00%**	**2 120 588**	**7 210 861**	**14 421 722**	**16 542 310**	**100.00%**

- Aspects that may have an impact in the case of public offering (Art. L. 225-100-3)

In the event of a public offering, there are no specific provisions likely to have an impact on:

- the structure of the Company’s capital;
- the statutory restrictions on exercising voting rights and transferring shares;
- direct or indirect stakes in the Company’s capital of which it is aware pursuant to Articles L. 233-7 and L. 233-12;
- the rules applicable to appointing and replacing members of the Board of Directors and to amending the Company’s bylaws;
- the authorities of the Board of Directors, particularly with respect to issuing or buying back shares.

Furthermore,

- the Company was not informed of any agreements pursuant to Article L. 233-11;
- there are no holders of shares comprising special control rights (except for the double voting rights, the allotment of which is completely independent of the occurrence of a public offering);
- there is no special mechanism set forth in the employee shareholding plan when control rights are not exercised by employees;
- the Company has no knowledge of agreements between shareholders that might result in restrictions on transferring shares and exercising voting rights;
- the agreements entered into by the Company likely to be amended or to end in case of a change in control of the Company are relatively few in number and are confidential in nature;
- there are no agreements providing for compensation for the members of the Board of Directors or employees if they resign, if they are dismissed for just and serious cause, or if their employment ends due to a public offering.

Regarding contracts entered into by the Company that could be amended or end in the event of a change in control of the Company, Cegedim has no policy of engaging in such agreements. However, there are clauses protecting the intellectual property of the Group which should not be revealed on confidentiality related grounds.

- Employee equity participation

In accordance with the provisions of Article L. 225-102 of the Code of Commerce, we would like to report to you on the Company’s employee equity participation plan as at the last day of the fiscal year. On December 31, 2009, the Corporate Mutual Fund consisted of 77 500 Cegedim shares representing 0.55% of the capital.

- Comments from the Work Council

Pursuant to the provisions of Article L. 432-4 of the French Labor Code, we inform you that the Work Council has not made any comments concerning the Company’s economic position and its employment practices.

- Auditors' control

We ask you, in accordance with Article L. 225-40 of the Code of Commerce, to approve the agreements referred to in Article L. 225-38 of this same Code, entered into or continued during the fiscal year, after having been duly authorized by your Board of Directors. The Auditors were duly advised of these agreements that they described in their Special Report, which we have made available to you in accordance with the legal and regulatory provisions.

We would also like to inform you that the list and the purpose of the routine agreements entered into during fiscal year 2009 under normal conditions that, due to their purpose or their financial implications, are significant for the parties, were provided to the Directors and to the Auditors and are appended to this report.

- Directors' fees

We propose that you approve the total amount of Directors' fees allocated to the Board of Directors for the fiscal year in progress, which could be set at 120 thousand euros.

- Information concerning corporate officers

  - List of corporate officers

In accordance with the provisions of Article L. 225-102-1, paragraph 3 of the Code of Commerce, we are supplying in an annex the list of all the offices and duties exercised in all the companies by each of the Company's corporate officers.

  - Compensation of corporate officers

In accordance with Article L. 225-102-1, paragraph 2 of the Code of Commerce, we inform you that the amounts of compensation and benefits of all kinds that each corporate officer of the Company received during the past fiscal year from the companies controlled by your Company in accordance with Article L. 233-16 of the Code of Commerce are stated in the list appended below.

- Transactions on shares

  - Treasury shares

We inform you that at December 31, 2009, the Company held 39 190 own shares purchased on March 26, 2009, at the gross unit price of €31.50, i.e. a gross amount of €1 234 485.

The negotiating expenses related to this purchase totaled €1 234.49.

All of these shares were assigned to the free share award plan of March 21, 2008, and the plan of November 5, 2009. The Company has yet to purchase 16 488 shares to honor these two plans.

- Transactions on shares held by corporate officers

Below is a summary statement, to the Company's knowledge, of operations on shares of corporate officers for the period between January 1, 2009 and December 31, 2009:

	Number of shares purchased (1)	Number of shares sold
Jean-Claude Labrune	19 316	no operations
Laurent Labrune	200	no operations
Aude Labrune	no operations	no operations
Pierre Maucchi	2 889	1 584
GERS	12 144	12 500
Philippe Alaterre	no operations	no operations
ALLIANCE	282 287	no operations
Anthony Roberts	no operations	no operations
Total	**316 836**	**14 084**

(1) including share subscribed during the right issue

- Authorizations concerning capital increases

See point 26.2.7 in annex.

26.1.2 Cegedim Group corporate management report

- Presentation of the consolidated financial statements

Pursuant to European regulation no. 1606/2002 of July 19, 2002, the consolidated financial statements of the Cegedim Group were prepared as at December 31, 2009, in accordance with the international accounting standards adopted in the European Union. The international accounting standards include the IFRS ("International Financial Reporting Standards"), the IAS ("International Accounting Standards") and their mandatory application interpretations on the closing date.

- Group situation and operations during the past fiscal year

  - Group activities

Founded in 1969, Cegedim is a global technology and services company specializing in healthcare. Cegedim offers services, IT tools, specialized software, and information flow and database management services. Its offers target health industries, pharmaceutical laboratories, health professionals and insurance companies.

The Cegedim Group's expertise is broken down into three sectors:

- "CRM and strategic data"
- "Healthcare professionals"
- "Insurance and services"

The world's leader in pharmaceutical CRM (Customer Relationship Management), its historical core business, Cegedim provides the world's largest pharmaceutical companies with vital support for successful CRM and helps to measure the effectiveness of their sales and marketing. The Cegedim Group's CRM tools, with its value-added strategic databases, provide its customers with an informed view of their market and their targets so that they can optimize their strategies and their returns on investments.

Cegedim has also positioned itself as one of Europe's leading publishers of medical and para-medical management software. Structured, scalable, and communicative, this software adapts to the needs of healthcare professionals while meeting the latest technical and regulatory requirements.

Capitalizing on its skills in the publishing of professional software and the processing of complex information, the Group also offers solutions dedicated to health insurance players as well as high value-added management solutions to its many customers concerned with issues related to outsourcing and computerized exchanges.

Cegedim is involved in an ongoing process of developing and synergizing its activities, with a declared ambition of being one of the chief intermediaries for healthcare sector partners and positioning itself at the heart of their information needs.

  - Highlights

    - Entry into the capital of the FSI and increase in capital

Cf Cegedim S.A. corporate management report highlights.

- Free share awards

On November 5, 2009, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to award free shares to the directors and employees of the Cegedim Group.

- Complete Transfer of Assets and Liabilities

Cegedim S.A. took over Dendrite France. This complete transfer of assets and liabilities took place on December 31, 2009, without accounting retroactivity. As a result, the Cegedim S.A. balance sheet as of December 31, 2009, consists, on the one hand, of the assets and liabilities of the company and, on the other, of the assets and liabilities of the company taken over. Concerning the income statement as of December 31, 2009, Cegedim S.A. takes into account the merger mali relating to the complete transfer of assets and liabilities.

- Acquisitions during fiscal year 2009

February 2009: acquisition of the Belgian company Fichier Medical Central SPRL (FMC), which specializes in databases of healthcare professionals.
In 2008, revenue from these activities represented less than one million euros.

March 2009: acquisition of Next Software, a publisher of pharmacy management software in Tunisia. This transaction reinforces Cegedim's position in the pharmacist computerization market in the Maghreb.
In 2008, revenue from these activities represented less than one million euros.

July 2009: acquisition of the company Nomi, one of the leading providers of business intelligence and sales force optimization solutions for the pharmaceutical industry in the Nordic region. With its three product lines: databases, CRM, and market and prescription studies, Nomi's products and services perfectly complement the Cegedim Group's existing offering in Sweden, Norway, Finland, and Denmark.
In 2008, the acquired activities represented revenue of more than 6 million euros.

July 2009: acquisition of the company Hospital Marketing Services Ltd (HMSL), specializing in hospital-based patient and promotion data analysis in the United Kingdom. The acquisition of this recognized player in hospital panels and studies allows the Cegedim Group to extend its skills to specialists in English hospitals.
In 2008, revenue from these activities represented more than one million euros.

October 2009: acquisition of Pharmacie Gestion Informatique (PGI), a publisher of management software for pharmacies in France. This acquisition strengthens the Cegedim Group's positions in the Brittany region and rounds out its line of management solutions for French pharmacies.
In 2008, the acquired activities represented revenue of nearly one million euros.

- Changes in activity during fiscal year 2009

Consolidated 2009 revenues came to 874 million euros, up 4.3% year on year in organic terms and 3.0% on a reported basis.

Given the significant improvement in Group businesses, the operating margin rose to 11.4% from 10.6% in 2008, and the operating margin from ordinary activities climbed to 12.8% from 11.4% a year earlier.

Operating profit rose 11% to 99.8 million euros. This performance is the result of the Group's strong capacity for innovation, restructuring measures, and numerous commercial successes.

Following the May 2007 acquisition of Dendrite, Cegedim implemented a variety of measures to properly integrate Dendrite's activities and to optimize the results expected from the acquisition. These measures cost 15.7 million euros in 2009 and were accounted for under the operating result.

Under IFRS standards, a portion of these costs, 11.7 million euros, was isolated in the operating result as a non-recurring item, thus generating an operating result from ordinary activities. To permit uniform measurement of margins, the Group takes into account all exceptional charges (IFRS and non-IFRS), resulting in the use of a restated operating result. This restated operating result is also used to determine the ratios for testing compliance with certain debt covenants.

The restated operating result amounts to 116 million euros, giving a margin of 13.2% against 12.4% in 2008.

			2009 ordinary operating income		2008 ordinary operating income	
	2009 Revenue in K€	2008 Revenue in K€	In K€	%	In K€	%
CRM and strategic data	487 000	492 620	60 240	12.4%	55 565	11.3%
Healthcare Professionals	271 054	250 214	36 658	13.5%	34 537	13.8%
Insurance and services	116 018	105 743	14 632	12.6%	6 535	6.2%
Total revenue	874 072	848 577	111 530	12.8%	96 637	11.4%

- CRM and strategic data

This sector generated 2009 revenues of 487 million euros.

Operating result from ordinary activities was 60.2 million euros, resulting in a margin of 12.4%, compared with 11.3% in 2008. The significant margin increase is principally attributable to the Americas and Asia, evidence that the Dendrite acquisition has been a complete success operationally. The mixed year-end at the “strategic data” division, on the other hand, hurt margin growth. Nevertheless, this division continues to enhance its leadership, particularly with longitudinal patient studies. Following a year of investment, the Group expects a recovery, with a new process automation model tailored to pharmaceutical companies’ evolving needs.

Lastly, the Group continues to stay a step ahead of its clients’ needs in a changing market, meaning it has numerous sources of future growth.

All of these ingredients, combined with the most recent round of synergies and R&D optimization, make the Group confident that it will continue to improve its margins in the years ahead.
The restated* margin amounted to 12.9%.

- Healthcare professionals

The sector’s 2009 revenues amounted to 271 million euros.

Operating profit from ordinary activities came to 36.7 million euros, giving an operating margin from ordinary activities of 13.5%, down very slightly compared with 2008.

This slight dip is attributable to the economic conditions facing pharmacies in France, which affected software and promotional information activities. By contrast, the Group saw fine performances from software publishing for doctors and paramedics in France, pharmacists and doctors in the UK, and the Banque Claude Bernard database for assistance with prescribing and issuing medication.

Throughout 2009, the Group continued to strengthen international synergies among the varies entities in this sector, particularly at the technical level, in order to maintain its technological lead and the quality of its services.

Sector performance was also driven by the Cegelease business whose effective policy of divesting contracts which exceptionally increased sales without hurting margins and without significantly affecting the Group's balance sheet.

This sector's performance is all the more admirable in that Cegelease contributed 40% of revenues but at a margin below the sector average.

The restated* margin came to 13.9%.

- Insurance and services

The sector generated 2009 revenues of 116 million euros.

Operating result from ordinary activities came to 14.6 million euros, giving a margin of 12.6%, up from 6.2% in 2008. The two-fold increase in margin was due overwhelmingly to the strong commercial success of various data flow management platforms.

The success of software packages designed for insurance companies and mutual insurers, including the new Activ'Infinite offering, and the relevance of a business model based on highly recurring revenues also helped boost margins.

It is also worth noting the strong development of the Cegedim SRH, an expert in outsourced payroll and HR management services.
The restated* margin came to 13.1%.

- Net profit

Attributable net profit amounted to 54.8 million euros, a 64% increase over 2008. This result incorporates a 7.6% drop in the debt expenses and a drop in tax expenses.

EPS rose 61% year on year to 5.8 euros. It is worth noting that the number of shares used for this calculation is the weighted average number of common shares in issuance over the period, i.e. 9,480,237 shares at December 31, 2009, and 9,331,449 shares at December 31, 2008.

- A solid economic model

Cegedim also laid the groundwork for the future in 2009 with a 180.5 million euros capital increase and welcomed the French Strategic Investment Fund (FSI) as a shareholder.

The Group's key ratios attest to its financial health. It has a robust balance sheet position, with share capital representing 35% of total assets.

Net financial debt stood at 395.1 million euros, or 0.8x shareholders' equity, compared with 594.4 million euros and 2.5x in 2008. As a result, Group net financial debt has dropped by 199 million euros due to the cash generated by business activities and the capital increase carried out to finance acquisitions. Net financial debt represents 2.2x 2009 EBITDA from ordinary activities.

Investments under the acquisition policy amounted to 13 million euros and included FMC (Belgium), Nomi (Nordic countries), HMSL (UK), Next Software (Tunisia) and PGI (France). The recently acquired SK&A (USA) will be integrated starting on January 1, 2010.

Cash flow before the cost of net financial debt and tax charges rose 10.6% compared with 2008 to 171 million euros, i.e. a margin of 20%.

- Financial structure and debt

The consolidated equity capital totaled 466 million euros at December 31, 2009, compared with 242 million euros at December 31, 2008, showing an increase of 223.9 million euros. This increase is explained by the increases in company capital of 4.4 million euros, the issue premium of 170.6 million euros, the Group reserve of 36.2 million euros and the Group earnings of 21.1 million euros combined with a negative Group conversion difference of 8.1 million euros and a change in minority holdings (-0.2 million euros). The portion of equity relating to minority interests is 0.7 million euros as at December 31, 2009, or 0.2%.

Financial liabilities payable in less than one year amounted to 131.8 million euros, and financial liabilities payable in more than one year came to 384.7 million euros, i.e. a total of 516.4 million euros, compared to 687.9 million euros in 2008.

Considering the positive cash position, the Group's net financial debt amounted to 395.1 million euros compared to 594.4 million euros at the end of 2008, a decrease of 199.4 million euros. It represents 0.8 times the amount of equity capital.

The Cegelease Company concluded a flow exchange transaction with Natixis, according to the terms of which Natixis must pay forecasted amounts for lease receivables to Cegelease, and Cegelease must pay the actual amounts for these same receivables to Natixis. As the flow exchange transaction guarantees Cegelease's future receivables, Natixis has granted the latter a cash collateral that is repaid as the receivables are collected. As a guarantee of its obligations to repay the cash collateral, Cegelease must transfer full ownership of certain receivables resulting from its goods leasing activity to Natixis. The financial interest (2 888 thousand euros for 2009) is calculated on the cash collateral. The cash collateral, which is the up-to-date outstanding leases yet to be collected from clients on behalf of Natixis, is 36 million euros as at December 31, 2009. The 2010 repayments are estimated as 21.5 million euros.

- Investments

The direct equity investments made by Cegedim S.A. and indirect equity investments made via the Group's subsidiaries were presented earlier.

In 2009, net consolidated intangible assets grew by 16.1 million euros, while consolidated net tangible assets declined by 9.5 million euros.

- Research and development activity

Research expenses are recorded as expenses for the fiscal year during which they were incurred. Development expenses for new internal projects are capitalized if the following criteria are fully satisfied in accordance with standard IAS 38:
  - the project is clearly identified and the related costs are separable and tracked reliably;
  - the technical feasibility of the project has been demonstrated, and the Group has the intention and the financial capacity to complete the project and use or sell the products resulting from this project;
  - it is probable that the developed project will generate future economic benefits that will flow to the Group.

Otherwise, the development expenses are recorded as expenses for the fiscal year during which they were incurred.

Depreciation is calculated as of the moment the fixed asset is in use and is calculated over its foreseeable useful life.

Once in use, an asset whose development is complete is removed from the development expenses item and recognized under the corresponding asset item (generally software).

The development costs incurred in 2009 on projects in the course of development were 32.6 million euros, of which 18.7 million euros were for Cegedim S.A.

Cegedim S.A. brings together the pooled research and development teams assigned to projects using the Group's shared IT infrastructure. Some subsidiaries also have their own teams, and conduct their R&D activities under the coordination of the corporate headquarters.

The significant effort made by Cegedim S.A. focused on the development of a Cegedim Dendrite convergence solution for the management of pharmaceutical company sales forces on the development of OneKey offerings in the United States and the expansion of US offerings to the global market.

Economically, the two main projects involve the CRM sector and strategic data for a total amount of 28 million euros and the healthcare sector for a total amount of 13 million euros. These have a depreciation duration of 20 years. The other projects involve all the sectors of activity of the Cegedim group and have an average depreciation duration of between 6 and 7 years.

Investments are completed by software and hardware investments, as well as by the work of the dedicated IT teams performed routinely within the Group's different subsidiaries in order to provide application maintenance for all of the solutions marketed.

In all, the Cegedim Group devotes around 7% of its sales revenues to research and development, without this figure being a target.

- Analysis of business developments

  - Key financial performance indicators

The Cegedim Group's key financial indicators are:

- consolidated sector sales;
- consolidated EBIT;
- capital expenditures;
- financial structure.

Detailed comments on these are provided above.

- Key non-financial performance indicators

The key non-financial performance indicators applicable to Cegedim S.A. are also applicable at the consolidated Group level.

They are rounded out by different indicators specific to the Group's businesses, particularly:

- tracking of the number of users of CRM solutions;
- as well as the qualitative and quantitative content of the databases marketed by the Group.

The Cegedim Group currently has more than 200 000 users of its products and hopes to provide new services aimed at 400 000 mechanized visitors around the world.

- Risk factors and use of financial instruments

The Group's activities remain subject to the usual risks inherent in engaging in its trades as well as political and geopolitical risks arising from its international presence for most of its activities and unexpected instances of *force majeure*. The main identified risks are as follows:

- Interest rates risk

To limit the effects of rising interest rates on its financial expenses, and as requested in the credit agreement, the Group decided to implement a risk hedging policy to protect maximum annual finance rates for the term of loans. Only Cegedim S.A. has hedged borrowing as necessary.

Interest rate hedges are monitored centrally so allowing the Group's overall interest rate risk exposure to be measured and the market instruments used under hedging strategies in place to be perfectly controlled.

The Group hedges interest rate risk on the basis of both current debt and probable future debt levels, namely accounting for changes in the use of its revolver lines of credit. Depending on the position to be managed and the benchmark rate upheld, a hedging strategy is implemented. The aim of such a strategy is to protect the benchmark rate and leverage, at least in part, on any positive changes. These hedging strategies mainly involve futures or forwards derivatives and options derivatives. There is no guarantee as to the Group's capacity to effectively hedge itself against interest rate risks.

The amount of loans exposed to exchange risk is 166 000 thousand dollars on the one hand, and 45 094 thousand euros corresponding to all of the debt towards FCB on the other hand.

- Exchange rate risk

66% of the Group's activities are conducted by subsidiaries in the euro zone, exposing Cegedim to relatively limited exchange rate risk. Indeed, exchange rate effects only had a -0.9% impact on revenue growth in 2009. Such effects are mainly the result of the pound sterling (9% of revenue) and the US dollar (14% of revenue). Thus the company did not introduce an exchange risk hedging policy, not even on the Group's debt in US dollars which was 166 million dollars at December 31, 2009, bearing in mind the Group's income in US dollars.

- Liquidity Risk

The Group's non-operational cash risk is caused mainly by the due date of its bank loans giving rise to the payment of interest and depreciation and the payment flows on financial instruments as well as on other debts that do not generate interest payments. Borrowing is monitored centrally.

The credit facility agreement entered into by the Group implies compliance with financial covenants, failing which, no additional drawings on the revolver credit will be available and any outstanding credit may become payable immediately.

At June 30, 2009, and December 31, 2009, the Group complied with all its covenants.

Aside from the usual covenants for this type of agreement, the Group must meet two ratios (contractual net financial debt over contractual pro forma EBITDA, and contractual pro forma EBITDA over contractual cost of debt).

The meaning of contractual is as defined in the financial agreement covenants. Pro forma means over a 12 month running period.

Net financial debt excludes the subordinated loan granted by FCB to Cegedim and profit sharing plans for Cegedim employees. EBITDA is considered restated with regard to all non-recurrent charges as defined in the credit agreement.

- Client risk

The Group's clients are mainly pharmaceutical companies, physicians, pharmacists, and healthcare insurance companies and mutuals. They do not present any significant counterparty risks.

- Regulatory risk

The Group’s Legal Department centralizes and keeps up with developments in current legislation and regulations, ensuring that the Group’s activities comply with applicable laws and regulations. Changes in regulations could have an impact on the performance of the Group’s activities and consequently on profitability.

Although the health sector is highly regulated, the Cegedim Group, as a service provider, is not subject to the same regulations to the exclusion of rules governing the protection and transfer of personal data. In particular, they require that systematic declarations be made to the regulators of the countries in which the Group owns or manages files and databases.

There are no technological ties or dependencies with other companies whose threshold is significant enough to have an appreciable impact on Cegedim. The Group owns all assets needed for its operation.

There are no special tax provisions applicable to the Group which are risk factors.

- Legal risks

For the Group, the legal risk represents the risk of any litigation for liability resulting from any inaccuracy, negligence, or insufficiency that could be attributed to it for its operations. To a large extent, the Group’s activity depends on the effective protection of its intellectual property rights pertaining to the trademarks used and the software and databases the Group develops.

To the Company’s knowledge, there are no litigations that have not been covered by provisions in the financial statements likely to have or that have recently had a significant impact on the financial position, the earnings, the activity and the assets of the Company or the Group.

- Political risk

Political risk is the risk associated with a political situation or a decision of political power: nationalization without adequate compensation, revolution, exclusion from certain markets, discriminatory taxation, inability to repatriate capital and so on.

Due to its international scope, the Group remains vigilant regarding the political developments in the various countries in which its subsidiaries are located.

- Industrial and environmental risks

The international strategy of the Cegedim group naturally involves sustainable development with a view to making a contribution to social fairness challenges with respect to its collaborators and local communities in the 80 countries where the Group operates, to environmental protection by minimizing the impact of the Group's activities on its environment, and to economic efficiency. The sustainable development program of the Cegedim Group was thus launched in September 2008 on the initiative of the Group's management. Called Cegedim Compact, it is inspired by the United Nations "Global Compact".

Operating in the sector of technologies and services relating to information and databases, the Cegedim Group's priority is to satisfy its clients and partners concerning systems and data security. The Chairman's report on internal control details the information system security measures implemented in the Cegedim Group.

The industrial risks are also covered by adequate insurance policies.

Given their essentially intangible nature (software, databases and intellectual services), the activities of the Cegedim Group have no significant environmental impact. In accordance with local laws and regulations concerning health, Cegedim has nevertheless put in place global or local initiatives to reduce its environmental impact.

- Significant events that have occurred since the end of the fiscal year

On January 7, 2010, the Cegedim Group acquired SK&A Information Services, Inc. (SK&A). This first-rate healthcare data supplier, based in the United States, has established and maintains a database containing targeted information on more than two million healthcare professionals, including more than 800 000 prescribers. This acquisition allows the Cegedim Group to complement and reinforce its OneKey offering in the United States. In 2008, the acquired activities represented annual revenue of around 15 million dollars.

- Foreseeable trend of the Company's situation and future prospects

For 2010: an increase in revenue of about 4 to 5% is expected, including 2 to 3% of organic growth.

All of the cost-reduction policies implemented in 2008 and 2009 should, all things being equal, contribute to the improvement of margins.

- Employment and environmental information

To satisfy the provisions of Article L. 225-102-1 paragraph 4 of the Code of Commerce, we have provided the required information below.

- Employment information

We have appended a table of the required information to this Report.

- Environmental information

Considering their nature, the Cegedim Group's activities do not require any specific comments about the environment.

We ask you, in accordance with Article L. 225-100 and L. 233-16 of the Code of Commerce, to approve the consolidated financial statements presented to you in the appendices.

The Board of Directors

26.2. Appendices to the Management Report

26.2.1 Earnings for the last five fiscal years (in euros)

Closing date	12/31/2009	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Length of the fiscal year (months)	12	12	12	12	12
Capital at end of fiscal year					
Share Capital	13 336 506.43	8 891 004.63	8 891 004.63	8 894 004.61	8 891 004.61
Number of shares					
- common	13 997 173	9 331 449	9 331 449	9 331 449	9 331 449
- with a preferred dividend					
Maximum number of shares to be created					
- through bond conversions					
- through subscription rights					
Operations and earnings					
Revenue excluding taxes	155 886 601.54	146 163 676.17	138 039 458.63	92 995 188.13	91 325 069.36
Earnings before taxes, profit sharing, depreciation, and provisions	57 003 642.07	(16 925 104.78	6 730 293.61	45 185 487.32	33 201 883.40
Income taxes	(9 130 423.50)	(11 300 284.17)	(7 377 518.42)	(2 225 125.50)	5 202 082.28
Employee profit sharing	315 857.59	660 299.39	254 486.00	659 450.00	1 091 517.82
Depreciation and provisions	3 969 547.67	16 413 422.34	2 642 031.58	14 261 620.10	13 773 572.62
Net earnings	61 848 660.31	(22 698 542.34)	11 211 294.45	32 489 542.72	13 134 710.68
Distributed earnings	13 997 173.00	-	8 398 304.10	7 465 159.20	7 185 215.73
Earnings per share					
Profit after tax, profit sharing, and before allowances, depreciation, and provisions.	4.70	(0.67)	1.48	5.01	2.88
Profit after tax, profit sharing, allowances, depreciation, and provisions.	4.42	(2.43)	1.20	3.48	1.41
Dividend allotted	1.00	-	0.90	0.80	0.77
Employees					
Average number of employees	1 005	989	910	561	547
Payroll	46 540 429.98	45 136 048.62	40 295 672.42	24 925 176.89	23 703 911.76
Sums paid for employee benefits (social security, welfare institutions, etc.)	21 845 703.21	20 209 331.56	18 138 984.78	11 790 370.01	11 417 095.81

26.2.2 Inventory of securities as of December 31, 2009

- Participating interests

Companies	Number of shares or units	% stake	Net asset value (€)
1. French companies			
Amix	500	100.00%	7 622
Alliadis	8 161	100.00%	44 224 377
Alliance software	102 500	100.00%	5 980 214
Apsys net	80 000	100.00%	955 600
Bkl consultants	532 000	100.00%	0
Cds	500	100.00%	12 518 294
Cegelease	6 450	100.00%	10 219 374
Cegers	1 500	50.00%	22 867
Cegedim activ	873 900	100.00%	24 382 173
Cegedim SRH	9 776 597	100.00%	3 578 576
Cegedim Holding cis	4 000	100.00%	0
Cetip	39 311	99.66%	1 178 995
Edipharm	200	20.00%	3 049
Hospitalis	1 000	100.00%	37 000
Icomed	2 500	100.00%	188 656
Incams	2 500	100.00%	2 625 662
iSanté	750	100.00%	0
Medexact	6 549	100.00%	654 900
Pco Cegedim	25 000	100.00%	1 319 367
Pharmapost	1 000	100.00%	2 464 145
Pharmastock	5 000	100.00%	576 225
Qualipharma	1 000	100.00%	0
Reportive SA	80 019 361	100.00%	2 448 150
Resip	1 600	100.00%	20 434 710
Rnp	26 000	100.00%	2 429 694
Rosenwald	2 516	99.84%	311 154
Sofiloca	1 000	100.00%	15 245
Sci 2000	159	68.83%	846 739
Netfective technology	130 875	7.11%	280 222
Nex & Com	240	20.00%	13 332

Companies	Number of shares or units	% stake	Net asset value (€)
2. Foreign companies			
Cegedim USA Inc.	10 000	100.00%	302 632 276
Cegedim do Brasil	1 736 825	100.00%	0
Cegedim Holding GmbH	500	100.00%	6 906 055
Cegedim GmbH (Austria)	13 000	100.00%	130 000
Cegedim Dendrite Limited	4 150 000	100.00%	334 433
In Practice Systems (England)	14 000 000	100.00%	1
Thin (England)	100	100.00%	0
Cegedim World Int.Services Ltd	6 000	100.00%	60 000 000
Cegedim Hungary kft	1 000	100.00%	89 427
Cegedim Turkey	23 353	26.41%	375 771
Cegedim Hellas	11 932	99.98%	360 244
Cegedim Romania srl	444	100.00%	1 030 533
Cegedim SK SRO (Slovakia)	100%	100.00%	8 125
Croissance 2006 (Belgium)	13 781	100.00%	6 242 793
Cegedim Belgique	2 999	99.97%	268 985 409
Csd Belgium (formerly: BKL Pharma Consulting)	1	0.02%	10
Gers Maghreb (Tunisia)	630	6.42%	16 759
Cegedim Tunisia	25 170	94.73%	0
Cegedim Algeria	1000	100.00%	82 223
Cegedim CIS (Czech Republic)	100	100.00%	996 383
Cegedim CZ (Czech Republic)	1 000	100.00%	28 796
Cegedim Italy	9 999 892	99.99%	10 024 736
Cegedim Trends (Egypt)	28	70.00%	434 351
Cegedim Spain	900 000	100.00%	1 656 337
Cegedim Portugal	5 000	8.93%	366 945
Next software (Tunisia)	1	0.05%	232
Total participating interests			**798 418 182**

- Other long-term securities

For French companies: none
For foreign companies: none

- Marketable securities

	Net asset value (€)
Shares allotted to employees	1 234 485
Chevreux cash assets	500 000
SICAV	29 681 985
Total marketable securities	**31 416 470**

- Summary

	Net asset value (€)
Participating interests	798 418 182
Other long-term securities	-
Marketable securities	31 416 470
Grand total	**829 834 652**

26.2.3 List of Directors in office, positions, and compensation

Prepared prior to the General Meeting held on June 8, 2010.

Mr. Jean-Claude Labrune - 137, rue d'Aguesseau, 92100 Boulogne

Positions	Companies
Chairman & CEO	Cegedim
Permanent representative of	Cegedim on the Board of Directors of Cegedim SRH
Chairman of the Board of Directors	Cetip
S.A.S. Chairman	FCB, Hospitalis, Pharmapost
Manager	Cegers, Icomed, JCL, RNP

Fixed compensation: €714 182
Variable compensation: none
Director's fees: €10 600
Non-cash benefits: €1 132 - company vehicle.
Allocation of free shares: none

Mr. Laurent Labrune - 114, rue d'Aguesseau, 92100 Boulogne

Positions	Companies
Director	Cegedim, FCB
Chairman & CEO	Cegedim SRH
S.A.S. Managing Director	FCB

Fixed compensation: €213 915
Variable compensation: €101 000
Director's fees: €7 500
Non-cash benefits: €5 915 - company vehicle.
Allocation of free shares: 1 600 free shares under plan no. 1, allocated on March 21, 2008, purchased on March 21, 2010, at the initial price of €52.00. Purchase price adjusted by allocations of free shares valued on December 31, 2009, at €48.77.

Mrs. Aude Labrune - 11, rue des Fontenelles, 92310 Sevres

Positions	Companies
Director	Cegedim, FCB
S.A.S Chairman	Rosenwald
S.A.S. Managing Director	FCB

Fixed compensation: €79 830
Variable compensation: €6 250
Director's fees: €7 500
Non-cash benefits: €1 830 - company vehicle
Allocation of free shares: none

GERS - Tour Franklin 100-101, quartier Boildieu, 92042 Paris La Defense CEDEX

Permanent representative of GERS: Mr. Philippe Alaterre - 8, avenue de Berry, 92330 Sceaux

Positions	Companies
Chairman	GIE GERS
Permanent representative of	GERS on the Board of Directors of Cegedim

Director's fees: €7 500, paid directly to GERS
Allocation of free shares: none

Alliance Healthcare France - 222, Rue Des Caboeufs 92622 Gennevilliers

Permanent representative of Alliance Healthcare France: Mr. Anthony Roberts - Flat 11, The Morocco Store, 1 Leather Market Street, London SE1 3HN.

Positions	Companies
Permanent representative of	Alliance Healthcare France on the Board of Directors of Cegedim

Director's fees: corporate officer appointed on December 21, 2009, after payment of the director's fees
Allocation of free shares: none

FCB - 137, rue d'Aguesseau, 92100 Boulogne

Permanent representative of FCB: Mr. Pierre Marucchi - 9, cour Jasmin, 75016 Paris

Positions	Companies
Director	Cetip, Cegedim SRH, FCB, Proval NTIC, Reportive
Permanent representative of	FCB on the Board of Directors of Cegedim
Chairman of the Board of Directors	AGDF Cegedim RS
Chairman & CEO	Proval
S.A.S. Chairman	CSD France, CDS, Cegedim Holding CIS, Cegedim Ingénierie, Chebranmic, DRE, Incams
S.A.S Managing Director	FCB
Managing Director	Cegedim, Cegedim SRH, Reportive
Manager	Amix, Apsys net, Iris, iSante, Qualipharma, Resip

Fixed compensation: €289 605
Variable compensation: €241 100
Director's fees: €10 600
Non-cash benefits: €4 606 - company vehicle
Allocation of free shares to the representative: 1 280 free shares under plan no. 1, allocated on March 21, 2008, purchased on March 21, 2010, at the initial price of €52.00. Purchase price adjusted by allocations of free shares valued on December 31, 2009, at €48.77.

26.2.4 Employment information

(Article L. 225-102-1 paragraph 4 of the Code of Commerce)

	France 2009	Etranger 2009	Global 2009
Employees at 31/12/09			
Permanent	3 161	4 554	7 715
Fixed-term contracts	680	347	1 027
Total staff [(1)]	3 841	4 901	8 742
"Full-time" employees [(2)]	3 526	4 530	8 056
"Part-time" employees	315	371	686
Hires			
Permanent	418	986	1 404
Fixed-term contracts	275	308	583
Total hires	693	1 294	1 987
Departures	494	1 521	2 015
Temporary employees (in person-days)	16 283	3 314	19 597
Absenteeism [(3)] (in person-days)	43 353	15 181	58 534
Payroll at 31/12/09 (thousands of euros)	126 014	169 888	295 902
Benefit-related expenses at 31/12/09 (thousands of euros)	66 566	39 028	105 594
Training (thousands of euros)	2 443	741	3 184

[(1)] Including holders of temporary contracts.
[(2)] Number of work hours in compliance with the regulations in effect in the various countries.
[(3)] The absenteeism shown excludes paid holidays and reduced work time (RTT), both in France and abroad.

26.2.5 Details of the activity of the companies of the Cegedim Group whose corporate sales revenue exceeds 30 million euros

- Cegedim Activ

  - Presentation

Cegedim Activ is now the leader of software and services dedicated to personal insurance (supplementary health schemes, mandatory health plans, contingency plans, life insurance and retirement).

These solutions cover 30 million insured people in compulsory, supplemental, and pension plans. The healthcare flow management activity handles 200 million transactions and manages 5 million Vitale cards. Cegedim Activ's products are intended for all market operators, such as insurance companies, mutual companies, pension institutions, and brokers.

Cegedim Activ designs, integrates, and hosts services connected to its Aneto and Esquif software packages, thus covering healthcare reimbursements for 15 million people.

  - Activity during the fiscal year

Cegedim Activ is recognized as a key player in the field of healthcare and pension management.

During the course of the year, the activity of Cegedim Activ remained stable with an increase in revenue of 0.4% over the period, and showed a very high increase in its margin as a result of good cost control.

  - Statistical financial statements at December 31, 2009

    - Income Statement

The operating earnings increased very significantly by 151.4% during the year to 7 666 thousand euros at December 31, 2009. This increase is mainly the result of the following items:

- a reduction of the operating income of 3.4% to 63 082 thousand euros at December 31, 2009, following a reduction in capitalized production;
- a reduction in wages and social contributions of 426 thousand euros, or 1.6% during the fiscal year;
- a very significant reduction of the "Other purchases and external expenses" item to 21 998 thousand euros, a reduction of 7 284 thousand euros as a result of effective cost rationalization.

Financial earnings were -1 735 thousand euros in 2009, slightly lower than last year, under the combined effect of a strong reduction in financial income (-2 283 thousand euros primarily integrating the reduction in financial income from equity interests) and financial expenses (-2 131 thousand euros).

Although earnings before taxes amounted to 6 261 thousand euros at December 31, 2009, up by 262.4% over the fiscal year, net earnings totaled 2 727 thousand euros, significantly up by 32.4% compared to 2008.

- Balance Sheet

All the intangible, tangible and net financial assets stabilized over the year at 49 398 thousand euros at December 31, 2009. After the complete transfer of assets and liabilities from Protectia to Kaïros, and then from Kaïros to Cegedim Activ on December 29, 2009, the "Other stakes" item decreased significantly, whereas the “Goodwill” increased.

Cegedim Activ’s trade receivables were 13 070 thousand euros at December 31, 2009, a 38.8% decrease compared to last year following good management of client payment collections.

Shareholders’ equity decreased to 21 435 thousand euros from 25 179 thousand euros in 2008, explained in large part by the reduction in the “Other reserves” item.

Loans, sundry financial debts and other debts totaled 25 121 thousand euros at December 31, 2009, a decrease of 21.5% compared to the previous year after repayment to the lenders CWISL, Croissance 2006 and Cegedim S.A.

- Outlook for 2010

The personal insurance market is changing. The regulation trend is accelerating, and Cegedim Activ is intending to strengthen its position in 2010 and to increase its revenue.

- Alliadis

  - Presentation

Alliadis is part of Business Unit Cegedim Healthcare Software (CHS) within the “Healthcare professionals” sector of the Cegedim Group. It markets and sells the Alliance Plus software for French pharmacists.

Alliadis works in close synergy with the other companies of the Cegedim Group producing and marketing software intended for French pharmacists (the Alliance Software, Data Conseil, and Servilog Concept subsidiaries, in particular) and with Cegelease, which offers financial leasing solutions to its clients.

The following comments concern only the legal entity Alliadis, to the exclusion of other subsidiaries.

  - Activity during the fiscal year

Business at Alliadis declined slightly in 2009. Sales revenue decreased by 6.8% from 47 444 thousand euros to 44 233 thousand euros. This reduction goes hand in hand with a reduction in sales of goods of 13.2% and an increase in sales of services of 1.6%.

Overall, operating income decreased by 6.5% while operating expenses fell by 7.0%.

  - Statutory financial statements at December 31, 2009

    - Income Statement

Operating income fell slightly by 224 thousand euros (-3.2%) compared to the previous fiscal year to 6 690 thousand euros, which is explained particularly by the following combined effects:

- a reduction in revenue of 6.8% over the period;
- a reduction in purchases of goods and other supplies of 2 262 thousand euros (-16.6%);
- stability of other purchases and external expenses (-0.8%);
- good control of the wage bill with a reduction of 3.2% over the period;
- an increase in the operating provisions of +17.7%.

The other items in the income statement do not call for any particular comments.

Financial earnings at December 31, 2009, showed a profit of 922 thousand euros compared to a profit of 4 064 thousand euros for fiscal year 2008.

This change from one year to the next can be explained in particular by the following items.

Earnings before taxes were 7 613 thousand euros compared to 10 979 thousand euros in 2008.

- Balance Sheet

All the intangible, tangible and net financial assets stabilized in the year at 11 103 thousand euros at December 31, 2009, or -0.4% over the period.

Alliadis' trade receivables were 6 254 thousand euros at December 31, 2009, a 14.4% decrease compared to last year following good management of client payment collections.

Available funds were 107 thousand euros, a significant decrease of 16 463 thousand euros.

At December 31, 2009, the shareholders' equity was 9 073 thousand euros compared to 24 533 thousand euros in 2008, a reduction of 63% which is explained by the reduction in earnings compared to the previous year and the reduction in other reserves.

Loans, sundry financial debts and other debts totaled 1 958 thousand euros at December 31, 2009, a decrease of 16.3% compared to the previous year after repayment to the Group's lenders.

Accounts payable were 2 767 thousand euros, an increase of 16.2%.

- Outlook for 2010

For 2010, Alliadis forecasts an almost inchanged situation for its revenue and a slightly decrease of its markgin.

- In Practice Systems (INPS)

  - Presentation

In Practice Systems (INPS) is the British subsidiary of the Cegedim Group's "physician software" business and contributes to the earnings in the "Healthcare professionals" sector.

Its "Vision" software is gaining recognition as the benchmark in Windows solutions for Primary Care in the United Kingdom. INPS is a player recognized by the market's main "Local Service Providers" and also has the ability to sell its software directly to physicians according to the "GPSoC" (GP System of Choice). The company is continuing to develop its solutions in order to comply with the recommendations of the governmental program of the National Health Service.

  - Activity during the fiscal year

In 2009, the company's activity grew compared to the previous year, with increased sales revenue reaching 32 717 thousand pounds at December 31, 2009, compared to 31 858 thousand pounds at December 31, 2008.

  - Statutory financial statements at December 31, 2009

    - Income Statement

The operating earnings were 5 703 thousand pounds at December 31, 2009, compared to 4 657 thousand pounds at December 31, 2008. This high increase of 22.5% is mainly explained by the following items:

- sales revenue of 32 717 thousand pounds, an increase of 2.7% over the fiscal year;
- successful control of goods purchases, 8.1% lower over the period;
- a reduction of external services of 3.8%;
- 9.4% increase in staff charges.

The financial earnings for the year were 166 thousand pounds in 2009 compared to 634 thousand pounds in 2008, with a financial income of 191 thousand pounds and interest charges of 25 thousand pounds.

Bearing in mind the above items, the earnings before taxes were £5 869, 10.9% higher than the previous year.

    - Balance Sheet

The shareholders' equity was 31 545 thousand pounds at December 31, 2009, an increase of 16.9% over the year. The current account amount was 34 051 thousand pounds, or +20% over the period.

  - Outlook for 2010

In 2010, revenue should remain unchanged. However, operating margin should keep growing.

- Cegelease

  - Presentation

Cegelease is a financial leasing company that offers financing options for pharmacies, primarily for their computer equipment (software packages, hardware, and maintenance). Since 2005, the financing solutions have also covered pharmacy fixtures (sign, cross, automatic devices, furniture) with the Pharmalease brand and since 2006 the financing solutions have spread to other medical sectors under the Médilease brand.

  - Activity during the fiscal year

En 2009, Cegelease's activity continued to grow with an increase in turnover of 31.3%, at 112 774 thousand euros at December 31, 2009.

The activity's growth continues to follow the development of the pharmacist computerization market and the activity of the Pharmalease and Médilease brands in the medical sector other than Pharmacy, but the strong increase in sales is also due to a strong increase in the assignment of financial leasing contracts to financial partners.

  - Statutory financial statements at December 31, 2009

    - Income Statement

Operating earnings amounted to 9 825 thousand euros, an increase of 25.8%, resulting mainly from the following items:

- a significant increase in revenue of 26 877 thousand euros, +31.3%, following good performance of sales of goods in France and more systematic assignment of large client contracts to banks;
- an increase in more moderate goods purchases of 22 632 thousand euros;
- an increase in other purchases and external expenses of 601 thousand euros;
- a reduction in allocations to depreciation of 4.3%.

Purchases of goods, including the changes in inventory, went up because of the increase in assignment of contracts, mainly from the Pharmalease brand, which involve financing of automatic devices, fixtures, signs and heavy equipment, but also from other brands such as Cegelease, Medilease, and Cofidata, and which are for the most part immediately assigned to financial institutions, in order to transfer the financial risk over the term of the contract.

The financial earnings for the year were -2 480 thousand euros in 2009, compared to -2 914 thousand euros in 2008, with a financial income of 409 thousand euros and financial charges of 2 889 thousand euros.

Earnings before taxes were 7 345 thousand euros compared to 4 894 thousand euros in 2008, which is a significant increase of 2 451 thousand euros.

- Balance Sheet

In the assets, tangible assets at December 31, 2009, totaled 48 371 thousand euros. The reduction of 26.3% over the year is explained by the fact that in 2009, new large contracts were more systematically assigned to banks.

Stocks of goods remained stable over the year at 4 712 thousand euros compared to 4 345 thousand euros in 2008.

The accounts receivable were 8 715 thousand euros in 2009, an increase of 5 183 thousand euros over the period following the many contract assignments made at December 31 to bank institutions.

Cash of Cegelease were substantially in surplus in 2009, at 3 150 thousand euros, lower than for the previous year following the repayment to Natixis.

Under liabilities, the loans and financial debts were 98 thousand euros, stable over the period.

Accounts payable were 7 485 thousand euros, an increase of 16.6%. This increase is related to the increase in volume of business.

Other liabilities decreased sharply from 69 680 thousand euros in 2008 to 36 996 thousand euros in 2009, as a result of the partial repayment of securitization operations with Natixis.

The other balance sheets items showed insignificant changes.

- Outlook for 2010

After a very profitable 2009 year in terms of revenue et result, Cegelease anticipates a decrease of its revenue and its margin in line with the market, in particular the return of competitors and low interest rates.

- Dendrite International Inc. (DIL)

  - Presentation

Dendrite International Inc. is part of the “CRM and strategic data” sector of the Cegedim Group. It is a major leader for supplying solutions to the pharmaceutical and life science industry in the fields of sales, marketing and conformance studies. It operates in the United States and is head of the Dendrite Group with activities covering North America, Asia-Pacific and Europe. The following comments only concern the legal entity Dendrite International Inc. – USA.

  - Activity during the fiscal year

In 2009, the company’s activity fell slightly with revenue of 175 904 thousand dollars at December 31, 2009, compared to 197 533 thousand dollars at December 31, 2008, specifically after the sales in November 2008 of its Direct Marketing activity which represented revenue of several thousands of dollars.

  - Statutory financial statements at December 31, 2009

    - Income Statement

Revenue for the period was 175 904 thousand dollars. It consisted essentially of revenues resulting from SFE (Sales Force Effectiveness activities: sales force optimization services) and database activities.

The operating earnings were 22 570 thousand dollars at December 31, 2009, a reduction of 5.5% over the period. The reduction in operating expenses over the period partially offset the reduction in revenue.

Financial earnings at December 31, 2009, were -23 171 thousand dollars. Financial income was 26 337 thousand dollars for the period, while financial charges, mainly interest and related expenses, were 49 508 thousand dollars.

Exceptional earnings at December 31, 2009, were 70 889 thousand dollars. The net earnings were therefore 72 432 thousand dollars for the period.

    - Balance Sheet

At December 31, 2009, the main items making up the assets, in net value, were goodwill for 515 508 thousand dollars, concessions, patents, and brands for 149 961 thousand dollars, receivables for 92 835 thousand dollars, group current accounts payable in more than one year for 68 326 thousand dollars, and cash and cash equivalents for 33 193 thousand dollars.

At December 31, 2009, shareholders’ equity totaled 439 147 thousand dollars, provisions for risks and expenses were 17 782 thousand dollars, accounts payable were 66 424 thousand dollars, and current accounts were 327 085 thousand dollars.

  - Outlook for 2010

The complementary nature of Dendrite International Inc. with the other entities in Cegedim Group’s “CRM and strategic data” sector should continue and allow Dendrite International Inc. to retain its strong position in the United States.

26.2.6 Report from the Chairman of the Board of Directors concerning the conditions for preparing and organizing the Board's work, as well as the internal control procedures set up by the Company

(Article L. 225-37 of the Code of Commerce)

- Introduction

In accordance with the provisions of Article L. 225-37 of the Code of Commerce, as amended by financial security law no. 2003-706 of August 1, 2003, the purpose of this report is to detail:

- conditions for preparing and organizing the work of the Board of Directors;
- any limitations made by the Board of Directors to the powers of the Managing Director and the Deputy Managing Director;
- the internal control procedures established within the Cegedim Group.

This report was prepared on the basis of reports and meetings led by the General Management with all of the bodies involved in the Group's internal control mentioned in the remainder of this document.

- Corporate governance and operation of the Board of Directors

  - Composition of the Board of Directors

We remind you that your Board of Directors consisted of six members as of December 31, 2009, with a commitment to increase to 10 directors in 2010.

On 5 November 2009, the Company adhered to the agreement signed on October 28, 2009, between Mr. Jean-Claude Labrune, FCB and the FSI which was sent to the AMF. This agreement envisages that changes will be made to the corporate governance by a General Meeting called on January 8, 2010. These changes are described under Highlights in this Corporate Management Report.

The list of Directors of Cegedim S.A. including the offices held in other companies is appended to the Corporate Management Report.

  - Frequency of meetings

Article 13 of the bylaws of Cegedim S.A. states that the Board of Directors meets as often as the Company's interests dictate.

Thus, during the past fiscal year, your Board of Directors met 5 times.

The schedule of meetings of the Board of Directors was as follows:

January 13, 2009

- Update on real estate transaction at 114 rue d'Aguesseau in Boulogne
- Update on allocation of free shares

April 7, 2009

- Approval of the financial statements for the fiscal year ended December 31, 2008
- Approval of the consolidated financial statements for the consolidation fiscal year ended December 31, 2008
- Proposed capital increase in cash
- Authorization of a capital increase reserved for employees
- Share buyback program
- Decisions to be made to prepare for and call the annual General Meeting to approve the financial statements for said fiscal year
- Approval of the provisional financial statements
- Guarantee to be given under a commercial contract
- Miscellaneous business.

November 5, 2009

- Allocation of free shares under the authorization given by the Extraordinary Shareholders' Meeting of February 22, 2008:
  - ✓ determination of the share allocation beneficiaries for the fiscal year 2009
  - ✓ changes to the share allocation conditions
  - ✓ corresponding modification of the free share allocation plan
- Increase in capital of the Tunisian subsidiary
- Approval of the financial statements for the first six months of 2009
- Examination of the provisional accounts at December 31, 2009
- Examination and approval, in accordance with Article L. 225-38 of the Code of Commerce, of a draft declaration of consent of the Company to the draft agreement concluded between (i) Mr. Jean-Claude Labrune, (ii) FCB and (iii) the Fonds Stratégique d'Investissement
- Implementation of the delegation of authority granted to the Board of Directors by the Combined General Meeting of Shareholders on May 27, 2009, with a view to increasing the company capital by issuing new ordinary shares with retention of the shareholders' preferential subscription right, within the maximum limit, for nominal value, of €7 622 400
- Sub-delegation to the Managing Director and/or deputy Managing Director of authority to:
  - ✓ establish the final terms of the increase in capital and, in particular, the issue price and subscription period
  - ✓ go ahead definitively with the increase in capital
  - ✓ amend the bylaws accordingly
- Balancing of the amount receivable held by FCB referred to in Article R. 225-134 of the Code of Commerce
- Decisions to be made to prepare for and call the annual Ordinary General Meeting to approve the appointment of new directors
- Miscellaneous business.

November 19, 2009

- Approval of the minutes of the preceding meeting of the Board of Directors
- Establishment and approval the final terms of the increase in capital in cash by the issue of new shares with retention of the shareholders' preferential subscription right within the maximum limit, in nominal value, of €7 622 400, decided following the delegation of authority made at the meeting of the Board of Directors on November 5, 2009
- Preparation of the additional report of the Board of Directors to the General Meeting on use of the delegation of authority in accordance with Articles L. 225-129-5 and R. 225-116 of the Code of Commerce
- Examination and approval in accordance with Article L. 225-38 of the Code of Commerce of signature by the company of an additional agreement entitled *"Third Supplemental Agreement"* to the credit contract dated May 3, 2007
- Appointment of new directors
- Preparation and convening of an Ordinary General Meeting.

December 17, 2009

- Proposed nomination of four new directors including one independent director in accordance with the AFEP-MEDEF Code
- Finalization of the report of the Board of Directors and draft resolutions to be submitted to the Ordinary General Meeting called for January 8, 2010
- Miscellaneous business.

- Convening of Directors

The Directors were convened by fax and e-mail in compliance with Article 13 of the bylaws of Cegedim S.A.

In accordance with Article L. 225-238 of the Code of Commerce, the Auditors were convened to the Board of Directors' meetings during which the annual and interim financial statements were examined and approved.

- Information provided to Directors

All documents and information necessary for the Directors to perform their duties were sent to them prior to each meeting of the Board of Directors.

At any time of the year, the Board of Directors may perform the checks and audits it deems advisable. In this respect, each Director may request the documents necessary to perform his duties from the Chairman of the Board of Directors.

- Meeting location

Meetings of the Board of Directors are held at the Company's corporate headquarters.

- Meeting minutes

Minutes of meetings of the Board of Directors are drawn up at the end of each meeting and sent to the Directors.

- Directors' compensation

The compensation paid to Directors is stipulated in the list of Directors of Cegedim S.A. appended to the Corporate Management Report.

- Limitation of the powers of the Chairman & CEO and of the Deputy Managing Director

We inform you that the Board of Directors has not imposed any limitations on the powers of Mr. Jean-Claude Labrune, your Chairman & CEO or on those of Pierre Marucchi, the Deputy Managing Director.

- Internal control procedures and risks management

  - Purpose of the internal control procedures within the Cegedim Group

The purpose of internal control is to provide a reasonable assurance that the Company's priorities will be adhered to and that the published figures are reliable. Its effectiveness relies on the conduct of the employees responsible for it, without any systematic guarantee that all these objectives will be met. On the one hand, it ensures that management actions or the performance of operations and also employee conduct are consistent with the framework defined by the applicable laws and regulations as well as the values described in the charter of ethical business practice and the Company's standards and internal rules. On the other hand, it ensures that the accounting and financial information complies with the standards in force.

    - Coordination of its activities

Cegedim's growth relies particularly on its ability to anticipate its clients' needs and to satisfy them by combining a large number of "industry" skills.

From the standpoint of internal control, the success of this model requires the harmonization of management actions and employee behavior. It means that these actions and this behavior must be consistent with the directions given to the Group's activities by its corporate bodies, by the laws and regulations in force, and by the Group's internal standards.

    - Control and transparency of its accounting and financial information

The internal control procedures govern the development and communication of the Group's accounting and financial information. This information is established in order to guarantee its availability, integrity, conformity, and auditability.

    - Support for its growth

The Cegedim Group's international expansion, particularly through external growth, relies on its ability to identify the external growth relays. Here, the measures taken by Cegedim seek to accelerate the incorporation of new activities, control the risks inherent to growth operations, and track their performance.

The acquisition of Dendrite International Inc. in May 2007 enabled Cegedim to double its size in its core business activities. This major step in the Group's development requires at that time the spending of considerable effort to make the integration of the new activities successful. Conscious of what was at stake, in early 2008, the Group's General Management created an "Operational Excellence" unit (Opex) in charge of optimizing the organization and information circuits as well as reinforcing the Group's customer-oriented culture in order to generate savings through synergy, rationalization of procedures and tools, and optimization of team productivity. Chaired by an employee with more than 15 years of experience within the Group, particularly in the role of Director of Human

Resources, then Director of international CRM activities, Opex is able to propose improvements to internal control and financial control, by placing systematic emphasis on the business activity component.

- Security of its information processing operations

Leader in the sector of technologies and services relating to medical information, the Cegedim Group's priority is to provide its clients and partners with complete satisfaction concerning data security. The Cegedim Group applies the data and private life protection law in all of the countries where it operates.

- Acquisition of cutting edge skills

The Cegedim Group considers the training of its teams to be a key factor of success, making it possible to ensure client satisfaction and employee motivation. In 2004, Cegedim was one of the first companies to implement the individual right to training.

The general training policy implemented at Cegedim consists primarily of continuously adapting the skills of its research and development teams and assisting its employees in acquiring new skills necessary for their work.

- Organization of the Management bodies that play a role in internal control

Cegedim's internal control system is characterized by a high level of interaction between the Board of Directors, the General Management and the Activity Divisions thus encouraging the transparency of the strategies, risks and actions implemented in the Group.

Cegedim's General Management has central management and control bodies that include the Financial Division, the Accounting Division, the Management Control Division, the Human Resources Division, the Legal Division, the General Secretariat, the IT Division, the Communication Division, and the Operational Excellence unit.

Consistently since 2006, the Group has desired to strengthen its teams dedicated to controlling and coordinating international operations. Reporting to the General Management, their main duty is to formalize then establish procedures that are common to the Group's subsidiaries, guaranteeing the uniformity of work methods.

The network of financial controllers, by country or region, continues to be reinforced, particularly in 2007 with the consolidation of the Dendrite teams. They are responsible for applying Headquarter policies at local level and ensuring local financial control of operations as part of routine management or during the operational revamping processes decided on by Headquarters.

In their respective fields, the mission of these management and control bodies is to regulate the Group's operation and, at the same time, put their specialized skills to use in carrying out operations.

- Key elements of internal control relating to the preparation of financial and accounting information

In 2009, the Group continued its work to harmonize and optimize its information and internal control procedures in compliance with the financial security law.

- Preparation of the Group's financial statements

    - Centralized accounting of the companies of the Cegedim Group

The Cegedim Accounting Division prepares the statutory financial statements for the subsidiaries in the French sector of the Group and oversees the process for the preparation of the consolidated financial statements. For the newly-acquired companies and foreign subsidiaries, the Accounting Department established a standard reporting procedure so as to produce consolidation documents. At the same time, the Management Control Division reports key financial and operational data on a monthly basis. The two Divisions together routinely check the consistency of their data.

The creation in 2005 of a department dedicated specifically to international consolidation allowed the Company to help make the financial information coming from foreign subsidiaries reliable while at the same time adapting to the new accounting regulations. Furthermore, this centralized consolidation process made it possible to considerably reduce the time necessary to report international information.

    - Control and enhancement of financial and accounting information by Management Control

The data supplied by the Accounting Department is systematically reconciled with the work done by the Management Control Department, whether this involves regular analytical monitoring of the activities, budgetary control or inspection reports.

This information forms the basis for the operating reports prepared by Management Control, allowing for regular tracking of key indicators.

    - IT tools used to prepare financial and accounting information

Cegedim implements a policy aimed at upgrading its IT tools to ensure optimum availability, integrity, conformity and auditability of its financial and accounting data.

In order to ensure the necessary internal consistency and meet the Group's guidance needs, new tools were implemented in 2008 under the direct responsibility of the Managing Director, assisted by a project manager ensuring the interface with the Accounting Department and the Management Control Department.

- Key elements of the legal and operational control exercised by the parent company over the subsidiaries

    - Control of commitments

The General Secretariat of the Group's Legal Department handles the central supervision of authorizations and delegations and makes sure, when they are created, that they are limited in accordance with the Group's internal rules regarding commitments.

    - Control of the Group's legal activity

The Cegedim Group's procedures require that the Legal Department be consulted prior to signing contracts with third parties, depending on their purpose and the declarations and the commitments they contain and, where relevant, the transnational nature of the operations they govern. The Legal Department also centralizes information related to certain key contracts.

- Control of internal security

Two specialized coordinators, both of whom report to the Top Management, implement the internal security policy of the Cegedim Group: the Head of IT Security and the Head of Physical Security both rely on a network of local correspondents.

The internal security policy involves the Department of Human Resources, by raising awareness and obtaining the commitment of all the Group's employees at the time of hiring and then at regular intervals.

Concerning the internal security of the information systems, Cegedim has pooled the IT resources available to its subsidiaries and their clients. The Group has also established a centralized internal security policy for its information system and for those of all its departments and subsidiaries.

The internal security policy for the information system covers, in particular:

- employee security (reducing the risks of human error, theft, fraud or abusive use of infrastructures)
- physical security (controlling access, damage and disruptions relating to the Group's assets)
- IT access security (controlling access to information)
- information security (ensuring an appropriate level of information protection)
- systems administration security (ensuring that the information processing infrastructures operate correctly and reliably)
- the security of IT developments (incorporating security in the developments and ensuring the secure execution of support activities)
- crisis prevention, detection, and management.

This policy is actively facilitated by the Top Management, which, since 2005, has strengthened the team dedicated to security in the Information Systems Department. This team performs security audits of the Group's subsidiaries, particularly the foreign subsidiaries.

The Cegedim Group's main pharmaceutical company clients have adopted the PDA (Parenteral Drug Association) standards, which incorporate strict requirements concerning the auditing and control of corporate information systems, (purpose of the COBIT standards, established by the Information Systems Audit and Control Association and the recommendations of COSO, the Committee Of Sponsoring Organizations).

The PDA audit guide has thus naturally been adopted by the Cegedim Group.

With the consolidation of Dendrite in 2007, the Group again reinforced the security of its IT system, benefiting from a worldwide infrastructure, with hosting and production capabilities on 5 continents.

- Control of operations management

Control of the Group's operations management covers four areas:

- the annual budget development process
- monthly "management" reporting and presentation of annual forecasts
- quarterly "business" reporting
- the ad hoc inspection assignments performed at the Group's departments and subsidiaries.

These procedures concern all of the Group's departments and subsidiaries. Furthermore, when new acquisitions are made, a standardized integration process ensures that the information necessary for management and management control in accordance with the current standards is reported as quickly as possible.

- The annual budget preparation process

Each year, the Activity Directors present to the Top Management the annual budget for the activities placed under their responsibility. To prepare these budgets, Management Control is responsible for providing all assistance necessary to the operational managers and for guiding their work in order to ensure overall consistency and to record the key assumptions in order to track them during the year.

- Monthly “management” reporting and presentation of annual forecasts

Management Control is responsible for preparing the monthly reporting for all of the Group’s subsidiaries, including their annual forecasts and their budget tracking. Routinely presented to the Group’s General Management, this reporting makes it possible to identify the basic performance trends for each entity and to chart any corrective measures to be taken.

- Quarterly “business” reporting

Every quarter, each Activities Director is responsible for providing the Top Management with information concerning the management activities relative to the scope of activities for which he is responsible. This reporting concerns the commercial activity, products and services, personnel, organization, and capital expenditure. Its essential purpose is to identify the risks that could affect the Group’s earnings in each of these areas. The cross-company nature of this “business” reporting helps identify market risks and the status of competition, identify growth opportunities (external growth, strategic directions of growth), and strengthen synergies within the Group.

- Ad hoc inspections

Inspections decided by the General Management are conducted routinely. Other control bodies help to determine the selection and content of these inspections and are generally involved in facilitating their execution. The scope of these inspections covers all areas relating to internal control.

- 2010 Objectives

  - Continue the optimization of internal procedures by acting on the conclusions of the Operational Excellence Unit;
  - Optimize reporting after having implemented integrated and uniform financial management tools within the Group, ensuring a secure, systematic, and consistent flow of information to serve both management needs and statutory or consolidated accounting needs;
  - Continuation of the research and development department optimization;
  - Application of AFEP MEDEF recommendations in accordance with the agreement signed on October 28, 2009, between Mr. Jean-Claude Labrune, FCB and the FSI and approved on November 5, 2009, by the Company.

Drawn up in Boulogne-Billancourt on April 12, 2010.

Jean-Claude Labrune
Chairman & CEO
Cegedim S.A.

26.2.7 Additional report of the Board of Directors in accordance with Article l. 225-129-5 of the Code of Commerce

Pursuant to Articles L. 225-129-5 and R. 225-116 of the Code of Commerce, we submit this report on the use by the Board of Directors of the delegation of authority given by the Combined General Meeting of Shareholders of the Company on May 27, 2009. This additional report of the Board of Directors is drawn up in accordance with the articles.

- Legal framework of the Increase in Capital

We remind you that the Combined General Meeting of Shareholders of the Company held on May 27, 2009, decided in accordance with its seventh resolution to delegate to the Board of Directors, pursuant to Article L. 225-129-2 of the Code of Commerce, all the necessary authority to decide, within a maximum period of 26 months and within a maximum limit, in nominal value, of €7 622 400, on one or several increases in share capital immediately or in the future, in cash, with retention and/or elimination of the shareholders' preferential subscription right (i) by creating and issuing, with or without issue premium, ordinary shares and/or (ii) by issuing complex investment securities, giving entitlement to the allocation or subscription of participating interests in the Company's capital, including any free allocation of securities to the shareholders (the **"Delegation"**).

At its meeting on November 5, 2009, the Board of Directors decided to use the Delegation and consequently to increase the Company's capital, in cash, with retention of the shareholders' preferential subscription right (the **"Increase in Capital"**), subject to the sale by FCB to the Fonds Stratégique d'Investissement of 1 399 718 shares representing 15% of the capital and 9.2% of the voting rights of the Company (the **"Sale of Shares"**).

At its meeting on November 19, 2009, the Board of Directors ascertained that the conditions precedent to which the Sale of Shares was subject had all been lifted, with the exception of obtaining the approval of the Autorité des Marchés Financiers (**"AMF"**) on the prospectus relating to the above-mentioned increase in capital. The Board of Directors ascertained that the draft prospectus relating to the increase in capital had been lodged with the AMF and that the AMF was to affix its approval the next day, so the Sale of Shares could thus take place from November 20, 2009.

Consequently the Board of Directors decided, at its meeting on November 19, 2009, to establish the final conditions of the Increase in Capital.

The AMF affixed its approval number 09-340 on November 20, 2009, on the prospectus relating to the Increase in Capital.

The Increase in Capital will enable the Company to continue its development, especially with a view to its external growth. The Company will thus have considerable means with which to continue its development in the sector of pharmaceutical CRM, strategic data, healthcare professionals, and, more generally, specialized healthcare services.

In accordance with Articles L. 225-129-5 and R. 225-116 of the Code of Commerce, we hereby present this additional report on the use of the Delegation.

- Main terms of the Increase in Capital

We remind you that the detailed terms of the Increase in Capital are stated in the prospectus approved by the AMF on November 20, 2009, under number 09-340, made available at the corporate headquarters, on the Company's website (http://www.cegedim.fr) and also on the AMF website (http://www.amf-france.org).

The main terms of the Increase in Capital are as follows:

- increase in capital in cash, with retention of the Company shareholders' preferential right;
- maximum total amount (including issue premium) of €180 563 518.80 by issuing a maximum number of 4 665 724 new shares;
- subscription price for the new shares originating from the Increase in Capital of €38.70 per share, of which €0.9528 nominal value and €37.7472 issue premium per share. the subscription price reveals a below par rating of 41.8% compared to the closing share price on November 18, 2009, and of 32.41% compared to the closing price of shares without rights on the same date;
- period of subscription to the new shares open between November 24, 2009, and December 4, 2009, inclusive;
- preferential subscription rights negotiable during the subscription period, under the same conditions as for existing shares;
- on the basis of the closing rate of Cegedim shares on November 18, 2009, i.e. €66.53, the theoretical value of the preferential subscription right is €9.28 and the theoretical value of Cegedim shares without rights is €57.25;
- right of holders of preferential subscription rights to subscribe (i) on an irreducible basis at the rate of one (1) new share for two (2) existing shares held (two (2) preferential subscription rights will allow one (1) new share to be subscribed at the price of €38.70 per share) and (ii) on a reducible basis;
- limitation of the amount of the Increase in Capital to the amount of subscriptions if, on the closing date of subscription, the subscriptions on an irreducible and reducible basis have not absorbed the whole of the increase in capital; this amount may not, under any circumstances, be lower than three quarters of the amount of increase in capital decided. If necessary, authority to the Board of Directors to distribute all or some of the unsubscribed shares to persons of its choice, or to offer them to the public;
- full release of the subscription to new shares in cash or by offsetting debts; each subscription must be accompanied by payment of the subscription price, except for shares whose subscription price is released by an offset;
- creation of new shares with usufruct on January 1, 2009, and absorption from the time of their creation into the old shares and application of all the provisions of the Company bylaws and the decisions of the Company's General Meetings;
- automatic expiry of preferential subscription rights not exercised by the end of the subscription period, in other words December 4, 2009, on closure of the stock exchange session;
- envisaged date for the issue of new shares: December 17, 2009;
- admission of new shares originating from the Increase in Capital to trading on Euronext Paris envisaged on December 17, 2009, and absorption into the Company's existing shares, already traded

on Euronext Paris and negotiable, from that date, in the same category as these shares under the same code ISIN FR0000053506;

- the new shares may be nominative or bearer, at the choice of the subscribers;
- all costs charged on the gross issue premium;
- Delegation to the Managing Director or, with the latter's agreement, to the Deputy Managing Director, of the authority to carry out all the actions and formalities required to make the Increase in Capital, to put on record that it has been definitively made, and to amend the Company's bylaws accordingly.

Boulogne, December 4, 2009

The Board of Directors

26.3. Auditors' reports

26.3.1 Auditors' General Report
Annual financial statements for the fiscal year ending December 31, 2009.

Cf. note 20.1.3 of the present Reference Document.

26.3.2 Auditors' report on the consolidated financial statements
Fiscal year ended December 31, 2009.

Cf. note 20.2.3 of the present Reference Document.

26.3.3 Auditors' Special Report on Cegedim S.A.'s regulated agreements
Fiscal year from January 1, 2009, to December 31, 2009.

As your Company's Auditors, we present to you our report concerning regulated agreements and commitments.

- Agreements and commitments authorized during the fiscal year

Pursuant to articles L. 225-40, L.225-22-1 and L.225-42-1 of the French Code of Commerce, we have been advised of the agreements and commitments that were subject to the prior authorization by your Board of Directors.

It is not our responsibility to determine whether other agreements and commitments exist but to indicate to you, based on the information provided to us, the characteristics and essential terms and conditions of those of which we have been advised. We are not responsible for determining whether they are advisable or justified. You are responsible, in accordance with the terms of article R 225-31 of the French Code of Commerce, for assessing the interest in signing these agreements and commitments prior to their approval. We performed the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this task. These procedures involved verifying that the information provided to us is consistent with the original documents from which it is taken.

- Board of Directors meeting held on January 13, 2009

Director involved: Mr. Jean-Claude Labrune, co-manager of the SCI at 114 rue d'Aguesseau

Nature and purpose: The SCI at rue d'Aguesseau and your Company were appointed on December 23, 2008,to complete the building work relative to the construction of the office building located at 114-116 bis, rue d'Aguesseau in Boulogne-Billancourt (Hauts de Seine), which is the subject of a lease for future completion signed between the two parties, authorized by the Board of Directors meeting on February 14, 2007.

As a modification to the above lease for future completion, the SCI at 114 rue d'Aguesseau has granted your Company a commercial lease for the office building situated at 114-116 bis rue d'Aguesseau, Boulogne-Billancourt (Hauts de Seine) for a duration of twelve years, from January 1, 2009 to December 31, 2020, with a renunciation of the possibility to end the lease at the end of each three-year period.

Terms: Rent paid in 2009 (excluding charges): €840 280.

- Board of Directors meeting held on November 5, 2009

Directors involved: Mr. Jean-Claude Labrune: President of FCB; Mr.Pierre Marucchi: Assistant Managing Director of your Company and Managing Director and Company Secretary of FCB; Mr Laurent Labrune: Company Secretary and Assistant Managing Director of FCB; Mrs Aude Labrune-Marysse: Company Secretary and Assistant Managing Director of FCB.

Nature and purpose: Authorisation to sign a Memorandum of Understanding subject to conditions dated October 28, 2009 between the “Fonds Stratégique d’Investissement” (FSI), Jean-Claude Labrune and the company FCB, covering:

- the sale from FCB to FSI of 1 399 718 shares of the company, or 15% capital and 9.2% of voting rights,
- the terms of a capital increase with retention of preferential subscription rights of shareholders for a maximum of about 180 million euros, in which the FSI, Jean-Claude Labrune and the company FCB are committed to participate, in proportion to their shareholding in the company,
- the establishment of a shareholders’ agreement to govern relations between the various parties following the sale of shares.

- Board of Directors meeting held on November 19, 2009

Directors involved: Mr. Pierre Marucchi: Director of the following companies – Alliadis Europe Ltd, Epic Database Research Company, In Practice Systems Ltd; President of Cegedim USA Inc. and Sole Director of Dendrite International Inc; Mr. Laurent Labrune: Director of Cegedim Dendrite Ltd and Managing Director of Cegedim Deutschland GmbH.

Nature and Purpose: Authorization to sign the "Third Supplemental Agreement" to the credit agreement signed by the Company May 3, 2007, to amend the clause 8.3 of the Credit Agreement entitled "Mandatory prepayment - disposals, financial indebtedness, equity issue and insurance" as well as the lifting of any restrictions on acquisitions, including the removal of Clause 20.4 of the Credit Agreement entitled "Acquisitions", without providing a new credit line for your company, modification of its obligations as Guarantor, the amounts covered by this quality remaining unchanged.

Companies Alliadis Europe Ltd, Epic Database Research Company Ltd, In Practice Systems Ltd, Cegedim USA Inc., Dendrite Intenational Inc., Cegedim Data Services Ltd. (formerly known as Cegedim RX Ltd.), Cegedim Dendrite Ltd and Cegedim Deutschland GmbH, are also parties to the conclusion of the "Third Supplemental Agreement".

- Agreements and commitments approved during previous fiscal years whose performance continued during the fiscal year

Additionally, pursuant to the decree of Code of Commerce, we have been informed that the performance of the following agreements and commitments, approved during prior fiscal years, continued during the last fiscal year.

- With SCI MAG

Nature and purpose: Leasing of premises at 110-112, rue d’Aguesseau, Boulogne-Billancourt
Terms: Rent paid in 2009 (excluding expenses): €28 934

- With FCB

Premises and parking spaces at 131-137, rue d'Aguesseau
Nature and purpose: Leasing of premises and parking spaces at 131-137, rue d'Aguesseau,Boulogne-Billancourt
Terms: Rent paid in 2009 (excluding expenses): €3 209 250

- Premises and parking spaces at 104-106, rue d'Aguesseau

Nature and purpose: Leasing of parking spaces at 104-106, rue d'Aguesseau, Boulogne-Billancourt.
Terms: Rent paid in 2009 (excluding expenses): €15 427

- Premises and parking spaces at 17, rue de l'Ancienne Mairie

Nature and purpose: Leasing of premises and parking spaces at 17, rue de l'Ancienne Mairie, Boulogne-Billancourt.
Terms and conditions: Rent paid in 2009 (excluding expenses): €1 220 214

- Premises at Longjumeau

Nature and purpose: Leasing of premises in Longjumeau
Terms: Rent paid in 2009 (excluding expenses): €60 000

- Premises at 86 to 94 avenue André Morizet

Nature and purpose: Leasing of premises at 86 to 94 avenue André Morizet, Boulogne-Billancourt.
Terms and conditions: Rent paid in 2009 (excluding expenses): €231 795

- Premises and parking spaces at 15, rue de l'Ancienne Mairie

Nature and purpose: Leasing of premises and parking spaces at 15, rue de l'Ancienne Mairie, Boulogne-Billancourt.
Terms and conditions: Rent paid in 2009 (excluding expenses): €146 645

- Premises and parking spaces at 8 impasse Latécoère

Nature and purpose: Leasing of premises and parking spaces at 8 impasse Latécoère, Vélizy Villacoublay.
Terms and conditions: Rent paid in 2009 (excluding expenses): €295 465

- Service contracts

Nature and purpose: Contract for strategic consulting, human resources, marketing, finance, budget, and internal information system services.
Terms and conditions: Services paid for in 2009: €2 050 000

- With Ms. Aude Labrune and Mr. Laurent Labrune

Nature and purpose: Temporary assignment to Cegedim S.A. of the usufruct for the shares of the SCI at 114 Rue d'Aguesseau Bureau, under the following conditions, subject to the approval of Cegedim S.A. as a new partner:

- 198 stripped shares that belong to Aude Labrune and Laurent Labrune in equal amounts,
- Term of the assignment of the usufruct: 18 years beginning October 9, 2006, until October 8, 2024.

Paris and Courbevoie, April 23, 2010

The Statutory Auditors

GRANT THORNTON - GRANT THORNTON INTERNATIONAL	MICHEL COHEN
MAZARS	JEAN-PAUL STEVENARD

26.3.4 Auditors' report prepared pursuant to article L. 225-235 of the Code of Commerce, on the report from the Chairman of the Cegedim's Board of Directors concerning the internal control procedures related to developing and handling accounting and financial information

Fiscal year ended December 31, 2009.

To the shareholders,

As Auditors of Cegedim and pursuant to the provisions of article L. 225-235 of the Code of Commerce, we present to you our report on the report prepared by the Chairman of your Board of Directors in accordance with the provisions of article L. 225-37 of the Code of Commerce for the fiscal year ended December 31, 2009.

It is the chairman's responsibility to prepare and submit for approval from the Board of Directors a report on the internal control and risk management procedures put into place within the company, also providing the other information required by Article L. 225-37 of the Code of Commerce, particularly with regard to the legislation on corporate governance.

It is our responsibility to:

- Inform you of any comments that we may have concerning the information contained in the chairman's report concerning the internal control procedures related to developing and handling accounting and financial information, and
- Certify that the report includes the other information required by Article L. 225-37 of the Code of Commerce, with the understanding that it is not our responsibility to verify the truthfulness of this other information.

We performed our work in accordance with professional standards applicable in France.

Information regarding the internal control procedures and the risks management related to developing and handling accounting and financial information:

The professional standards require us to take all appropriate measures to assess the reliability of the information concerning the internal control procedures related to developing and handling accounting and financial information contained in the chairman's report. In particular, these measures involve:

- Examining the internal control procedures related to developing and handling the accounting and financial information underlying the information presented in the chairman's report as well as the existing documentation;
- Examining the work done to prepare this information and the existing documentation;
- Determining whether any major deficiencies in the internal controls related to developing and handling accounting and financial information that we noted during the course of our audit are appropriately disclosed in the chairman's report.

Based on this work, we have no comments to make about information pertaining to the Company's internal control procedures related to developing and handling the accounting and financial information contained in the report by the chairman of the Board of Directors prepared pursuant to the provisions of article L. 225-37 of the Code of Commerce.

Other information:

We certify that the report by the chairman of the Board of Directors includes the other information required in Article L. 225-37 of the Code of Commerce.

Paris and Courbevoie, April 23, 2010

The Statutory Auditors

GRANT THORNTON - GRANT THORNTON INTERNATIONAL	MICHEL COHEN
MAZARS	JEAN-PAUL STEVENARD

26.3.5 Auditors' report on the capital increase without preemptive subscription rights

Cegedim S.A.
Extraordinary shareholders' meeting
of June 8, 2010 (9th resolution)

Dear Shareholders,
In our capacity as Auditors of your Company, and in accordance with Articles L.225-135 *et seq* of the French Code of Commerce, we would like to present our report on the proposed capital increase through the issuance of capital shares without preemptive subscription rights with a nominal amount not to exceed 3% of capital, reserved for employees, on which you are called to vote.

This capital increase is submitted for your approval in accordance with Articles L. 225-129-6 of the French Code of Commerce and L.3332-18 of the Code of Labor.

Based on its report, your Board of Directors proposes to be delegated the competence, for a period of 26 months, to determine the terms and conditions of this operation and canceling your preferential subscription rights for equity securities to be issued.

It is up to the Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114, and R.225-115 of the French Code of Commerce. We are responsible for providing our opinion on the reliability of the figures drawn from the accounts, the proposed cancellation of the preemptive subscription right, and certain other information regarding the issuance given in this report.

We performed the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures involved verifying the content of the report by the Board of Directors related to this operation and the methods for determining the issue price of the equity securities to be issued.

Subject to the subsequent examination of the conditions of the proposed capital increase, we have no comments to make about the methods for determining the issue price of the equity securities to be issued given in the report by the Board of Directors.

As the amount of the issue price is not fixed, we have no opinion to express regarding the definitive conditions under which the capital increase will be carried out and, consequently, the cancellation of the preemptive subscription right proposed to you.

In accordance with Article R.225-116 of the Code of Commerce, we will prepare an additional report when the capital increase is carried out by your Board of Directors.

Paris and Courbevoie, April 23, 2010

The Statutory Auditors

GRANT THORNTON - GRANT THORNTON INTERNATIONAL — MICHEL COHEN
MAZARS — JEAN-PAUL STEVENARD

26.3.6 Auditors' report on the issuance of shares and securities with or without preemptive subscription rights

Cegedim S.A.
Extraordinary shareholders' meeting
of June 8, 2010 (7th and 8th resolutions)

Dear Shareholders,

In our capacity as Auditors of your company and in accordance with Articles L.225-135 and L.228-92 of the Code of Commerce, we would like to present our report on the proposal to authorize the Board of Directors to decide on a capital increase through the issuance of shares and/or securities with preferential subscription rights, for a maximum nominal amount of €5 000 000 (7th resolution), or without preferential subscription rights for a maximum nominal amount of €1 300 000 (8th resolution) on which you are called to vote.

Based on its report, your Board of Directors proposes that it be delegated, with sub delegation faculty, the competence for a period of 26 months (18 months if without preemptive subscription rights) to decide on the issuance of shares or securities giving access to capital and setting, where applicable, the definitive terms and conditions for these issuances and proposes canceling your preferential subscription rights to equity securities to be issued (8th resolution).

It is up to the Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114, and R.225-117 of the French Code of Commerce. We are responsible for providing our opinion on the reliability of the figures drawn from the accounts, the proposed cancellation of the preemptive subscription right, and certain other information regarding the issuance given in this report.

We performed the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this task. These procedures involved verifying the content of the report by the Board of Directors related to this operation and the terms and conditions for determining the issue price of the equity securities to be issued.

Subject to the subsequent examination of the conditions of the issuances that would be decided, we have no comments to make about the methods for determining the issue price of the equity securities to be issued given in the report by the Board of Directors.

In addition, as this report does not specify the methods for determining the issue price of the equity securities to be issued in case of issuance of securities giving access to capital with preemptive subscription rights, we cannot provide our opinion on the choice of items used to calculate the issue price.

As the issue price of the equity securities to be issued is not fixed, we have no opinion to express regarding the definitive conditions under which the issuances would be carried out and, consequently, the cancellation of the preemptive subscription right proposed to you. In accordance with Article R.225-116 of the Code of Commerce, we will prepare an additional report, where applicable, when this authorization is used by your Board of Directors.

Paris and Courbevoie, April 23, 2010

The Statutory Auditors

GRANT THORNTON - GRANT THORNTON INTERNATIONAL	MICHEL COHEN
MAZARS	JEAN-PAUL STEVENARD

26.4. Text of the resolutions proposed to the annual Ordinary General Meeting held on May 27, 2009

Text of the resolutions proposed to the joint annual Ordinary and Extraordinary General Meeting held on June 8, 2010

Resolutions under the authority of the Ordinary General Meeting

- First resolution

The General Meeting, after having examined the Corporate Management Report of the Board of Directors and the Auditors' general report, approves the annual financial statements for the fiscal year ended December 31, 2009, showing a profit of €61 848 660.31.

It also approves the transactions reflected in these financial statements or summarized in these reports.

As a result, the General Meeting gives the Directors full and unreserved discharge from the performance of their responsibilities for this fiscal year.

The General Meeting approves the non tax-deductible expenses mentioned in Article 39-4 of the General Tax Code totaling €164 403.39, as well as the corresponding tax amounting to €56 637.00.

- Second resolution

The General Meeting decides to allocate the profit for the fiscal year amounting to €61 848 660.31 as follows:

- as Group reserves in order to reach a 10% share capital, the sum of €444 550.18
- as dividends, the sum of €13 997 173.00
- the balance which is a sum of €47 406 937.13 to the "Other reserves" item.

Amount - Payment - Tax treatment of the dividend

The total unit dividend is €1.

The cash dividend will be paid at the corporate headquarters beginning July 6, 2010.

For individuals who are tax residents of France, this dividend is eligible for the exemption set forth in No. 2 of Article 158-3 of the General Tax Code.

In accordance with the provisions of the Finance Law for 2008 (2007-1822 of December 24, 2007), individuals who are tax residents in France, whose dividends received are eligible for this allowance, are offered the possibility of opting for this income to be subject to a flat-rate deduction of 18%.

This option must be exercised at each collection. It is irrevocable and may not be exercised subsequently.

The General Meeting notes that the amounts distributed as dividends for the three previous fiscal years were as follows:

Fiscal year	Number of shares	Deductible income allowance			Non-deductible income allowance
		Dividend		Other income distributed	
		Per share	Total		
2006	9 331 449	€0.80	€7 465 159.20	None	None
2007	9 331 449	€0.90	€8 398 304.10	None	None
2008	9 331 449	€0.00	€0.00	None	None

- Third resolution

The General Meeting, after having heard the Auditors' reports on the consolidated financial statements for the previous fiscal year, approves these financial statements as of December 31, 2009, as well as the operations reflected in them or summarized in the Group's management report.

- Fourth resolution

The General Meeting, after having heard the Auditors' special report on the agreements coming under Articles L 225-38 *et seqq.* of the Code of Commerce, approves the findings of this report and the agreements mentioned in it.

- Fifth resolution

The General Meeting sets the amount of Directors' fees to be distributed among the Directors for the fiscal year in progress at 120 thousand euros.

- Sixth resolution

The General Meeting, having duly noted the Report from the Board of Directors and pursuant to Article L. 225-209 *et seqq.* of the Code of Commerce, authorizes the Board of Directors to purchase Company shares.

The purchase of shares, which cannot represent more than 10% of the Company's share capital, can be carried out at any time and by any means on the market, off-market, over the counter, or by the use of optional mechanisms, possibly by any third party acting on the company's behalf, including an investment service provider intervening on the Company's shares, under a liquidity contract in compliance with a Code of Ethics recognized by the Autorité des Marchés Financiers, in accordance with the terms of the last paragraph in Article L.225-206 of the Code of Commerce.

This authorization would permit the allocation of Company shares to salaried employees of the Cegedim Group in accordance with Articles L.225-197-1 to L.225-197-3 of the Code of Commerce.

In compliance with legal provisions, the Company must have permanent reserves other than the legal reserve in an amount at least equal to the value of all of the treasury shares that it holds.

The maximum unit purchase price is fixed at €100 per share.

This authorization is given for a period of eighteen (18) months, expiring on December 8, 2011. It cancels and replaces the authorization granted by the Combined General Meeting held on May 27, 2009.

The General Meeting gives all powers to the Board of Directors, with the option of delegation, to implement this authorization, give any stock market order, sign any agreements, including an AFEI liquidity contract, carry out any formalities and make declarations to all organizations, and, generally, do all that is necessary to execute the decisions it has made within the framework of this authorization.

Resolutions under the authority of the Extraordinary General Meeting

- Seventh resolution

The General Meeting, after having heard the reading of the Board of Directors' Report and noted that the capital was fully paid up, decided to grant the Board of Directors, in accordance with the provisions of Article L 225-129-2 of the Code of Commerce, all powers necessary to make one or more increases in capital, either immediately or in the future, within a maximum of 26 months from this meeting, limited to a maximum amount, in nominal value, of €5 000 000, with retention and/or elimination of the shareholders' preferential subscription right:

- by creating and issuing, with or without share premiums, common shares,
- by issuing complex investment securities, granting the right to allocation or subscription of Company shares, including any free allocation of investment securities to shareholders.

For this and within these limits, the Board of Directors has full powers to decide on and carry out the capital increase(s) that it deems appropriate and specifically to:

- set the terms for the issuance of new capital shares to be issued immediately or in the future and specifically the subscription price,
- put on record the execution of these increases in capital;
- amend the company bylaws accordingly.

This delegation of authority also includes, within the framework of a capital increase with retention of the shareholders' preferential subscription rights, the option for the Board of Directors to institute, if necessary, a subscription right on a reducible basis, for new capital shares that were not subscribed on an irreducible basis, which will be allocated to holders of subscription rights who have subscribed to a higher number of shares than they could subscribe on an irreducible basis. This will be applied proportionally to the number of their subscription rights and within the limits of their requests.

Non-subscribed shares can be distributed completely or in part by the Board of Directors to the persons of its choice. They can also be offered to the public.

The Board of Directors may limit the amount of the increase in capital to the amount of subscriptions collected, provided that these subscriptions are for at least three-quarters of the capital increase.

In addition, the General Meeting decides that the number of shares to be issued for any capital increase decided by the Board of Directors under this delegation may be increased within thirty days of the subscription closing date to meet any additional share requests.

This increase in the number of shares to be issued may not, however, exceed 15% of the initial issue. Additional subscriptions will be carried out at the same price as the initial subscriptions.

The Board of Directors may, within the legal limits, delegate the authority granted to it pursuant to this resolution to the Managing Director or, with the latter's agreement, to the Deputy Managing Director.

- Eighth resolution

The General Meeting, after having heard the reading of the Board of Directors' report, decides that the general delegation of authority granted in the previous resolution includes the authorization for the Board of Directors to decide to retain or eliminate the shareholders' preferential subscription right in any capital increases decided upon by the Board of Directors resulting from said delegation.

If this delegation is used by the Board of Directors and the shareholders' preferential subscription right is eliminated, and in the light of the terms of the Board of Directors' report and the Special Auditor's report, the issue price for the new capital shares will be set according to legal provisions and the duration of the general delegation of authority granted under the first resolution will be reduced from 26 to 18 months and the maximum amount authorized will be 1 300 000 euros.

If this delegation is used by the Board of Directors and the shareholders' preferential subscription right is eliminated, the General Meeting authorizes the Board of Directors to institute, if necessary, a priority period for shareholders to subscribe.

A Special Auditors' report, containing the regulatory disclosures provided for this purpose, will be prepared as soon as the issue of shares with or without preferential subscription right is carried out.

- Ninth resolution

The Extraordinary General Meeting, after having heard the Board of Directors' report, decides, in application of the provisions of Article L.225-129-6 of the Code of Commerce, to reserve for Company employees an increase in share capital in cash under the conditions provided for in Article L.443-5 of the Labor Code.

If the present resolution is passed, the General Meeting decides:

- that the Board of Directors will have a maximum of 26 months to implement a company savings plan under the conditions provided for in Article L 443-1 of the Labor Code;
- to authorize the Board of Directors to proceed, within 26 months effective immediately, with an increase in capital for a nominal amount not exceeding 3% of the capital which will be reserved for employees joining said plan and carried out in compliance with the provisions of Article L.443-5, paragraph 3, of the Labor Code; consequently, this authorization entails the waiver by the shareholders of their preferential subscription right.

- Tenth resolution

In accordance with the provisions of Article L 225-129-2, paragraph 2, of the Code of Commerce, the general delegations of authority granted in the resolutions above nullify, effective immediately, any previous delegations having the same subject.

- Eleventh resolution

The Board of Directors must answer to the General Meeting for the use it will have made of the delegations it has been granted by preparing a report, in addition to the annual general corporate management report, giving the information required by current regulations and also a table summarizing delegations which are still valid and which it has at its disposal and any use that was made thereof. This report should accompany the Corporate Management Report or be appended to it.

- Twelfth resolution

Article 12 – Board of Directors is currently worded as follows:

“Article 12 BOARD OF DIRECTORS

1. The Company is administrated by a board consisting of at least three and a maximum eighteen members, unless there are legal exceptions. The directors hold office for six years.

2. A legal entity may be appointed as a director. When it is appointed, it is obliged to designate a permanent representative who is subject to the same conditions and obligations and who holds the same responsibilities as if he were a director in his own name, without prejudice to the responsibility of the legal entity he represents.

3. The directors are appointed or their mandates renewed by the Ordinary General Meeting of shareholders.

4. Unless the Code of Commerce exempts him from this obligation, each Director is required to own at least one share for his entire term of office.

5. No one may be appointed as director if he is older than seventy-five years of age, and his appointment will result in over one third of the members of the Board of Directors being over this age. If, because a director in office has exceeded the age of seventy-five years, the above-mentioned proportion is exceeded, the oldest director is considered to have resigned from his office at the end of the very next Ordinary General Meeting.”

The General Meeting decides to amend point “5” and decides that the Article will henceforth be worded as follows:

“Article 12 BOARD OF DIRECTORS

1. The Company is administrated by a board consisting of at least three and a maximum eighteen members, unless there are legal exceptions. The directors hold office for six years.

2. A legal entity may be appointed as a director. When it is appointed, it is obliged to designate a permanent representative who is subject to the same conditions and obligations and who holds the same responsibilities as if he were a director in his own name, without prejudice to the responsibility of the legal entity he represents.

3. The directors are appointed or their mandates renewed by the Ordinary General Meeting of shareholders.

4. Unless the Code of Commerce exempts him from this obligation, each Director is required to own at least one share for his entire term of office.

5. No one may be appointed as director if he is older than eighty-five years of age, and his appointment will result in over one third of the members of the Board of Directors being over this age. If, because a director in office has exceeded the age of eighty-five years, the above-mentioned proportion is exceeded, the oldest director is considered to have resigned from his office at the end of the very next Ordinary General Meeting.”

- Thirteenth resolution

Article 13.1 – Chairmanship and deliberations of the Board of Directors is currently worded as follows:

1. “The Board of Directors appoints a chairman chosen from among the members who are physical individuals.

The chairman is appointed for the whole duration of his term of office as director. He may be revoked at any time by the Board of Directors.

If it considers it appropriate, the Board of Directors chooses one chairman or several vice-chairmen from among the members who are physical individuals.

In addition, the Board appoints a secretary who may be chosen from outside the directors and shareholders.

In the absence of the chairman and, if necessary, the director temporarily delegated to his duties and of the vice-chairman or vice-chairmen, the Board appoints, for each session, one of the members present to chair the session.

If the secretary is absent, the Board of Directors appoints one of its members or a third party to take his place.

The chairman, vice-chairman or vice-chairmen and secretary may be re-elected.

No one over the age of 75 may be named Chairman of the Board of Directors. Moreover if the Chairman in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors.”

The General Meeting decides to amend point “8” and decides that Article 13.1 of the bylaws will henceforth be worded as follows:

1. The Board of Directors appoints a chairman chosen from among the members who are physical individuals.

The chairman is appointed for the whole duration of his term of office as director. He may be revoked at any time by the Board of Directors.

If it considers it appropriate, the Board of Directors chooses one chairman or several vice-chairmen from among the members who are physical individuals.

In addition, the Board appoints a secretary who may be chosen from outside the directors and shareholders.

In the absence of the chairman and, if necessary, the director temporarily delegated to his duties and of the vice-chairman or vice-chairmen, the Board appoints, for each session, one of the members present to chair the session.

If the secretary is absent, the Board of Directors appoints one of its members or a third party to take his place.

The chairman, vice-chairman or vice-chairmen and secretary may be re-elected.

No one over the age of eighty-five years may be named Chairman of the Board of Directors. Moreover if the Chairman in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors.”

The rest of Article 13 of the bylaws is unchanged.

- Fourteenth resolution

Article 14.2 – Authority of the Board of Directors – duties of the Chairman, Managing Director, delegation of authority is currently worded as follows:

2. “The general management is assumed, under his responsibility, either by the chairman of the Board of Directors, or by another physical individual chosen from among the members of the Board or outside the Board, who holds the title of managing director.

The Board of Directors chooses between the two methods of exercising the general management. He may change his choice at any time. In each case, he informs the shareholders and third parties in accordance with current regulations.

If the chairman carries out the duties of managing director, the provisions of these bylaws relating to the latter are applicable to him.

If the general management is not assumed by the chairman of the Board of Directors, the latter appoints a managing director.

No one over the age of 75 may be named managing director. If the General Manager in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors.

The managing director can be revoked at any time by the Board of Directors. If the revocation is decided without just reason, it may give rise to damages, unless he takes on the duties of chairman of the Board of Directors.

The managing director is granted the widest possible powers to act in all circumstances on behalf of the Company. He exercises these powers within the limit of the corporate purpose and without prejudice to the powers specifically attributed by the law to the shareholders’ meetings and the Board of Directors. He commits the company even by actions which do not come under the corporate purpose, unless the Company proves that the third party knew that the action exceeded the purpose or could not disregard it in view of circumstances. He represents the company in its relationships with third parties in which all decisions limiting his powers are unenforceable. He may be authorized by the Board of Directors to permit sureties, endorsements and guarantees given by the company under the conditions and limits established by current regulations.

At the proposal of the managing director, the Board of Directors may appoint one or several, within the limit of five, deputy managing directors. The age limit established for the duties of managing director also applies to deputy managing directors. If the deputy managing director in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors.”

The General Meeting decides to amend point “5” and decides that Article 14.1 of the bylaws will henceforth be worded as follows:

2. “The general management is assumed, under his responsibility, either by the chairman of the Board of Directors, or by another physical individual chosen from among the members of the Board or outside the Board, who holds the title of managing director.

The Board of Directors chooses between the two methods of exercising the general management. He may change his choice at any time. In each case, he informs the shareholders and third parties in accordance with current regulations.

If the chairman carries out the duties of managing director, the provisions of these bylaws relating to the latter are applicable to him.

If the general management is not assumed by the chairman of the Board of Directors, the latter appoints a managing director.

No one over the age of eighty-five years may be named managing director. If the General Manager in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors.

The managing director can be revoked at any time by the Board of Directors. If the revocation is decided without just reason, it may give rise to damages, unless he takes on the duties of chairman of the Board of Directors.

The managing director is granted the widest possible powers to act in all circumstances on behalf of the Company. He exercises these powers within the limit of the corporate purpose and without prejudice to the powers specifically attributed by the law to the shareholders' meetings and the Board of Directors. He commits the company even by actions which do not come under the corporate purpose, unless the Company proves that the third party knew that the action exceeded the purpose or could not disregard it in view of circumstances. He represents the company in its relationships with third parties in which all decisions limiting his powers are unenforceable. He may be authorized by the Board of Directors to permit sureties, endorsements and guarantees given by the company under the conditions and limits established by current regulations.

At the proposal of the managing director, the Board of Directors may appoint one or several, within the limit of five, deputy managing directors. The age limit established for the duties of managing director also applies to deputy managing directors. If the deputy managing director in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors."

The rest of Article 14 of the bylaws is unchanged.

- Fifteenth resolution

Having taken note of the Board of Directors' report, the General Meeting decides to amend paragraph 1 of Article 16.2 Composition of the General Meeting of the bylaws, currently worded as follows:

1. "Composition of the General Meeting

The General Meeting consists of all the shareholders, whatever the number of their shares. If the Board of Directors so decides at the time of convening the Meeting, the shareholders may participate in the Meeting by video conference or means of telecommunication and teletransmission including Internet within the limits and under the conditions established by current legislation and regulations. If necessary, this decision is announced in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires (BALO) [Bulletin of Compulsory Legal Announcements]."

Consequently, the General Meeting decides that Article 16.2 Composition of the General Meeting will henceforth be worded as follows:

2. "Composition of the General Meeting

The General Meeting consists of all the shareholders, whatever the number of their shares. If the Board of Directors so decides at the time of convening the Meeting, the shareholders may participate in the Meeting by video conference or means of telecommunication and teletransmission including Internet and vote by any means of telecommunication within the limits and under the conditions established by current legislation and regulations. If necessary, this decision is announced in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires (BALO) [Bulletin of Compulsory Legal Announcements]."

The rest of Article 16 of the bylaws is unchanged.

- Sixteenth resolution

The General Meeting gives all powers to the bearer of an original or a copy or excerpt of the minutes of this meeting to accomplish all legal formalities.

CE10/852

Public company with share capital of €13,336,506.43
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Legal documents relating to Cegedim may be consulted at the company's head office.