cegedim

Registration Document 2010

Annual financial report included

cegedim.com/finance

This is a free translation into English of the Document de Référence 2010 issued in French and is provided solely for the convenience of English speaking readers. This document should be read in conjunction with, and construed in accordance with, French law professional auditing standards applicable in France.

WARNING

Certain information other than historical contained in this Registration 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.

REGISTRATION DOCUMENT 2010

ANNUAL FINANCIAL REPORT INCLUDED

Copies of the Registration Document can be obtained for free from Cegedim S.A.
at 127-137 rue d'Aguesseau, 92100 Boulogne-Billancourt, France,
and on the website: **www.cegedim.fr/finance**

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the Autorité des Marchés Financiers on April 21 2011, pursuant to Article 212-13 of the AMF General Regulation.

This document was prepared by the issuer and is binding on its signatories.

It may be used in support of a financial transaction if supplemented by a transaction note that has received approval from the Autorité des Marchés Financiers.

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CEGEDIM, TODAY AND TOMORROW

JEAN-CLAUDE LABRUNE, Chairman & CEO

> With the acquisition in the United States of Dendrite, SK&A, and more recently, Pulse, and the significant expansion of activities in Brazil and China, Cegedim has become one of the few international groups specializing in healthcare that has a presence in all the major countries, including emerging economies.

Rapid change in the global health economy and its consequences in the form of more stringent financial and safety constraints imposed on the pharmaceutical industry by governments and insurance systems will be reflected in a number of developments in Cegedim's businesses.

Cegedim is currently implementing changes with the aim of speeding up new product development and adapting to the emergence of new businesses, standards and market conditions. Its main challenge will be to succeed in integrating the changing business model of health-related industries, by tapping into the growth these areas will generate in coming years. Cegedim is very well-placed to achieve new and future success.

With the acquisition in the United States of Dendrite, SK&A, and more recently, Pulse, and the significant expansion of activities in Brazil and China, Cegedim has become one of the few international groups specializing in healthcare that has a presence in all the major countries, including emerging economies. Cegedim now has a global infrastructure capable of hosting any type of new application, notably web-based solutions for its customers.

The Group offers a wide range of services, which is constantly being supplemented, thanks to its significant capabilities in terms of technology, know-how and innovation. Computerized CRM services, which are proportional to the number of medical representatives and represent the Group's traditional activities vis-à-vis pharmaceutical companies, today account for only 20% of its total revenue following the growth and proliferation of the services provided by Cegedim.

The CRM services offered to the pharmaceutical industry are becoming increasingly complex and will lead to changes in activities. For example, the number of medical representatives in general practice will fall gradually over the next two to three years. Conversely, the number of specialized users of these services (medical reps in specialist areas, consultants, researchers, etc.) will grow rapidly alongside the requirements of medical professionals for complex information, particularly with regard to all the implications of «market access». These important changes will be particularly beneficial for Cegedim, as it is the only international organization in possession of a worldwide database of health professionals.

New government policies on pharmacovigilance will also create new requirements in Cegedim's priority areas, which are databases of health professionals, longitudinal patient studies, risk-benefit studies for all new products prior to launch, the management of new prescribers, especially in oncology, and management of new purchasers.

One of the new requirements concerns disclosure requirements for health spending, an area in which Cegedim's «reconciliation» service called «Aggregate Spend» is proving very successful in the United States. Cegedim aims to repeat this success in Europe from 2011.

In brief, CRM in the healthcare sector is undergoing radical change, which will lead to the creation of new tools designed specifically for the new requirements of the pharmaceutical industry.

At the same time, the adaptation of management and prescription software used by healthcare professionals, the new need for sharing medical records and the importance of rationalizing relationships between patients and insurers will provide an opportunity for Cegedim to develop new medical and paramedical software.

With the number of health professionals flat, or even down - temporarily - in certain countries, the increasing need for computerization and the establishment of new Group products at international level will serve to fill the gap.

2010 REVENUE

927 MILLION EUROS

EMPLOYEES

8,470 EMPLOYEES

PRESENCE

80 COUNTRIES, 5 CONTINENTS

LISTED ON NYSE EURONEXT PARIS

Knowledge of the IT environment in which health professionals operate will also enable Cegedim to become one of the main companies providing services to health authorities for the businesses of the future, such as interoperability and telemedecine, as well as initiatives such as the epSOS project, aimed at establishing patient records at European level for Erasmus students.

Cegedim's Insurance, Electronic Payment and Health division should be another major growth driver, thanks to the Group's expertise in providing services to key order placers, meeting their needs for interconnection and computerization and offering support in the area of their changing relationships with health professionals. Here too, the Group's boasts strong growth potential based on its specialized knowledge of the healthcare sector and the convergence of the needs of organizations, pharmaceutical companies, insurers and healthcare professionals.

Cegedim's activities in IT for human resources management, electronic invoicing and the new SEPA procedures for payment transfers are growing rapidly. New customers such as Saint-Gobain, Veolia, Expedia and AXA, as well as other long-standing customers, will represent new sources of growth.

Cegedim aims to continue the strategy that has always been one of its strengths: development through innovation and globally recognized expertise in IT. The Group owes this expertise to the quality of its teams, which have consistently developed highly effective tools. Its know-how has also benefited from a very flexible organization, formed from business units run with a high degree of autonomy by entrepreneurial managers capable of sharing and leveraging the technological excellence of their products in sectors offering strong growth potential.

Strengthened by these paradigm shifts, which are inherent in any business activity, Cegedim has opted to continue investing in order to adapt to these changes more efficiently, so that it is ready to meet the challenges of the 21st century. By leveraging its key strengths and effective and highly-motivated teams, by adapting its products to new requirements and by capitalizing on the bright prospects of its businesses and sectors of activity at international level, Cegedim aims to remain a global benchmark in advanced technologies and IT services in the healthcare sector.

Moreover, with the aim of raising the Group's profile, Cegedim's management has decided to simplify the Group's visual identity, with a new logo based on the Cegedim brand that will be used by all the healthcare business units. Each business unit will add a line describing its activities, thereby making the logo more accessible. Furthermore, Cegedim Dendrite is now called Cegedim Relationship Management. This change is aimed at presenting to our customers a coherent and cohesive image of all our businesses, so that we can provide them with the products and services that best meet their needs. This change also reflects the success of the integration of Dendrite, especially through the inclusion of some of the graphics elements of its logo.

Jean-Claude LABRUNE,

Chairman & CEO

Activities

Cegedim

Founded in 1969, Cegedim is a worldwide technologies and services company specialized in the field of health. Cegedim isa service provider and offers information tools, specialized software, flow management services and databases. Its products are notably directed to health companies, pharmaceutical laboratories, health professionals and insurance companies.

CRM & Strategic Data

The CRM (customer relationship management) and strategic data sector includes Cegedim Group services that target pharmaceutical laboratories, with the principal goal of allowing their marketing and sales directors to better understand where their medicines are sold, who prescribes them, and for what purpose.

Cegedim develops exclusive databases to respond to these demands, as well high performance computerized tools that allow pharmaceutical laboratories to optimize their CRM approach. They are thus provided with the best chance to convince prescribing physicians.

Health Professionals

Working with health professionals for several years, Cegedim is one of the primary European publishers of medical and paramedical management software.

Thus the Group accompanies, on a daily basis, paramedics, pharmacists, general and specialist physicians, whether they practice independently or in a medical practice or group, in health centers or health networks.

Cegedim's software responds to the needs of professionals and to the latest technical and regulatory demands. They represent, among health professionals, an important vector for the transfer of scientific, medical and promotional information on their practice.

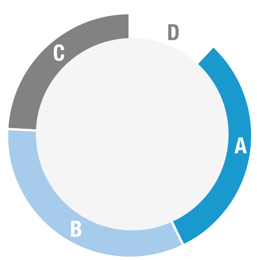
Insurance & Services

Relying on the best part of its abilities in professional software and complex information processing, the Cegedim Group offers, within the Insurances and Services sector, products that target the primary players in the world of insurance and technological capabilities destined to its clients in all activity sectors.

Cegedim

Key figures

Revenue (In € millions)	2010	**926.7**	▲ +6.0%
	2009	874.1	
Current EBITDA (In € millions)	2010	**174.0**	▼ -2.2%
	2009	177.9	
Current EBITDA margin (% of revenue)	2010	**18.8%**	▼ -1.6
	2009	20.4%	
Current EBIT (In € millions)	2010	**107.2**	▼ -3.9%
	2009	111.5	
Current EBIT margin (% of revenue)	2010	**11.6%**	▼ -1.2
	2009	12.8%	



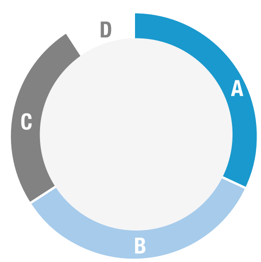
Geographic distribution

A	France	31%
B	Europe (excluding France)	33%
C	North America	24%
D	Rest of the World	12%

CRM & Strategic Data

Key figures

Revenue (In € millions)	2010	**526.5**	▲ +5.7%
	2009	498.3	
Current EBITDA (In € millions)	2010	**76.1**	▼ -13.6%
	2009	88.0	
Current EBITDA margin (% of revenue)	2010	**14.4%**	▼ -3.3
	2009	17.7%	
Current EBIT (In € millions)	2010	**50.9**	▼ -19.8%
	2009	63.5	
Current EBIT margin (% of revenue)	2010	**9.7%**	▼ -3.0
	2009	12.7%	



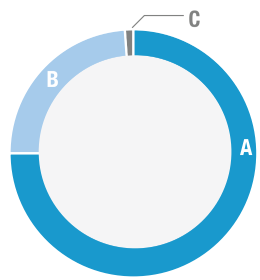
Geographic distribution

A	France	32%
B	Europe (excluding France)	34%
C	North America	25%
D	Asia	9%

Healthcare Professionals

Key figures

Revenue (In € millions)	2010	**271.0**	▲ +2.6%
	2009	264.3	
Current EBITDA (In € millions)	2010	**69.0**	▼ -0.4%
	2009	69.2	
Current EBITDA margin (% of revenue)	2010	**25.4%**	▼ -0.8
	2009	26.2%	
Current EBIT (In € millions)	2010	**36.7**	▲ +5.1%
	2009	34.9	
Current EBIT margin (% of revenue)	2010	**13.5%**	▲ +0.3
	2009	13.2%	



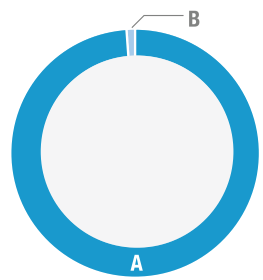
Geographic distribution

A	France	75%
B	Europe (excluding France)	24%
C	North America	1%

Insurance & Services

Key figures

Revenue (In € millions)	2010	**129.2**	▲ +15.8%
	2009	111.5	
Current EBITDA (In € millions)	2010	**29.0**	▲ +40.5%
	2009	20.6	
Current EBITDA margin (% of revenue)	2010	**22.4%**	▲ +3.9
	2009	18.5%	
Current EBIT (In € millions)	2010	**19.6**	▲ +49.3%
	2009	13.1	
Current EBIT margin (% of revenue)	2010	**15.2%**	▲ +3.4
	2009	11.8%	



Geographic distribution

A	France	99%
B	Europe (excluding France)	1%

Key highlights

Cegedim

For fiscal year 2010, revenue amounted to 926.7 million euros, an increase of 6.0% on a reported basis. Foreign exchange rates and acquisitions contributed positively to this increase in revenue by 2.2% and 3.0% respectively.

Operating income from continuing operations amounted to 107.2 million euros, a decrease of 3.9% with respect to the end of 2009. This effect resulted from the increase in payroll costs, which increased by 8.5%. Cegedim implemented a significant reinforcement of its teams following the implementation delays of certain CRM projects.
Thus, the current operating margin was 11.6% as compared to 12.8% the previous year.

The Group continues to fully benefit from synergies and the value created since the strategic acquisition of the Dendrite company.

CRM & Strategic Data

For fiscal year 2010, revenue amounted to 526.5 million euros, an increase of 5.7% on a reported basis. Foreign exchange rates and acquisitions contributed positively to this increase in revenue by 3.4% and 2.8% respectively.

Operating income from continuing operations amounted to 50.9 million euros, a decrease of 12.6 million euros with respect to 2009. Thus, the current operating margin was 9.7% as compared to 12.7% the previous year.

It is worth noting that there was a very large improvement in the margin during the second semester of 2010: 11.8% as compared with 7.3% in the first semester of 2010.

This vibrant recovery primarily reflects commercial dynamism and a successful geographic expansion, particularly in emerging markets. At the same time, Cegedim continues to reinforce its positions in new sectors, such as Compliance.

Healthcare Professionals

For fiscal year 2010, revenue amounted to 271.0 million euros, an increase of 2.6% on a reported basis. Foreign exchange rate changes and acquisitions contributed positively to this increase in revenue by 0.8% and 1.9% respectively.

Operating income from continuing operations was 36.7 million euros, an increase of 5.1% with respect to 2009. Thus, the current operating margin was 13.5% as compared to 13.2% the previous year.

This result is even more remarkable given that the sector margin was negatively affected by the Cegelease activity.

The acquisition of Pulse in the United States, a company which specializes in the management of electronic healthcare records (EHR), positively affected the revenue of the Cegedim Healthcare Software Division, now a world player in computerization of information for healthcare professionals.

Insurance & Services

For fiscal year 2010, revenue amounted to 129.2 million euros, an increase of 15.8% on a reported basis. On a like-for-like basis, revenue increased by 9.2% over the period.

Operating income from continuing operations was 19.6 million euros, an increase of 49.3% with respect to 2009. Thus, the current operating margin was 15.2% as compared to 11.8% the previous year.

The improvement in margin derived primarily from Cegedim Activ, the number one software and services product dedicated to personal insurance.

This company continued to demonstrate, through numerous commercial successes and by first rate operational performance, the pertinence of its software and service products. The new multi-system platform ACTIV'RO, is already becoming the reference solution in the market.

Acquisitions

SK&A Informations Services Inc.
CRM & strategic data

- January 7, 2010
- 2010 revenue:
approximately USD 15 million
- First-rate healthcare data supplier in the United States

CRM and Direct Marketing (Switzerland) division of IMS Health
CRM & strategic data

- June 3, 2010
- 2010 revenue:
approximately 2 million euros

Pulse Systems Inc.
Healthcare professionals

- July 27, 2010
- 2010 revenue:
approximately USD 14 million
- Supplier of healthcare software and services in the United States

Deskom
Insurance and services

- September 6, 2010
- 2010 revenue:
approximately 4 million euros
- Intercompany e-billing

Hosta
Insurance and services

- June 18, 2010
- 2010 revenue:
approximately 11 million euros
- Intercompany e-billing

Extension of the average maturity of the Group's debt

Within the context of its policy to extend the maturity of and diversify its debt, on July 27, 2010 Cegedim (BB+ S&P's) issued 300 million euros of convertible bonds maturing in 2015, with a fixed-rate coupon of 7.00%, payable half-yearly.

New brand strategy and visual identity for the Group

To reinforce its image, Management decided to simplify the visual identity of the Cegedim brand. This refocus on the Cegedim name at the expense of using the Dendrite name translated into a correction without cash impact of 104 million euros on operating income from non-current operations and the reversal of a deferred tax liability of 41.5 million euros, i.e. a net impact of 62.4 million euros on consolidated profit (loss) for the period.

Humant resources

The Cegedim Group had 8,470 employees in 2010 as compared with 8,742 the previous year.
The composition of the Group's employees is 58% men and 42% women.

The geographic distribution of employees is the following:
France: 39.72%
EMEA excluding France: 29.55%
Americas: 17.05%
APAC: 13.68%

The distribution by business sector is the following:
CRM & strategic data: 68%
Healthcare professionals: 21%
Insurance & services: 11%

Post-closing events

Cegedim took the opportunity to develop a strategic activity in the computerization market for pharmacists and doctors in Romania and acquired Pharmec, which holds 40% of the market with revenue of approximately 1 million euros.

Outlook

For 2011 the Group has set a goal of further strengthening the number and quality of its offers on the world healthcare market with a growth in revenue (excluding foreign exchange fluctuations) of about 4%.

Primary Growth Factors

- Overall growth in the market
- Outsourcing
- E-billing
- Emerging countries

Corporate Governance

The AFEP-MEDEF Corporate Governance Code of Listed Companies is the code to which the Company refers, and can be found at http://www.code-afep-medef.com. The Board of Directors has Internal Regulations which, notably, specify the rules governing its goals, operation and responsibilities.

The role and scope of activity of the four Committees is also defined in the Internal Regulations for the Board of Directors.

Board of Directors

The Board of Directors is made up of ten Directors, one of which is independent as defined by the AFEP-MEDEF Corporate Governance Code for Listed Companies.
One of the directors is a women.
During the 2010 fiscal year, the Board of Directors met six times after being convened by its Chairman; each Director was summoned in writing at least one week prior to the date of the meeting.
The Board of Directors closed the annual and half-yearly financial statements and stated its position on, notably: the overall direction and strategic decisions of the Group; the establishment of a free share award plan; the authorization of guarantees to third parties and of agreements concluded among affiliated companies; the renewal of the term of the Chairman and of the deputy managing editor; and the authorization to issue a bond. It also adopted the internal regulations of the Board of Directors and created the committees. Finally, it reviewed its ability to respond to shareholder expectations by reviewing its composition, organization and operation.

Audit Committee

The main role of the Audit Committee is to examine the financial statements, monitor the preparation of financial information and review the effectiveness of the Internal Control and risk management systems, and of the rules on the independence and objectivity of the Auditors.
The Audit Committee is made up of four directors, one of which is independent.

The Audit Committee met three times during the 2010 fiscal year. All meetings were held in the presence of all the members of the Committee. The Auditors and the Investment Director also participated in the meetings.
In addition to analyzing the statutory and consolidated financial statements, in conjunction with a detailed review of the evolution of the Group's business activities and scope, the Committee's work focused primarily on the following points: Cegedim's new visual identity, the operation of the information system, and the description of the reporting systems.

Nominations Committee

The principle duties of the Nominations Committee are to offer proposals on the selection of Directors and to establish a succession plan for executive corporate officers in the event of an unforeseen vacancy of office.

The committee has three directors, one of which is a independent.
The committee met once during the 2010 fiscal year, and all members were present. It reviewed, notably, its own operating methods.

Compensation Committee

The main duties of the Compensation Committee are to review and make proposals to the Board on the compensation of Cegedim's Directors, Chairman & CEO and deputy managing director, and to examine the policies on the attribution of free shares and variable compensation.
The Committee is composed of three Directors, one of which is independent.
The Committee met once during the 2010 fiscal year, and all members attended. The Committee reviewed, in particular, the modalities and operation of the free share award plan.

Strategy Committee

The main duties of the Strategy Committee are to propose the Company's development axes and to identify potential targets.
It is composed of three members appointed by the Board of Directors.

The Committee met once during the 2010 fiscal year, and all members attended. It examined, in particular, its operating methods.

Cegedim Values

Management bodies

Board of Directors
- Jean-Claude Labrune, Chairman
- Laurent Labrune
- Aude Labrune-Marysse
- Jean-Louis Mery
- Pierre Marucchi
- Jacques-Henri David
- Nicolas Manardo
- Philippe Alaterre
- Anthony Roberts
- Jean-Pierre Cassan, independent director

Audit Committee
- Jacques-Henri David, Chairman
- Aude Labrune-Marysse
- Pierre Marucchi
- Jean-Pierre Cassan

Nomination Committee
- Jean-Claude Labrune, Chairman
- Aude Labrune-Marysse
- Jean-Louis Mery

Compensation Committee
- Jean-Pierre Cassan, Chairman
- Aude Labrune-Marysse
- Jean-Louis Mery

Strategy Committee
- Jean-Claude Labrune, Chairman
- Laurent Labrune
- Nicolas Manardo

Auditors
- Grant Thornton
Represented by Michel Cohen
- Mazars
Represented by Jean-Paul Stevenard

Cegedim's values are based on a permanent desire for innovation and the optimization of the quality of products and data which are adapted to the business needs of its clients' markets. The demands for innovation, quality and investment for the future are at the heart of the Group's growth strategy and rest on strong values.

An agile organization conceived to foster innovation and entrepreneurial spirit.

Cegedim Group is organized around business units and autonomous companies, led by responsible entrepreneurs who are able to share and promote the technological excellence of products, in sectors with a strong potential for growth. For most its offers, it looks to provide clients with very complete services that require a high level of professional knowledge and specialization. The technical teams accompany the product from the innovation stage up until the production phase. The product development teams have a perfect knowledge of client needs and of the characteristics of the products offered.

An entrepreneurial culture resolutely focused on client satisfaction.

Cegedim's objective is to provide clients with the added value they require at the right price. Strong reactivity and large adaptability to change are possible thanks to human-sized teams which foster communication, transmission of skills and sharing of experience. Cegedim relies on the performance of these teams, which are reactive and motivated, and benefit from short information circuits and rapid decision making, and a large adaptability to change.

Compliance

Cegedim's activities implement sensitive data processing, notably in the pharmaceutical field. Compliance is the source of Cegedim's credibility in the health sector, notably with respect to confidential client data and anonymity commitments. Respect for the regulations in force and strong ethics are the base of Cegedim's development, and contribute in turn to the evolution of each of its guiding principles.

"By respecting these values, we ensure, together, our future success."

Cegedim in the Stock Market

Cegedim's policy with respect to financial communication is to deliver information on the company's performance to investors and the market which is rapid, pertinent and opportune.
One of the key elements of market communication is the publication of results, such as the annual report, half-yearly report and quarterly results. Following the publication of financial press releases, Cegedim typically organizes telephonic conference calls. Cegedim meets regularly with institutional investors through meetings and road shows in Europe and the United States.

Cegedim share

Date of initial public offering	april 1995
Market on which it is quoted	NYSE Euronext Paris Comp. B
ISIN Code	FR0000053506
Reuters Code; Bloomberg Code	CGDM.PA; CGM
Indexes	SBF 250; CAC IT ; CAC Mid & Small 190; CAC Mid 100; CAC Technology; CAC Soft & C.S.

Cegedim shares closed at € 41.12 on December 31, 2010 with a stock capitalization of 576.56 million euros.

Key data adjusted to financial operations (capital increase, etc.) regarding shares*

In euros	**2010**	2009	2008	2007	2006
Stock capitalization, in millions	**575,563,754**	804,837,448	282,780,230	623,704,720	524,931,332
Number of shares issued, in millions	**13,997,173**	13,997,173	9,331,449	9,331,449	9,331,449
Value of share at end of the year	**41.12**	57.5	30.30	66.84	56.25
Highest share price during the year	**61,95**	64.96	65.72	79.73	68.08
Lowest share price during the year	**40.33**	25.61	27.91	56.34	52.24
Average price	**51.92**	42.98	43.77	68.25	59.19

*Source : Euronext.

Evolution du nombre d'actions

	Event	No. of new shares	Total No. of new shares	Value per share, €	Capital
December 2009	Capital Increase	4,665,724	13,997,173	0.9528	13,336,506.43

For more financial information

Additional information and updates can be found on our website:

www.cegedim.com/finance
→ menu : profile/shareholder

Agenda

Wednesday May 4, 2011
1st Quarter Revenue

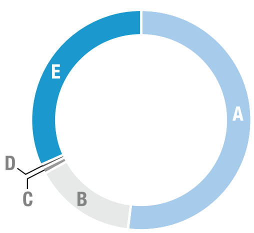
Wednesday August 3, 2011
2nd quarter revenue

Friday September 23, 2011
1st semester results

Wednesday November 9, 2011
3rd quarter revenue

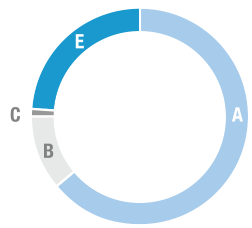
Shareholder structure

In %, as of December 31, 2010



Capital

A	FCB	52.3
B	FSI	15.0
C	J.C. LABRUNE	0.2
D	Cegedim	0.2
E	Public, including Alliance Healthcare	32.0



Voting Rights

A	FCB	64.6
B	FSI	11.0
C	J.C. LABRUNE	0.5
D	Cegedim	0.0
E	Public, including Alliance Healthcare	23.9

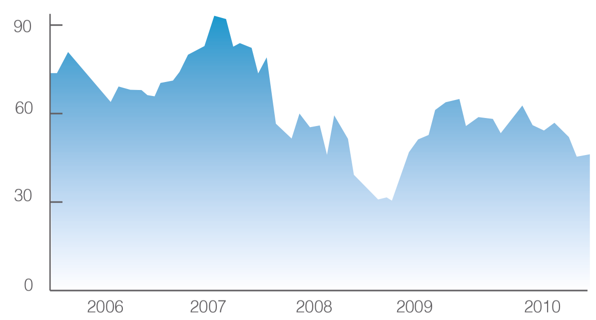
Analyst coverage

Rate
- Société Générale: Juliano HIROSHI TORII

Actions
- CA Cheuvreux: Michaël BEUCHER
- CM-CIC Securities: Jean-Pascal BRIVADY
- Gilbert Dupont: Nicolas MONTEL
- Natixis Securities: Thomas LE QUANG
- Oddo & Cie: Xavier-Emmanuel PINGAULT
- Société Générale: Patrick JOUSSEAUME

Evolution of share price

From January 1, 2006 to December 31, 2010



Investor contacts

Jan Eryk UMIASTOWSKI
Director of Investments
Director of Investor Relations

investor.relations@cegedim.com
www.cegedim.com/finance

TEL.: +33 (0)1 49 09 33 36

Declaration of threshold crossings received by Cegedim in 2010

Company	Declaration date	Event date	Event	Comments
Alliance Healthcare (AH)	March 31, 2010	December 2009	Passing below 10%	Partial subscription to capital increase in December 2009
Financière de l'échiquier (FE)	December 16, 2010	December 15, 2010	Passing below 5%	Sale of shares on the market

CEGEDIM GROUP

1

PERSONS RESPONSIBLE

1.1 NAME AND TITLE OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Jean-Claude Labrune
Chairman & CEO
Cegedim SA.

1.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I certify, after having taken all reasonable steps to this end, that to my knowledge, the information contained in this Registration 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 chapter 26 of 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 Registration Document and that they had read the entire Registration 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 2010 (which appear respectively in items 20.1.3 and 20.2.3 of this Registration Document) call the readers' attention to Note – Accounting Standards from the notes to the consolidated financial statements, which details the methods of presenting the consolidated financial statements and new obligatory standards and Note 3 – Intangible Assets that specifically details the circumstances concerning impairment reporting of the Dendrite brand as of December 31, 2010

The Auditors' reports concerning the consolidated financial statements and the statutory financial statements for fiscal year 2009 (which appear in the Registration Document filed with the "Autorité des Marchés Financiers" on April 26, 2010 under the number D.10-0320) and concerning the consolidated financial statements and the annual financial statements for fiscal year 2008 (which appear in the Registration Document filed with the "Autorité des Marchés Financiers" on April 28, 2009 under the number D.09-0331) do not contain any comments.

Drawn up in Boulogne-Billancourt, on April 20, 2011

Jean-Claude Labrune
Chairman & CEO
Cegedim SA.

2

STATUTORY 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 – 92400 Courbevoie
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of six 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 six 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 six years until the 2013 General Meeting approving the 2012 financial statements.

IGEC – Institut de Gestion et d'Expertise Comptable
represented by Mr. Victor Amselem
3, rue Léon Jost – 75017 Paris
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of six years until the 2013 General Meeting approving the 2012 financial statements.

3

SELECTED FINANCIAL INFORMATION

CONSOLIDATED DATA

In million of euros	12/31/2010	12/31/2009	12/31/2008	
Revenue	927	874	849	
Operating income from continuing operations	107	112	97	
Profit (loss) for the period	(17)	55	33	A
Profit (loss) for the period attributable to the owners of the parent	(17)	55	34	
Cash flow	151	126	98	
Total balance sheet	1374	1,328	1,297	
Goodwill on acquisition	711	613	614	
Net financial debt	471	404	603	
Equity attributable to owners of the parent	480	465	241	
Number of shares outstanding	13,997,173	13,997,173	9,331,449	
Average number of shares excluding treasury shares	13,965,092	9,480,237	9,331,449	B
Earnings per share *(in euros)*	(1.2)	5.8	3.6	A/B

4

RISK FACTORS

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. These risks as well as others of which it is not yet aware or which it considers to be insignificant to date, could have a negative impact on its activity and results. After examination of theses risks, those considered the most significant by the Group are set out below.

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 SA has hedged borrowings when 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.

Financing was implemented on May 9, 2007 for the buyout of Dendrite, on the one hand, and the consolidation of the existing debt on the other. Furthermore, in July 2010 the Group issued bonds for 300 million euros in order to spread the maturity of this debt. The total product of the bond issue, excluding expenses, was allocated to the repayment of the bank loan subscribed for the acquisition of the Dendrite Company in 2007.

At December 31, 2010, this financing can be broken down as follows:

- Bank loan:
  - Term A1: 123 million euros for a loan depreciable until 2013 at a variable interest rate,
  - Term A2: 88 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, 2010, the Group was drawing 5 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,
- Bond issue:
  - in order to refinance a portion of the syndicated loan entered into at the time of the acquisition of the Dendrite company, the Group carried out a 300 million euro bond issue on July 27, 2010, maturing in 2015, with a fixed coupon of 7.00% per year, payable half -yearly. The bond is listed on the Luxembourg stock market under ISIN code FR0010925172. The full proceeds of this issue were used to pay off part of the Group's existing bank debt. The Group's debt profile was thus improved, its maturity was extended and Cegedim's liquidity position was reinforced.

Repayment of Borrowings

Period	**Term A1** *(in euros)*	**Term A2** *(in dollars)*	**Compulsory** *(in euros)*
December 31, 2010	15,680,688.34	11,295,302.11	-
June 30, 2011	15,680,688.34	11,295,302.11	-
December 31, 2011	15,680,688.34	11,295,302.11	-
June 30, 2012	15,680,688.34	11,295,302.11	-
December 31, 2012	15,680,688.34	11,295,302.11	-
May 03, 2013	60,596,558.32	42,523,489.93	-
July 21, 2015	-	-	300,000,000

Description of Hedges put in place by the Group

The euro debt's exposure to variations in the euro rate is partially hedged. The notional amount hedged is 168,318 thousand euros for a euro debt of 173,413 thousand euros (term A1, the RCF and subordinated debt). The hedge is made up of three no premium one month Euribor pre-set receivers, fixed rate payer as follows:

- rate of 4.565% for a notional amount hedged of 56,106 thousand euros;
- rate of 4.57% for a notional amount hedged of 56,106 thousand euros;
- rate of 4.58% for a notional amount hedged of 56,106 thousand euros.

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

- 5,095 thousand euros in euro debt;
- together with the entire A2 tranche denominated in dollars, namely 87,705 thousand dollars.

Assessment of the Interest Rates Risk

At December 31, 2010, 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 0.9 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 limited exchange rate risk. Indeed, exchange rate effects had a +2.2% impact on revenue growth in 2010. Such effects are mainly the result of the pound sterling (9% of revenue) and the dollar (13% 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 88 million dollars at December 31, 2010, 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, 2010, is as follows:

Consolidated Balance Sheet Total at 12/31/2010	GBP	USD	EUR	Other Currencies	Total
Amount *(in thousands of euros)*	67,525	278,089	967,875	60,732	1,374,221
Share in % terms	**4.9%**	**20.5%**	**70.4%**	**4.4%**	**100%**

The 87,705 thousand dollars loan figure is not included in the euro amounts that appear in the above table.

The table below 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 88 million dollars loan borne by Cegedim SA would have a negative impact of 2,2 million euros on the Group's shareholders' equity.

In thousands of euros	GBP	USD
Balance Sheet Total	(566)	(5,864)
Off-balance sheet positions	0	0
Net position after management	**(566)**	**(5,864)**

Should the revenue/costs structure remain similar, any appreciation in the euro against the pound sterling would bring about a reduction in earnings expressed in euro. On the basis of the fiscal year 2010, 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 785 thousand euros and on Cegedim's operating income of 107 thousand euros.

Should the revenue/costs structure remain similar, any appreciation in the euro against the US dollar would bring about a reduction in earnings expressed in euro. On the basis of the fiscal year 2010, 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 1,001 thousand euros and on Cegedim's operating income of 984 thousand euros.

The exchange rate had a total positive effect of 19.0 million euros on the 2010 revenue. It should be noted that the dollar had a positive exchange rate effect of 5.7 million euros and the pound sterling a positive exchange rate effect of 3.0 million euros. The translation gains or losses amount on revenue is determined by recalculating the 2009 sales based on the 2010 exchange rate. The currency exchange 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 and compulsory 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 December 31, 2010 increased slightly, by 4.7% in comparison to December 31, 2009.

12/31/2010	12/31/2009
M€541	M€516

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, 2010 and December 31, 2010, the Group complied with all its banking and compulsory covenants.

For the banking and compulsory covenant, 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). For bond issues the calculation of the two ratios is described in the prospectus of the operation (the pro forma contractual net financial debt to Ebitda, and Ebitda to the pro forma 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.

4

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 (1), amortization expenses (1) and integration expenses (expenses considered non IFRS as defined in the credit agreement with the Group's creditor banks).

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
December 31, 2007	4.00	3.62
June 30, 2008*	3.75	3.60
December 31, 2008	3.50	3.15
Tuesday, June 30, 2009*	3.25	2.996
December 31, 2009	3.00	1.93
June 30, 2010*	3.00	2.24
December 31, 2010	3.00	2.35
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
December 31, 2007	3.00	4.11
June 30, 2008*	3.00	4.20
December 31, 2008	3.75	4.52
June 30, 2009*	3.75	4.65
December 31, 2009	3.75	6.91
June 30, 2010*	4.50	9.04
December 31, 2010	4.50	7.11
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.

(1) Directly transmitted into the Cegedim group's consolidated financial statements.

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.

None of the Group's client represent more than 3.5% of the Group's turnover in the fiscal year ended December 31, 2010. With the exception of a single client who represented 5.2% of turnover in the fiscal year ended December 31, 2010. The top five and the top ten of the Group's clients respectively amount to 14.9% and 21.5% of the Group's turnover in the fiscal year ended December 31, 2010.

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 income.

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

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 August 6, 2004 which transposes the European Directive 95/46/EC of October 24, 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 and notify health professionals in accordance with the regulations governing data protection.

The Group's Legal Department oversees compliance with regulations that apply to Group activities.

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 sustainable development program of the Cegedim group 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 one hundred initiatives having been undertaken. The first indicators for checking and analyzing the results in order to adapt future actions were put in place in 2010.

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. The best precautions are taken to guarantee that our clients receive the highest standards of quality and of protection of data and traffic that are entrusted to us.

Thus, the reduction of risks and impacts that can affect the assets and the image of the Group, relating in particular to fire, floods or other natural disasters, power outages, computer viruses and sabotage is a constant and primary concern for the Group.

The Group implements strategies for activity and service continuity, drawing on the global distribution of its five IT centers of Tiers III+ and the state of the art of information technologies.

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 suitable 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, mainly at the level of the data centers and the use of latest generation equipment;
- the purchase of recycled products;
- 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 in accordance with local laws and regulations.

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

Cegedim Compact's main efforts are aimed at:

- the virtualization of the data centers and reducing energy consumption;
- the drawing up of an Ethical charter and a non-discrimination charter;
- the creation of an Ethics Committee involving senior management and staff representatives;
- the implementation of the Growing People scheme aimed at rolling out the best HR practices, managing the key posts and spreading the values of the Group;
- campaigns to improve employee awareness through Group or local initiatives;
- virtualization of data centers;
- equipping people with new generation computers that consume less;
- entroducing 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.

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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 earnings 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 earnings. 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 earnings.

Share price

The Group's operating earnings 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 income.

4.4 LEGAL ACTION AND ARBITRATION

There are no ongoing government, legal or arbitration proceedings of which Cegedim is aware 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 SA 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:

- 15,000,000 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 renewed during 2009 by the subsidiaries of Cegedim USA.

Several levels of cover are available:

- 10 million dollars for risks associated with technology failures;
- 31 million dollars for risks associated with commercial activity, of which 1 million dollars of primary general liability cover;
- 31 million dollars for risks associated with real estate, of which 1 million dollars of primary general liability cover.

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 – TVF Division, Cegedim Dendrite – Santesurf Division, Cegedim Dendrite Pharma CRM division, Cegedim Relationship Management, Cegedim Relationship Management France, Cegedim Relationship Management Corp., Deskom.

5.1.2 ISSUER'S PLACE OF REGISTRATION AND NUMBER

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

5.1.3 DATE OF INCORPORATION AND TERM OF THE ISSUER

Cegedim SA 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 SA 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 SA
A public limited company with a Board of Directors and capital of 13,336,506.43 euros.

Corporate headquarters: 127 - 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: French 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 information flow and database management services.

The world leader[(1)] 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. These activities are now consolidated into the "CRM and strategic data" sector.

Cegedim has also positioned itself as one of Europe's leading[(2)] 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. 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 many customers 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.

1972 Innovation with the first computerized database of doctors.

1979 Launch of CRM activities in France.

1990 International expansion begins.

1991 Innovation with the first electronic data interchange platform.

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

1995 Cegedim is listed on the Paris Second Market and is now listed on NYSE Euronext Paris, compartment B.

1996 CRM innovation with the *TEAMS* suite in SaaS mode.

1997 Innovation with the BCB, the first computerized drugs database.

1999 Computerization of health insurance and mutual companies.

2006 Cegedim revenue exceeds 500 million euros.

2007 With the acquisition of Dendrite International, Cegedim becomes the world leader in CRM for the pharmaceutical industry. 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 Share issue of 180.5 million euros to relaunch a strategy of dynamic external growth and the French Strategic Investment Fund (FSI – Fonds Stratégique d'Investissement) becomes a shareholder in the Group.

2010 Cegedim strengthens its positions in the American market with the acquisition of SK&A and Pulse.

2010 Cegedim employs 8,470 people in more than 80 countries. International activities represent more than 50% of full-year revenue. *OneKey*, the database of choice for healthcare professionals around the world, is available in 73 countries.

2010 Cegedim carries out a bond issue for 300 million euros.

(1) Cegedim, via its subsidiary Cegedim Relationship Management, 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.

5.1.7 COMPANY DEVELOPMENT

Revenue for the "CRM and strategic data" sector is nearly five times the level it was in 2000 and represents 57% of the Group's revenue at December 31, 2010. This increase was particularly affected by the acquisition of Dendrite in 2007 which represented a significant strategic step for the Group allowing it to enter a new growth phase. 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, was extended 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 the United States (2010) 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 2008 in particular 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, and in 2010 with the acquisition of Hosta and Deskom.

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 the advisability of debt financing on a case-by-case basis.

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.

Transactions in excess of 20 million euros must be approved by the Board of Directors with 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:

In millions of euros **Year of acquisition**	**Price of acquisitions excluding earn-outs**	**Amount of earn-outs paid**	**Total acquisition price**
2008	20.9	-	20.9
2009	11.0	2.0	13.0
2010	55.1	15.0	70.1

In addition, estimated earn-outs to pay amount to 15.0 million euros, primarily for 2012. As mentioned in point 20 of this Registration Document, all earn-outs were recorded. There is no minority shareholder buyback commitment.

In millions of euros **Year**	**Payment of earn-outs**
2011	-
2012	15.0
2013	-

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 posted revenue of more than 1 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 in excess of 2 million euros.

"HEALTHCARE PROFESSIONALS"

April 2008: acquisition of 01 Santé, publisher of the "*MégaBaze*" 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 stood at some 1 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 boosts Cegedim's service offering 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

"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 business acquisitions accounted for revenues in excess of 6 million euros.

July 2009: acquisition of 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 1 million euros.

"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 1 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 1 million euros.

Main investments of 2010 and up to 03.31.11

"CRM AND STRATEGIC DATA"

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 the Cegedim Group to complement and reinforce its *OneKey* offering in the United States.

In 2010, the acquired activities represented annual revenue of some 15 million US dollars.

June 2010: acquisition of Swiss CRM and Direct Marketing division of IMS Health to complete and strengthen Cegedim's offering on the Swiss market.

In 2010, these activities represent an annual revenue of some 2 million euros.

"HEALTHCARE PROFESSIONALS"

July 2010: acquisition of Pulse Systems, Inc., a leading US healthcare software and services provider with more than 20,000 workstations installed across the US in 35 specialties. Its Pulse Patient Relationship Management, version 4.1.02, is certified by the CCHIT[(1)] for outpatient patient files and pediatrics.

(1) CCHIT – Certification Commission for Health Information Technology. Founded in 2004, the CCHIT is an independent commission whose mission is to develop certification recognized by the US government for all health care information technology services. For more information, go to www.cchit.org

The move gives Cegedim access to the US market for the computerization of health care professionals at a very favorable time for the development of electronic patient records. The ARRA[1] provides some 30 billion US dollars in incentives for doctors and hospitals to implement EHR[2] solutions. Motivated by these financial incentives, which will be paid in 2011, the market for equipping physicians with EHR software and services is likely to expand rapidly, providing a bright outlook for companies in the sector. According to a March 2009 Congressional Budget Office (CBO) study, the penetration rate is likely to rise from 12% in 2006 to 90% in 2019. Today the rate is 17%, leaving ample room for growth.

In 2010, Pulse's businesses represent annual revenues of some 14 million US dollars.

"INSURANCE AND SERVICES"

June 2010: acquisition of Hosta, a specialist in third-party management in which Cegedim had held a minority stake since 2004. The addition allows the Cegedim Group to pursue its development plan and expand its portfolio of solutions by offering tailored solutions to all of its clients in the insurance sector.

In 2010, the acquired businesses represent annual revenues of some 11 million euros.

September 2010: acquisition of Deskom, the leading French B-to-B invoice dematerialization company. The deal is an opportunity for its professional electronic exchange management department to build on its leadership in the field.

In 2010, the acquired businesses represent annual revenue of 4 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 health-care and strategic-data operators.

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

Cegedim also seized the opportunity to develop a strategic activity in the market for the computerization of pharmacies and doctors in Romania, by acquiring Pharmec, which holds 40% of the pharmacy computerization market in that country with annual revenue of some 1 million euros. This acquisition also builds on Cegedim's data offering for pharmaceutical laboratories in Romania.

Pharmec was formed in January 2011 for the purposes of this transaction, following a spin-off from a large Romanian company, and brings together all IT and services activities for pharmacies and doctors.

A memorandum of understanding was signed on January 21, 2011 and the acquisition will be closed at end-April 2011 if all conditions precedent are met. The more detailed terms of the transaction are governed by a confidentiality agreement.

As of the date of filing of this Registration Document, with the exception of the undertaking referred to above, no other firm undertakings have been made by the Cegedim Group.

(1) ARRA - American Recovery and Reinvestment Act. The stimulus plan proposed by US President Barack Obama and enacted by Congress in February 2009 to boost the US economy following the economic crisis of 2008.

2) EHR - Electronic Health Record. EHR is defined as a patient's health records. This electronic data can be shared by a number of health care facilities and exchanged between health care professionals. The terms Electronic Patient File (EPF) and Electronic Personal Record (EPR), are also used.

6

SUMMARY OF ACTIVITIES

Founded in 1969, Cegedim is an innovation-led global technology and services company specializing in healthcare.

Cegedim supplies services, IT tools, specialized software, data flow management services and databases. Its offering are targeted notably at health care industries, life sciences companies, health care 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 leader[(1)] in life sciences 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[(2)] 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.

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, 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.

(1) Cegedim, via its subsidiary Cegedim Relationship Management 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 publishers of software for healthcare professionals in terms of the number of workstations installed.

6.1 SECTOR 1 “CRM AND STRATEGIC DATA”

6.1.1 DESCRIPTION OF THE ISSUER’S MAIN OPERATIONS AND PRODUCTS IN THIS SECTOR

The “CRM and strategic data” sector aims to support healthcare companies in their different commercial and medical operations by providing them with databases, marketing tools and regular or tailored audits.

These different services enable them to optimize their investments by providing the technological tools and necessary data to identify the medical needs of prescribers who normally have to use such services.

Cegedim also provides different compliance services, which lead to a better understanding of the correct use of drugs and ensure the compliance of prescriptions with market authorizations.

Cegedim solutions combine performance and compliance with different Public Health Codes and privacy laws.

In particular, Cegedim offers:

- tools for optimizing information and investment resources for sales and marketing;
- report and analysis tools for city and hospital-based sales forces;
- databases and tools allowing for a better knowledge of prescribers;
- tools and research for strategic marketing, operational marketing and monitoring competition;
- tools for measuring performance and promotional investments;
- business intelligence solutions.

CRM FOR THE LIFE SCIENCES INDUSTRY

Cegedim Relationship Management

(following the successful integration of the Dendrite company, Cegedim Dendrite became Cegedim Relationship Management)

With 200,000 users of its solutions in 80 countries, Cegedim Relationship Management is the global leader[(1)] in CRM for the biopharmaceutical industry. Drawing on its *OneKey* database, the world’s reference[(2)] for pharmaceutical professionals, Cegedim Relationship Management provides the life sciences industry with a unique portfolio of high value-added solutions in the fields of sales, marketing and business compliance.

Cegedim Relationship Management’s solutions are designed to measure and optimize the efficiency of medical promotion in an industry that is constantly changing.

OneKey

The *OneKey* worldwide database is the focal point of the Cegedim Group’s activities. It now includes more than 7.5 million healthcare professionals and should soon exceed 8 million with the success of the operations launched in China, notably, and the acquisition of the American company SK&A in 2010.

More than 700 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 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 city-based doctors changes, and the rate goes up to almost 30% for those who are hospital-based. In this context, providing 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.

(1) Cegedim, via its subsidiary Cegedim Relationship Management 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) The One key 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.

Around this essential information, Cegedim Relationship Management offers specific services that improve knowledge of clients particularly with hierarchical and influential health professional links at the institutional and individual levels.

SK&A

SK&A, Cegedim's *OneKey* offer in the US, includes the details and profiles of over two million health professionals, including 800,000 prescribers, and is thus positioned as one of the main sources of health data in the United States. The SK&A data facilitates canvassing and marketing actions in many sectors and particularly the areas of the pharmaceutical industry, medical equipment, medical IT and management, direct marketing, publishing, education, etc. The quality and reliability of SK&A data is ensured by the research center based in Irvine, California, which checks them in full twice a year. Every month SK&A supplies over 33 million health data records to many customers including the biggest health care institutions, press groups and pharmaceutical companies.

OneKey Market Access

The *OneKey Market Access* offer makes it possible to go beyond the traditional target group of physicians.

Indeed, various stakeholders such as health technology assessment bodies, patient advocacy groups and different opinion leaders have become essential in the bio-pharmaceutical industry.

The *OneKey* solution brings a complete and up to date vision of the customer universe.

A complete line of bio-pharmaceutical CRM solutions 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 bio-pharmaceutical industry need marketing and sales tools that allow them to improve their efficiency.

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

- life sciences specific solutions;
- installation and support services adapted to local environment;
- business intelligence services;
- hosting services.

Mobile Intelligence is CRM's first iPad® and iPhone® solution designed for the life sciences industries, available from 2010. This solution is optimized for the needs of users in the field and applies Apple™ guidelines for being user-friendly.

A global package

CRM's global solution, *Mobile Intelligence*, enables pharmaceutical laboratories to use Cegedim's offers on a global, regional or local scale.

A global presence

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

- hosting centers and competence centers throughout the world among which Auckland, Bangalore, Cairo, Chesapeake, Mexico, Osaka, Paris, Toulouse and Warsaw;
- the biggest research and development resources and user support (1) dedicated to pharmaceutical CRM (connecting more than 900 people).

Cegedim Relationship Management is continually innovating as shown by the recent launch of Business Compliance solutions in Europe.

The Company's strong commitment to its customers extends to product development – not only getting involved in the development process, but also helping to design the Company's product strategy and road map.

Local Resources for local results

Cegedim Relationship Management has local teams that are highly qualified, trained and experienced in IT and health.

Cegedim Relationship Management's principal strength is the ability to think globally and act locally using solutions that are adapted to the structure, issues and legislation specific to each market.

BUSINESS INTELLIGENCE

Reportive

Reportive publishes a business intelligence software package. This facilitates the creation and automatic distribution of personalized reports and interactive trend charts (sales force, marketing, finance, human resources) aimed at improving the competitiveness, productivity and efficiency of organizations. The agility of the solution makes it possible to meet the needs of the profession and provides the necessary responsiveness to integrate changes. The ease of use combined with advanced data validation capabilities allow experts in the field to develop their own applications whilst guaranteeing the reliability of results. The use of a component library and "Plug and Play" interface generates 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. Many Cegedim entities also use the *Reportive* solution to improve the quality of service given to customers and their own productivity.

(1) 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.

MARKET RESEARCH STUDIES

Cegedim Strategic Data

Cegedim Strategic Data (CSD) is one of the leading [1] market research companies dedicated to the pharmaceutical industry. With over 36 years experience in this industry, CSD offers a comprehensive range of market research services by integrating its numerous data sources (primary market research, promotional audit, patient database, 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 the *INES©* software (a tool originally developed for the management of clinical studies) and *CSD Advance* (Powered by Reportive – Business Intelligence tool) and *CSD* Analyzer (Powered by Reportive – dynamic data analysis and dashboard 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.

Promotional Audit

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 & benchmark the pharmaceutical industry's marketing and promotional activities by spending and contact: 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 and the effectiveness of sales forces. For data analysis and reports, CSD now offers its clients *CSD Advance*, a highly adaptable tool that provides custom reports, or CSD Analyzer, an easy-to-use and dynamic market analysis tool.

Patient database

CSD has two sources for patient and prescription information:

- 8 longitudinal patient databases with anonymised observational data.
- a panel of specialists (office and hospital-based) that ensures constant monitoring of a given market: PDS (Patient Database Survey).

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 behavior for a particular therapeutic class, product etc.

Communication Tracking

The Communication Tracking 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 behavior. 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.

Medical Research

CSD's offer includes (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 or health authority's medical research needs: post-marketing studies, pharmaco-epidemiology, health economics, outcomes research, regulatory affairs, clinical studies or registries.

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. In 2010, CSD conducted over 1,500 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 Consulting

Itops Consulting offers its customers support in their strategic thinking on promotional issues. Its expertise lies mainly in the following areas:

- plans to organize and reorganize their promotional networks;
- the strategic analysis of market issues and drawing up a promotional plan: expertise in processing and analyzing specific data relating to the pharmaceutical industry;
- the size and structure of the target sales force;
- sectorization of sales forces by optimizing human criteria (distance from the delegate, the sector size), trades (customer retention, knowledge of the new sector) and environmental (consistency between the medical sectors created);
- supporting the implementation of the new structure, the allocation of visitors, the challenge and the definition of bonus plans, customized reporting tools;
- helping to implement strategic and operational planning, outsourcing SFE projects;
- managing change.

(1) CSD is a leading player in market research for healthcare industry in view of the variety and coverage of the research available.

SALES STATISTICS FOR PHARMACEUTICAL PRODUCTS

Gers SAS

Gers SAS 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 and pharmacists.

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 where the industry has joined forces to produce its own statistics, which have become official French data.

Cegers

Cegers develops “customized” studies for pharmaceutical companies and service providers based on sales data from a range of different sources (Gers, IMS, Nielsen, IRI).

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[(1)] in regional and national sales data, and offers a full range of products and services for the pharmacy and hospital segments.

Santestat

Using sales data collected from a range of pharmacies, Santestat compiles 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.

These statistics provide pharmaceutical companies with the data necessary to better understand drug distribution channels.

MEDICAL PRESCRIPTION ANALYSIS

Cegedim Customer Information

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

Relying on its *OneKey* database, the worldwide database reference[(2)] for healthcare professionals, Cegedim Customer Information offers its customers three 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.

(1) *InfoSanté is the leader in terms of revenue on the Romanian and Tunisian sales data markets.*

(2) *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.*

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 Key Opinion Leaders (KOL) 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 30 countries.

For certain pathologies (rheumatology in 2008, oncology in 2010-2011), 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 domaines [1], Cegedim has developed a specific department for its French activities in the field of direct marketing, Cegedim Communication Directe (CCD), which offers:

Specific databases

- 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 makes it possible to independently feed 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 CRMs, Web forms, in directory mode and Web Service;
- *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;
- *OneKey Web Authentication*™ is a Web service designed specifically for publishers of professional content sites requiring strict validation of access. *OneKey Web Authentication*™ 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 2010 it produced 470 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 of:

- samples to physicians,
- documentation to medical representatives.

(1) 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.

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.

ON LINE PROMOTION

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 medical software interconnected to the Cegedim server. It allows information exchanges and the downloading and circulation of advertising campaigns directly onto screensavers.

6.1.2 PRODUCTS OR SERVICES RELEASED ON THE MARKET DURING FISCAL YEAR 2010 FOR THE "CRM AND STRATEGIC DATA" SECTOR

CRM-related

In September 2010, following the successful integration of the Dendrite company, Cegedim Dendrite became Cegedim Relationship Management.

Moreover, 2010 was characterized by commercial vitality, the success of the geographic expansion of new services and the positive effects of the launch of new *Mobile Intelligence* offers, in particular in SaaS mode, on both existing and new customers.

For example (the Group is rarely authorized to cite its clients):

- in 2010 the Pierre Fabre pharmaceutical company made a long-term commitment to their partnership with Cegedim Relationship Management by signing a five-year framework agreement;
- the leading Japanese pharmaceutical company Bayer Yakuhin chose *Mobile Intelligence* for over 2,000 users within its different sales teams;
- LEO Pharma and UCB announced they were rolling out this SaaS mode solution, respectively, in several Asian countries and globally.

This year has also been characterized by the availability of its solutions on new platforms (iPad® and iPhone®), the development of compliance provision in Europe, the transformation of the Dendrite model into the Cegedim model (Services versus Licenses) and sustained investment levels in research and development to support new products.

In 2010, Cegedim Relationship Management also reinforced its international presence, notably by opening of a new office in Ukraine which allows it to reinforce its commercial links with this country, neighboring Russia and the Commonwealth of Independent States (CIS); and it continued its expansion into high-growth markets such as the emerging countries

Finally, the operational and commercial integration of SK&A (acquired in January 2010) which took barely six months to complete, allowed Cegedim to significantly strengthen its *OneKey* offer in the United States.

Regarding strategic data

In order to facilitate interaction with its clients, in 2010 Cegedim Strategic Data (CSD) launched a new, more dynamic and user-friendly Website. This new site has a public area, open to all Internet-users and an area dedicated to clients, with each pharmaceutical company now having a personal and secure online space on which its studies and reports are made available by CSD.

Moreover, CSD announced the extension of China promotion audit from 2011 (13 towns covered versus 10 previously). The size of sales forces and the volume of visits increased by 13% year-on-year in this country; this backs up the two-figure growth forecasts and the importance placed by the industry on a market that it considers to be key for future profits.

In the area of Business Intelligence (BI),

The 9.0 version of the Reportive software package, launched in 2010, facilitates decision-making by, notably, providing new interactive analysis functionalities. This solution has won over many new clients, such as Le Crédit Municipal de Paris, Ed and the City of Vincennes.

6.1.3 MAIN MARKETS

Key figures

57% 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 was present in 2010, in 73 countries, including French overseas territories.

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, which bought out Siebel in 2006, is now positioned as 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 Cegedim's main competitor at the international level on the market for strategic studies in the health sector.

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 5% to 7% in 2011 (versus 4% to 5% in 2010) with sales reaching 880 billion dollars.

This IMS estimate (October 2010) highlights growth rates that vary greatly from region to region. Emerging markets should continue to sustain world growth in 2011 with an average increase of between 15% and 17% (more than 25% to 27% in the case of China, which would represent 50 billion dollars; the third largest world market). The five main European markets (Germany, Spain, France, Italy and United Kingdom) should record growth of between 1% and 3% whilst the American market should grow by between 3% and 5%.

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[1] in the healthcare sector, the amount set aside for promotional spending worldwide in 2010 was 89 billion dollars broken down as follows: 61% related to medical examinations, 10% went on samples distributed, 9% 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.

Despite the recent mega mergers, the global pharmaceutical industry is not yet highly concentrated compared to other sectors of activity: the five biggest groups represent 27% of the world market versus 40% in IT, 50% in car manufacturing and 80% in aerospace.

Sales and promotions functions, along with R&D quality, are the main areas of differentiation in the healthcare sector. Also, particular attention is being paid to the personalization of client relations, acknowledgment of all stakeholders in the decision to reference a

(1) CSD is a leading player in market research for the healthcare industry in view of the variety and coverage of the research available.

6

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, making this the fourth biggest source of foreign currency for the French economy. In 2009 there were 324 industrial companies including 250 biotechnology companies in the pharmaceutical sector in France. In total, the drugs industry employed 306,000 people (including employees from drugs and biotechnology companies and jobs created by this industry particularly for wholesale-distributors and pharmacies). (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: 4.5 billion dollars in 2010 (versus 4.2 billion in 2008).

For example, the promotional budgets of French pharmaceutical companies in 2010 may be broken down as follows: 56% related to sales force promotion, approximately 24% on public relations type promotions, the press, the Internet, just over 19% on so-called DTC expenditure and less than 1% on samples distributed.

(Source: CSD 2011, Cegedim Group).

6.2 SECTOR 2 "HEALTHCARE PROFESSIONALS"

6.2.1 DESCRIPTION OF THE ISSUER'S MAIN OPERATIONS AND PRODUCTS IN THIS SECTOR

For many years, today Cegedim has positioned itself as one of leading[1] publishers of medical management software across the world.

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 meets 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 Cegedim Healthcare Software (CHS) Business Unit has more than 130,000 healthcare professionals and 17,000 pharmaceutical professionals using its solutions in eight countries (France, United Kingdom, Spain, Italy, Belgium, Tunisia, Chile and the United States). This 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.

Cegedim Healthcare Software recently extended to the American market in the computerization of healthcare professionals with the acquisition of Pulse Systems, Inc., in a very favorable environment for the development of electronic patient records.

Cegedim Healthcare Software is organized around four areas:

- pharmacist software (Alliadis, Cegedim Rx, Next Software);
- medical software and healthcare networks (CLM, INPS, HDMP, Millennium Stacks, Pulse Systems);
- software for paramedical professions (RM Ingénierie);
- medication database (Resip/*Base Claude Bernard*).

(1) *Cegedim is one of the leading publishers of software for healthcare professionals in terms of the number of workstations installed.*

SOFTWARE FOR PHARMACISTS

Alliadis

Specialized in pharmacy computerization, the Alliadis group (Alliance Software, Alliadis, PGInformatique) 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, and new pharmacist responsibilities under the HPST (1) laws all require short- or medium-term IT developments.

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;
- pharmacists with a private healthcare agreement;
- 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, indeed the sole 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.

Following the integration of PGInformatique in 2009, the Alliadis group has had a range of business solutions that allow it to target all types of pharmacy:

- *Alliance Premium*, the group’s flagship solution is to date the most widely used in pharmacies. It is modular and very rich and offers the pharmacist essential features for a fine-tuned management of the company and exhaustive monitoring of dispensing;
- *OPUS* offers a specific response to large pharmacy groups through open, extremely communicative technology.

In a constantly changing market, the Alliadis group is pursuing a strategy of growth and diversification to continuously stay one step ahead of the needs of pharmacists:

- with the arrival of over-the-counter drugs, selling area profitability is becoming highly strategic. The Alliadis group decided to invest in product ranges aimed at increasing selling area value and security and, in 2008, created NTPHarm, its sales network specifically for this activity;
- in order to support its clients in the establishment of business activities related to their new objectives, such as medical equipment rental and Ehpad (1) (nursing home) management, the group is integrating or developing specific solutions interfaced with its business software.

In order to rationalize its services and improve efficiency, at the beginning of 2011 the group decided to merge its companies Alliadis and Data Conseil. This operational agreement is the logical culmination of a process of qualitative convergence initiated in 2009 with the launch of the *Alliance Premium* software, a synthesis of the best functionalities of the *Alliance Plus* and *Premium* software packages.

In France, 450 employees, 30 skills centers and 2 hotlines 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 the pharmaceuticals IT market in France.

Cegedim Rx

Cegedim Rx is the leading supplier of software solutions and computer services in the United Kingdom, with over 50% of the pharmacy market which incorporates in excess of 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 minor ailment software in the UK. Cegedim Rx also provides its customers with the government sponsored broadband communications within pharmacies as well as providing its own Message Handling service which will eventually handle up to 60% of the English prescriptions managed by its own Network Operating Center.

Cegedim Rx also offers products for:

- hardware distribution and engineering;
- support and training for users;
- 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 a 25% market share, Next Software is one of the most important players on the market with a presence across the Tunisian territory.

(1) HPST: Hôpital, Patients, Santé, Territoires (Hospital, Patients, Health, Territories).

(2) EHPAD: Etablissement d’Hébergement pour Personnes Agées Dépendantes (Establishment of Lodging for Elderly Dependants).

Already heavily involved in IT support for reimbursement systems installed by the healthcare authorities, Next Software will quickly benefit from the experience of Cegedim's other "pharmaceutical" publishers, enhancing its offering in therapeutic banks (*Base 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, Resip FSE* and *e-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 LC 2010 line was strengthened in 2010, particularly in their interactions with platforms for sharing medical information between professionals (DMP accounts). 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 2010 will be continued in 2011, in particular through the active participation in European projects (such as the epSOS project, whose aim is to implement a pilot scheme for exchanging medical data within Europe).

CLM also 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 (DMP). In accordance with the requirements of the personal healthcare data hosting order, Cegedim also provides hosting for this data.

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.

Finally, in 2011, CLM will take part, in particular, in projects in the area of telemedicine.

MEDICAL SOFTWARE – INTERNATIONAL

INPS

INPS is strengthening its position as leader (1) 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 INPS continues to develop and adapt its software solutions in order to meet these requirements for General Practitioners.

The *Vision* clinical application is used by approximately 10,000 doctors at more than 2,300 primary care centers 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 (2) medical software publisher, with *Millewin* installed on nearly 16,500 workstations. Millennium recently strengthened its regional presence and became a strong shareholder of two other publishers, one focused on general practitioners and the other on pediatricians (Mediatec with 2,000 Gps and Sosepe with 3,500 Gps). Millennium now directly or indirectly equips more than 22,000 physicians (GPs and Pediatricians), representing a market share of 39% with Italian general practitioners and 45% with pediatricians.

Stacks

The leader (3) 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.

In 2011, Stacks Web offers will be developed in France and Brazil.

(1) INPS is the leader in terms of the number of physicians' software workstations installed in the Windows environment in the UK.

(2) Millennium is the leading publisher of physicians' software in terms of the number of workstations installed in Italy.

(3) Stacks is the leader for physicians' software in terms of the number of workstations installed in Spain.

Pulse Systems, Inc.

Pulse is growing its position as a leader in Electronic Health Records (EHR[1]), Practice Management and Revenue Cycle Management in the United States. The incentive programs undertaken by the US Department of Health and Human Services encourage adoption of these healthcare technologies from January 1, 2011, and Pulse Systems continues to develop and adapt its software solutions in order to remain at the forefront of these technologies. Pulse applications are utilized by over 20,000 healthcare users in locations throughout the United States.

SOFTWARE FOR PARAMEDICAL PROFESSIONS

RM Ingénierie

RM Ingénierie offers a full range of software *(+4 000* line, *BioRescue* and *Bioval* rehabilitation solutions) for paramedical professions: nurses, physiotherapists, speech therapists, orthoptists, chiropodists, podiatrists, midwives. Designer of France's first practice management software for physiotherapists in 1984, RM Ingénierie has positioned itself as the French leader in management software solutions for paramedical 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.

RM Ingénierie also offers *Maisons Médicales* responding to the new demand to regroup medical and non-medical healthcare professionals.

MEDICATION DATABASE

***Claude Bernard Database* – Resip Company**

Resip (Research and Studies in Professional Information Systems) provides healthcare professionals with a scientific database to assist them in prescribing and issuing medications: the *Claude Bernard Database* (BCB in French).

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

The *BCB* is integrated into the pharmacy management software marketed by the Alliadis network (*AlliancePremium* et *Opus software*), representing more than 9,000 subscribing pharmacies. The *BCB* is also present in software programs for doctors: more than 14,000 medical practices are now subscribed.

The *BCB* will be more and more 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[2] 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 1,250 institutions are using it).

APIs (Application Program Interface) also make it possible to interface with the hospital management software. Nearly 250 hospitals have integrated the *BCB* into their prescription or dispensation software.

In 2011, the BCB will add value and its knowledge of regulations to the medical and pharmaceutical software of the Group's England and Tunisia facilities.

PROMOTIONAL INFORMATION

Réseau National de Promotion (RNP)

RNP (*Réseau National de Promotion*) is the French benchmark[2] for POS (Point Of Sale) advertising in the pharmaceutical and parapharmaceutical industry.

This data allows us:

- to specifically target pharmaceutical companies' needs;
- to recommend systems adapted to revenue and media interests at the Point of Sale.

135 RNP promoters and merchandisers provide pharmaceutical companies with privileged access to 14,000 pharmacies in France every three weeks.

Services include:

- window dressing;
- implementing in-store promotional materials (shelving, counters);
- conducting surveys.

Equipped with PDAs, they transmit their activity with supporting digital photos in real time.

Pharmaceutical companies can monitor their campaigns online.

Equipped with cutting-edge equipment, RNP offers new window and organization concepts to pharmaceutical companies while continuing to offer customized services to pharmacists.

RNP serves as the preferred bridge between pharmaceutical companies and pharmacists and parapharmacists.

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.

(1) EHR: Electronic Health Record. Concept defined as the regrouping of patient health information. This electronic data can be shared within different medical facilities and exchanged between healthcare professionals. Also referred to as Electronic Patient Record (EPR) or Dossier Médical Personnel (DMP).

(2) BCB is the leading player on the Web market in France, regarding the deployment of the database on the tools used daily by healthcare professionals (software, Intranets, portals, etc.).

(3) RNP is the French benchmark for point-of-sale advertising in terms of the number of pharmacies covered by its display network.

6.2.2 PRODUCTS AND SERVICES LAUNCHED DURING THE 2010 FISCAL YEAR IN THE "HEALTHCARE PROFESSIONALS" SECTOR

In 2010, Cegedim Healthcare Software continued to reinforce international synergies between the different entities as well as its position in the heart of health-related data exchange in all of the countries that have Business Units (Belgium, Chile, France, Italy, Spain, Tunisia, United Kingdom and United States). For example:

- **in the United Kingdom**: Notably, Cegedim Rx has received authorization to integrate the EPS version 2 electronic prescription functions into its management software; it will facilitate communication between doctors and pharmacies.

  INPS has created a 50/50 joint venture with EMIS, Healthcare Gateway Limited, with the goal of facilitating the interoperability of patient data between doctors equipped with these two editors and any other healthcare professional in the British healthcare system;
- **in Italy**: Millennium launched *MilleACN*, a solution allowing doctors to respond to new regulations by directly transmitting any necessary information to concerned parties (e.g.: transmitting medical certificates to the Italian Social Security Administration, administrative data for local institutions, etc.);
- **in Belgium**: HDMP has become an active member of a "Telemedicine" working group;
- **in Spain**: Stacks, which has already migrated 4 million patient files in 2009 for local health authorities in Madrid (*Consejería de Sanidad y Consumo de Madrid*) implemented a centralized management system for a large majority of the region's healthcare centers;
- **in the United States**: The EHR[(1)] complete solution from Pulse was certified by the CCHIT[(2)] and is compatible with phase 1 of the "Good Practices" criteria allowing doctors who have this software to receive a grant from the HITECH program, which has been in effect since January 1, 2011. In order to capitalize on its position in this market, Pulse strongly reinforced its sales team at the end of the year and released its multiplatform software suite (PC, iPad®, iPhone®, Smartphone). For the last three years, Pulse has been awarded 'Five +stars' by the AC group, a consulting company specialized in IT healthcare research. Lastly, the *Complete EHR Solution* by Pulse is currently recommended for the states of Arizona, Texas, Florida, Nebraska, Tennessee and Virginia;
- **in France**: Cegedim Logiciels Médicaux (CLM) was chosen to carry out and deploy a shared medical data platform for the European epSOS project. This project, which involves 12 countries in Europe, aims to provide trans-border services that ensure secure and efficient medical treatment to citizens of Europe while they are traveling.

  Moreover, CLM has had a lot of great news, launching new offers such as: the new, significantly more powerful version of *Médiclick Studio* for Mac and PC (*Médiclick Studio 5*) and the e-FSE online healthcare document tele-transmission solution allowing doctors to adhere to their new regulatory obligations. Mindful of the major challenges occurring from changes in medical demography, and worried about accompanying new practitioners in a more and more demanding environment, CLM has also conceived an offer specifically adapted to young doctors.

  On the other hand, the publisher pursued its commitment in the field of oncology, particularly with a new sizable benchmark: the all new Institut Mutualiste Montsouris (IMM) cancer ward.

  For their part, Resip launched an iPhone® application for the general public, called *iMediGuide*. This user-friendly application allows people to access information regarding medications contained in a reference database. A similar application launched previously for the iPhone® and reserved solely for healthcare professionals has also been very favorably welcomed.

(1) *EHR: Electronic Health Record. Concept defined as the regrouping of patient health information. This electronic data can be shared within different medical facilities and exchanged between healthcare professionals. Also referred to as Electronic Patient Record (EPR) or Dossier Médical Personnel (DMP).*

(2) *CCHIT: Certification Commission for Health Information Technology. Founded in 2004, the CCHIT is an independent commission whose mission is to develop a certification recognized by the American government for all IT healthcare services. For more information, see www.cchit.org*

6.2.3 MAIN MARKETS

Key figures

29% of Cegedim Group’s consolidated revenue.

Geographic presence: Belgium, Chile, France, Italy, Spain, Tunisia, United Kingdom and the United States.

Main clients: doctors, pharmacists, and paramedical professionals.

Competition

There is currently no global competition operating in all the countries covered by Cegedim. Therefore, the analysis has been broken down by market and by country.

SOFTWARE FOR DOCTORS

In France: Cegedim is one of the market leaders [(1)]. Its main competitors are Compugroup (particularly with their AxiSanté software), Imagine Editions (Hellodoc software), and Prokov Editions (Medistory software).

In the United Kingdom: Cegedim, with its INPS subsidiary, is ranked the number two player in terms of user numbers (market share estimated at more than 23%), after EMIS (market share estimated at 49%), and ahead of TPP (14%), iSoft (7%) and GPASS (4%).

In Belgium: Cegedim is a major player at the forefront of this very fragmented market which has a substantial number of healthcare software publishers including Corilus and Belgiedata.

In Spain: with 35% of the estimated general practitioner market share, Cegedim, with its subsidiary, Stacks, is a leader [(2)] in this niche market. Indra and Siemens are among the main competitors.

In the United States: With more than 20,000 workstations installed across the United States in 35 different specialties, Pulse occupies a top spot in terms of electronic medical document management. Its largest competitors are: Allscripts, Cerner, NextGen, Greenway, McKessen, and AthenaHealth.

SOFTWARE FOR PHARMACISTS

In France: The Alliadis group (Alliance Software, Alliadis and PGInformatique), 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, Lloyds and Celesio Retail.

SOFTWARE FOR PARAMEDICAL PROFESSIONS

In France: RM Ingéniérie, a leader [(3)] in supplying physiotherapists, speech therapists, chiropodist, and orthoptists, is a front runner in the field of the computerization of the paramedical professions in France. Its main competitor is Epsilog.

OTHER

In terms of promotions, Cegedim is the French leader [(4)], 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).

In terms of medication databases: Cegedim’s *BCB* (*Base Claude Bernard*) and its competitor, Vidal, are the main players in the field in France.

Main 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.

(1) Cegedim is one of the leading publishers of software for healthcare professionals in terms of the number of workstations installed.

(2) Stacks is the leader for physicians’ software in terms of the number of workstations installed in Spain.

(3) 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).

(4) RNP is the French benchmark for point-of-sale advertising in terms of the number of pharmacies covered by its display network.

UNITED KINGDOM POPULATION

General practitioners (1)		59,743
Pharmacists (2)		12,694
	O/w England and Wales	10,998
	O/w Scotland	1,192
	O/w Northern Ireland	504

Sources:
(1) General Medical Council 2011.
(2) British Government, 2008.

POPULATION FRANCE

Physicians	In regular practice (1)	In general medicine (1)	In general medicine and private practice (1)	Generalist services transmitted electronically (2)	Specialist services transmitted electronically (2)
	193,943	64,683	32,915	54,989	41,294
Pharmacists	Practicing (3)	Holding a pharmacy license (3)	Assistant pharmacists (3)	Number of pharmacies (3)	Services transmitted electronically (2)
	73,332	28,073	22,291	22,386	23,030
Physiotherapists	Practicing (4)	Individual practices (4)	Group practices (4)	Independent (4)	Services transmitted electronically (2)
	68,923	32,963	19,016	54,274	47,405

Sources:
(1) French National Council of Physicians - Atlas of Medical Demography - situation on January 1, 2010.
(2) GIE SESAM-Vitale, figures on December 31, 2010.
(3) Statistics from the French National Council of Pharmacists (l'Ordre National des Pharmaciens) on January 1, 2010.
(4) DREES, Répertoire Adeli figures on January 1, 2010.

COMPUTERIZATION OF DOCTORS IN FRANCE

The large majority of French medical practices, almost 90% according to Cegedim's estimates, are computerized. However, this level of computerization essentially concerns electronic care sheet management: Only 40% to 60% of computerized doctors (again according to 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 practices.

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 implementation of the Personal Medical Record (DMP), the need for healthcare professionals to exchange information and the development of large networks are positive factors that feed the growth of 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 payment 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 goals, product traceability and coding, over-the-counter drugs, new pharmacist responsibilities from the HPST laws, etc. are some of the issues that encourage short or medium term changes in IT tools.

PHYSICIAN SOFTWARE IN THE UNITED KINGDOM

All medical practices are computerized in the United Kingdom. This is encouraged by the National Health Service (NHS), which 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 is entering its second phase;
- electronic transmission of patient files between GPs – this is already implemented and current usage requires some minor refinements;
- centralized hosting of GP IT systems according to accredited standards in force. INPS has successfully established this system.

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 INPS (GP Systems) and Cegedim Rx (Pharmacy Management Systems), is at the forefront [(1)] 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.

In the United Kingdom, the Group is convinced that in the coming years they will be able to take advantage of new opportunities that will arise from the current reorganization of the British healthcare system.

PHYSICIAN SOFTWARE IN THE UNITED STATES

This market is currently expanding greatly and offers considerable growth opportunities for the Pulse company, which was acquired by Cegedim in 2010.

The American Recovery and Reinvestment Act [(2)], a recovery plan proposed by the American President Obama and approved by Congress in February, 2009, anticipates, notably, the award of grants to doctors and hospitals (approximately 30 million dollars total) to implement Electronic Health Record.

Motivated by these financial incentives, which will be paid starting in 2011, it will be necessary to develop and equip doctors with computerized electronic medical records quickly, offering fantastic prospects for actors in the market. According to a report by the Congressional Budget Office (CBO) from March 2009, 90% of doctors must be equipped with this by 2019 compared to 12% in 2006. Today, approximately 17% are equipped, which still leaves a large percentage to be equipped.

(1) Cegedim is one of the leading publishers of software for healthcare professionals in terms of the number of workstations installed.

(2) ARRA: American Recovery and Reinvestment Act. Corresponds to the recovery plan proposed by American President Obama and approved by Congress in February, 2009, with the goal of restarting the American economy following the economic crisis in 2008.

6.3 SECTOR 3 "INSURANCE AND SERVICES"

6.3.1 DESCRIPTION OF THE ISSUER'S MAIN OPERATIONS AND PRODUCTS IN THIS SECTOR

Leveraging its skills in professional 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 customers in all business 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 and Hosta. This division regroups synergies along the entire exchange chain ranging from the healthcare professional to private health insurers.

IT FOR HEALTHCARE INSURERS

Cegedim Activ

With more than 30 million policyholders in France managed with its solutions, Cegedim Activ is now the leader[1] of software and services dedicated to personal insurance (supplementary health plans, 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 and SESAM-Vitale 1.40).

FLOWS AND DIRECT PAYMENT

Cetip

Cetip, an operator with the Association Santé-Pharma since 1991, is the leader[2] of direct payment management by insurers. In 2010, Cetip's flow receipt and management platform processed more than 106 million invoices for direct payment by insurers, 98% of which were transmitted electronically, with the highest rate of secure 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 (deployment of SESAM-Vitale 1.40 standard to healthcare professionals, regulatory changes, changes in inter-partner healthcare standards such as DRE). Cetip's information system is maintained by Cegedim Group's IT teams.

More than 222 Supplemental Health Insurance Agencies, close to 100,000 healthcare professionals, and 12 million beneficiaries through SP Santé have placed their trust in Cetip for more than 18 years.

Currently, direct payment by insurers has been extended to all healthcare professions. Cetip works upon the French Federation of Insurance Companies' request and with Sintia for delegated project management.

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

iSanté

iSanté is a national operator that develops standard or online direct payment services allowing insured people to have better access to care and providing healthcare professionals quicker and more secure terms of payment.

Beyond this business, iSanté develops innovative and personalized services for its customers (particularly mutual healthcare companies and provident institutions) in connection with healthcare offers: healthcare professional network agreements, non-classified healthcare services and mandatory healthcare plan management, verifying rights of the insured online, medicalization of services, connection to healthcare platforms, etc.

In 2010, iSanté launched a new Internet portal composed of three dedicated environments and enjoying secured access for healthcare professionals, supplementary healthcare agencies, and members receiving services, including locating registered professionals.

Created in 2007 within the Cegedim Group, iSanté has achieved strong growth with a network of nearly 100,000 healthcare professionals and 7 million beneficiaries who use some or all services provided. iSanté establishes itself as one of the most dynamic and innovative operators in the general multi-professional direct payment market.

(1) Cegedim Activ customers manage more than 30 million subscribers in France (close to 35 million including Morocco and Mali), close to one out of two French people, which makes the Company a market leader (Health, Provident, Epargne).

(2) Cetip is the leader in France in terms of the number of direct payment flows handled per year.

MANAGEMENT SERVICES

Hosta

In June, 2010, Cegedim made a total acquisition of the company Hosta, of which it was a minority shareholder since February 25, 2004.

This organization offers supplementary and contingency health insurance management services to third parties, for insurance companies, provident institutions, mutual healthcare companies, and intermediaries.

Hosta’s service offers respond to that needs of customers who wish to partially or entirely delegate the management of insurance contracts, or proactively handle peak seasons, or to permanently externalize certain back-office operations.

Operations are carried out on behalf of 20 insurance players in the market covering the supplementary healthcare plans of close to 250,000 beneficiaries.

In order to ensure that the operations entrusted to Hosta are managed appropriately, Hosta carries out back-office and call center services for Cegedim’s *ACTIV’Infinite* IT solutions.

With this specialized back-office and customer service management platform for supplementary health insurance and providence, the Insurance, electronic payment, and health division has an industrial service adapted to guarantee customers constant quality of service with no management delays.

CEGEDIM E-BUSINESS

Cegedim EDI

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

Born from a partnership with GIE Edipharm in 1991, which enabled the creation of an EDI system between wholesale distributors and pharmaceutical companies, this operation quickly spread to all of the players in the health sector as well as medical analysis laboratories and the animal health sector.

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, drawing on the power of the Cegedim Group’s IT infrastructure.

The *Edipharm* solution, operated by Cegedim EDI:

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

Additionally, Cegedim EDI offers *Global Information Services* (GIS) to players in the heath sector, which is the platform that allows companies to connect and exchange electronic documents and in particular the electronic invoices.

Global Information Services

Specialized in electronic exchange of flows and documents since 1989, Cegedim developed an international electronic data exchange platform in SaaS mode called *Global Information Services*.

The platform offers, notably, the following services:

Deskom

A fiscal electronic exchange solution for supplier and customer invoices. Electronic invoices (EDI or with an electronic signature) are electronically exchanged in accordance with each country’s specific regulations. These invoices are archived in an electronic safe and are accessible either via a consultation portal or a call to Web Services.

Sign & Archive

A service for applying electronic signatures to documents, time-stamping, and archiving all types of documents in a highly secure electronic safe. Documents can be deposited or reviewed, either via an integrated Web application or through an integrated Web Service framework within a service portal. For example, Sign & Archive electronically exchanges and archives purchasing terms and conditions, pay slips, etc.

EDI Network

A service that handles all commercial, logistical or financial EDI flows. It meets the specific needs of all sectors, whether for mass-market retailing, automobiles, manufacturing, transportation, health, etc. Thanks to the EDI Network service, Cegedim customers can easily connect and exchange data with their business partners.

The e-factory

All of the components dedicated to handling paper documents. Cegedim offers scanning/automatic document reading and video coding services. Cegedim is also implementing Desktop publishing solutions for the industrial processing of outbound documents. Additionally, Cegedim offers virtual printer services that allow electronic invoices to be sent from a desk at work with just one click of the mouse.

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.

Moreover, this solution ensures the interoperability between the different software programs used by order placers, their suppliers, or their service providers.

Hospitalis is interfaced with portals from the main principals in the private hospital sector, for which it routes purchase order data flows.

Hospitalis also works with e-procurement solutions for Cancer Research Institutes to provide a repository of drugs, medical equipment, and laboratory products and to make the necessary infrastructure available for the electronic exchange of all procurement flows.

Hospitalis is now present in more than 800 major healthcare institutions, 23 of which are regional university hospitals, and was used to transmit more than 1.4 million orders in 2010.

Qualitrans-Telepharma

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

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

On the cutting edge of technology, Qualitrans-Telepharma 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 [1] technical concentrator.

Other services

OUTSOURCED PAYROLL AND HR MANAGEMENT

Cegedim SRH

A specialist [2] 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 as well as a range of outsourcing and similar support services.

Also operating in 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.

TEAMS^RH^, an integrated HRIS solution designed for outsourcing

TEAMS^RH^ is a complete and modular HRIS [3], exclusively designed for outsourcing. A real-time interactive solution, *TEAMS*^RH^ is based on a unique and relational database management system. It is integrated into the Company's global information system and communicates with all of the market's information systems. The *TEAMS*^RH^ solution, by design, offers great responsiveness and has great flexibility in use. It is particularly adapted to manage companies with varying sizes and structures; from tens to tens of thousands of employees, multi-companies and multi-establishments, multiple collective labor and regulatory agreements.

Broad functionality

Using Internet technology, *TEAMS*^RH^ optimizes the company's management methods by deploying transversal processes ranging from the collection of information to its control and dissemination. To satisfy DRH's needs and coincide with developments in HR strategy, *TEAMS*^RH^ offers a wide range of modular and customizable functionality, responding to each organization:

- payroll and personnel administration;
- HR portal (leave/absences, expense reports, decentralized entry, etc.);
- corporate steering and HR decision-making;
- GPEC [4] and training;
- time management.

An international offer

Cegedim SRH offers one of the rare systems in the market capable of managing a company's international resources. This offer particularly proves itself highly capable of monitoring organizations, responsibilities, financial commitments and ensuring that international organizations are optimally monitored.

Adaptable and evolving services

The economic and legislative situation in which a company evolves is complex and ever-changing. It requires reactivity and flexibility. To respond to companies' outsourcing strategies, Cegedim SRH offers 4 levels of services associated with different levels of commitment that are adjustable at any point in time (SaaS – Processing – Semi-Business Process Outsourcing, and Business Process Outsourcing).

Performance commitments

A preferred partner with HR, Cegedim SRH makes a contractual commitment to its customers with regard to payroll compliance, meeting deadlines, and system availability. These services, for which Cegedim SRH is Sarbanes-Oxley accredited, rely on Cegedim Group's computing power, which allows Cegedim SRH to have its own hosting platforms.

(1) *Qualitrans-Telepharma is the second OCT (Technical Centralizing Body) in the market in terms of the number of Electronic Care Sheets processed each year and the number of users among healthcare professionals.*

(2) *Cegedim SRH is number two in the payroll outsourcing market in France according to research published by the CXP in 2010.*

(3) *HRIS (Human Resource Information System).*

(4) *GPEC: Gestion Prévisionnelle des Emplois et des Compétences (Projected Employment and Skills Management).*

HOSTING, SERVICES AND INTERNET

Cegedim hosting

Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurers and healthcare mutual companies, and healthcare networks (e.g. Electronic Patient File trials [1]), as well as in the management of financial flows and paperless exchange 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 therefore offers its customers a complete private cloud service, based on hosting capacities and knowledge distributed around the world across its three zones:

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

These sites, of which three are Tier III+ 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.

Cegedim Prestation Conseil Outsourcing

Cegedim Prestation Conseil Outsourcing provides infrastructure solutions to companies, allowing them to secure, administer, and supervise information systems, electronic data exchange and data management.

Its offer is centered on three main businesses:

- ***integration*** involves designing and implementing all or part of the IT systems and networks requiring the integration of assorted elements: company directories, collaborative messaging, migrations, virtualization, storage, security, and supervision;
- ***electronic data exchange*** aims to accompany customers through the overall process of managing assorted content (forms, inbound documents, invoices, etc., in paper or electronic format): receipt, digitalization, recognition, extraction, verification (standard controls or trade-specific regulations), validation through the establishment of workflows, and integration (sending flows, making it available in a EDM [2]);
- ***data management*** regroups services linked to managing IT infrastructures: distribution, asset leasing, on-site technical assistance, fleet management, and outsourcing backups.

6

6.3.2 PRODUCTS OR SERVICES LAUNCHED DURING THE 2010 FISCAL YEAR IN THE “INSURANCE AND SERVICES” SECTOR

In terms of IT for healthcare insurers and mutual funds:

In 2010, Cegedim Activ made several large projects a reality, and notably:

- successful migration of Prevadies Ouest management centers to *ACTIV’Infinite* during the first quarter, a milestone in the Harmonie Mutuelles Group’s information systems convergence program;
- nine month startup of a subscription and service management project on *ACTIV’Infinite* for Macif Mutualité;
- implementation of the *ACTIV’Premium* solution within the Matmut group to support the development of its new healthcare offers;
- management bodies’ strong commitment to the mandatory *ACTIV’RO* migration plan, with a portfolio of 1,300,000 protected people;
- startup of the *ACTIV’RO* solution within the France Sud Mutual company, the EOVI and Adrea groups;
- signature of a project to implement information systems for Compulsory Health Insurance Plans (Assurance Maladie Obligatoire, or AMO) and Medical Assistance Plans (Régime d’Assistance Médicale, or RAMED) in the Republic of Mali.

Regarding flows and direct payment:

Cetip participated in the recognition of data coming from the supplementary DUO card and the dissemination of card suspension requests to partners involved in the experiment. Based on the knowledge gained from the Duo experiment, spread over eight additional departments in 2010, the new “Associated Cards” (Cartes associées) can be used more widely in the SESAM-Vitale system starting in 2011.

After the optical direct payment, Cetip worked to extend direct payment online to the hospital sector.

(1) DMP: Dossier Médical Personnel (Electronic Patient File).

(2) EDM: Electronic Document Management.

Regarding outsourced payroll and HR:

Due to its efficiency and adaptability, the *TEAMS*[RH] platform continues to assert itself as a benchmark HRIS[(1)] for companies outsourcing payroll and steering human capital, with numerous new commercial successes from companies of all sizes and from all business sectors already available. Among the latest functional innovations of the *TEAMS*[RH] platform is the September, 2010 launch of the general and international steering module: *TEAMS Global HR*.

6.3.3 MAIN MARKETS

Key figures

14% of Cegedim Group's consolidated revenue.

Geographic presence: France, Francophone Africa (Insurance), Great Britain and Switzerland (Payroll and HR).

Main clients: Insurance companies and healthcare mutual companies; companies in all sectors including businesses related to the healthcare sector.

Competition

With over 30 million insured people managed by its solutions, Cegedim Activ is the French leader[(2)] in the personal insurance computerization market. Its key competitors are mainly generalists in fields such as Consulting, Engineering, and Integration such as CSC, Sopra, Atos, Linedata, Wyde, Oracle or Accenture.

As regards value-added services in direct payment and registration management (Cetip and iSanté) the Group holds a leading position[(3)] at the forefront of the market with over 18 million people managed in direct payment and more than 250 million flows transported. Viamedis and Almerys (Orange Business Services) are its main competitors in this field.

"Services" operations mainly cover a natural extension of the Group's expertise; notably with electronic data exchange, outsourced IT services, and outsourced payroll and human resources management.

There are a large number of competitors in these different businesses. For example, Cegedim SRH is ranked number two in outsourced payroll services in France (according to a study conducted by CXP in 2010) with its main competitors being ADP and HR Access.

In terms of electronic data exchange, the integration of the company Deskom in September, 2010 allowed Cegedim e-business to become the principal European network[(4)] in electronic invoicing with more than 60,000 companies directly connected and 248 million documents handled per year. Basware, b-process, and OB10 are among the main competitors.

Main Insurance Market Trends in France

After 9% growth in 2009, the insurance market in France continued its progression in 2010 (+4%) to reach 207.2 billion euros (source: FFSA). In a morose economic and financial climate, French insurance growth remains 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 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, etc.), while improving their productivity. Outsourcing is increasingly common.

(1) Cegedim SRH is number two in the payroll outsourcing market in France according to research published by the CXP in 2010.

(2) Cegedim Activ customers manage more than 30 million subscribers in France (close to 35 million including Morocco and Mali), close to one out of two French people, which makes the Company a market leader (Health, Provident, Epargne).

(3) Cetip is the leader in France in terms of the number of direct payment flows handled per year.

(4) The integration of Deskom in September, 2010 allowed Cegedim e-business to become the leading benchmark European network in terms of companies connected and in volume handled.

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 is establishing itself across the health sector, notably in view of better controlling timeframes and costs, increasing the reliability of circuits and fully guaranteeing confidentiality.

More and more projects are leveraging 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 greatly reducing timeframes and increasing reliability.

At 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 Mali.

Main paperless exchange market trends in France

Driven by technologies that are ever more adapted to commercial challenges, the future of the electronic exchange market for invoices looks good, notably as a result of increasingly supportive regulations and the numerous advantages derived from establishing these projects. According to the Billentis Research group, cited by Option Finance (February, 2011), while in certain European countries close to 50% of invoices are already paperless, in France only 5% of companies use this process.

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 2010 with the first client was 5.2%, with the first five clients, 14.9%, and with the first ten clients, 21.5%. Furthermore, none of the Group's customers accounted for more than 3.5% of revenue in 2010.

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 Registration 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 and LEEM market research and discussions with pharmaceutical industry experts.

7

ORGANIZATION CHART

7.1 CEGEDIM GROUP AND CEGEDIM'S PLACE WITHIN THE GROUP

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

Cegedim SA 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 confidentiality 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 SA also plays an operational role with its departments:

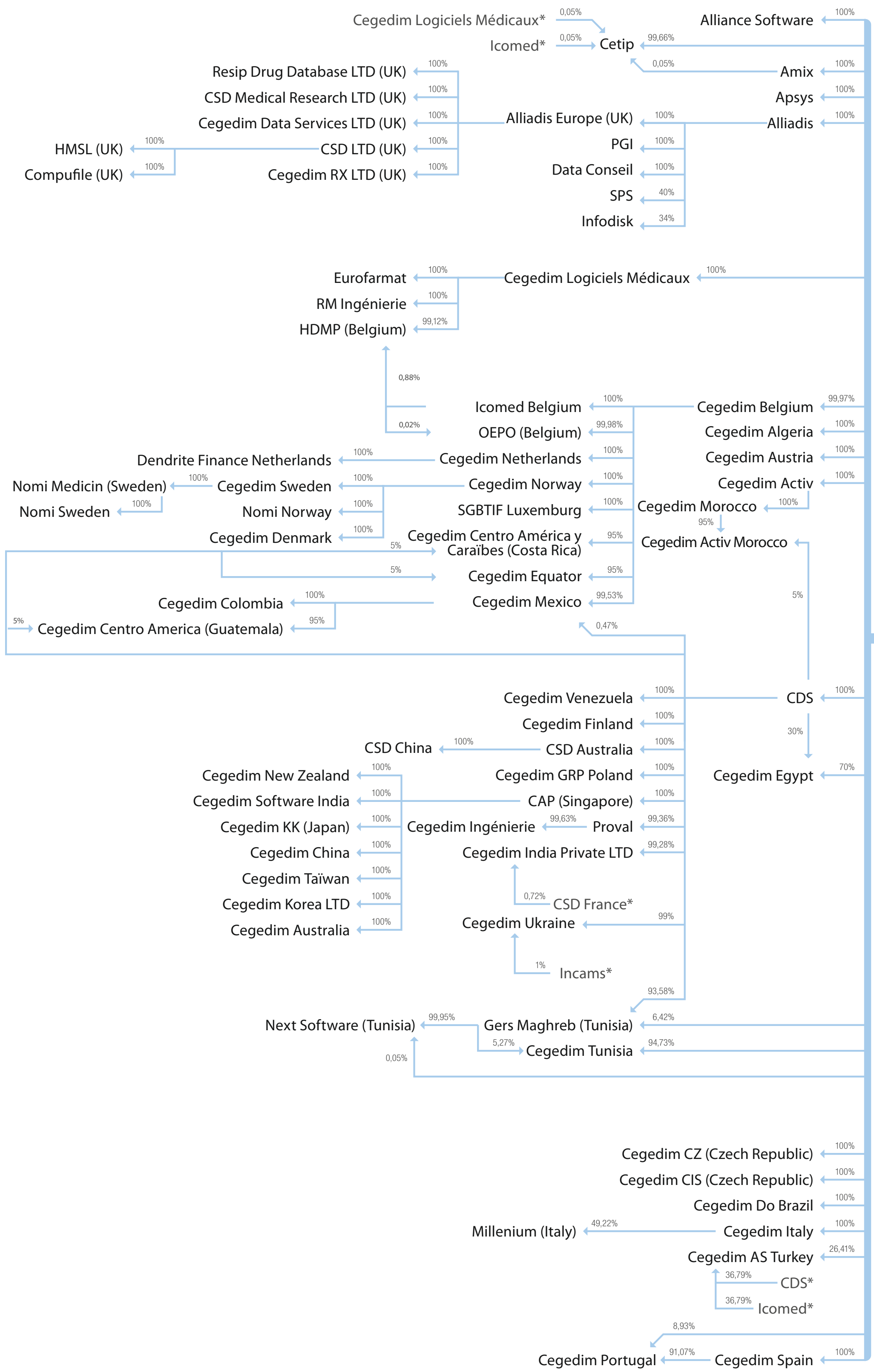
- Cegedim SAles statistics: management of the French pharmaceutical products file, processing and establishment for GERS (EIG uniting all the pharmaceutical companies established in France) of sales statistics for all the pharmaceutical products using data gathered from wholesale distributors and pharmaceutical 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 (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 flow management;
- Cegedim Hosting: Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurance providers and health networks (e.g. personalized medical records tests, 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.

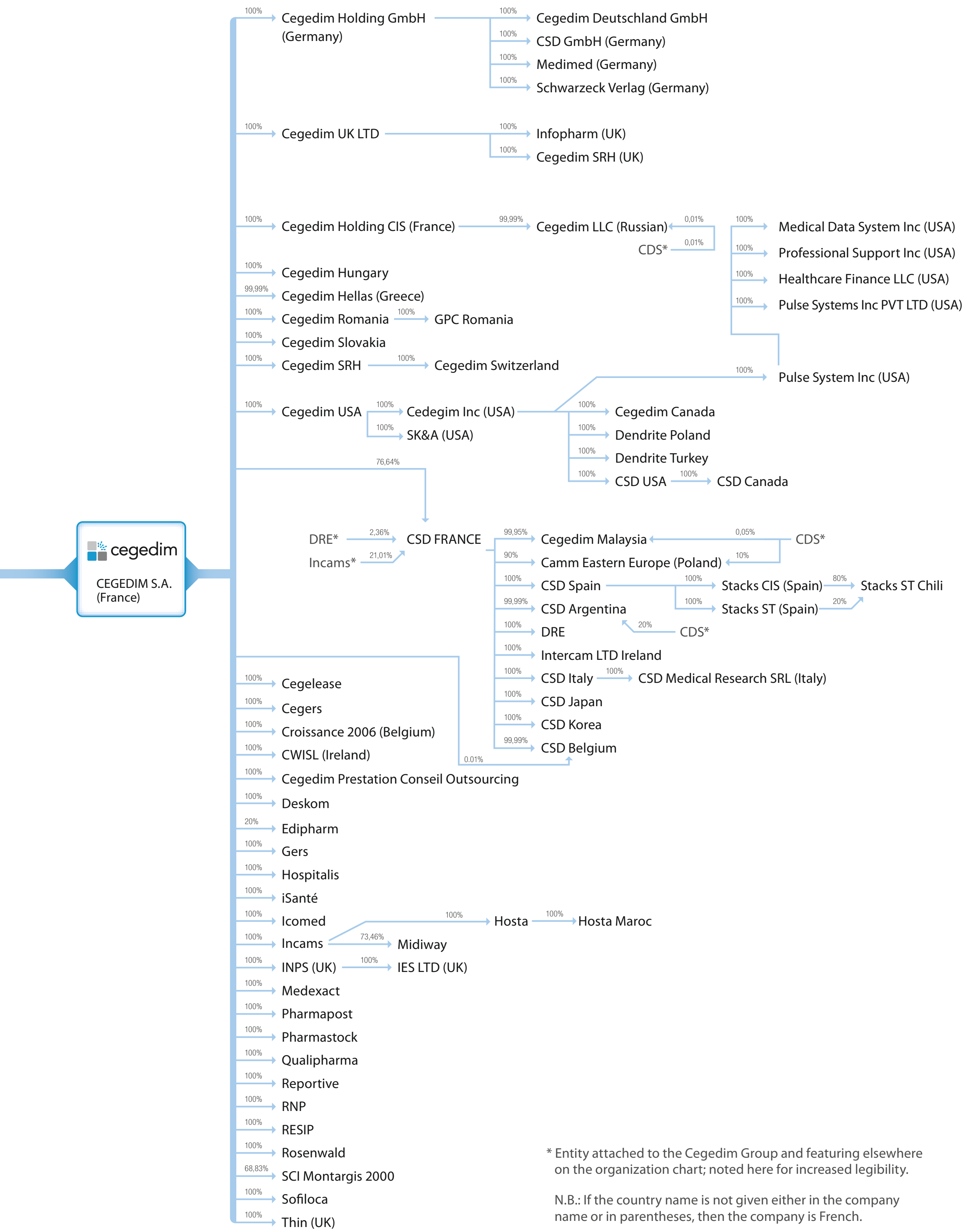
7.2 LIST OF CEGEDIM SUBSIDIARIES

The list of the Group's subsidiaries, their country of origin and the percentage of control held are given in item 20.2.1 of the consolidated financial statements of this Registration Document. In addition, more detailed information on the activity of the Group's main subsidiaries appears in item 26.2.5 of this Registration Document.

The Group's organization chart is presented on the following pages.

Organization chart of the Cegedim Group at December 31, 2010





* Entity attached to the Cegedim Group and featuring elsewhere on the organization chart; noted here for increased legibility.

N.B.: If the country name is not given either in the company name or in parentheses, then the company is French.

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 19 companies out of the 144 included in the Group's scope of consolidation own buildings or land for a net book value of 6 million euros at December 31, 2010.

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

In particular, Cegedim SA 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 SA, as indicated in the Auditors' Special Report reproduced and appended to this Registration Document. The total rent amounts involved (premises and parking) amounted to 6 million euro, excluding occupancy expenses for FY 2010. Rents 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 SA gives a description of the financial position of Cegedim SA and of the Group. It appears in item 26 of this Registration Document.

9.2 OPERATING EARNINGS

The Corporate Management Report prepared by the Board of Directors of Cegedim SA (appearing in item 26 of this Registration 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 AND CAPITAL

10.1 CEGEDIM EQUITY

The consolidated shareholders' equity totaled 480.3 million euros at December 31, 2010, compared with 466.0 million euros at December 31, 2009; an increase of 14.3 million euros. This increase is explained by the increase of unrealized exchange gains/losses which have increased by 44.2 million euros combined with a negative evolution of the consolidated Group profit (loss) of 71.6 million euros and minority interests of 0.2 million euros. The portion of equity relating to minority interests is 0.5 million euros as at December 31, 2010, or 0.1%.

10.2 BORROWING TERMS AND CEGEDIM FINANCING STRUCTURE

Financial liabilities payable in less than one year amounted to 58.5 million euros, and financial liabilities payable in more than one year came to 482.2 million euros, i.e. a total of 540.8 million euros, compared to 516.4 million euros in 2009.

Considering the positive cash position, the Group's net financial debt amounted to 461.1 million euros compared to 395.1 million euros at the end of 2009, an increase of 66.5 million euros. It represented 1 times the amount of shareholders' 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 160.6 million euros at December 31, 2010, compared to 170.1 million euros at December 31, 2009.

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 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 14 million euros at December 31, 2010. The 2011 repayments are estimated at 14 million euros.

10.3 SOURCE AND AMOUNT OF CEGEDIM CASH FLOWS AND DESCRIPTION OF THESE FLOWS

Closing cash, excluding the impact of fluctuations in the exchange rate, was 78.0 million euros in 2010 compared to 102.3 million euros in 2009, down 24.3 million euros.

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

NET CASH FLOW GENERATED BY OPERATING ACTIVITIES

133.9 million euros in 2010 compared to 166.5 million euros in 2009 (-32.6 million euros).

The change in working capital requirements is -11.5 million euros in 2010 versus -0.2 million euros in 2009.

Before the cost of net financial debt and income tax, operating cash flow represents 160.6 million euros in 2010, compared to 171.0 million euros in 2009, a reduction of 10.4 million euros.

Interest on loans is 18.7 million euros in 2010 versus 31.5 million euros in 2009. The cost of net financial debt is 34.3 million euros in 2010 versus 40.3 million euros in 2009. 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 150.6 million euros for 2010 compared to 125.7 million euros in 2009, up 24.9 million euros (+19.9%). This increase mainly reflects the positive impact of the recovery of deferred tax liabilities noted during the recognition of the Dendrite brand in 2007 following the abandonment of the Dendrite brand in 2010.

In addition, the Group's tax position is affected by the reversal of the deferred tax liability following the abandonment of the Dendrite brand in September 2010 for 41.5 million euros, resulting in tax revenue of 24.3 million euros. Readjusted for this exceptional event, the consolidated income tax rate stands at 27.8% versus 8.5% in 2009. That is a comparable with 2008 and 2007 levels.

NET FLOWS TIED TO INVESTMENT OPERATIONS:

They stand at 124.0 million euros for 2010, compared to 73.7 million euros in 2009 (+50.3 million euros). This significant increase is mainly associated with an external growth policy which is much more active than in 2009. A policy that is in keeping with what was announced with the increase in capital carried out in December 2009.

Acquisitions of intangible assets stand at 45.5 million euros for 2010 (versus 37.7 million euros in 2009) and are mainly the result of an increase in capitalized R&D within the Group from 16.6 million euros in 2009 to 17.7 million euros in 2010.

The acquisition of tangible assets stands at 27.8 million euros for 2010 (versus 26.4 million euros in 2009) is virtually stable compared with the preceding period.

NET CASH FLOWS RESULTING FROM FINANCING TRANSACTIONS

They stand at 39.6 million euros for 2010, compared to 61.0 million euros in 2009 (-21.4 million euros).

This evolution is explained by the fact that the Group has not made any loan repayments. Indeed the loan issue of 303.1 million euros, almost all of which is in the form of a interest-only bond with a maturity of five years and a coupon of 7.0% used entirely for the repayment of a bank loan of 303.7 million euros.

In 2010, the Group paid out dividends of 14.0 million euros whereas it did not pay out any in 2009, this is largely compensated for by the reduction in interests paid on loans.

10.4 RESTRICTION ON THE USE OF CAPITAL

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.

Aside from the usual covenants for this type of banking 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 and disposals.

Similarly the documentation of the bond issued in 2010 imposes compliance with financial covenants without which the obligation could become payable immediately.

Aside from the usual covenants for this type of bond issue, the Group must meet two ratios (the pro forma contractual net financial debt to current pro forma Ebitda, and current pro forma Ebitda to cost of debt) and comply with the threshold for disposals.

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.

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RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Corporate Management Report prepared by the Board of Directors of Cegedim SA gives a description of the Cegedim group's research and development policy. It appears in item 26 of this Registration Document.

Cf. also item 4.2.2, relating to intellectual property.

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INFORMATION CONCERNING TRENDS

The trends applicable at the beginning of 2011 do not show any major differences with those encountered during the 2010 fiscal year. In fact, since most Cegedim customers work in the area of healthcare, the Group has not experienced any marked repercussions from the global economic downturn. However, the realignment of the world healthcare economy means that the Group is obliged to make a number of changes across its business sectors.

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 older age profile in mature countries or the population increase combined with a progressively higher standard of living in emerging countries make for an increase in healthcare spending, which is a favorable indicator for the Group's activities. Nonetheless, the changing economic model of pharmaceutical companies, associated with pressure from the generics' market, increasingly complex therapies and new regulatory requirements, impacted negatively on the Group's margins in 2010. These trends are expected to continue in 2011.

For 2011, 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 remain relatively unchanged for the beginning of 2011. Cegedim negotiates with its customers on a continuous basis to maintain its selling prices in line with the quality of its services and ongoing product updates.

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 2011, the Group is expecting wages to climb by around 1.7%.

In 2010, 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 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

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PROFIT PROJECTIONS OR ESTIMATES

For 2011, the Group sets itself the objective of strengthening its lead in the world health market with a growth, excluding new acquisitions and the effects of exchange rates, of around 4% for 2011, of which 2% following the acquisitions made in 2010.

The Group does not disclose profit projections or estimates.

CORPORATE GOVERNANCE

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

During the 2010 fiscal year, the Board of Directors was made up of the following members:

- Jean-Claude Labrune, Chairman & CEO and Founder of Cegedim SA;
- FCB SAS, lead holding company, represented by Pierre Marucchi, also Deputy Managing Director of Cegedim SA;
- 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 & CEO of Cegedim SRH, a subsidiary of Cegedim SA;
- Aude Labrune-Marysse, Chairman of Rosenwald, a subsidiary of Cegedim SA;
- Jacques-Henri David;
- Jean-Louis Mery;
- Jean-Pierre Cassan;
- the Strategic Investment Funds (FSI), represented by Nicolas Manardo

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 HELD 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 (SAS)	06/24/2005	
	JCL	Manager	11/30/1994	
Pierre Marucchi	Cegedim	Representative of FCB on the Board of Directors	04/12/1989	
		Deputy MD	04/23/2002	
	IRIS	Manager	1997	
	Laboratoire Biodim	Chairman (SAS)	06/30/2003	06/23/2006
Laurent Labrune	Cegedim	Director	04/18/2001	
		Brun		
		Co-Managing Director	03/11/2002	12/29/2006
	FCB	Director and Deputy MD	11/21/2005	
Aude Labrune-Marysse	Cegedim	Director	04/27/2007	
	Brun	Co-Managing Director	03/11/2002	12/29/2006
	FCB	Director and Deputy MD	11/21/2005	
Anthony Roberts	Cegedim	Representative of Alliance Healthcare France on the Board of Directors	12/21/2009	
	Pharmology.com	Director	July 2000	
Philippe Alaterre	Cegedim	Representative of GERS on the Board of Directors	03/20/2009	November 2010
	Dakota Pharm	Chairman	03/31/2004	06/30/2007
	Laboratoire Aventis France	Managing Director	10/07/2005	06/30/2006
	GIE GERS	Chairman	12/11/2008	-
	GIE Edipharm	Representative of GERS on the Board of Directors	12/11/2008	-
Jean-Louis MERY	Cegedim	Director	01/08/2010	-
	Alliance Santé France	Chairman (SAS)	06/13/2003	08/18/2009
	Alliance Healthcare France	Chairman and CEO	04/29/2003	08/19/2009
	Alliance Healthcare Repartition	Chairman (SAS)	1999	08/20/2009
	Alphega	Representative of AHF on the Board of Directors	2001	06/18/2009
	Ouest Repartition	Representative of AHF on the Board of Directors and Director	July 2003	06/18/2009
	Sedley Participation France	Chairman (SAS)	12/12/2007	06/17/2009
	Depolabo	Member of the Supervisory Committee	12/01/2007	06/17/2009
	Cegedim	Director, natural person	01/08/2010	09/23/2010
Nicolas MANARDO	Cegedim	Representative of the FSI on the Board of Directors	09/23/2010	-
	GEM SAS	Individual Director	06/01/2002	-

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Director	Company	Office	Start	End
Jean-Pierre CASSAN	Cegedim	Director	01/08/2010	-
	Eratos	Manager	05/25/2004	-
Jacques Henri David	Cegedim	Director	01/08/2010	-
	UGC (Paris)	Director	before 2005	-
	Selene Patrimoine (Luxembourg)	Director	2008	-
	St Gobain Corporation (New York)	Director	before 2005	Dec-08
	Deutsch Bank France	Chairman	before 2005	Dec-09

Chairman & CEO: Chairman & Chief Executive Officer.
MD: Managing Director.
Deputy MD: Deputy Managing Director.
SAS: Simplified joint stock company.
NC: not communicated.

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. Laurent Labrune is CEO of the new entity, Cegedim Relationship Management.
- Aude Labrune-Marysse has a Master's in Commercial Law and a DESS in International Taxation. She joined Cegedim in 1999 before taking over the management of Rosenwald, a Cegedim subsidiary and taking up the position of Deputy Managing Director 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.

The Strategic Investment Funds (FSI) is a public limited company (société anonyme) that is 51% owned by the

Caisse des Dépots and 49% owned by the French government. The FSI is an informed investor which enhances equity by becoming a minority investor in French companies involved in industrial projects that create value and competitiveness for the economy.

- Jacques-Henri David is a graduate of the Ecole Polytechnique, the Institut d'Etudes Politiques de Paris and the Ecole Nationale Supérieure de la Statistique et de l'Administration Economique. Jacques-Henri David began his career as Inspecteur des Finances, and was then appointed Chief of Staff at the Ministry for Finance, before joining Saint-Gobain as Managing Director. He was Chairman of Banque Stern, Managing Director of Vivendi, Chairman and CEO of the Crédit d'Equipement des PME, Sofaris and Banque du Développement des PME (French state-owned bank dedicated to SMEs), before taking up the position as Chairman of Deutsche Bank France from 1999 to 2009.

- Jean-Louis Mery, a pharmacist, is a graduate of the Tours Faculty of Pharmacy, former Tours Hospitals intern and a graduate of the ICG. Jean-Louis Mery has dedicated his entire professional career to equitable sharing in the Alliance Boots group, where he was Establishment Director, Regional Director, Chairman of the Alliance Santé Répartition and then Chairman of Alliance Healthcare France.
- Jean-Pierre Cassan is Chairman of the Strategy Committee of Inserm-Transfert, a member of the Supervisory Board of Inserm-Transfert, Vice-Chairman of the IFIS, corresponding member of the French Cardiology Association, FEFIS bureau member and manager of Eratos Santé SARL. Jean-Pierre Cassan was Honorary Chairman of the Entreprises du médicament (LEEM), former Chairman & CEO of Astra France, then AstraZeneca France and was a Director of the Afssaps.

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 associated with bankruptcy, receivership or liquidation;
- 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.

There are commercial links with the GERS IEG (grouping of pharmaceutical laboratories) and with Alliance Healthcare France due to its activity as a pharmaceutical distributer.

Cegers is wholly owned by Cegedim since April 16, 2010. All assets and liabilities were transferred to Cegedim with effect from January 3, 2011.

As of May 11, 2010, GERS no longer has a stake in Cegedim, but retains a Director on the Board.

14.3 CORPORATE GOVERNANCE

Cegedim has adopted, following the meeting of the Board of Directors of March 22, 2010, a new internal regulation confirming its adherence to the AFEP-Medef Code of Corporate Governance. This internal regulation sets, inter alia, the rules governing its composition, aims, functioning, and responsibilities.

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) are taken on a qualified majority of 6/10 including at least one director representing the FSI; the FSI's rights are 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 rights does not fall below certain thresholds.

The Board of Directors has four standing committees tasked with improving its functioning and facilitating its decision-making through the prior review of specific subjects in their specialized areas. These committees are:

- the Audit Committee;
- the Appointments Committee;
- the Compensation Committee;
- the Strategy Committee.

AUDIT COMMITTEE

Cegedim's Audit Committee comprises four members of the Board of Directors, including one independent member. The members of the Audit Committee are: Jacques-Henri David, Chairman, Aude Labrune-Marysse, Pierre Marucchi and Jean-Pierre Cassan, independent member. In view of their current and/or previous professional responsibilities, described in the Registration Document, the 4 members of the Audit Committee possess, individually or collectively, accounting, audit and financial expertise, in particular with regard to the Group's sectors of activity.

The Audit Committee assists the Board of Directors in ensuring that the Company's financial statements and related information provided are accurate and reliable. In particular, it is responsible for:

- examining the financial statements and ensuring the relevance and consistency of the accounting methods adopted for the preparation of the Company's statutory and consolidated financial statements;
- monitoring the preparation process for financial information;
- monitoring the effectiveness of internal control procedures and risk management; and
- monitoring compliance with independence and objectivity rules for auditors.

The Audit Committee meets on at least two occasions each year, prior to the approval of the Company's interim and annual financial statements. In 2010, the Audit Committee met three times, on April 2, June 1 and September 22.

In the course of its meetings, the Audit Committee discussed, in particular, the following matters, before referring them to the Board of Directors:

- in respect of the approval of the annual financial statements for 2009 and the interim financial statements for 2010, the Audit Committee reviewed the accounts and other related financial information, following consultation with the auditors and examination of the auditors' reports;
- it examined the various press releases on the quarterly revenue figures and annual and interim results, as well as the miscellaneous documents used to present these results to financial analysts;
- it considered the opportunity to acquire the company Pulse System Inc.;
- it discussed the presentation of Cegedim's new visual identity;
- with regard to the functioning of the IT system, it looked at the uniformity of systems between different Group entities, a description of the reporting process, and the timescales necessary for making available monthly financial information.

APPOINTMENTS COMMITTEE

Cegedim's Appointments Committee comprises three members of the Board of Directors, including one independent member. The members of the Appointments Committee are: Jean-Claude Labrune, Chairman, Jacques-Henri David and Jean-Pierre Cassan, independent member.

The main duties of the Appointments Committee are to carry out the following tasks and make proposals to the Board of Directors:

- formulate proposals on the selection of directors with regard to the composition of the Company's shareholder base and any changes thereto;
- formulate proposals on the selection of independent directors by carrying out its own research into potential candidates before making any approaches;

- formulate a succession plan for directors and corporate officers so that a proposal can be made to the Board of Directors without delay in the event of an unforeseen vacancy.

The Appointments Committee meets at least once a year, prior to the Board meeting that decides on the date of the Annual General Meeting, and approves the meeting agenda. In 2010, the Appointments Committee met once, on June 8. The attendance rate of the members of the Appointments Committee was 100% in 2010.

In the course of its meetings, the Appointments Committee examined, in particular, its methods of functioning.

REMUNERATION COMMITTEE

The Remuneration Committee is made up of three Directors, one of which is independent and serves as the Chairman: Mr. Jean-Louis Mery, Ms. Aude Labrune-Marysse and Mr. Jean-Pierre Cassan, in the capacity of independent Director, Chairman.

The Remuneration Committee proposes the remuneration criteria for the Company's corporate officers to the Board. Its mission is to review the remuneration of the Company's Directors, Chairman, Managing Director and deputy managing director, and to make proposals to the Board regarding the matter, as well as to review the policies governing the attribution of a free shares and variable compensation, and to review any proposal pertaining to a capital increase by the Company, in the form of an exclusive offer to its employees.

The Remuneration Committee meets at least once a year, prior to the Board meeting that decides on the date of the Annual General Meeting, and approves the meeting agenda.

STRATEGY COMMITTEE

The Strategy Committee is made up of three Directors. The Chairman of the Board presides over the Strategy Committee: Mr. Jean-Claude Labrune, Mr. Laurent Labrune and Mr. Nicolas Manardo.

The Strategy Committee proposes Company development axes to the Board and identifies potential targets.

It usually meets twice a year. The Strategy Committee met once during the period ended on March 22, 2010. The Strategy Committee members' attendance rate in 2010 was 100%. Over the course of its meetings, the Strategy Committee examined its working methods and procedures.

EXCEPTIONS

The exceptions to the recommendations of the AFEP-Medef code that the parties to the draft agreement agreed not to apply are set out below. In accordance with the draft agreement, FCB guaranteed that, within a time period not exceeding 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 on 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 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 insofar 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 six 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.

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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 recommendations relating to information to be given in Registration Documents, in particular, when the listed company is owned by a group, the information regarding compensation and benefits of corporate officer includes the amounts paid by all the companies in the chain of control.

The total gross compensation amounts paid to the Company's corporate officers are set out below:

In euros **Fiscal year 2010**	**Total compensation except in-kind benefit**	**Fixed portion**	**Variable portion**	**Extraordin-ary variable portion**	**Directors' fees**	**In-kind benefit amount**	**Type**
Jean-Claude Labrune	747,600	731,900	-	-	15,700	1,358	Car
Pierre Marucchi	462,345	300,000	146,645	-	15,700	5,180	Car
Laurent Labrune	509,000	250,000	246,500	-	12,500	5,915	Car
Aude Labrune-Marysse	103,744	84,994	6,250	-	12,500	2,234	Car
Jean-Louis Mery	12,500	-	-	-	12,500	-	-
Anthony Roberts	12,500	-	-	-	12,500	-	-
Jacques Henri David	15,000	-	-	-	15,000	-	-
Jean-Pierre Cassan	17,500	-	-	-	17,500	-	-
Nicolas MANARDO	12,500 (1)	-	-	-	12,500(1)	-	-

(1) Directors' fees paid directly to the FSI.

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

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 Directors in common. These agreements are governed by article L. 225-38 of the French Commercial Code relating to agreements concluded at arm's length.

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 the Accounting Principles and note 13 (retirement liabilities) to the consolidated financial statements found in item 20.2.2.3 of this Registration Document.

15.3 ALLOCATION OF FREE SHARES

Following a resolution of the Extraordinary General Shareholders' Meeting of February 22, 2008, the Board of Directors, in their Meetings of March 21, 2008, November 5, 2009 and June 8, 2010, 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 1	Plan 2	Plan 3
Date of the General Meeting	02/22/2008	02/22/2008	02/22/2008
Number of shares authorized by the General Meeting	933,144	933,144	933,144
Date of the Board meeting	03/21/2008	11/05/2009	06/08/2010
Total number of shares allocated under the plan	43,410 (1)	28,750	32,540
Number of recipients	48	48	73
Award date	03/21/2008	11/05/2009	06/08/2010
Acquisition date	03/21/2010 (2) 03/21/2012 (3)	11/05/2011 (4) 11/05/2013 (5)	06/08/2012 (4) 06/08/2014 (5)
End of lock-in period	03/21/2012	11/05/2013	06/08/2014
Shares permanently allocated	27,910	27,768	32,378
Shares permanently acquired at 12/31/2010	23,170	None	None

(1) Including 2,880 shares allocated to Directors (1,280 for P. Marucchi and 1,600 for L. Labrune).
(2) For French and US residents on the date of the allocation.
(3) For French non-residents and US non-residents on the date of the allocation.
(4) For French residents on the date of the allocation.
(5) For French non-residents on the date of the allocation.

16

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 Charles 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 six years until the General Meeting which will approve the 2012 financial statements.

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

Jean-Louis Mery joined the Board of Directors on January 8, 2010. His term will run until the General Meeting which will approve the 2015 financial statements.

Jean Pierre Cassan joined the Board of Directors on January 8, 2010. His term will run until the General Meeting which will approve the 2015 financial statements.

Jacques Henri David joined the Board of Directors on January 8, 2010. His term will run until the General Meeting which will approve the 2015 financial statements.

Nicolas Manardo joined the Board of Directors on January 8, 2010. His term expired on September 23, 2010.

The FSI joined the Board of Directors on September 23, 2010, and is represented by Nicolas Manardo.

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 re-invoiced its head office expenses, in the amount of 2.4 million euros.

16.3 INFORMATION CONCERNING THE AUDIT COMMITTEE AND THE COMPENSATION COMMITTEE

According to the terms of the Memorandum of Understanding dated October 28, 2009, the Company complies with the principles of the AFEP-Medef code and following the Board meeting of March 22, 2010, has amended its internal rules and procedures. An Audit Committee and a Compensation Committee have been created.

Audit Committee meetings were held on April 2, 2010, June 1, 2010, September 22, 2010 and November 10, 2010, and the Compensation Committee met on June 8, 2010.

16.4 COMPLIANCE WITH THE CORPORATE GOVERNANCE SYSTEM IN EFFECT IN FRANCE

Cegedim does not apply the recommendations of the Viénot (1995 and 1999) and Bouton (2002) reports concerning corporate governance.

Cegedim complies with all the provisions of French 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

EMPLOYEES

17.1 CEGEDIM GROUP WORKFORCE ON THE CLOSING DATE

The total numbers of Group employees (Open-ended contracts and Fixed-term contracts) on the reporting dates for the last three fiscal years are given in the following table:

	12/31/2010	12/31/2009	12/31/2008
CRM and strategic data	5,804	6,404	6,015
Healthcare professionals	1,753	1,554	1,465
Insurance and services	913	784	759
TOTAL	**8,470**	**8,742**	**8,239**

17.2 CORPORATE OFFICERS' INTERESTS IN THE CAPITAL AND STOCK OPTIONS

At December 31, 2010,

- Jean-Claude Labrune, Chairman and CEO of Cegedim, holds 57,812 registered shares in Cegedim, including 38,496 registered shares entitling him to double voting rights, representing 0.41% of the capital and 0.51% of the voting rights;
- Pierre Marucchi, Deputy Managing Director of Cegedim, holds 1,304 registered shares in Cegedim, none of which entitle him to double voting rights, representing an insignificant portion of the capital and the voting rights;
- Jean-Claude Labrune, Chairman of FCB, indirectly holds 52.35% of the share capital and 64.62% of the voting rights;
- Laurent Labrune holds 1,601 registered shares in Cegedim, none of which entitle him to double voting rights, representing an insignificant portion of the capital and the voting rights;
- Jean-Louis Mery holds 10 registered shares in Cegedim, none of which entitle him to double voting rights, representing an insignificant portion of the capital and the voting rights;
- Nicolas Manardo holds 1 registered share in Cegedim, which does not entitle him to double voting rights, representing an insignificant portion of the capital and the 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 Registration 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 Registration 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.

At December 31, 2010, the Corporate Mutual Fund consisted of 79,000 Cegedim shares, representing 0.56% of the capital.

18

MAIN SHAREHOLDERS

18.1 SHAREHOLDERS

Shareholders at December 31, 2010: the capital and voting rights were broken down as follows:

Shareholders	Number of shares held	% interest	Number of single votes	Number of double votes shares	Number of double votes votes	Total votes	% voting rights
FCB	7,327,087	52.35%	2,461,250	4,865,837	9,731,674	12,192,924	64.62%
FSI	2,102,060	15.02%	2,102,060	0	0	2,102,060	11.14%
JCL	57,812	0.41%	19,316	38,496	76,992	96,308	0.51%
Public*	4,477,456	31.99%	4,457,972	9,658	19,316	4,477,288	23.73%
Cegedim	32,758	0.23%	0	0	0	0	0.00%
	13,997,173	**100.00%**	**9,040,598**	**4,913,991**	**9,827,982**	**18,868,580**	**100.00%**

* Including the holding of Alliance Healthcare France and the liquidity contract

To the Company's knowledge, on the date of this Registration Document, the shareholders holding more than 5% of the capital and voting rights are: FCB, FSI and Alliance Healthcare France.

- FCB is a Simplified Joint-Stock Company (SAS) with capital of 479,240 euros (Trade and Companies Register of Nanterre 340 651 132), the majority of which are held by Jean-Claude Labrune. It is a lead holding company;
- Alliance Healthcare France is a public limited company with capital of 22,107,536.00 euros (Trade and Companies Register of Nanterre 025 420 068), the majority of which are held by the Alliance Boots group (ex. Alliance Unichem) (pharmaceutical distributor);
- FSI is a Business Corporation (SA) that is 51% owned by the Caisse des Dépots and 49% owned by the French government. FSI is an informed investor which enhances equity by becoming a minority investor in French companies involved in industrial projects that create value and competitiveness for the economy.

The latest declared threshold crossings are as follows:

- March 28, 2001: Alliance Healthcare France, crossed the 10% shareholding threshold;
- November 23, 2006: Financière de l'Echiquier, crossed the 5% shareholding threshold;
- July 26, 2007: AB Acquisition Holding (crossed the 5% and 10% shareholding thresholds). The thresholds were crossed as a result of the acquisition by AB Acquisition Holding Limited of control of Alliance Boots Capital plc, which holds an indirect interest in Alliance Healthcare France which itself holds a direct interest in Cegedim;
- December 22, 2009: FSI, crossed the 5% and 10% shareholding thresholds;
- March 31, 2010: Alliance Healthcare France, fell below the 10% shareholding threshold;
- December 15, 2010: Financière de l'Echiquier, fell below the 5% shareholding threshold.

FSI's entrance into Cegedim's capital had an impact upon the Company's governance. See point 14 of this Registration Document.

At December 31, 2009, the capital and voting rights were broken down as follows:

Shareholders	Number of shares held	% interest	Number of single votes	Number of 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%
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%
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%**

18.2 SPECIAL VOTING RIGHTS

Cf. Point 18.1 of this Registration Document.

18.3 CONTROL OF CEGEDIM

Cegedim is controlled by FCB and Jean-Claude Labrune, as indicated in the Registration Document. Although not applying, at this stage, the AFEP-Medef recommendations in relation to governance, the Company declares that it complies with the legal requirements on this subject, for the exercise and the control of the powers of its managing Board. In accordance with the memorandum of understanding between FCB, the FSI and Jean-Claude Labrune, the Group has amended its governance rules. See point 14 of this Registration Document.

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 the FSI, the implementation of a shareholders' agreement to govern the relations between the different parties to the transaction was discussed.

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 Registration Document.

Note 26 of the notes to the 2010 consolidated financial statements appearing in item 20 of this Registration Document also provides detailed figures for operations with related parties.

No new convention has been allowed to date.

FINANCIAL INFORMATION

20

FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL POSITION AND EARNINGS

20.1 HISTORICAL FINANCIAL INFORMATION – STATUTORY FINANCIAL STATEMENTS

20.1.1 STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2010 – CEGEDIM SA

Balance Sheet Assets

In thousands of euros			12/31/2010	12/31/2009	12/31/2008
	Amount Gross	Depreciation and provision	Amount Net	Amount Net	Amount Net
Intangible assets					
Development costs	15,133		15,133	9,526	23,431
Concessions, patents, and similar rights	495	324	172	184	246
Goodwill	174	174	0	0	0
Other intangible assets	98,874	19,463	79,411	66,038	15,604
Tangible assets					
Buildings	3,197	532	2,665	3,450	569
Technical facilities, tooling	25,871	19,462	6,409	4,971	6,508
Other tangible assets	2,019	1,880	139	160	207
Construction work in progress	232		232	3	2,486
Long-term investments					
Other equity investments	878,883	57,806	821,077	798,418	791,584
Minority interest related receivables			0	740	0
Loans	44,012	4,161	39,851	22,343	45,474
Other long-term investments	3,011		3,011	3,166	2,939
FIXED ASSETS	**1,071,900**	**103,801**	**968,100**	**909,000**	**889,047**
Inventory and work in progress					
Inventory of goods and raw materials	17		17	20	60
Production of services in progress	97		97	0	0
Goods	5		5	0	0
Advances and deposits made on orders	474		474	463	498
Receivables					
Accounts receivable and associated accounts	56,514	590	55,924	57,016	63,458
Other receivables	26,899		26,899	12,597	27,599
Subscribed and called capital not paid					
Marketable securities	5,368		5,368	31,416	19,399
Cash and cash equivalents	269		269	6,492	9,071
Accruals					
Prepaid expenses	6,067		6,067	3,563	3,493
CURRENT ASSETS	**95,711**	**590**	**95,121**	**111,568**	**123,578**
Deferred loan issuing costs	5,615		5,615	5,223	6,781
Unrealized exchange losses	4,044		4,044	264	3,615
GRAND TOTAL	**1,177,271**	**104,391**	**1,072,880**	**1,026,055**	**1,023,021**

Balance Sheet Liabilities

In thousands of euros	12/31/2010	12/31/2009	12/31/2008
Share Capital	13,337	13,337	8,891
Share premiums, merger share premiums	244,313	244,313	73,732
Legal reserves	1,334	889	889
Regulated reserves	1,363	1,879	2,926
Other reserves	99,139	51,217	72,869
Retained earnings	143	104	104
Profit (loss) for the period	**20,762**	**61,849**	**(22,699)**
Regulated Provisions	1,669	1,385	1,323
SHAREHOLDERS' EQUITY	**382,060**	**374,972**	**138,035**
Provisions for risks	10,203	4,058	6,165
Provisions for expenses	4,065	3,156	1,805
PROVISIONS FOR RISKS AND EXPENSES	**14,268**	**7,214**	**7,970**
Financial liabilities			
Other bonds	300,000	0	0
Loans and liabilities from financial institutions	203,285	476,941	713,437
Miscellaneous loans and financial liabilities	47,119	58,148	52,472
Advances & payments on account received on orders in progress	52	105	33
Operating liabilities			
Accounts payable and related accounts	43,536	68,160	61,658
Tax and social liabilities	27,533	22,357	22,238
Miscellaneous liabilities			
Payables on fixed assets and associated accounts			
Other liabilities	28,801	1,091	4,095
Deferred income	86	127	186
LIABILITIES	**650,411**	**626,929**	**854,120**
Unrealized exchange gains	26,141	16,939	22,896
GRAND TOTAL	**1,072,880**	**1,026,055**	**1,023,021**

Income Statement (Part 1)

In thousands of euros	12/31/2010	12/31/2009	12/31/2008
Sale of goods France	2	4	14
Sale of goods outside France	0	33	58
Production of goods sold France	35	26	20
Production of services sold France	130,082	128,585	125,906
Production of services sold outside France	40,044	27,239	20,166
NET REVENUE	**170,162**	**155,887**	**146,164**
Stocked production	97	0	0
Capitalized production	25,884	19,534	21,945*
Write-back s on depreciation, provisions and transferred expenses	4,240	1,357	672
Other income	710	448	66
OPERATING INCOME	**201,093**	**177,225**	**168,846**
Purchase of goods	7	37	64
Variations in inventories of goods and raw materials	(2)	41	3
Purchase of raw materials and supplies	0	0	19
Other external purchases and expenses	103,515	86,681	89,236*
Taxes, duties, and similar payments	4,389	4,087	3,875
Wages and salaries	49,314	46,540	45,136
Payroll taxes	22,751	21,846	20,209
Depreciation of fixed assets	12,272	10,186	7,393
Provisions for current assets	306	572	847
Provisions for risks and expenses	1,417	1,595	480
Other expenses	1,383	158	2,017
OPERATING EXPENSES	**195,353**	**171,742**	**169,280**
OPERATING EARNINGS	**5,741**	**5,483**	**(433)**

* *For the sake of presentation and comparability between the 2009 and 2008 fiscal years, a surcharge of 14,044 thousand euros has been added to the 2008 fiscal year for "Capitalized production" and "Other external purchases and expenses".*
The restatement had no impact on earnings.

Income Statement (Part 2)

In thousands of euros	12/31/2010	12/31/2009	12/31/2008
Financial income from equity interests	36,676	73,485	34,011
Other interest and related income	20,039	21,195	37,474
Writebacks on provisions and transferred expenses	14,455	15,304	21,001
Foreign exchange gains	5,752	3,869	651
Net gain on disposal of short-term investments	209	299	22
FINANCIAL INCOME	**77,131**	**114,152**	**93,160**
Financial depreciation and provisions	17,011	7,231	28,544
Interest and related expenses	45,006	54,931	70,327
Foreign exchange losses	4,699	4,414	27,171
FINANCIAL EXPENSES	**66,716**	**66,575**	**126,042**
Financial earnings	10,415	47,577	(32,882)
Current earnings before tax	16,156	53,060	(33,315)
Non-recurring income on management operations	0	0	0
Non-recurring income on capital transactions	835	107	4,659
Writebacks on provisions and transferred expenses	632	481	252
NON-RECURRING INCOME	**1,467**	**588**	**4,911**
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions	866	72	4,279
Non-recurring expenses from depreciation and provisions	916	542	655
NON-RECURRING EXPENSES	**1,782**	**613**	**4,934**
Non-recurring earnings	(315)	(26)	(23)
Employee profit-sharing	288	316	660
Income taxes	(5,209)	(9,130)	(11,300)
TOTAL INCOME	**279,691**	**291,964**	**252,873**
TOTAL EXPENSES	**258,930**	**230,116**	**275,572**
NET EARNINGS	**20,762**	**61,849**	**(22,699)**
NET EARNINGS PER SHARE *(IN EUROS)*	**1.48**	**4.42**	**0.00**
EARNINGS PER SHARE BEFORE TAX *(IN EUROS)*	**1.11**	**3.77**	**(3.64)**
CURRENT EARNINGS PER SHARE *(IN EUROS)*	**1.15**	**3.79**	**(3.57)**

Table of Subsidiaries and Equity Interests

Subsidiaries owned more than 50%	Share capital [(1)]	Shareholders' equity other than share capital [(1)]	% of control	Book value of shares owned Gross value	Provision for depreciation on shares
AMIX	160	(109)	100.00%	8	0
ALLIADIS	1,244	6,619	100.00%	44,224	0
ALLIANCE SOFTWARE	1,563	1,955	100.00%	8,962	0
APSYS NET	80	16	100.00%	956	0
Cegedim LOGICIELS MEDICAUX	1,000	(134)	100.00%	30,567	27,501
CDS	10,008	(1,661)	100.00%	12,518	0
CEGELEASE	10,000	5,479	100.00%	10,219	0
CEGEDIM ACTIV	13,323	10,167	100.00%	30,000	0
CEGEDIM SRH	7,000	(4,439)	100.00%	12,446	9,076
CEGEDIM HOLDING CIS	400	(1,733)	100.00%	420	420
CEGERS	46	108	100.00%	714	0
CETIP	749	2,186	99.66%	1,179	0
CSD FRANCE	398	(9,250)	76.64%	1,797	0
DESKOM	1,039	283	100.00%	6,321	0
GERS SAS	50	1,042	100.00%	50	0
HOSPITALIS	37	(354)	100.00%	37	0
ICOMED	3,087	965	100.00%	189	0
INCAMS	38	(125)	100.00%	2,626	330
MEDEXACT	37	2,833	100.00%	655	0
PCO CEGEDIM	2,500	(767)	100.00%	5,553	3,820
PHARMAPOST	2,302	305	100.00%	5,366	2,759
PHARMASTOCK	576	241	100.00%	576	0
QUALIPHARMA	10	(306)	100.00%	878	847
REPORTIVE SA	8,002	(3,858)	100.00%	2,448	0
RESIP	159	1,266	100.00%	20,435	0
RNP	495	3,644	100.00%	2,430	0
ROSENWALD	43	(275)	100.00%	1,484	604
I SANTE (ex SANTESTAT)	8	(2,368)	100.00%	8	8
SOFILOCA	15	385	100.00%	15	0
SCI 2000	4	499	68.83%	847	0
CEGEDIM INC USA	298,464	7,236	100.00%	302,632	0
CEGEDIM DO BRAZIL	716	(5,828)	100.00%	716	716
CEGEDIM HOLDING GMBH	11,559	4,676	100.00%	12,600	6,907
CEGEDIM GMBH (Austria)	130	431	100.00%	130	0
CEGEDIM UK LTD	5,172	(2,494)	100.00%	5,220	2,542
IN PRACTICE SYSTEMS (England)	19,845	7,200	100.00%	0	0
THIN (England)	2	(711)	100.00%	188	188

Book value of shares owned	Loans and advances granted not reimbursed		Provision Risk	Revenue . Excl. TX [2]	Earnings net [2]	Dividends received
Net value	Gross value	Gross value				
8				3,003	(82)	
44,224				46,911	4,291	5,500
8,962				26,367	1,631	1,794
956				144	99	
3,066				19,531	(134)	
12,518	27,903			0	(1,854)	2,200
10,219				113,966	4,546	9,000
30,000				74,260	8,390	2,670
3,370	1,400			19,318	(649)	
0	900	900	918	0	367	
714				3,874	102	477
1,179	1,700			11,955	1,362	1,670
1,797	1,200			28,487	(3,711)	
6,321				1,660	(208)	
50				18,586	1,042	
37				1,901	447	
189				18,669	637	834
2,296				2,899	(129)	505
655				5,623	1,027	1,290
1,733				6,875	414	
2,607				7,891	493	
576				3,127	176	470
31				2,517	(306)	
2,448				1,770	158	
20,435				4,801	1,177	1,056
2,430				27,673	3,442	3,500
881				620	(275)	
0	1,500	1,500	746	6,748	(115)	
15				2,567	382	375
847				240	204	158
302,632				0	14	
0	1,386	1,386	3,725	6,568	(2,373)	
5,693				1,172	614	
130				1,970	219	
2,678				15,939	2,339	
0				35,881	(9,630)	
0			355	999	(2)	

Subsidiaries owned more than 50%	Share capital (1)	Shareholders' equity other than share capital (1)	% of control	Book value of shares owned Gross value	Provision for depreciation on shares
CEGEDIM WORLD INT. SERVICES LTD	60,000	3,487	100.00%	60,000	0
CEGEDIM HUNGARY KFT	90	55	100.00%	89	0
CEGEDIM HELLAS	358	1,021	99.98%	360	0
CEGEDIM ROMANIA SRL	2	3,114	100.00%	1,031	0
CEGEDIM SK (Slovakia)	12	472	100.00%	8	0
CROISSANCE 2006 (Belgium)	1,378	6,085	100.00%	6,243	0
CEGEDIM BELGIUM	269,075	687	99.97%	268,985	0
CEGEDIM TUNISIA	1,504	(1,900)	94.73%	1,394	1,394
CEGEDIM ALGERIA	85	40	100.00%	85	0
CEGEDIM CZ CZECH REPUBLIC	37	1,218	100.00%	1,171	0
CEGEDIM Italy	10,000	9,534	100.00%	10,025	0
CEGEDIM TRENDS (Egypt)	14	1,389	70.00%	434	0
CEGEDIM Spain	810	3,662	100.00%	1,656	0
TOTAL - SUBSIDIARIES HELD AT OVER 50%				**876,895**	**57,110**
EDIPHARM	15	227	20.00%	3	0
NETFECTIVE TECHNOLOGY	461	3,507	7.11%	899	617
NEX & COM	500	1,379	20.00%	13	0
CSD BELGIUM (EX: BKL PHARMA CONSULTING)	62	(250)	0.02%	0	0
CEGEDIM PORTUGAL	560	4,684	8.93%	535	66
Cegedim AS TURKEY	485	1,171	26.41%	497	0
GERS MAGHREB (Tunisia)	547	(129)	6.42%	40	13
NEXT SOFTWARE (Tunisia)	11	(97)	0.05%	0	0
TOTAL - SUBSIDIARIES HELD AT LESS THAN 50%				**1,988**	**696**
TOTAL				**878,883**	**57,806**

(1) Capital and shareholders' equity of subsidiaries that are not in the Euro zone are given at their exchange value in thousands of euros on the historical dates.
(2) Revenue and net earnings for subsidiaries that are not in the euro zone are given in thousands of euros at the annual average exchange rate for the 2010 fiscal year.

Book value of shares owned	Loans and advances granted not reimbursed		Provision Risk	Revenue . Excl. TX [2]	Earnings net [2]	Dividends received
Net value	**Gross value**	**Gross value**				
60,000				83	2,510	3,000
89				754	(49)	
360				6,893	983	1,838
1,031				5,702	1,091	
8				1,035	29	
6,243				0	274	
268,985				8,528	(2,578)	
0	461	374		155	(213)	
85	224			531	41	
1,171				4,742	573	306
10,025				20,560	2,868	
434				1,517	306	
1,656				14,899	590	
819,785	**36,674**	**4,161**	**5,743**			**36,642**
3				5,243	155	34
282				5,717	231	
13				4,503	215	
0				1,277	(251)	
468				11,261	1,135	
497				5,043	647	
28	102			531	156	
0				186	(28)	
1,292	**102**	**0**	**0**			**34**
821,077	**36,776**	**4,161**	**5,743**			**36,676**

20.1.2 NOTES TO THE STATUTORY FINANCIAL STATEMENTS – CEGEDIM SA

DETAILED SUMMARY OF THE NOTES

NOTE 1 Characteristics of the 2010 fiscal year

A) Bond issues

On July 27, 2010, in the framework of its policy to extend the maturity and diversification of its liabilities, Cegedim SA processed a mandatory issuance of 300 million Euros with a due date of 2015 and an annual 7% fixed rate coupon payable two times per year.

The entire issuance will reimburse part of the existing bank debt.

Characteristics of the issuance:

Amount: 300,000,000 euros.

Date of payment: July 27, 2010.

Due date: July 27, 2015.

Annual coupon: 7.000%.

Return: 7.250%.

B) Capitalization of development costs

Development costs for software (consisting of payroll expenses and cost of external services) were capitalized as intangible assets in the amount of 25,391 thousand euros, since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

C) Free share awards

On June 8, 2010, the Board of Directors was authorized by the Extraordinary General Shareholders' Meeting of February 22, 2008, to award a maximum of 32,540 free shares to the Directors and employees of the Cegedim group (see note 28).

NOTE 2 Accounting rules and methods

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

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

- operational continuity;
- consistency of accounting methods from one fiscal year to another;
- 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:

A) Intangible assets

Cegedim SA's intangible assets mainly consist of development costs and acquired software.

RESEARCH AND DEVELOPMENT COSTS

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 No. 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 development and use or sell the intangible asset;
- the ability to reliably measure the costs related to the intangible asset 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 related 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 the 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.

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

Other projects are recognized in 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 SA capitalized 80,822 thousand euros including 25,391 thousand euros for the 2010 fiscal year in Research and Development.

Economically, the two main projects involve the "CRM and strategic data" sector for a total amount of 43,648 thousand euros. These projects have a depreciation duration of 20 years. The other miscellaneous projects, concerning all of Cegedim's activity sectors for a total of 37,174 thousand euros, depreciate over an average of six years.

ACQUIRED ASSETS

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

B) Tangible assets

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

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

The depreciation periods and methods used are generally the following:

COMPUTER HARDWARE

- 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 lifespan of 8 to 15 years (usually being 8 years). Fixtures and facilities are depreciated using the straight-line method.

C) Equity investments and other investments

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

Equity investments are subject to a provision for impairment. The objective of this method is to compare the amount of equity investments 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.

D) Treasury shares

Treasury shares held pursuant to an authorization granted by the General Meeting are valued at their purchase price and recorded as long term investments or investment securities, depending on their type. A provision for impairment is included 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, 2010 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 no impairment is recorded.

E) 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, customers undergoing reassessment or judicial liquidation 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.

F) Retirement benefit obligations

Retirement obligations are recorded as a provision for expenses. Cegedim SA effectively applies the provisions of CNC recommendation #2003-R-01 of April 1, 2003, related to the rules for recording and measuring retirement obligations and similar benefits and therefore the preferred method.

Cegedim SA'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 under financial and economic situations or to demographic conditions are recorded in the income statement.

G) Revenue recognition

Cegedim SA's revenue consists primarily of services, and if necessary, 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 subject to subscription with periodic billing (monthly or annually); sales revenue is then recorded on a prorated basis according to elapsed time;
- standard and specific studies supplied by Cegedim are recorded upon delivery 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 duration of the contract and results in the recognition of deferred income.

SOFTWARE AND HARDWARE SALES

These sales are recorded upon delivery, concurrent with installation at the professional's site. Any discounts and rebates are recorded as a subtraction from sales.

H) 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 conversion of liabilities and receivables into foreign currencies at this last closing exchange rate are listed in the balance sheet as "unrealized conversion gains or losses". Unrealized, unhedged exchange losses are covered by a provision for risks.

I) Deferred charges/loan issue costs

This represents the deferment of loan issue costs over the duration of the loans (i.e. six years for bank loans and five years for mandatory loans). The total amount for the past fiscal year amounts to 1,741 thousand euros.

In 2010, loan issue costs in the amount of 2,133 thousand euros, which allowed for the bond issuance, were appropriated over the duration of the loan in accordance with the loan's terms of reimbursement (five years).

The costs were recorded in the 6272 account, "Commissions and costs on loan issues".

In order to be able to stagger them, the total amount of costs were transferred to account 4816 "Loan issue costs" by the credit from account 791 "Transfer of operating costs".

Since the fiscal year of the issuance and thereafter, the cost resulting from staggering the loan issue costs was recorded as a debit from account 6812 "Depreciation expenses and operating expenses to appropriate".

J) 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 SA's consolidated financial statements.

NOTE 3 Assets

In thousands of euros	Balance on 12/31/2009	Reclassification peer-to-peer	Acquisitions Contributions	Disposals Withdrawals	Balance on 12/31/2010
Establishment and development Costs	9,526	(4,004)	9,611		15,133
Other intangible assets	53,966	24,985	1,497	1,144	79,305
Other intangible assets in progress	25,150	(20,981)	16,069		20,238
INTANGIBLE ASSETS	**88,643**	**0**	**27,177**	**1,144**	**114,676**
Buildings on un-owned land	1,115		0	1,115	0
General buildings & facilities	3,187		10	0	3,197
Technical facilities, tooling	24,089		3,775	1,993	25,871
Office and IT equipment and furniture	1,985		34	0	2,019
Tangible assets under construction	3		229	0	232
TOTAL TANGIBLE ASSETS	**30,378**		**4,048**	**3,108**	**31,318**
Other equity investments	859,732		19,891 (1)	740	878,883
Loans and other long-term investments	30,830		97,215 (2)	81,022 (2)	47,023 (2)
TOTAL LONG-TERM INVESTMENTS	**890,562**		**117,107**	**81,763**	**925,906**
GRAND TOTAL	**1,009,583**		**148,332**	**86,014**	**1,071,900**

(1) *The increase in equity investment value:*
- Acquisition of the companies CSD France and Deskom;
- Creation of the company GERS SAS;
- CLM France subsidiary: Capital increase by incorporating it into the running account;
- Qualipharma subsidiary: Capital increase by incorporating it into the running account;
- Rosenwald subsidiary: Capital increase through cash contribution;
- Cegers' subsidiary: Buyout of the remaining 50%;
- Merger of the subsidiary Cegedim CIS with the subsidiary Cegedim CZ.

(2) *The account "Loans, other long term investments" is made up of security deposits in the amount of 3,011 thousand euros, 43,632 thousand euros in loans to subsidiaries, and 379 thousand euros in loans for construction efforts.*
The main loans granted to subsidiaries during the fiscal year were as follows: CDS France, in the amount of 71,267 thousand euros and BKL, in the amount of 13,580 thousand euros.
The main loan reimbursements to subsidiaries obtained during the fiscal year were as follows: CDS France, in the amount of 43,364 thousand euros and BKL, in the amount of 21,650 thousand euros.

The typical features of loans granted to subsidiaries are:

- an annual interest rate of 3.5% for loans to French subsidiaries;
- an annual interest rate of 4% for loans to foreign subsidiaries;
- varying duration.
- the lack of an automatic renewal clause and other specific clauses.

NOTE 4 Depreciation

Positions and changes: fiscal year

In thousands of euros	Balance on 12/31/2009	Allowances	Reversals	Balance on 12/31/2010
Establishment and development costs	0	0	0	0
Other intangible assets	12,895	7,840	774	19,961
Other intangible assets in progress	0	0	0	0
INTANGIBLE ASSETS	**12,895**	**7,840**	**774**	**19,961**
Buildings on un-owned land	586	33	619	0
General buildings & facilities	266	266	0	532
Technical facilities, tooling	19,118	2,337	1,992	19,462
Office and computer equipment	1,825	55	0	1,880
TOTAL TANGIBLE ASSETS	**21,794**	**2,691**	**2,612**	**21,873**
GRAND TOTAL	**34,689**	**10,531**	**3,385**	**41,834**

In thousands of euros	Breakdown of depreciation		Accelerated	
	Straight-line	Declining balance	Allowances	Reversals
Establishment and development costs	0			
Other intangible assets	7,840			
Other intangible assets in progress	0			
INTANGIBLE ASSETS	**7,840**			
Buildings on un-owned land	33			
General buildings & facilities	266			
Technical facilities, tooling	2,337		916	632
Office and computer equipment	55			
TOTAL TANGIBLE ASSETS	**2,691**	**0**	**916**	**632**
GRAND TOTAL	**10,531**	**0**	**916**	**632**

NOTE 5 Provisions

In thousands of euros	Balance on 12/31/2009	Allowances	Reversals		Balance on 12/31/2010
			Used	Not used	
Accelerated depreciation	1,385	916		632	1,669
TOTAL REGULATED PROVISIONS	**1,385**	**916**		**632**	**1,669**
Provisions for litigation	340	0	153	187	0
Provision for exchange losses	264	4,044		264	4,044
Provisions for pensions and similar obligations	2,543	806	30	0	3,319
Provisions for shares allocated to employees	613	610	478	0	746
Other provisions for risks and expenses	415	0		0	415
Provisions for risks on equity investments	3,040	3,026		323	5,743
TOTAL PROVISIONS FOR RISKS AND EXPENSES	**7,214**	**8,488**	**661**	**774**	**14,268**
Equity investments	60,573	9,201		11,969	57,806
Other long-term investments	5,321	739		1,899	4,161
Provisions for impairment of accounts receivable	1,473	306	984	205	590
Other provisions for impairment	0	0	0	0	0
TOTAL PROVISIONS FOR IMPAIRMENT	**67,367**	**10,246**	**984**	**14,073**	**62,557**
GRAND TOTAL	**75,967**	**19,650**	**1,645**	**15,478**	**78,493**
Operating depreciation and reversals		1,723	1,645	391	
Financial depreciation and reversals		17,011	0	14,455	
Non-recurring depreciation and reversals		916	0	632	

NOTE 6 Due dates for receivables and liabilities

Statement of receivables

In thousands of euros	Amount gross	At one year or less	At more than one year
Minority interest-related receivables	0	0	0
Loans	44,012	0	44,012
Other long-term investments	3,011	0	3,011
Doubtful or litigious customer receivables	1,419	1,419	
Other customer receivables	55,096	55,096	
Employees and related obligations	205	205	
Social security and other social agencies	0	0	
Government: Corporate tax	0	0	
Government: Value added tax	1,429	1,429	
Government: Miscellaneous receivables	222	222	
Group and associates	24,787	24,787	
Miscellaneous debtors	255	255	
Prepaid expenses	6,067	6,067	
GRAND TOTAL	**136,504**	**89,481**	**47,023**
Loans granted during the fiscal year	96,645		
Repayments received during the fiscal year	80,298		

Statement of Liabilities

In thousands of euros	Amount gross	At one year or less	More than one year Five or more years	At more than five years
Other bonds [(1)]	300,000	0	300,000	
Loans initially due in under 1 year maximum	24,644	24,644		
Loans initially due in more than 1 year [(2)]	203,042	57,353	145,689	
Miscellaneous loans and financial liabilities	47,119	596	46,523	
Accounts payable	43,536	43,536		
Employees and related obligations	8,925	8,925		
Social security and other social agencies	4,632	4,632		
Government: Corporate tax	6,147	6,147		
Government: Value added tax	6,486	6,486		
Government: Other income tax, and other related taxes	1,344	1,344		
Payables on fixed assets and associated accounts	0	0		
Group and associates	26,931	26,931		
Other liabilities	1,870	1,870		
Deferred income	86	86		
GRAND TOTAL	**674,761**	**182,549**	**492,211**	**0**
Loans taken out during the fiscal year [(1)]	312,119			
Loans reimbursed during the fiscal year [(1)]	274,392			

(1) Issuance of a 300 million euro mandatory loan with a 2015 due date allowing for a portion of the existing bank debt to be reimbursed.
(2) Of which changes in unrealized exchange gains/losses on the 200 million US dollar loan between end-2009 and end-2010 of +12,119 thousand euros: Unrealized exchange gain/loss in 2009 for +8,707 thousand euros - Recording of a new exchange gain/loss in 2010 for +3,412 thousand euros.

NOTE 7 Retirement

	Through an insurance fund	Through a provision for expenses
Retirement obligation covered	1,472 thousand euros	3,319 thousand euros

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 amounts to 6,100,224 euros, of which 1,471,507 euros paid to an insurance company.

The actuarial assumptions used are as follows:

Economic assumptions		Net interest rate: 4.7%
Wage increases:		1.7% inflation included
Demographic assumptions	Mortality:	The mortality tables used are the Insee 2006-2008 tables.
	Mobility:	5% per year up to the age of 35
		3% up to the age of 45
		1.5% up to the age of 50 and 0% thereafter.
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 SA is the parent company and head of the Group.

The following companies elected to form a consolidated tax group with Cegedim SA:

- Alliadis, Alliance Software, AMIX, Apsys Net, CLM, CDS, Cegedim Activ, Cegedim Holding CIS, Cegedim Ingénierie, Cegedim SRH, Cegelease, Cetip, Data Conseil, Euroformat, Hospitalis, Icomed, Incams, iSanté, MedExact, Cegedim Prestation Conseil Outsourcing, Pharmastock, Pharmapost, Qualipharma, Resip, RNP, RMI, Rosenwald, 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 to 5,148 thousand euros for 2010 (10,757 thousand euros for 2009);
- 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 13,991 thousand euros as of December 31, 2010 for Cegedim SA;
- Cegedim SA's reportable deficit amounts to 78,664 thousand euros at December 31, 2010.

NOTE 9 Data coming under several balance sheet and income statement items

In thousands of euros	Consolidated companies	Equity Investments	Related companies
Fixed assets			
Equity Investments	877,970	912	
Loans	43,633		
current assets			
Accounts receivable and associated accounts	28,114	3	5
Other receivables	24,787		
Liabilities			
Financial liabilities			45,094
Trade payables and related accounts	37,474		2,155
Other liabilities	26,931		
Investments			
Financial expenses	16,840		1,433
Financial income	20,024		
Operating			
Management fees			2,400
Rent			5,710

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 Breakdown of income receivable

In thousands of euros	12/31/2010
Clients – Invoices to be prepared	19,277
ACCOUNTS RECEIVABLE	**19,277**
Suppliers, accrued credits	249
Miscellaneous accrued receivables	222
Receivables from employees	13
OTHER RECEIVABLES	**484**
Banks, accrued interest receivable	1
TOTAL	**19,762**

NOTE 12 Breakdown of expenses to be paid

In thousands of euros	12/31/2010
Accrued interest payable on loans	9,085
Accrued interest payable on equity investments	81
Accrued interest payable on overdrafts	0
BORROWINGS AND FINANCIAL LIABILITIES	**9,166**
Suppliers, accrued invoices	17,345
ACCOUNTS PAYABLE AND RELATED ACCOUNTS	**17,345**
Provision for paid holidays	5,554
Reduced work time provision	1,188
Provision CET holidays	108
Other personnel expenses payable	1,636
Government, expenses payable	648
Group - Consolidated tax	276
TAX AND SOCIAL LIABILITIES	**9,411**
Clients – Credits to be established	**870**
TOTAL	**36,792**

NOTE 13 Breakdown of deferred revenue and accrued expenses

In thousands of euros	12/31/2010
Purchase of files	25
Custom work	122
Transpac IT lines	84
Water, EDF, heating, & Consumables	1
Rent	781
Rental equipment IT & Miscellaneous	8
Software royalties	215
Maintenance premises and facilities	25
Equipment maintenance IT	506
Maintenance software	1,150
Maintenance machinery and equipment	7
Insurance	9
Subscriptions & documentation	14
Professional training and seminars	5
Temporary contract	150
Fees	76
Advertising and stock market fees	15
Travel & entertainment expenses	3
Telephone	0
Contributions	0
Recruiting costs	25
Training	1
Income taxes	14
Financial expenses	2,831
TOTAL ACCRUED EXPENSES	**6,067**
Service revenue	86
TOTAL DEFERRED INCOME	**86**

NOTE 14 Breakdown of expenses to be shared

Type	Balance on 12/31/2009	increase	allowances	Balance on 12/31/2010
Loan issue costs	5,223	2,133	1,741	5,615

The loan issue expenses for the loan required to acquire the Dendrite group on May 9, 2007 were distributed over the entire term of the loan -six years- using the straight-line method.

In 2010, loan issue costs in the amount of 2,133 thousand euros, which allowed for the mandatory loan, were appropriated over the duration of the loan to the loan's terms of reimbursement (five years).

NOTE 15 Share capital details

Categories of shares	Number of shares				Par value	
	at the beginning of the fiscal year	created during	created by division	at year-end	at the beginning of the fiscal year	at year-end
Common Shares	13, 997,173			13,997,173	0.9528	0.9528

Bearing in mind the transactions that occurred during the year, the closing position of the fiscal year analyzed is as follows:

Shareholders	Number of shares held	% held	Number of votes simple	Number of double votes		Total votes	% Voting rights
				shares	votes		
FCB	7,327,087	52.35%	2,461,250	4,865,837	9,731,674	12,192,924	64.62%
FSI	2,102,060	15.02%	2,102,060	0	0	2,102,060	11.14%
JCL	57,812	0.41%	19,316	38,496	76,992	96,308	0.51%
Public*	4,477,456	31.99%	4,457,972	9,658	19,316	4,477,288	23.73%
Cegedim	32,758	0.23%	0	0	0	0	0.00%
	13,997,173	**100.00%**	**9,040,598**	**4,913,991**	**9,827,982**	**18,868,580**	**100.00%**

* *Including the Alliance Healthcare equity investment.*
Including the Cegedim liquidity contract.

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 SA

NOTE 17 Statement of changes in consolidated shareholders' equity

In thousands of euros	Capital	Premiums	Legal reserve	Regulated reserves	Other Reserves	Retained earnings	Earnings for the fiscal year	Regulated provisions	Total
Capital increase									0
Decrease in capital									0
2007 earnings					11,211		(11,211)		0
Dividends					(8,398)				(8,398)
Retained earnings									0
Regulated Provisions								403	403
2008 earnings							(22,699)		(22,699)
On 12.31.2008*	**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
Retained earnings									0
Restated reserves				(1,047)	1,047				0
Regulated Provisions								62	62
2009 earnings							61,849		61,849
On 12/31/2009*	**13,337**	**244,313**	**889**	**1,879**	**51,217**	**104**	**61,849**	**1,385**	**374,972**
Capital increase	0								0
Decrease in capital									0
2009 earnings			445		61,365	39	(61,849)		0
Dividends					(13,958)				(13,958)
Retained earnings									0
Restated reserves				(515)	515				0
Regulated Provisions								284	284
2010 earnings							20,762		20,762
On 12/31/2010*	**13,337**	**244,313**	**1,334**	**1,363**	**99,139**	**143**	**20,762**	**1 669**	**382,060**

* *Shareholders' equity before distribution.*

NOTE 18 Breakdown of revenue

In thousands of euros	France	Outside France	Total
Sales of goods	2	0	2
Production of goods	35	0	35
Production of services	130,082	40,044	170,126
TOTAL	**130,118**	**40,044**	**170,162**

NOTE 19 Share of earnings on joint operations

In thousands of euros	Total earnings	Transferred earnings
Edipharm	155	32
TOTAL	**155**	**32**

NOTE 20 Non-recurring expenses and income

Description of expense

In thousands of euros	12/31/2010
Book value of intangible assets sold	370
Book value of tangible assets sold	496
Book value of long-term investments sold	0
Accelerated amortization and depreciation	916
TOTAL	**1,782**

Type of Income

In thousands of euros	12/31/2010
Gain on the disposal of intangible assets	200
Gain on the disposal of tangible assets	635
Gain on the disposal of long term investments	0
Writeback of accelerated depreciation	632
TOTAL	**1,467**

NOTE 21 Breakdown of corporate tax

Breakdown

In thousands of euros	Earnings before tax	Tax due	Net earnings after tax
Income from continuing operations	16,156	(269)	16,425
Corporate tax savings on deficits/consolidated companies		(5,148)	5,148
CT refunds consolidated companies		1,268	(1,268)
Neutralization of CT tax consolidation		(1,060)	1,060
Short term non-recurring earnings	(315)	0	(315)
Employee profit-sharing	(288)	0	(288)
Tax on transferred companies		0	0
Source withholding		0	0
ACCOUNTING EARNINGS	**15,553**	**(5,209)**	**20,762**

NOTE 22 Deferred and latent tax situation

Deferred taxation is as follows:

- organic: 320 thousand euros;
- equity Investments: 288 thousand euros;
- retirement provision: 806 thousand euros;
- provision for exchange losses: 4,044 thousand euros;
- non-deductible provisions: 0.

The corresponding deferred tax amounts to 1,880 thousand euros.

NOTE 23 Compensation of administrative and management bodies

Directors' fees paid to Board members came to 120 thousand euros in 2010 and are recorded as "Other expenses" in the income statement.

In thousands of euros	12/31/2010	12/31/2009
Short-term benefits (wages, bonuses, etc.)	213	287
Post-employment benefits	*none*	*none*
Severance pay	*none*	*none*
BENEFITS RECOGNIZED	**213**	**287**
Termination benefits	*none*	*none*
BENEFITS NOT RECOGNIZED	*NONE*	*NONE*

NOTE 24 Employees on December 31, 2010

In thousands of euros	Staff employees on 12/31/2010
Management	579
Non-management	446
Trainees	11
TOTAL	**1,036**

NOTE 25 Net financial debt

In thousands of euros	12/31/2010	12/31/2009
Long-term financial borrowing and liabilities (> 5 years)	0	0
Medium- and long-term financial borrowing and liabilities (> 1 year, < 5 years)	492,211	409,658
Short-term financial borrowing and liabilities (< 1 year)	57,950	93,904
Current bank loans	242	20,712
TOTAL FINANCIAL LIABILITIES**	**550,403**	**524,274**
Total positive cash flow*	5,637	37,909
NET FINANCIAL DEBT	**544,766**	**486,365**
Operating cash flow	35,592	65,783

* *Including 3,505 thousand euros for Investment Securities and shares amounting to 1,363 thousand euros allocated to employees.*
** *As of 2010, cash pooling is recorded under "Other debts"*

To finance the acquisition of the Dendrite group, the Cegedim group carried out a loan contracted by an outside group.

Financing was implemented on May 9, 2007 to purchase Dendrite and to reconsolidate the existing debt. On July 27, 2010 financing was rearranged by a 300,000 thousand euro bond issue. The income from the bond issuance, excluding fees, will reimburse a portion of the bank debt.

On December 31, 2010, the financing is broken down as follows:

Terms for main loans:	**Residual value**
Year 2012	**5,000**
In the form of revolver credit facilities renewable every month at a variable rate. (amount used out of a total available line of k€165,000)	
Year 2013	
Loan for k€123,319	123,319
As an amortizable loan with a variable rate. Loan for k€87,705with an exchange value of k€65,637 on 12/31/2010. As an amortizable loan with a variable rate. Debt exposure from Euro exchange rates have been partially hedged by the rearranging of Euro rate hedging On 12/31/2010, hedging debt to variations in Euro rates composed of a three swap no premium one month pre-set Euribor receiver, payer fixed rate defined as follows: - 4.565% rate on a notional value hedged k€56,106 ; - 4.57% rate on a notional value hedged k€56,106; - 4.58% rate on a notional value hedged k€56,106. The total notional value hedged amounts to k€168,318 thousand euros on 12/31/2010.	65,637
Year 2015	**300,000**
As a mandatory loan reimbursable in fine on 07/25/2015 at a 7% fixed rate payable twice per year.	

NOTE 26 Off-balance sheet commitments

Guarantees given by Cegedim to its subsidiaries

PHARMASTOCK SUBSIDIARY

Jointly and severally liable surety of its subsidiary Pharmastock in favor of the company 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 the event that Cegelease defaults on the lease with the company Guilaur Sarl (Board of Directors authorization dated September 3, 2003).

CEGEDIM USA INC. SUBSIDIARY

Security in favor of Bank of America for 3.5 million dollars in favor of the Bank of America (Board of Directors authorization dated December 27, 2007) reduced to 2.25 million dollars on May 1, 2010.

INCAMS SUBSIDIARY

2,465 thousand euro security in favor of VSS to pay the purchase price of 246,500 capital shares of the Hosta company. Moreover, Cegedim has made itself guarantor on first demand to guarantee the payment of sums from which the payment lies with Incams, which is itself the guarantor of its subsidiary Hosta, to reimburse the loan granted by Incams, AXA Assurances Vie Mutuelle and Mutuelle Mieux Etre (co-owner of VSS).

ALL SUBSIDIARIES

One-year authorization 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 12, 2010).

Bank guarantee (LCL) has been granted by Cegedim for an amount of 30 thousand euros in favor of CRPCEN (valid until October 13, 2012).

Subsidiary shares pledged

For signing 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, Cegedim Prestation Conseil Outsourcing, Alliance Software, Alliadis, Cegedim Belgium, Cegedim Italia.

Subsidiary share pledges on December 31, 2007 are still in effect. (In Practice Systems, Alliadis Europe, CSD Medical Research Ltd (ex:Epic), Cegedim Rx, Cegedim USA, Cegedim USA Inc.)

NOTE 27 Treasury shares

Throughout 2010, the Company did not acquire or dispose of treasury shares except for the shares bought as part of the free share award plan (acquisition of 16,738 shares on May 11, 2010).

NOTE 28 Free share awards

Following a resolution of the Extraordinary Shareholders' Meeting of February 22, 2008, the Board of Directors, in their meetings of March 21, 2008, November 5, 2009 and June 8, 2010, were authorized to award a total number of free shares, which were 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 features are as follows:

- 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.

  The plan dated November 5, 2009 authorized a maximum allocation of 28,750 free shares.

  The plan dated June 8, 2010 authorized a maximum allocation of 32,540 free shares;
- the allocation 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 of the award date, and four years for beneficiaries whose residence for tax purposes is not in France as of the award date;
- the shares will be permanently awarded to their beneficiaries on a single condition: no resignation, dismissal, or layoff;
- starting from the final award date, beneficiaries whose residence for tax purposes is in France as of the award date must keep their shares for a term of two years starting from the final award date.

On the closing date, December 31, 2010, Cegedim SA recorded a provision of 746 thousand euros in its financial statements.

NOTE 29 Information following the closing date

Cegedim S.A. took over CEGERS, CEGEDIM HOLDING CIS and APSYS NET. The complete transfer of the assets and liabilities took place on January 3, 2011. Various merger losses resulted from these acquisitions, corresponding to the difference in the proportionate share of the net assets received and the net book value of the CEGEDIM shares. In compliance with the chart of accounts, the «real» losses will be recorded under financial earnings.

20.1.3 STATUTORY AUDITOR'S REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended December 31, 2010

To the Shareholders,

In our capacity as Statutory Auditors, we hereby report to you, for the year ended December 31, 2010, 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, 2010 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:

CAPITALIZATION OF DEVELOPMENT COSTS

In the context of our assessment of the accounting policies applied by your company, we reviewed the conditions for capitalization of development costs, the amortization 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 benefits paid to the Corporate officers concerned and the engagement granted to them, we verified the conformity with the financial statements, or with the data used for the reparation of the financial 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 14, 2011

The Statutory Auditors

French original signed by

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, 2010

Balance Sheet Assets

In thousands of euros	Note	12/31/2010	12/31/2009	12/31/2008
		Net	Net	Net
GOODWILL ON ACQUISITION (NOTE 7)	a	**711,089**	**613,342**	**613,709**
Development costs		48,093	57,644	44,446
Trademarks		-	104,810	109,519
Other intangible assets		121,932	63,192	55,611
INTANGIBLE ASSETS (NOTE 3)		**170,025**	**225,646**	**209,576**
Property		430	417	507
Buildings		5,540	6,225	3,547
Other tangible assets	c	36,929	38,346	47,817
Construction work in progress		261	234	2,830
TANGIBLE ASSETS (NOTE 4)		**43,160**	**45,221**	**54,701**
Equity investments		299	302	225
Loans		1,004	551	858
Other long-term investments		8,017	8,030	6,069
LONG-TERM INVESTMENTS – EXCLUDING EQUITY SHARES IN EQUITY METHOD COMPANIES (NOTE 5)		9,320	8,883	7,152
Equity shares in equity method companies (note 6)	b	**7,276**	**7,173**	**7,300**
Government – Deferred tax (note 20)		49,317	33,350	36,603
Accounts Receivable (note 9)		16,685	15,282	9,175
Other Receivables (note 10)		722	983	2,760
NON-CURRENT ASSETS		**1,007,594**	**949,881**	**940,976**
Services in progress (note 8)		298	200	958
Goods (note 8)		10,428	10,956	11,358
Advances and deposits received on orders		1,250	1,172	1,142
Accounts Receivable (note 9)		233,446	210,502	198,950
Unpaid, called capital				0
Other Receivables (note 10)		25,702	18,413	30,733
Cash equivalents		13,238	30,630	22,433
Cash		65,916	90,739	71,068
Prepaid expenses		19,151	15,847	18,998
CURRENT ASSETS		**369,429**	**378,461**	**355,640**
GRAND TOTAL		**1,377,023**	**1,328,341**	**1,296,616**

Balance Sheet Liabilities

In thousands of euros	12/31/2010	12/31/2009	12/31/2008
Social Capital	13 337	13 337	8 891
Issue premium	185,562	185,562	14,981
Group reserves	291,664	249,732	213,570
Group exchange reserves	(238)	(238)	(238)
Group exchange gains/losses	6,356	(37,844)	(29,698)
Group Earnings	(16 860)	(54 719)	33 661
SHAREHOLDERS' EQUITY, GROUP SHARE	**479,820**	**465,267**	**241,167**
Minority interests (reserves)	384	609	1,056
Minority interests (earnings)	102	114	(174)
MINORITY INTERESTS	**486**	**724**	**882**
SHAREHOLDERS' EQUITY	**480,306**	**465,991**	**242,049**
Financial liabilities (note 14)	489,280	391,408	585,327
Financial instruments	13,334	16,517	22,525
Deferred tax liabilities (note 20)	13,466	51,394	55,946
Provisions (note 12)	26,481	21,517	18,753
Other liabilities (note 16)	29,890	9,550	19,822
NON-CURRENT LIABILITIES	**572,451**	**490,386**	**702,373**
Financial liabilities (note 14)	60,667	133,621	111,296
Financial instruments			1,706
Accounts payable and related accounts	74,789	73,604	63,131
Tax and social liabilities	125,780	113,705	115,762
Provisions (note 12)	6,066	7,133	6,234
Other liabilities (note 16)	56,963	43,902	54,065
CURRENT LIABILITIES	**324,266**	**371,965**	**352,194**
GRAND TOTAL	**1,377,023**	**1,328,341**	**1,296,616**

Note	Reclassifications	12/31/2010	12/31/2009	12/31/2008
	Goodwill on acquisition reported			616,952
a	■ 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)
	■ Cancellation of 2008 reclassification			434
				613,709
	Equity shares in equity method companies reported			4,057
b	■ 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
	■ Cancellation of 2008 reclassification			(434)
				7,300
	Technical facilities reported		24,377	28,477
	■ Reclassification of technical facilities under Other tangible assets		(24,377)	(28,477)
			0	0
c				
	Other tangible assets reported		13,969	19,340
	■ Reclassification of technical facilities under Other tangible assets		24,377	28,477
			38,346	**47,817**

Consolidated income statement

(In thousands of euros)	Note	12/31/2010	12/31/2009	12/31/2008
REVENUE (NOTE 17)		**926,674**	**874,072**	**848,577**
Other operating income				
Capitalized production		40,188	32,631	33,502
Purchases used		(110,887)	(104,565)	(84,825)
External expenses (note 18)		(225,586)	(208,642)	(229,152)
Taxes		(14,660)	(12,561)	(12,281)
Payroll costs (note 29)		(435,579)	(401,496)	(394,643)
Depreciation expenses		(66,807)	(66,328)	(67,864)
Allocations to and reversals of provisions		(4,859)	(1,406)	(2,154)
Change in inventories of products in progress and finished products		94	(900)	440
Other operating income and expenses		(1,371)	726	5,037
OPERATING INCOME FROM CONTINUING OPERATIONS		**107,207**	**111,530**	**96,637**
Neutralization of the Dendrite brand		(104,009)		
Non-recurrent income and expenses		(10,792)	(11,697)	(6,478)
OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS (NOTE 19)		**(114,801)**	**(11,697)**	**(6,478)**
OPERATING INCOME		**(7,594)**	**99,833**	**90,159**
Income from cash & cash equivalents		961	1,429	11,570
Cost of gross financial debt		(30,450)	(34,705)	(51,135)
Other financial income and expenses		(4,793)	(7,033)	(4,053)
COST OF NET FINANCIAL DEBT (NOTE 15)	d	**(34,282)**	**(40,309)**	**(43,618)**
Income taxes		(20,189)	(9,950)	(7,823)
Deferred taxes		44,447	4,901	(5,171)
TOTAL TAXES (NOTE 20)		**24,259**	**(5,048)**	**(12,994)**
Share of profit (loss) for the period of equity method companies		860	357	(60)
Profit (loss) for the period before earnings from activities that have been discontinued or are being sold		(16,758)	54,833	33,487
Profit (loss) for the period net of income tax from activities that have been discontinued or are being sold				
Consolidated profit (loss) for the period		(16,758)	54,833	33,487
ATTRIBUTABLE TO OWNERS OF THE PARENT		**(16,860)**	**54,719**	**33,662**
Minority interests		102	114	(175)
Average number of shares excluding treasury stock		13,965,092	9,480,237	9,331,449
EARNINGS PER SHARE *(IN EUROS)* **(NOTE 23)**		**(1.2)**	**5.8**	**3.6**
Diluting instruments		none	none	none
DILUTED EARNINGS PER SHARE *(IN EUROS)* **(NOTE 24)**		**(1.2)**	**5.8**	**3.6**

Note	Cost of net financial debt reported	12/31/2010	12/31/2009	12/31/2008
	Income from cash & cash equivalents	0	0	26,191
d	Cost of gross financial debt	0	0	(69,809)
	COST OF NET FINANCIAL DEBT	**0**	**0**	**(43,618)**
	Other financial income and expenses	0	0	0

Statement of Total Earnings

In thousands of euros	12/31/2010	12/31/2009	12/31/2008
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	(16,758)	54,833	33,487
Other items included in total earnings:			
Unrealized exchange gains/losses	52,143	(8,145)	23,863
Free shares award plan	67	477	394
Hedging financial instruments (net of income tax)	1,276	3,224	(15,172)
Hedging of net investments	(7,944)		
ITEMS RECOGNIZED AS SHAREHOLDERS' EQUITY NET OF INCOME TAX	45,542	(4,444)	9,085
Total earnings	28,784	50,389	42,572
Minority interests' share	102	114	(200)
ATTRIBUTABLE TO OWNERS OF THE PARENT	**28,682**	**50,275**	**42,772**

Statement of changes in consolidated shareholders' equity at December 31, 2010

In thousands of euros	Capital	Reserves tied to capital	Conso. reserves and earnings	Unrealized exchange gains/losses	Total Group share	Minority interests	Total
BALANCE AT 01/01/2008	**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 exchange gains/losses				23,888	23,888	(25)	23,863
TOTAL EARNINGS FOR THE FISCAL YEAR			**18,884**	**23,888**	**42,772**	**(200)**	**42,572**
Total transactions with shareholders:							
■ Capital transactions							
■ Distribution of dividends[1]			-8,398		-8,398	(255)	(8,653)
TOTAL			**-8,398**	**0**	**-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 exchange gains/losses				(8,145)	(8,145)		(8,145)
TOTAL EARNINGS FOR THE FISCAL YEAR			**58,420**	**(8,145)**	**50,275**	**114**	**50,389**
Total transactions with shareholders:							
■ 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)
TOTAL	**4,446**	**170,580**	**(1,234)**	**0**	**173,792**	**(230)**	**173,562**
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**
Earnings for the fiscal year			(16,860)		(16,860)	102	(16,758)
Earnings recorded directly as shareholders' equity:							
■ Transactions on shares			67		67		67
■ Hedging of financial instruments			1,276		1,276		1,276
■ Hedging of net investments				(7,944)	(7,944)		(7,944)
■ Unrealized exchange gains/losses				49,341	49,341		49,341
Ecarts de conversion				52 143	52 143		52 143
TOTAL EARNINGS FOR THE FISCAL YEAR			**(15,517)**	**41,397**	**25,880**	**102**	**28,785**
Total transactions with shareholders							
■ Capital transactions					0		0
■ Distribution of dividends[1]			(13,959)		(13,959)	(75)	(14,033)
■ Treasury shares			(129)		(129)		(129)
TOTAL			**(14,087)**	**0**	**(14,087)**	**(75)**	**(14,162)**
Other changes			(43)		(43)		(43)
Change in consolidation scope						(265)	(265)
Balance at 12/31/2010	13,337	185,561	274,804	6,118	479,820	486	480,306

(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 2008, 2009 and 2010 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	% owned during the year	% owned during the year previous	Consolidation method the year	Consolidation method the year previous	Comments
Companies entering the consolidation scope					
SK&A Information Services	100.00%	-	F.C.	-	Acquired in January 2010
GERS SAS	100.00%	-	F.C.	-	Created in April 2010
Hosta Maroc	100.00%	-	F.C.	-	Acquired in June 2010
Pulse Systems, INC	100.00%	-	F.C.	-	Acquired in July 2010
Deskom	100.00%	-	F.C.	-	Acquired in September 2010
Cegedim Ukraine	100.00%	-	F.C.	-	Created in November 2010
Change in % owned of companies in the consolidation scope					
Cegers	100.00%	50.00%	F.C.	F.C.	Acquired in April 2010
Hosta	100.00%	38.37%	F.C.	E.M.	Acquired in June 2010
Companies leaving the consolidation scope					
Dendrite Belgique	-	100.00%	-	F.C.	Merger of Dendrite Belgique into Cegedim Belgique in January 2010
Fichier Medical Central (FMC)	-	100.00%	-	F.C.	Merger of FMC into Cegedim Belgique in January 2010
Dendrite Brasil	-	100.00%	-	F.C.	Merger of Dendrite Brasil into Cegedim Do Brasil in January 2010
UTO Brain LLC	-	100.00%	-	F.C.	Merger of Uto Brain into Cegedim Strategic Data KK in January 2010
NOMI Norway	-	100.00%	-		Merger of NOMI Norway into Cegedim Norway in January 2010
NOMI Finlande	100.00%	100.00%	F.C.	F.C.	Merger of NOMI Finlande into Cegedim Finlande in April 2010
Cegedim CIS	100.00%	100.00%	F.C.	F.C.	Merger of Cegedim CIS Tchéquie into Cegedim CZ in July 2010
Servilog Concept	100.00%	100.00%	F.C.	F.C.	Complete transfer of the assets and liabilities of Servilog Concept to Pharmacie Gestion Informatique in July 2010
Cegedim RU	100.00%	100.00%	F.C.	F.C.	Merger of Cegedim RU into Cegedim LLC (ex. MDM Russie) in July 2010

Cash flow statement from earnings of consolidated companies

In thousands of euros Item	12/31/2010	12/31/2009	12/31/2008
Consolidated profit (loss) for the period	(16,758)	54,833	33,487
Share of earnings from equity method companies	(860)	(357)	60
■ Depreciation and provisions	168,666	70,190	70,334
■ Capital gains or losses on disposals	(437)	996	(5,924)
CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAXES	**150,611**	**125,662**	**97,957**
■ Cost of net financial debt.	34,282	40,309	43,618
■ Tax expenses	(24,258)	5,048	12,994
OPERATING CASH FLOW BEFORE COST OF NET FINANCIAL DEBT AND TAXES	**160,635**	**171,019**	**154,569**
■ Tax paid	(15,264)	(4,305)	(7,823)
■ Change in working capital requirements for operations(1)	(11,503)	(199)	20,132
CASH FLOW GENERATED FROM OPERATING ACTIVITIES AFTER TAX PAID AND CHANGE IN WORKING CAPITAL REQUIREMENTS (A)	**133,868**	**166,515**	**166,878**
Acquisitions of intangible assets	(45,511)	(37,744)	(49,408)
Acquisitions of tangible assets	(27,783)	(26,382)	(51,026)
Acquisitions of long-term investments	0	(2,917)	(1,763)
Disposals of tangible and intangible assets	4,155	4,809	7,348
Disposals of long-term investments	683	75	1,338
Impact of changes in consolidation scope	(56,291)	(11,989)	(8,164)
Dividends received from equity method companies	759	486	383
NET CASH FLOWS GENERATED BY INVESTMENT OPERATIONS (B)	**(123,988)**	**(73,662)**	**(101,292)**
Dividends paid to parent company shareholders	(13,959)	0	(8,398)
Dividends paid to the minority interests of consolidated companies	(75)	(231)	(255)
Capital increase through cash contribution	0	174,700	0
Loans issued	303,147	3,761	2,901
Loans repaid	(303,704)	(201,998)	(14,721)
Interest paid on loans	(18,734)	(31,460)	(44,416)
Other financial income and expenses paid or received	(6,310)	(5,748)	12,062
NET CASH FLOWS GENERATED BY FINANCING OPERATIONS (C)	**(39,635)**	**(60,976)**	**(52,827)**
CHANGE IN CASH (A+B+C)	**(29,755)**	**31,877**	**12,759**
Opening cash	102,338	70,254	57,772
Closing cash (note 14)	78,032	102,338	70,254
Impact of changes in foreign currency exchange rates	(5,449)	(207)	277

(1) The (-) signs indicates a requirement and a (+) sign indicates a surplus

Segment Information as at December 31, 2010

INCOME STATEMENT ITEMS

In thousands of euros		Breakdown by Business Sector				Geographic Breakdown	
		CRM and strategic data	**Healthcare professionals**	**Insurance and services**	**Total**	**Total France**	**Total Rest of world**
	Sector income						
A	Outside Group sales	526,513	271,002	129,159	926,674	477,590	449,085
B	Sales to other Group sectors	30,623	7,938	7,220	45,781	44,429	1,352
C=A+B	**Total sector revenue**	**557,136**	**278,940**	**136,379**	**972,455**	**522,019**	**450,437**
	Sector earnings						
D	**Operating income from continuing operations**	**50,880**	**36,714**	**19,613**	**107,207**		
E	**Ebitda from ordinary activities**	**76,054**	**68,966**	**28,994**	**174,014**		
	Operating margin *(%)*						
D/A	Operating margin outside Group	9.7%	13.5%	15.2%	11.6%		
E/A	Ebitda margin from ordinary activities outside Group	14.4%	25.4%	22.4%	18.8%		
	Depreciation expenses by sector	25,174	32,251	9,381	66,807		

GEOGRAPHICAL BREAKDOWN OF 2010 CONSOLIDATED REVENUE

Consolidated Revenue 2010	**France**	**Euro zone outside France**	**Pound Sterling Zone**	**US dollar Zone**	**Rest of world**	**Total**
Geographic breakdown	477,590	130,204	79,315	116,344	123,222	926,674
%	52%	14%	9%	13%	13%	100%

BALANCE SHEET ITEMS

(in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total Rest of world
Sector assets *(net values)*						
Goodwill on acquisition (note 7)	552,701	108,216	50,172	711,089	107,971	603,118
Intangible assets (note 3)	96,372	32,060	41,593	170,025	145,450	24,575
Tangible assets (note 4)	28,256	9,512	5,392	43,160	24,325	18,835
Shares accounted for under the equity method (note 6)	0	7,227	48	7,276	57	7,219
NET TOTAL	**677,329**	**157,016**	**97,205**	**931,550**	**277,803**	**653,747**
Investments for the year *(gross values)*						
Goodwill on acquisition	21,165	28,139	9,012	58,316	9,637	48,679
Intangible assets (note 3)	28,982	8,542	7,996	45,520	41,279	4,241
Tangible assets (note 4)	7,720	18,185	1,880	27,786	23,053	4,733
Equity shares accounted for using the equity method	0	0	0	0	0	0
GROSS TOTAL	**57,867**	**54,866**	**18,888**	**131,621**	**73,969**	**57,652**
Sector liabilities						
non-current liabilities						
Provisions (note 12)	14,070	5,551	6,860	26,481	17,575	8,906
Other liabilities	23,087	2,705	4,097	29,890	7,472	22,417
current liabilities						
Accounts payable and related accounts	48,660	16,386	9,743	74,789	36,735	38,054
Tax and social liabilities	83,770	20,460	21,550	125,780	77,152	48,628
Provisions (note 12)	5,412	502	153	6,066	654	5,412
Other liabilities	24,051	18,495	14,417	56,963	29,468	27,495

Transactions carried out between the different business sectors are done so at market prices.

Segment liabilities are reviewed by the Group's Managing Director who is the main decision-maker regarding these commitments.

Segment Information as at December 31, 2009

INCOME STATEMENT ITEMS

	(in thousands of euros)	Breakdown by Business Sector				Geographic breakdown	
		CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total Rest of world
	Sector income						
A	Outside Group sales	498,283	264,255	111,534	874,072	449,530	424,542
B	Sales to other Group sectors	31,273	7,344	6,329	44,946	43,576	1,370
C=A+B	Total sector revenue	529,556	271,599	117,863	919,018	493,106	425,912
	Sector earnings						
D	**Operating income from continuing operations**	63,450	34,946	13,134	111,530		
E	**Ebitda from ordinary activities**	87,992	69,228	20,639	177,858		
D/A	Operating margin outside Group	12.7%	13.2%	11.8%	12.8%		
E/A	Ebitda margin from ordinary activities Outside Group	17.7%	26.2%	18.5%	20.3%		
	Depreciation expenses by sector	**24,542**	**34,282**	**7,505**	**66,328**		

CONSOLIDATED REVENUE DECEMBER 2009

	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%

Modifications were made to the presentation of the IFRS financial statements closed on December 31, 2009, which were initially published on April 26, 2010. These changes reflect a change in the allocation of companies in relation to their activity. These changes affect all three sectors. Companies in the "Healthcare professionals" and "Insurance and services" sectors have been reallocated to "CRM and strategic data". These modifications were integrated with each item of each sector as of December 31, 2009, presented above, for the following amounts:

Sector income

In thousands of euros	CRM and strategic data	Healthcare professionals	Insurance and services	Total
Outside Group sales reported	487,000	271,054	116,018	874,072
Reallocation	11,283	(6,799)	(4,484)	(0)
OUTSIDE GROUP SALES AT DECEMBER 31, 2009	**498,283**	**264,255**	**111,534**	**874,072**
Sales to other Group sectors reported	33,201	5,656	5,935	44,792
Reallocation	(1,928)	1,688	394	154
SALES TO OTHER GROUP SECTORS AT DECEMBER 31, 2009	**31,273**	**7,344**	**6,329**	**44,946**
Total sector revenue reported	520,201	276,710	121,953	918,864
Reallocation	9,355	(5,111)	(4,090)	154
TOTAL SECTOR REVENUE AT DECEMBER 31, 2009	**529,556**	**271,599**	**117,863**	**919,018**

Sector earnings

In thousands of euros	CRM and strategic data	Healthcare professionals	Insurance and services	Total
Operating income from continuing operations reported	60,240	36,658	14,632	111,530
Reallocation	3,210	(1,712)	(1,498)	(0)
OPERATING INCOME FROM CONTINUING OPERATIONS AT DECEMBER 31, 2009	**63,450**	**34,946**	**13,134**	**111,530**

Depreciation expenses by sector

In thousands of euros	CRM and strategic data	Healthcare professionals	Insurance and services	Total
Depreciation expenses by sector reported	24,422	34,395	7,512	66,328
Reallocation	120	(113)	(7)	0
DEPRECIATION EXPENSES BY SECTOR AT DECEMBER 31, 2009	**24,542**	**34,282**	**7,505**	**66,328**

BALANCE SHEET ITEMS

In thousands of euros	Breakdown by Business Sector				Geographic breakdown	
At December 31, 2009	**CRM and strategic data**	**Healthcare professionals**	**Insurance and services**	**Total**	**Total France**	**Total Rest of world**
Sector assets (net values)						
Goodwill on acquisition (note 4)	495,055	77,127	41,160	613,342	94,407	518,935
Intangible assets	170,139	18,913	36,594	225,646	119,830	105,816
Tangible Assets	30,779	8,913	5,529	45,221	25,353	19,868
Shares accounted for under the equity method (note 5)		7,122	51	7,173	61	7,112
NET TOTAL	**695,973**	**112,075**	**83,334**	**891,382**	**239,651**	**651,731**
Investments for the year (gross values)						
Goodwill on acquisition	7,614	3,141		10,755	2,716	8,039
Intangible assets	23,176	5,501	9,066	37,743	33,870	3,873
Tangible Assets	5,977	18,335	2,071	26,383	21,574	4,809
Equity shares accounted for using the equity method	0	0	0	0	0	0
GROSS TOTAL	**36,767**	**26,977**	**11,137**	**74,881**	**58,160**	**16,721**
Sector liabilities						
Non-current liabilities						
Provisions (note 12)	14,393	4,419	2,705	21,517	10,870	10,647
Other liabilities	2,760	6,760	30	9,550	5,201	4,349
Current liabilities						
Accounts payable and related accounts	47,792	16,530	9,282	73,604	38,439	35,165
Tax and social liabilities	75,459	19,849	18,397	113,705	67,532	46,173
Provisions (note 12)	6,604	437	92	7,133	869	6,264
Other liabilities	21,243	17,214	5,445	43,902	21,620	22,281

Modifications were made to the presentation of the IFRS financial statements closed on December 31, 2009, which were initially published on April 26, 2010. These changes reflect:

- a change in the allocation of companies in relation to their activity. These changes affect all three sectors. Companies in the "Healthcare professionals" and "Insurance and services" sectors have been reallocated to "CRM and strategic data". These modifications were integrated with each item of each sector as of December 31, 2009, presented above;
- a change in presentation of sector liabilities. The items "Advances and deposits received on orders" and "Other debts" have been eliminated and replaced by the item "Other liabilities". Sector liabilities are also classified as current or non-current to facilitate reconciliation with the balance sheet.

Sector assets, net values

In thousands of euros	CRM and strategic data	Healthcare professionals	Insurance and services	Total
Goodwill on acquisition reported	493,185	78,670	41,487	613,342
Reallocation	1,870	(1,543)	(327)	-
GOODWILL ON ACQUISITION AT DECEMBER 31, 2009	**495,055**	**77,127**	**41,160**	**613,342**
Intangible assets reported	170,110	18,941	36,595	225,646
Reallocation	29	(28)	(1)	-
INTANGIBLE ASSETS AT DECEMBER 31, 2009	**170,139**	**18,913**	**36,594**	**225,646**
Tangible assets reported	30,752	8,918	5,551	45,221
Reallocation	27	(5)	(22)	-
TANGIBLE ASSETS AT DECEMBER 31, 2009	**30,779**	**8,913**	**5,529**	**45,221**
Equity shares accounted for using the equity method reported		7,122	51	7,173
Reallocation				-
Shares accounted for using the equity method at December 31, 2009		7,122	51	7,173

Sector liabilities

In thousands of euros	CRM and strategic data	Healthcare professionals	Insurance and services	Total
Non-current provisions reported	14,335	4,474	2,708	21,517
Reallocation	58	(55)	(3)	-
NON-CURRENT PROVISIONS AT DECEMBER 31, 2009	**14,393**	**4,419**	**2,705**	**21,517**
Current provisions reported	6,604	437	92	7,133
Reallocation				-
CURRENT PROVISIONS AT DECEMBER 31, 2009	**6,604**	**437**	**92**	**7,133**
Accounts payable and related accounts reported	47,140	16,641	9,823	73,604
Reallocation	652	(111)	(541)	-
ACCOUNTS PAYABLE AND RELATED ACCOUNTS AT DECEMBER 31, 2009	**47,792**	**16,530**	**9,282**	**73,604**
Tax and social liabilities reported	74,394	20,815	18,496	113,705
Reallocation	1,065	(966)	(99)	0
TAX AND SOCIAL LIABILITIES AT DECEMBER 31, 2009	**75,459**	**19,849**	**18,397**	**113,705**

Transactions carried out between the different business sectors are done so at market prices.

Segment liabilities are reviewed by the Group's Managing Director who is the main decision-maker regarding these commitments.

20.2.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE CEGEDIM GROUP

DETAILED SUMMARY OF THE NOTES

20.2.2.1 HIGHLIGHTS OF THE 2010 FISCAL YEAR

New brand strategy and visual identity for the Group

In September 2010, Cegedim decided to strengthen its image by adopting a simpler visual identity organized around the Cegedim brand, with a new logo, covering the Group's three sectors of activity. The aim of this decision was to project a coherent and unifying image of all the Group's activities to customers, in order to offer them products and services more closely tailored to their needs. It also reflects the success of the integration of Dendrite, by using some of the graphics elements of its logo.

The results of the Dendrite acquisition, which are now included in total cash flows generated in the "CRM and strategic data" sector, will continue to benefit the Cegedim group independently of the use of the "Dendrite" name. They have been transferred under a new brand umbrella, which has not, however, been reported on the balance sheet, as this new name was created and not acquired. The accounting standards do not allow the new name chosen to replace the name "Dendrite" on the balance sheet. Thus, maintaining the "Dendrite" brand on the balance sheet as an intangible asset implies that this asset has an intrinsic value, which would mainly be reflected in its marketable nature. It seems wholly unlikely that a third party would agree to pay to license a brand no longer maintained by the Group.

Technically, the decision to change name implies the neutralization of the "Dendrite" brand for its total gross value of 103,278 thousand euros (138,000 thousand dollars) at the closing euro/dollar rate – i.e. an impact of 104,009 thousand euros at the average euro/dollar rate on non-recurring operating income – and the reversal of the deferred tax liability that was reported when this brand was recognized for 41,555 thousand euros (55,136 thousand dollars), i.e. a net impact of 62,454 thousand euros on the consolidated profit (loss) for the period.

External growth

On January 7, 2010 the Cegedim group acquired US company SK&A Information Services, Inc., a leading supplier of healthcare data, which complements and strengthens the Group's *OneKey* offering in the United States. The acquired activities generate revenue of around 15 million dollars for a full year.

On June 3, 2010, Cegedim completed the acquisition of the Swiss CRM and direct marketing division of IMS Health, to complement and strengthen its offering on the Swiss market. Cegedim estimates that the acquired activities represent annual revenue of around 2 million euros.

On June 18, 2010, the Group acquired the French company Hosta, a specialist in third-party management, in which it had previously held a minority stake since 2004. With 400,000 beneficiaries managed and extensive expertise in the management of health insurance and pension policies, Hosta is among France's leading third-party management companies. This transaction strengthens Cegedim's portfolio of solutions for all its insurance customers. The acquired activities represent annual revenue of some 11 million euros.

On July 27, 2010, Cegedim acquired Pulse Systems, Inc., a US supplier of healthcare software and services. This transaction gives the Group access to the US market for computerization of health professionals, in a highly favorable environment for electronic patient records. The company has developed a solution for managing ambulatory electronic medical records (Electronic Healthcare Records – EHR). This offering includes, in particular, the management of medical practices (Practice Management Software – PMS), electronic patient records (EHR), electronic prescriptions (e-prescription) and accounts payable, etc. Based in Wichita, Kansas, Pulse has more than a hundred staff. Pulse's activities represented annual revenue estimated at around 14 million dollars in 2010.

On September 6, 2010, the Cegedim Group acquired Deskom, a leading French company specializing in electronic intercompany invoicing (B-to-B). The acquired activities represent annual revenue of 4 million euros.

These five transactions were financed internally, will not prevent the Group from respecting its covenants in full. Under agreements signed by the parties, the other terms and conditions of these transactions are confidential.

Extension of the Group's average debt maturity

As part of its policy of extending the maturity of its debt and of diversifying its debt, on July 27, 2010, Cegedim (rated BB+ by S&P) implemented a 300 million euro bond issue maturing in 2015, with a fixed coupon of 7.00% per year, payable six-monthly.

20.2.2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2010 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 SA during their meeting held on April 13, 2011, 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 1, 2010, 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 the 2010 annual financial statements are the following:

- **IFRIC 12** – Service Concession Arrangements;
- **IFRIC 16** – Hedges of a Net Investment in a Foreign Operation;
- **IFRIC 15** – Agreements for the Construction of Real Estate;
- **Revised IFRS 3** – Business Combinations;
- **Amendments to IAS 27** – Consolidated and Separate Financial Statements;
- **Amendments to IAS 39** – Financial instruments: Recognition and Measurement – Eligible Hedged Items.

IFRS 3 revised and IAS 27 revised modify the accounting principles for business combinations. These standards apply prospectively to transactions carried out from January 1, 2010. The main changes are:

- new accounting methods for changes in the percentage of interest held in consolidated companies;
- the option following an acquisition to measure minority interests at fair value or at their share of the assets and liabilities acquired;
- recognition of acquisition-related costs on the income statement. The Group has decided to present these elements under "Other non-recurring income and expenses from operations", thereby excluding them from operating income from continuing operations.

From January 1, 2010, the Group has decided to apply the rules and methods applicable to net investment hedges in accordance with IAS 39. The profit or loss corresponding to the effective part of the hedging instrument is accounted for directly in equity, while the ineffective part is recognized in profit or loss. Following the disposal of a foreign operation, the cumulative value of profits and losses that was accounted for directly in equity is recycled to profit or loss.

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 Janaury 1, 2010, have not resulted in an early application by the Group. This mainly concerns the following standards:

- **IFRIC 19** – Extinguishing Financial Liabilities with Equity Instruments;
- **IAS 24 revised** – Related Party Disclosures;
- **Amendment to IFRIC 14** – The Limit on a Defined Benefit Asset, Minimum Funding;
- **Amendment to IFRS 7** – Transfers of financial assets;
- **Amendments to IAS 32** – Financial Instruments Presentation;
- **Improvements to IFRS 2010** – Annual improvements to IFRS.

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.

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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 profit (loss) for the period of the companies consolidated using the equity method" on a specific line of the consolidated income statement.

The list of consolidated companies is set out 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 is not depreciated. However, in accordance with IAS 36 (revised), they are subject 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 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 COSTS/INTERNALLY DEVELOPED SOFTWARE

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

Development costs for new internal projects are capitalized if the following criteria are fully satisfied in accordance with 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 costs 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 costs 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:

Type to project	Duration	Mode	Number of projects
Structuring projects	15-20 years	Linear	Very limited number of projects
Strategic projects	8-10 years	Linear	Limited number
Current developments	5 years	Linear	Core of Group's projects
Xxx projects	2-4 years	Linear	Limited number

TRADEMARKS

The trademarks used by the Group were created and are not recognized under balance sheet assets.

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	Average length	Method
Computer hardware		
Microcomputers 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, 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 tangible 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 "Cost of net financial debt") and debt retirement.

Assets that are the object of financial leases are depreciated over the same periods as owned 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. 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. 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 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 11.2% as of December 31, 2010. It is applicable to operating cash flows before income taxes. On December 31, 2009, Cegedim used a discount rate of 10.53%, 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. Since 2008, an independent firm of experts has been mandated to calculate this rate, which is 2% (unchanged since 2008).

In addition, sensitivity tests are conducted on various parameters, namely by varying the assumptions used for the discount rate, the indefinite growth rate, and EBIT and Free Cash Flow 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 test 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 includes 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 clearly explained in the notes to the consolidated financial statements.

Long-term investments (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 earnings.

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.

Accounts receivable 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 earnings.

Treasury shares (IAS 32)

In accordance with 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 are due with no liability recognized in the balance sheet.

DEFINED-BENEFIT PLANS

The defined-benefit plans designate 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 related 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 liabilities (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 IAS 39. Loans and other financial liabilities which carry interest are valued 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 that qualify 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 derivative 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 earnings Such transactions are very limited in number. Therefore, there is no specific management of the exchange risk. The Group is also not covered for amortization of liabilities in dollars, given the Group's revenues in that currency.

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 exchange reserves" in consolidated shareholders' equity.

Cash flow statement (IAS 7)

In compliance with IAS 7 "Statement of Cash Flows", the consolidated cash flow statement is prepared using the indirect method: this method presents the reconciliation of profit (loss) for the period 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 used 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 and sales strategies, 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).

The Group continues to publish information by geographic area, which shows the France/outside France dichotomy. This analysis is refined for consolidated revenue 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 in 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 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 as necessary.

The notional amount hedged is €168,318 thousand. The amount of loans exposed to exchange rate risk is $87,705 thousand on the one hand and $5,095 thousand on the other.

EXCHANGE RATE RISK

The foreign currencies representing a significant percentage of consolidated revenues are the pound sterling (9%) and the dollar (around 13%). The Group has not implemented a specific strategy to hedge changes in these currencies against the euro, including on the Group's debt in dollars that amounted to 88 millions dollars at December 31, 2010. 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 exchange rate risk on the balance sheet.

In thousands of euros	GBP	USD
Balance sheet total	(566)	(5 864)
Off-balance sheet positions	0	0
Net position after management	**(566)**	**(5 864)**

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 2.2 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 earnings expressed in euro. On the basis of the 2010 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 of 785 thousand euros on Cegedim's revenue, and 107 thousand euros on its operating income.

Should the revenue/costs structure remain similar, any appreciation in the euro against the US dollar would bring about a reduction in earnings expressed in euros. On the basis of the 2010 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 of 1,001 thousand euros on Cegedim's revenue and 984 thousand euros on its operating income.

The total exchange rate effect on revenue was negative to the tune of 19.0 million euros in 2010. The dollar had a positive impact of 5.7 million euros and the pound sterling had a negative impact of 3.0 million euros. The exchange gains or losses amount on revenue is determined by recalculating the 2009 sales based on the 2010 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	% controlled	% owned	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
CDS – 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 Ingénierie	326, rue du Gros Moulin – Amilly	Montargis	402,338,719	99.63%	99.00%	FC
Cegedim Logiciels Medicaux (ex. BKL Consultants)	122, rue d'Aguesseau	Boulogne	353,754,088	100.00%	100.00%	FC
Cegedim Prestation Conseil Outsourcing (ex.PCO Cegedim)	15, rue Paul Dautier	Velizy	303,529,184	100.00%	100.00%	FC
Cegedim SRH	17, rue de l'Ancienne Mairie	Boulogne	332,665,371	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
Cegelease	Rue de la Zamin	Capinghem	622,018,091	100.00%	100.00%	FC
Cegers	137, rue d'Aguesseau	Boulogne	340,576,693	100.00%	100.00%	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
Deskom	29, rue de Lisbonne	Paris	479,540,064	100.00%	100.00%	FC
Eurofarmat	Rue de la Zamin	Capinghem	489,278,978	100.00%	100.00%	FC
GERS	137, rue d' Aguesseau	Boulogne	521,625,582	100.00%	100.00%	FC
Hospitalis	137, rue d' Aguesseau	Boulogne	452,121,320	100.00%	100.00%	FC
Hosta	6, rue Emile Raynaud – Tour la Vilette	Paris	440,367,357	100.00%	100.00%	FC
Icomed	137, rue d'Aguesseau	Boulogne	333,046,274	100.00%	100.00%	FC
Incams	114-116, rue d'Aguesseau	Boulogne	429,216,351	100.00%	100.00%	FC
ISanté	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
Pharmacie gestion informatique	ZA de Kerangueven	Hanvec	391,865,847	100.00%	100.00%	FC

Companies	Main place of business		SIREN	% controlled	% owned	Method
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	114, rue d'Aguesseau	Boulogne	388,447,179	100.00%	100.00%	FC
RESIP	56, rue Ferdinand Buisson	Boulogne S/Mer	332,087,964	100.00%	100.00%	FC
RM Ingénierie	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
Rosenwald	137, rue d'Aguesseau	Boulogne	582,151,486	100.00%	100.00%	FC
SCI Montargis 2000	573, av. d'Antibes	Montargis	324,215,128	68.83%	68.83%	FC
Services Premium Santé (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
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		% controlled	% owned	Method
Fully consolidated companies (International)					
Alliadis Europe Ltd	Great Britain	London	100.00%	100.00%	FC
CAMM Eastern Europe	Poland	Warsaw	100.00%	100.00%	FC
Cegedim Activ Maroc	Morocco	Rabat	100.00%	100.00%	FC
Cegedim Algerie (ex.Cegedim Dendrite Algerie)	Algeria	Algiers	100.00%	100.00%	FC
Cegedim Asia Pacific Pte Ltd	Singapore	Singapore	100.00%	100.00%	FC
Cegedim Australia Pty. Ltd (ex.Cegedim Dendrite Australia Pty Ltd)	Australia	Pymble	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 Canada Ltd (ex.Cegedim Dendrite Canada Ltd)	Canada	Scarborough	100.00%	100.00%	FC
Cegedim Centroamerica y el Caraibe	Guatemala	Guatemala	100.00%	99.97%	FC
Cegedim China (ex. Cegedim Dendrite (China) Co Ltd)	China	Shanghai	100.00%	100.00%	FC
Cegedim Colombia Ltda	Colombia	Bogota	100.00%	99.97%	FC
Cegedim Computer Technics Development and Trading Co Ltd (ex.Cegedim KFT)	Hungary	Budapest	100.00%	100.00%	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 Denmark AS	Denmark	Glostrup	100.00%	99.97%	FC
Cegedim Deutschland GmbH	Germany	Bensheim	100.00%	100.00%	FC
Cegedim do Brasil	Brazil	Sao Paulo	100.00%	100.00%	FC
Cegedim Ecuador	Ecuador	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	99.99%	99.99%	FC
Cegedim Hispania	Spain	Madrid	100.00%	100.00%	FC
Cegedim Holding GmbH	Germany	Bensheim	100.00%	100.00%	FC
Cegedim India Private Limited	India	Mumbai	100.00%	100.00%	FC
Cegedim Italia	Italy	Milan	100.00%	100.00%	FC
Cegedim KK (ex.Cegedim Dendrite KK)	Japan	Osaka	100.00%	100.00%	FC
Cegedim Korea Ltd (ex.Cegedim Dendrite Korea Ltd)	South Korea	Seoul	100.00%	100.00%	FC
Cegedim LLC (ex.Medical Data Management LLC)	Russia	Moscow	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 Netherland (ex.Cegedim Dendrite Netherland BV)	Netherlands	Naarden	100.00%	99.97%	FC
Cegedim New Zealand Ltd	New Zealand	Auckland	100.00%	100.00%	FC
Cegedim Norway AS	Norway	Oslo	100.00%	99.97%	FC
Cegedim Portugal	Portugal	Porto Salvo	100.00%	100.00%	FC
Cegedim Romania SRL	Romania	Bucharest	100.00%	100.00%	FC

Companies	Main place of business		% controlled	% owned	Method
Cegedim Rx Limited (ex.Enigma Health UK)	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim SK SRO	Slovakia	Bratislava	100.00%	100.00%	FC
Cegedim SRH Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim Software India Private Limited	India	Bangalore	100.00%	100.00%	FC
Cegedim Strategic Data (China) Co., Ltd	China	Shanghai	100.00%	100.00%	FC
Cegedim Strategic Data Argentina	Argentina	Buenos Aires	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	South Korea	Seoul	100.00%	100.00%	FC
Cegedim Strategic Data Medical Research Ltd (ex Epic Data Base Research Company Ltd)	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim Strategic Data Medical Research SRL (ex.BKL Consulting SRL)	Italy	Milan	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	Jersey City	100.00%	100.00%	FC
Cegedim Sweden AB	Sweden	Stockholm	100.00%	99.97%	FC
Cegedim Switzerland	Switzerland	Zurich	100.00%	100.00%	FC
Cegedim Taiwan Co. Ltd	Taiwan	Taipei	100.00%	100.00%	FC
Cegedim Trends LLC	Egypt	Cairo	100.00%	100.00%	FC
Cegedim Tunisie	Tunisia	Tunis	100.00%	100.00%	FC
Cegedim UK Ltd (ex.Cegedim Dendrite Ltd)	Great Britain	Chertsey Surrey	100.00%	100.00%	FC
Cegedim Ukraine LLC	Ukraine	Kiev	100.00%	100.00%	FC
Cegedim USA	USA	Bedminster	100.00%	100.00%	FC
Cegedim Venezuela (ex.Cegedim Dendrite Venezuela)	Venezuela	Caracas	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
Dendrite Belgium	Belgium	Drogenbos	100.00%	99.97%	FC
Dendrite Brasil	Brazil	Sao Paulo	100.00%	100.00%	FC
Dendrite Netherlands Finance	Netherlands	Naarden	100.00%	99.97%	FC
Dendrite Sp Zoo	Poland	Warsaw	100.00%	100.00%	FC
Cegedim Inc (ex.Dendrite International Inc.)	USA	Bedminster	100.00%	100.00%	FC
Dendrite Turkey Inc.	USA	Wilmington	100.00%	100.00%	FC
GERS Maghreb	Tunisia	Tunis	100.00%	100.00%	FC
Global Pharma Consult SRL	Romania	Bucharest	100.00%	100.00%	FC
Health Data Management Partners	Belgium	Drogenbos	100.00%	100.00%	FC
Hospital Marketing Services Ltd	Great Britain	Eastleigh	100.00%	100.00%	FC
Hosta Maroc	Morocco	Rabat	100.00%	100.00%	FC
Icomed Belgium	Belgium	Drogenbos	100.00%	99.97%	FC

Companies	Main place of business		% controlled	% owned	Method
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 Irlande	Ireland	Dublin	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	Tunis	100.00%	100.00%	FC
NOMI Medicin	Sweden	Stockholm	100.00%	99.97%	FC
Nomi Sweden	Sweden	Stockholm	100.00%	99.97%	FC
OEPO	Belgium	Drogenbos	100.00%	99.97%	FC
Pulse System Inc.	USA	Wichita	100.00%	100.00%	FC
Resip Drug Database UK Limited (ex.Dendrite Europe Limited)	Great Britain	Loughborough	100.00%	100.00%	FC
Schwarzeck Verlag GmbH	Germany	Munich	100.00%	100.00%	FC
SGBTIF	Luxembourg	Luxembourg	100.00%	99.97%	FC
SK&A Information System	Usa	Irvine	100.00%	100.00%	FC
Stacks Consulting E Ingeniera de Software	Spain	Barcelona	100.00%	100.00%	FC
Stacks Servicios Tecnologicos SL	Spain	Barcelona	100.00%	100.00%	FC
Stacks Servicios Tecnologicos SL 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
Companies consolidated using the equity method (International)					
Millennium	Italy	Florence	49.22%	49.22%	EM

Art & Strategie and Netfective Technologie are held at 20% or less and are not consolidated.

NOTE 2 Impact of changes in consolidation scope

1) On the balance sheet (at the closing date)

In thousands of euros	Consolidated before change at 12/31/2010	Change	Consolidated after change at 12/31/2010
Goodwill on acquisition	652,180	58,909	711,089
Other non-recurring assets (excluding goodwill on acquisition)	272,106	24,398	296,505
Current assets	349,280	20,149	369,429
BALANCE SHEET TOTAL	**1,273,566**	**103,457**	**1,377,023**

Figures used were not the consolidation entry values but the figures from the financial statements as of December 31, 2010.

At the acquisition date, the impact of the companies entering the consolidation was:

- on assets: 49.231 million euros;
- on liabilities: 32.202 million euros.

2) On earnings (at the closing date)

In thousands of euros	Consolidated before change at 12/31/2010	Change 2010	Consolidated after change at 12/31/2010
Revenue	904,240	22,434	926,674
Operating income	(9,949)	2,354	(7,594)
Consolidated profit (loss) for the period	(18,911)	2,154	(16,758)

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.

3) Company Acquisition Financing

Company acquisitions in 2010 were entirely financed with cash flow in the amount of 70,691 million euros.

The main acquisitions were the companies SK&A Information Services, Hosta Maroc, Deskom and Pulse group.

NOTE 3 Intangible assets

In thousands of euros	Balance	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance
	12/31/2009		Acquisitions	Change in scope			12/31/2010
Development costs	57,644	(34,830) [3]	17,653	7,117		509	48,093
Brand [1]	107,231	(11,438)				7,485	103,278
Patents, licenses	6,383	(6,383)					0
Internal software [2]	74,457	34,830 [3]	22,499	9,444	(918)	533	140,845
External software	58,064	17,821	5,367	5,962	(2,533)	2,689	87,370
TOTAL GROSS VALUE	**303,779**	**0**	**45,519**	**22,523**	**(3,451)**	**11,216**	**379,586**

In thousands of euros	Balance	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance
	12/31/2009		Acquisitions	Change in scope			12/31/2010
Brand neutralization [1]	0	0	104,009			(731)	103,278
Amortization of software	78,133	0	23,156	6,564	(3,229)	1,659	106,283
TOTAL DEPRECIATION & IMPAIRMENT	**78,133**	**0**	**127,165**	**6,564**	**(3,229)**	**928**	**209,561**
NET VALUE	**225,646**						**170,025**

(1) Dendrite brand.

The "Dendrite" brand was recognized under assets in the annual financial statements for 2007, following the acquisition of the Dendrite group and the work carried out to value the assets and liabilities related to this acquisition.

As the "Dendrite" brand is a "company name" and not a brand that refers to the names of products, Cegedim considered that it will generate benefits indefinitely. The brand was therefore classified under intangible assets with an indefinite useful life, and is therefore not amortized.

In September 2010, Cegedim decided to strengthen its image by adopting a simpler visual identity organized around the Cegedim brand, with a new logo, covering the Group's three sectors of activity. The aim of this decision was to project a coherent and unifying image of all the Group's activities to customers, in order to offer them products and services more closely tailored to their needs. It also reflects the success of the integration of Dendrite, by using some of the graphics elements of its logo.

The results of the Dendrite acquisition, which are now included in total cash flows generated in the "CRM and strategic data" sector, will continue to benefit the Cegedim group independently of the use of the "Dendrite" name. They have been transferred under a new brand umbrella, which has not, however, been reported on the balance sheet, as this new name was created and not acquired. The accounting standards do not allow the new name chosen to replace the name "Dendrite" on the balance sheet. Thus, maintaining the "Dendrite" brand on the balance sheet as an intangible asset implies that this asset has an intrinsic value, which would mainly be reflected in its marketable nature. It seems wholly unlikely that a third party would agree to pay to license a brand no longer maintained by the Group.

Technically, the decision to change name implies the neutralization of the "Dendrite" brand for its total gross value of k€103,278 (k$138,000) at the closing euro/dollar rate – i.e. an impact of k€104,009 at the average euro/dollar rate on non-recurring operating income – and the reversal of the deferred tax liability that was reported when this brand was recognized for k€41,555 (k$55,136), i.e. a net impact of k€62,454 on the consolidated profit (loss) for the period.

(2) The projects that stem from internal development and currently underway have an average amortization period of six years, except for three structuring projects amortized over 20 or 15 years.

(3) Reclassification of internal development costs for software once the software is in use.

NOTE 4 Tangible assets

In thousands of euros	Balance 12/31/2009	Opening reclassification and correction	Acquisitions	Increase Change in scope	Decrease	Change in rate	Balance 12/31/2010
Land [1]	455		20			2	477
Buildings [1]	9,429	164	177	(16)	(1,206)	221	8,769
Other tangible assets	130,611	179	27,225	5,838	(26,427)	4,284	141,710
Construction work in progress	234	(341)	364			4	
TOTAL GROSS VALUE	**140,729**	**2**	**27,786**	**5,822**	**-27,633**	**4,511**	**151,217**

In thousands of euros	Balance 12/31/2009	Opening reclassification and correction	Allowances	Increase Change in scope	Decrease	Change in rate	Balance 12/31/2010
Depreciation of land	38		8			1	47
Depreciation of buildings	3,204		622	(15)	(657)	75	3,229
Depreciation of other tangible assets [2]	92,265	2	43,021	4,122	(37,645)	3,016	104,781
TOTAL DEPRECIATION	**95,507**	**2**	**43,651**	**4,107**	**(38,302)**	**3,092**	**108,057**
NET VALUE	**45,222**						**43,160**

(1) Including lease (see note 22).
(2) Reclassification of "Technical facilities" and "Other tangible assets" and corresponding lines of depreciation.

NOTE 5 Non-current long term investments (excluding shares from equity method companies)

In thousands of euros	Balance 12/31/2009	Reclassification	Acquisitions	Increase Change in scope	Decrease	Change in rate	Balance 12/31/2010
Equity investments(*	951		3		(7)		947
Loans	1,466		451		(884)	6	1,039
Security deposits	8,030	(512)	850	267	(1,298)	367	7,704
Other long-term investments	0	512	76			-4	584
TOTAL GROSS VALUE	**10,447**	**0**	**1,380**	**267**	**(2,189)**	**369**	**10,274**
Provisions for equity investments	649				(1)		648
Provisions on loans	915				(884)	4	35
Provisions for other long-term investments	0		273			-2	271
TOTAL PROVISIONS	**1,564**	**0**	**273**	**0**	**(885)**	**2**	**954**
TOTAL NET VALUE	**8,883**	**0**	**1,107**	**267**	**(1,304)**	**367**	**9,320**

* *Including Netfective in the amount of k€899.*

NOTE 6 Equity shares accounted for using the equity method

A) Value of shares in companies accounted for by the equity method

In thousands of euros	% owned 2009	Shareholders' equity as of 12/31/2009	Group-share of total net shareholders' equity 2009	Goodwill on acquisition	Provision for risks	Net value of shares in companies accounted for by the equity method as of 12/31/2009
Edipharm	20.00%	257	51			51
Hosta*	38.38%	(2,254)	(865)	818	46	0
Infodisk	34.00%	30	10			10
Millennium	49.20%	8,644	4,253	2,859		7,112
		6,677	**3,450**	**3,677**	**46**	**7,173**

In thousands of euros	% owned 12/2010	Profit (loss) 12/2010	Group share of profit (loss) 12/2010	Allocation for goodwill on acquisition	Group share of profit (loss) 12/2010 restated	Share-holders' equity as of 12/31/2010	Group share of total net share-holders' equity as of 12/31/2010	Goodwill on acquisition	Provision for risks	Net value of shares in companies accounted for by the equity method as of 12/31/2010
Edipharm	20.00%	155	31		31	242	48			48
Infodisk	34.00%	(5)	(2)		(2)	24	8			8
Millennium	49.20%	1,688	830		830	8,860	4,360	2,859		7,219
		1,838	**860**	**0**	**860**	**9,126**	**4,417**	**2,859**	**0**	**7,276**

* *Change in consolidation method for Hosta, from the equity method to full consolidation as of 12/31/2010.*

B) Change in value of 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, 2010	7,173
Distribution of dividends	(758)
Capital increase	0
Group share of profit (loss) 12/2010	860
SHARES ACCOUNTED FOR USING THE EQUITY METHOD AT DECEMBER 31, 2010	**7,276**

NOTE 7 Goodwill on acquisition

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 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 11.2% as of December 31, 2010. It is applicable to operating cash flows before income taxes. The perpetuity growth rate used for these tests is 2% as of December 31, 2010 (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 by + or - 0.5 basis points and for the perpetuity growth rate by + or - 0.25 basis points. No impairment was recognized in five out of the Group's six CGUs. In CGU 2 (European CRM and strategic data) no impairment was recognized when each of the criteria was adversely affected individually; however, simultaneous adverse affects on two criteria resulted in an impairment of less than 5 million euros.

Sensitivity tests on the free cash flows simulated a reduction of 4 to 9% of the operating margin at the end of the business plan. These changes did not result in impairment.

It should be noted that the impairment and sensitivity tests aim to cover, in addition to the value of goodwill as set out in this note, all operating assets assigned to the CGU (tangible assets, intangible assets and other investments used for the operation of goods and services).

Segment Presentation of CGUs	Balance 12/31/2009, modified	Scope	Impairment	Restatement	Balance 12/31/2010
CRM and strategic data	495,055	21,165		36,481	552,701
Healthcare professionals	77,127	28,139		2,950	108,216
Insurance and healthcare flows	41,160	9,012			50,172
TOTAL	**613,342**	**58,316**	**0**	**39,431**	**711,089**

NOTE 8 Inventories and work in progress

In thousands of euros	Gross values as of 12/31/2010	Provision	Net values as of 12/31/2010	Net values as of 12/31/2009
Services in progress	298		298	200
Inventories of goods	11,438	1,010	10,428	10,956
TOTAL	**11,736**	**1,010**	**10,726**	**11,156**

NOTE 9 Accounts receivable

In thousands of euros	Customers		Balance	Balance
	Current	Non-current	12/31/2010	12/31/2009
French companies	130,443	16,685*	147,128	138,378
Foreign companies	108,969		108,969	93,778
TOTAL GROSS VALUE	239,412	16,685	256,097	232,156
Provisions	5,965		5,965	6,371
TOTAL NET VALUE	**233,446**	**16,685**	**250,131**	**225,785**

* *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), was 62 million euros at December 31, 2010.

AGING BALANCE 2010

In thousands of euros	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	22,678	9,307	6,615	2,398	1,794	2,564
Foreign companies	39,003	21,281	5,444	3,782	2,224	6,272
TOTAL	**61,680**	**30,587**	**12,059**	**6,180**	**4,019**	**8,835**

NOTE 10 Other receivables

In thousands of euros	Company debtors	Tax debtors	Other Receivables	Balance 12/31/2010	Balance 12/31/2009
Current receivables					
French companies	534	9,345	5,177	15,056	11,147
Foreign companies	2,010	7,291	1,361	10,661	7,290
TOTAL GROSS VALUES	2,544	16,636	6,538	25,717	18,437
Provisions			16	16	24
TOTAL CURRENT RECEIVABLES (NET VALUES)	**2,544**	**16,636**	**6,522**	**25,702**	**18,413**
Non-current receivables					
French companies				0	0
Foreign companies		569	153	722	983
TOTAL GROSS VALUES	0	569	153	722	983
Provisions				0	0
TOTAL NON-CURRENT RECEIVABLES (NET VALUES)	**0**	**569**	**153**	**722**	**983**

NOTE 11 Shareholder base

Considering the transactions that occurred during the year, the closing position for the fiscal year analyzed is as follows:

In thousands of euros	No. of treasury shares	% held	No. of single votes	No. of double votes		Total votes	% voting rights
Shareholders				shares	votes		
FCB	7,327,087	52.35%	2,461,250	4,865,837	9,731,674	12,192,924	64.62%
FSI	2,102,060	15.02%	2,102,060	0	0	2,102,060	11.14%
Jean-Claude LABRUNE	57,812	0.41%	19,316	38,496	76,992	96,308	0.51%
Free float*	4,477,456	31.99%	4,457,972	9,658	19,316	4,477,288	23.73%
Cegedim	32,758	0.23%	0	0	0	0	0
TOTAL	**13,997,173**	**100.00%**	**9,040,598**	**4,913,991**	**9,827,982**	**18,868,580**	**100.00%**

* *Including the stake owned by Alliance Healthcare;*
Including the Cegedim liquidity agreement.

NOTE 12 Current and non-current provisions

Provisions are determined on the basis of estimated future costs for the Company.

In thousands of euros	Balance	Reclassification	Change in consolidation scope	Allowances		Reversals		Change in rate	Balance
	12/31/2009			Additional provisions	New provisions	Provisions used	Provisions not used		12/31/2010
Current provisions									
Provision for litigation with employees	2,869				573	2,355	183		904
Other provisions*	171				2		50	0	123
Provisions for restructuring	3,350	2,580			2,236	3,677	484	238	4,242
Other provisions for expenses	743				151	-	100	2	796
	7,133								6,066
Non-current provisions									
Provisions for restructuring	9,646	(2,580)				21	27	768	7,785
Employee-related provisions	43							0	43
Provisions for retirement	10,021	12	75		3,522	421	79	13	13,141
Provisions for litigation	341				11	214	16	0	122
Provisions for guarantees	-								-
Other provisions for risks	659	47	5,004		119	1,793		2	4,037
Other provisions for expenses	808	(47)			746	143	13		1,352
TOTAL	**28,651**	**12**	**5,079**	**-**	**7,359**	**8,625**	**952**	**1,023**	**32,547**

The amounts involved are insignificant if taken individually.
* *Provisions for client risks, supplier risks, tax risks, etc.*

NOTE 13 Retirement commitments

1) Retirement commitments: French companies

In thousands of euros	Through an insurance fund	Through cost of past	Through a provision
Retirement obligation covered	1,926	4,051	12,450

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 18,428 thousand euros including 1,926 thousand euros paid to an insurance company.

The amount of retirement contributions provisioned as expenses during the fiscal year amounts to 2,379 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:

		2010	2009	2008
Economic assumptions	Net interest rate:	4.7%	5.0%	5.0%
	Expected asset yield rate:	3.2%	3.8%	5.0%
	Wage increases:	1.7%	2%	2% inflation included

The discount rate used for 2010 is 4.70% (zero coupon 15 year corporate coupon published by Bloomberg - ref: F66715Y-) compared to 5% in 2009.

Demographic assumptions	Mortality:			Insee 2006-2008 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 of age
Sensitivity of discount rate		4.45%	4.7%	4.95%
Commitment		19,145	18,427	17,793

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;
- French Labor Code.

2) Retirement commitments: Foreign companies

Retirement commitments covered by a provision for 690 thousand euros.

The amount of retirement contributions provisioned as expenses during the fiscal year amounts to 34 thousand euros.

The amount of retirement contributions reported as expenses and paid during the fiscal year amounts to 3,733 thousand euros.

3) Comparison of Actuarial Commitments and Hedge Assets

	2010	2009	2008
Actuarial commitments	19,118	16,203	14,036
Hedge Assets	(1,926)	(1,855)	(1,784)
Unrecognized prior service cost	(4,051)	(4,328)	(4,597)
RECOGNIZED LIABILITIES	**13,141**	**10,020**	**7,655**

CHANGE IN THE COST OF SERVICES RENDERED AND IN THE FAIR VALUE OF HEDGE INSTRUMENTS

In thousands of euros			December 31, 2010			
			Hedged commitment	Unhedged commitment	Foreign companies	Total
OPENING ACTUARIAL LIABILITIES	**(1)**	**(1)**	**6,185**	**9,312**	**706**	**16,203**
Cost of services rendered during the fiscal year	(a)		563	831	22	1,416
Financial cost for the fiscal year	(a)		317	463	12	792
Unrecognized prior service cost	(a)					
COSTS FOR THE FISCAL YEAR	**(A) = Σ(a)**	**(2)**	**879**	**1,294**	**34**	**2,208**
Benefits paid out	(2)	(3)	(39)	(51)	(73)	(163)
Actuarial losses (gains) generated during the fiscal year for the obligation	(3)	(4)	26	746		772
Newly consolidated companies		(5)		75		75
Companies no longer consolidated		(6)				
Reclassification		(7)	146	(146)	11	11
Change in exchange rate		(8)			12	12
CLOSING ACTUARIAL LIABILITIES	**(A) = (1) + (2) + (3)**	**(A) = (1) + (2) + (3) + (4) + (5) - (6) + (7) + (8)**	**7,198**	**11,230**	**690**	**19,117**
Value of the hedge assets						
Opening fair value of the hedge assets	(4)		1855			1,855
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) = Σ(b) + (4)**		**1,926**			**1,926**

AMOUNTS RECORDED IN THE BALANCE SHEET AND IN THE INCOME STATEMENT

In thousands of euros	December 31, 2010			
	Hedged commitment	Unhedged commitment	Foreign companies	Total
COST OF SERVICES RENDERED AT THE CLOSING DATE	**7,198**	**11,230**	**690**	**19,118**
Fair value of the hedge assets	(1,926)			(1,926)
	5,272	11,230	690	17,192
Unrecognized prior service cost	(1,550)	(2,501)		(4,051)
Liabilities recognized on the balance sheet	3,722	8,729	690	13,141
Cost of services rendered during the fiscal year	563	831	22	1,416
Financial cost for the fiscal year	317	463	12	792
Return on assets	(71)	-	-	(71)
Recognized prior service cost - vested rights	97	180		277
Effect of plan reduction or liquidation	-	-		-
EXPENSES RECOGNIZED IN THE INCOME STATEMENT	**906**	**1,474**	**34**	**2,414**

CHANGE IN NET LIABILITIES RECORDED IN THE BALANCE SHEET

In thousands of euros	December 31, 2010			
	Hedged commitment	Unhedged commitment	Foreign companies	Total
OPENING NET LIABILITIES	**2,718**	**6,596**	**706**	**10,020**
Actuarial losses (gains)	26	746	-	772
Reclassification of recognized prior service cost - vested rights	(35)	35		-
Expenses recognized in the income statement	906	1,474	34	2,414
Benefits paid out	(39)	(51)	(73)	(163)
Contributions paid	-			-
Newly consolidated companies	-	75	-	75
Companies no longer consolidated			-	-
Reclassification	146	(146)	11	11
Variations taux de change	-	-	12	12
CLOSING NET LIABILITIES	**3,722**	**8,729**	**690**	**13,141**

NOTE 14 Net financial debt

In thousands of euros	Financial	Misc.*	12/31/2010	12/31/2009
Long-term financial borrowing and liabilities (> 5 years)				
Medium- and long-term financial borrowing and liabilities (> 1 year, < 5 years)	482,240	7,040	489,280	391,408
Short-term financial borrowing and liabilities (> 6 months < 1 year)	24,169	2,122	26,291	43,264
Short-term financial borrowing and liabilities (< 1 month, < 6 months)	24,163		24,163	51,322
Short-term financial borrowing and liabilities (> 1 month)	9,091		9,091	20,005
Current bank loans	1,122		1,122	19,031
TOTAL FINANCIAL LIABILITIES	**540,785**	**9,163**	**549,947**	**525,029**
Positive cash	**79,154**		**79,154**	**121,369**
NET FINANCIAL DEBT	**461,631**	**9,163**	**470,793**	**403,660**

* *The account mainly includes equity investments for an amount of k€8,998 and the lease for an amount of k€41.*

A) Net cash

	Financial	12/31/2010	12/31/2009
Current bank loans	1,122	1,122	19,031
Positive cash	79,154	79,154	121,369
NET CASH	**78,032**	**78,032**	**102,338**

B) Statement of changes in net debt

	12/31/2010	12/31/2009
NET DEBT AT THE BEGINNING OF THE FISCAL YEAR (A)	**403,660**	**603,123**
Operating cash flow before cost of net debt and taxes	160,635	171,020
Tax paid	(15,264)	(4,306)
Change in working capital requirement (1)	(11,503))	(199)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**133,868**	**166,515**
Change resulting from investment operations	(68,456)	(62,159)
Impact of changes in consolidation scope (2)	(56,291)	(11,989)
Dividends	(13,275)	255
Increase in cash capital	0	174,700
Impact of changes in foreign currency exchange rates	5,449	207
Interest paid on loans	(18,734)	(31,460)
Other financial income and expenses paid or received	(6,310)	(5,748)
Other changes	(43,384)	(30,858)
TOTAL NET CHANGE FOR THE YEAR (B)	**(67,133)**	**199,463**
NET DEBT AT THE END OF THE FISCAL YEAR (A-B)	**470,793**	**403,660**

(1) *The change in working capital requirements of -M€11.503 comprises a change in inventories and work in progress of k€576, a change in accounts receivable and other receivables of -M€11.202 , and a change in accounts payable and other payables of -k€877.*
(2) *The impact of changes in consolidation scope of -M€56.291 million comprises company acquisitions for an amount of -M€70.691 million and the cash of newly consolidated companies for an amount of M€14.400.*

The bank loans have the following terms:

	< 1 month	> 1 month, < 6 months	> 6 months, < 1 year	> 1 year
Fixed rate	9,091	29	35	295,207
1-month Euribor rate		15,681	15,681	139,571
1-month Libor USD rate		8,453	8,453	47,462
	9,091	**24,163**	**24,169**	**482,240**

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). These ratios, satisfied at the close of the fiscal year, were the subject of an attestation by the Statutory Auditors.

RATE HEDGING

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2011 annual flow	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2010	06/30/2011	56,106,437	4.58			(1,292)							0.50
06/30/2011	12/30/2011	50,879,541	4.58			(1,191)							1.01
12/30/2011	06/29/2012	45,652,645	4.58				(1,051)						1.52
06/29/2012	31/12/2012	40,425,749	4.58				(946)						2.03
12/31/2012	06/28/2013	35,198,853	4.58					(802)					2.53
06/28/2013	12/29/2017	20,000,000	4.58					(468)	(929)	(929)	(931)	(924)	7.00
PAYER PORTION			**4.58**			**(2,483)**	**(1,998)**	**(1,270)**	**(929)**	**(929)**	**(931)**	**(924)**	

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In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2011 annual flow	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2010	06/30/2011	56,106,437		EUR1M	0.8030	227							0.50
06/30/2011	12/30/2011	50,879,541		EUR1M	0.8030	209							1.01
30/12/2011	06/29/2012	45,652,645		EUR1M	0.8030		184						1.52
06/29/2012	31/12/2012	40,425,749		EUR1M	0.8030		166						2.03
12/31/2012	06/28/2013	35,198,853		EUR1M	0.8030			141					2.53
06/28/2013	12/29/2017	20,000,000		EUR1M	0.8030			82	163	163	163	162	7.00
RECEIVER PORTION					**0.80**	**435**	**350**	**223**	**163**	**163**	**163**	**162**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2011 annual flow	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2010	06/30/2011	56,106,437	4.57			(1,289)							0.50
06/30/2011	12/30/2011	50,879,541	4.57			(1,188)							1.01
30/12/2011	06/29/2012	45,652,645	4.57				(1,049)						1.52
06/29/2012	31/12/2012	40,425,749	4.57				(944)						2.03
12/31/2012	06/28/2013	35,198,853	4.57					(800)					2.53
06/28/2013	12/29/2017	20,000,000	4.57					(467)	(927)	(927)	(929)	(922)	7.00
PAYER PORTION			**4.57**			**(2,478)**	**(1,993)**	**(1,267)**	**(927)**	**(927)**	**(929)**	**(922)**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2011 annual flow	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2010	06/30/2011	56,106,437		EUR1M	0.8030	227							0.50
06/30/2011	12/30/2011	50,879,541		EUR1M	0.8030	209							1.01
30/12/2011	06/29/2012	45,652,645		EUR1M	0.8030		184						1.52
06/29/2012	31/12/2012	40,425,749		EUR1M	0.8030		166						2.03
12/31/2012	06/28/2013	35,198,853		EUR1M	0.8030			141					2.53
06/28/2013	12/29/2017	20,000,000		EUR1M	0.8030			82	163	163	163	162	7.00
RECEIVER PORTION					**0.80**	**435**	**350**	**223**	**163**	**163**	**163**	**162**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2011 annual flow	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2010	06/30/2011	56,106,437	4.565			(1,288)							0.50
06/30/2011	12/30/2011	50,879,541	4.565			(1,187)							1.01
12/30/2011	06/29/2012	45,652,645	4.565				(1,048)						1.52
06/29/2012	31/12/2012	40,425,749	4.565				(943)						2.03
12/31/2012	06/28/2013	35,198,853	4.565					(799)					2.53
06/28/2013	12/29/2017	20,000,000	4.565					(467)	(926	(926)	(928)	(921)	7.00
PAYER PORTION			**4.57**			**(2,475)**	**(1,991)**	**(1,266)**	**(926**	**(926)**	**(928)**	**(921)**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2011 annual flow	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2010	06/30/2011	56,106,437		EUR1M	0.8030	227							0.50
06/30/2011	12/30/2011	50,879,541		EUR1M	0.8030	209							1.01
12/30/2011	06/29/2012	45,652,645		EUR1M	0.8030		184						1.52
06/29/2012	31/12/2012	40,425,749		EUR1M	0.8030		166						2.03
12/31/2012	06/28/2013	35,198,853		EUR1M	0.8030			141					2.53
06/28/2013	12/29/2017	20,000,000		EUR1M	0.8030			82	163	163	163	162	7.00
RECEIVER PORTION					**0.80**	**435**	**350**	**223**	**163**	**163**	**163**	**162**	

C) Financing

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 loan was refinanced through a 300,000 thousand euro bond issue on July 27, 2010. The net proceeds of the bond issue (after expenses) were used to pay off part of the bank loan.

At December 31, 2010, the financing is broken down as follows:

- in thousands of euros:
  - 300,000 thousand euros: bond issue maturing on July 27, 2015, at a fixed rate of 7% payable twice yearly,
  - 123,319 thousand euros: loan depreciable until 2013 at a variable interest rate,
  - 5,000 thousand euros: revolving credit facilities at a variable rate renewable every month.

    (amount used of a total available credit facility of 165,000 thousand euros),
- in thousands of US dollars:
  - 87,705 thousand dollars: loan depreciable until 2013 at a variable interest rate.

The exposure of debt to changes in euro rates has been partially hedged by renegotiating the hedging of euro rates.

At December 31, 2010, the hedging of debt exposed to changes in euro rates comprised three no premium 1 month pre-set Euribor receiver, fixed-rate payer swaps, defined as follows:

- rate of 4.565% on a notional hedged amount of 56.106 million euros;
- rate of 4.57% on a notional hedged amount of 56.106 million euros;
- rate of 4.58% on a notional hedged amount of 56.106 million euros.

The total notional amount hedged was 168.318 million euros at December 31, 2010.

Interest charges on bank loans totaled 24.977 million euros in 2010; no coupon payments were made in relation to the bond issue for 2010.

For 2010, the change in fair value of these derivatives was recognized under equity for the effective part of those qualified as cash flow hedges (+1,946 thousand euros before corporate tax) and in the income statement for their ineffective part and for those not qualified as hedges under IFRS standards (+1,236 thousand euros before corporate tax).

FCB granted a loan to Cegedim SA for 50,000 thousand euros in May 2007.

When Cegedim increased its capital in December 2009, 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.

The interest resulting from this loan for 2010 amounts to 1,433 thousand euros.

D) Liquidity risk

Contractual cash flows are not discounted.

For variable rate instruments, the rate used for calculation is the spot rate on December 31, 2010.

When there is a fixed rate, the rate is used to calculate future falls in interest.

CASH FLOW

In thousands of euros	Cash flow > 1 month	Cash flow (< 1 month, < 6 months)	Cash flow (> 6 months, > 1 year)	Cash flow (> 1 year, < 5 years)	Cash flow (> 5 years)
Bank loans and interest	11,215	34,415	36,613	561,517	0
Hedging instruments	0	3,189	2,940	12,651	4,579
Current bank loans	1,122	0	0	0	0
Finance lease	0	0	41	0	0
Equity Investments	0	0	2,081	6,917	0
Miscellaneous including deposits and bonds	0	0	0	123	0

FINANCIAL INSTRUMENTS

Assumption: variable rates 31/122010	
EUR1M	0.8030
LIBO1M$	0.26063

FORECASTED CASH FLOWS – FINANCIAL INSTRUMENTS

In thousands of euros	Rate	2011	2012	2013	2014	2015	2016	2017	Total
Swaps borrowers EUR									
Fixed paid	4.58	(2,483)	(1,998)	(1,270)	(929)	(929)	(931)	(924)	(9,463)
Var. rec'd	0.8030	435	350	223	163	163	163	162	1,659
LT SWAPS		**(2,048)**	**(1,647)**	**(1,047)**	**(766)**	**(766)**	**(768)**	**(762)**	**(7,804)**
Swaps borrowers EUR									
Fixed paid	4.57	(2,478)	(1,993)	(1,267)	(927)	(927)	(929)	(922)	(9,442)
Var. rec'd	0.8030	435	350	223	163	163	163	162	1,659
LT SWAPS		**(2,042)**	**(1,643)**	**(1,044)**	**(764)**	**(764)**	**(766)**	**(760)**	**(7,783)**
Swaps borrowers EUR									
Fixed paid	4.565	(2,475)	(1,991)	(1,266)	(926)	(926)	(928)	(921)	(9,432)
Var. rec'd	0.8030	435	350	223	163	163	163	162	1,659
LT SWAPS		**(2,040)**	**(1,641)**	**(1,043)**	**(763)**	**(763)**	**(765)**	**(759)**	**(7,773)**
TOTAL LT SWAPS		**(6,129)**	**(4,931)**	**(3,134)**	**(2,293)**	**(2,293)**	**(2,299)**	**(2,280)**	**(23,359)**

NOTE 15 Cost of net debt

In thousands of euros	12/31/2010	12/31/2009
Income or cash equivalent	961	1,429
Cost of gross financial debt		
Interest paid on loans	*(18,734)*	*(31,460)*
Interest accrued on bond issue	*(9,033)*	*0*
	(30,450)	*(34,705)*
Other financial interest and expenses	*(2,683)*	*(3,245)*
Other financial income and expenses		
Net exchange differences	*(3,762)*	*(3,951)*
Valuation of financial instruments	*(762)*	*(3,563)*
Other financial income and expenses	*(269)*	*481*
	(4,793)	(7,093)
COST OF NET FINANCIAL DEBT	**(34,282)**	**(40,309)**

NOTE 16 Other liabilities

	Current		Non-current		Total	
In thousands of euros	Balance 12/31/2010	Balance 12/31/2009	Balance 12/31/2010	Balance 12/31/2009	Balance 12/31/2010	Balance 12/31/2009
Advances and payments on account	**4,395**	**2,925**	**-**	**-**	**4,395**	**2,925**
Clients - Credits to be made	1,065	1,206	-	-	1,065	1,206
Expenses payable	72	54			72	54
Miscellaneous payables	13,299	9,646	9,180	9,550	22,479	19,196
Other liabilities	**14,436**	**10,906**	**9,180**	**9,550**	**23,616**	**20,456**
Debts on acquisition of assets	**3**	**100**	**20,710**		**20,713**	**100**
Dividends payable					**-**	**-**
Deferred income	**38,129**	**29,971**	**-**	**-**	**38,129**	**29,971**
TOTAL	**56,963**	**43,901**	**29,890**	**9,550**	**86,853**	**53,451**

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NOTE 17 Revenue

In thousands of euros	12/31/2010	12/31/2009	12/31/2008
Sales of goods	94,548	88,346	60,312
Production of goods sold	25,803	10,864	14,696
Production of services sold	806,323	774,862	773,569
REVENUE	**926,674**	**874,072**	**848,577**

NOTE 18 External expenses

In thousands of euros	External expenses	
	12/31/2010	12/31/2009
Purchases of studies & services and purchases of unstocked goods	57,698	52,614
External services (leasing, maintenance, insurance)	64,585	63,506
Other: advertising, detached personnel, entertainment expenses, postal expenses, etc.	103,304	92,522
TOTAL EXTERNAL EXPENSES	**225,586**	**208,642**

NOTE 19 Other non-recurring income and expenses from operations

Other non-recurring income and expenses from operations comprises the following:

In thousands of euros	12/31/2010	12/31/2009	12/31/2008
OPERATING INCOME FROM CONTINUING OPERATIONS	107,207	111,530	96,637
Capital gains or losses on disposals	(4)	(1,269)	0
Impairment loss on tang. and intang. assets (incl. ECA)	0	0	0
Impairment loss on goodwill on acquisition for E.M. co.	0	(431)	(434)
Withdrawal of the Dendrite brand	(104,009)	0	0
Non-recurring income and expenses	(10,788)	(9,997)	(6,045)
Amort. of intang. assets from acquisitions (FC companies)	0	0	0
OPERATING INCOME	**(7,594)**	**99,833**	**90,158**

NOTE 20 Deferred taxes

1) Tax breakdown

The tax income recognized in the income statement during the fiscal year amounts to 24.258 million euros compared to a tax expense of 5.048 million euros in December 2009. This comprised:

In thousands of euros	2010	2009
Tax paid		
France	10,598	5,615
Abroad	9,591	4,335
TOTAL	**20,189**	**9,950**
Deferred taxes		
France	(3,469)	2,332
Abroad	(40,978)	(7,233)
TOTAL	**(44,447)**	**(4,901)**
TOTAL TAX EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**(24,258)**	**5,048**

2) 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:

In thousands of euros	12/31/2010	12/31/2009	12/31/2009 reported
Profit (loss) for the period	(16,758)	54,833	54,833
Group share of EM companies	(860)	(357)	(357)
Income taxes	(24,259)	5,048	5,048
Earnings before tax for consolidated companies (a)	(41,877)	59,524	59,524
of which French consolidated companies	17,198	1,555	1,555
of which foreign consolidated companies	(59,075)	57,969	57,969
Normal tax rate in France (b)	34.45%	34.45%	34.45%
THEORETICAL TAX EXPENSE (C) = (A) X (B)	**(14,426)**	**20,506**	**20,506**
Impact of income and expenses ultimately not deductible or not taxable	1,997	1,309	1,309
Impact of differences in tax rates on profits	(5,446)	(6,959)	(5,808)
Impact of differences in tax rates on capitalized losses		0	0
Uncapitalized tax on losses	2,837	3,361	3,361
Reversal of capitalization on prior losses	3,190	4,476	4,476
Impact of differences in tax rates on withdrawal of Dendrite brand	(5,724)	0	0
Impact of tax credit	(6,687)	(17,645)	(18,796)
Impact of exit of companies sold	0	0	0
TAX EXPENSES RECOGNIZED IN THE INCOME STATEMENT	**(24,259)**	**5,048**	**5,048**
Effective tax rate	0.00%	8.48%	8.48%

3) Recognized deferred tax assets and liabilities

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)

In thousands of euros	Total 12/31/2009	Reclassification	Earnings	Change in consolidation scope	Other changes in equity	Change in exchange rate	Total 12/31/2010
Deferred tax assets							
Tax loss carryforwards and tax credits	18,132		1,107	6,601	2,918	1,346	30,104
Pension plan commitments	3,030		816	25			3,871
Non-deductible provisions	1,759		(87)	1			1,673
Updating to fair value of financial instruments	5,690		(425)		(671)		4,594
Cancellation of margin on inventory	222		(183)				39
Cancellation of internal capital gain	6,606		(45)				6,561
Restatement of preliminary expenses	6	-6					0
Restatement of R&D margin	985		526				1,511
Restatement of allowance for the assignment of intangible assets	139		141				280
Other	2,815	6	(308)			(6)	2,507
TOTAL	**39,384**		**1,542**	**6,627**	**2,247**	**1,340**	**51,140**
Deferred tax liabilities							
Translation adjustments	(4,739)		1,890		2,803	46	0
Cancellation of accelerated depreciation	(2,024)		187				(1,837)
Cegelease unrealized capital gain	(3,024)		745				(2,279)
Cancellation of depreciation on goodwill	(1,123)		(439)				(1,562)
Cancellation of depreciation internal capital gains	(184)		(87)				(271)
Leasing	(123)		(14)				(137)
R&D capitalization	(3,543)		(777)				(4,320)
Restatement of the allowance for the R&D margin	(32)		(109)				(141)
Updating to fair value of financial instruments	(152)		89				(63)
Assets from business combinations	(42,039)	0	41,592	(2,843)		(3,575)	(6,865)
Other	(445)		(172)				(617)
TOTAL	**(57,428)**		**42,905**	**(2,843)**	**5,605**	**(3,529)**	**(15,290)**
NET DIFFERED TAX	**(18,044)**		**44,447**	**3,784**	**7,852**	**(2,189)**	**35,850**

The change in deferred taxes recognized in the consolidated balance sheet after compensation by fiscal entities for deferred tax assets and liabilities can be verified in the following way:

In thousands of euros	Assets	Liabilities	Net
At December 31, 2009	33,350	(51,394)	(18,044)
Impact on earnings for the period	1,542	42,905	44,447
Impact on shareholders' equity	10,214	(767)	9,447
Impact of net presentation by fiscal entity	4,211	(4,210)	1
At December 31, 2010	49,317	(13,466)	35,851

The amount of uncapitalized tax as of December 31, 2010 amounts to 19,399 thousand euros.

NOTE 21 Lease commitments

Financial leases – Cegedim group lessor

Financial leases involve the Cegelease Company who provides financing for pharmacies and doctors.

Schedule of payments to be received and present value

These leases are financial leases with terms of 24 to 60 months for computer equipment and 36 to 84 months for capital goods.

In thousands of euros	Lease payments due	Present value of payments
within one year	14,473	13,745
between 1 and 5 years	20,339	16,510
more than 5 years	293	175
TOTAL (A)	**35,105**	**30,430**
FINANCIAL INCOME NOT ACQUIRED (B)		**4,675**
MINIMUM PAYMENTS (A) + (B)	**35,105**	**35,105**

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 amounts to 41,412 thousand euros for 2010.

Real estate leases are renewable every 3-6-9 years.

The Group signs standard leasing agreements.

The discount rate applied is 11.2%.

Payment Schedule and Present Value

In thousands of euros	Lease payments due	Present value of payments
Within one year	31,335	
Between one and 5 years	41,109	
More than 5 years	5,819	
TOTAL	**78,263**	**64,720**

NOTE 22 Restatement of capital leases

Commitments on Cegedim Lessee Financial Lease Contracts

In thousands of euros	Depreciation period	Gross value	Accumulated depreciation	Net book value
Land		46		46
Buildings	15 - 40 years	1,006	599	407
TOTAL ASSETS HELD UNDER FINANCIAL LEASES		**1,052**	**599**	**453**

Payment schedule and present value

In thousands of euros	Lease payments due	Present value of payments
- within one year	50	41
- > 1 year and < 5 years		
- more than 5 years		
TOTAL (A)	50	41
Financial expenses (B)	9	
PRESENT VALUE OF PAYMENTS (A)-(B)	**41**	**41**

Lease payments are not indexed.

The option exercise dates falling in 2011 relate to 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 13,965,092 shares as of December 31, 2010 and 9,331,449 shares as of December 31, 2009).

Earnings per share amounted to -1.20 euros for the 2010 fiscal year.

	2010	2009
Weighted average number of outstanding ordinary Cegedim SA shares	13,997,173	9,510,408
Less average number of treasury shares held	(32,081)	(30,171)
Number of shares for the earnings per share calculation	13,965,092	9,480,237

NOTE 24 Diluted earnings per share

IAS 33 - Diluted earnings per share are calculated by dividing the profit (loss) for the period for the fiscal year attributable to the ordinary shareholders (profit (loss) for the fiscal period after deducting preferred dividends) by the weighted average number of common shares outstanding during the fiscal year. On December 31, 2010, 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 the company 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 the company Guilaur Sarl (Board of Directors authorization dated September 3, 2003).

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) reduced to 2.25 million dollars on May 1, 2010.

INCAMS

- 2,465 thousand euro security in favor of VSS to pay the purchase price of 246,500 capital shares of the Hosta company.

In addition, Cegedim is guarantor for the on-demand guarantee on the payment of the sums for which Incams is responsible, which is itself the guarantor for its subsidiary HOSTA, for the repayment of the loan granted by Incams, AXA Assurances Vie Mutuelle and Mutuelle Mieux Etre (co-owner of VSS).

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 12, 2010).

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, Cegedim Prestation Conseil Outsourcing, Alliance Software, Alliadis, Cegedim Belgium, Cegedim Italia. Subsidiary share pledges at December 31, 2007 are still in force (In Practice Systems, Alliadis Europe, CSD Medical Research Ltd (ex Epic), Cegedim Rx, Cegedim USA, Cegedim USA Inc.).

Subsidiary securities

PHARMASTOCK SUBSIDIARY

- Security in favor of France paquets 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 CNOPS in the amount of 187 thousand euros.
- Security in favor of ANAM in the amount of 28 thousand euros.
- Security in favor of MDSSPA in the amount of 72 thousand euros.

REPORTIVE SUBSIDIARY

- Security in favor of edissimo in the amount of 80 thousand euros.

CEGEDIM PORTUGAL AND CEGEDIM INC USA

- Securities in the amount of 269 thousand euros and 2,250 thousand dollars respectively granted by banks to lessors of offices.

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 (SA) held primarily by Mr. Jean-Claude Labrune, Chairman and Chief Executive Officer of Cegedim SA, his family and by certain members of the Board of Directors of Cegedim SA

Figures Pertaining to the Related Parties

Certain transactions were carried out with companies who share a Cegedim SA 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 SA, Cegedim Prestation Conseil Outsourcing and Cegedim Activ for an amount of 6,751 thousand euros, as well as associated taxes in the amount of 472 thousand euros.
- FCB reinvoiced head office costs for 2,400 thousand euros.
- FCB granted a loan to Cegedim SA for 50,000 thousand euros in May 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. The interest resulting from this loan for 2009 amounts to 1,433 thousand euros.
- FCB acted as a guarantor for the securitization contract between Cegelease and IXIS CIB for 2,175 thousand euros.

In thousands of euros	12/31/2010	12/31/2009	12/31/2010	12/31/2009	12/31/2010	12/31/2009
	Companies under joint control or significant influence	**Companies under joint control or significant influence**	**FCB**	**FCB**	**Family companies**	**Family companies**
Income	none	none	212	151		
Expenses	none	none	11,061	11,078	794	1,178
Loans	none	none	45,094	45,094		
Security deposits	none	none	1,842	2,030	271	266
Receivables	none	none	9	38		-
Provisions for receivables	none	none	none	none	none	none
Liabilities	none	none	2,161	2,120		-
Commitments given	none	none				
Commitments received	none	none	2,175	2,575		

NOTE 27 Directors' compensation

Directors' fees paid to Board members came to 138 thousand euros at December 31, 2010, and are recorded in the "Other external purchases and expenses" item of the income statement.

In compliance with IAS 24, 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.

In thousands of euros	12/31/2010	12/31/2009
	Gross amount	**Gross amount**
Short-term benefits (wages, bonuses, etc.)	1,766	1,632
Post-employment benefits	none	none
Severance pay	none	none
BENEFITS RECOGNIZED	**1,766**	**1,632**
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

In thousands of euros	12/31/2010	12/31/2009
France	3,364	3,841
International	5,106	4,901
TOTAL	**8,470**	**8,742**

NOTE 29 Payroll costs

In thousands of euros	12/31/2010	12/31/2009
Wages	(430,101)	(396,055)
Profit-sharing	(5,411)	(4,965)
Free share awards	(67)	(477)
PAYROLL COSTS	**(435,579)**	**(401,496)**

NOTE 30 Dividends

A dividend of 13,997 thousand euros (equivalent to 1 euro per share) was paid in 2010 in respect of 2009, in compliance with the decision made during the Ordinary General Shareholders' Meeting held on June 8, 2010 and paid in July 2010 for a net amount of 13,956 thousand euros.

NOTE 31 Share capital

As of December 31, 2010, the share capital was made up of 13,997,173 shares each with a nominal value of 0.9528 euros, i.e. total share capital of 13,336,506 euros.

NOTE 32 Treasury shares

There were no transactions for the acquisition or sale of treasury shares during 2010 except for those relating to the free share award plans:

- sale of 22,530 shares following the maturity of the plan dated March 21, 2008 for the amount of 710 thousand euros;
- purchase of 16,738 shares on May 11, 2010 for the amount of 859 thousand euros;
- sale of 640 shares on September 16, 2010 for the amount of 20 thousand euros.

Free share 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, November 5, 2009 and June 8, 2010 were authorized to award a total number of free shares not to exceed 10% of the total number of shares making up the share 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 the maximum allocation of 43,410 free shares;

  The plan dated November 5, 2009 authorized the maximum allocation of 28,750 free shares;

  The plan dated June 8, 2010 authorized the maximum allocation of 32,540 free shares;
- the allocation of said shares to their beneficiaries will become final at the end of a vesting 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;
- starting from the final award date, beneficiaries whose residence for tax purposes is in France as of the award date must keep their shares for a term of two years starting from the final award date.

In application of standard IFRS 2, the expense measuring "the benefit" offered to employees is spread out on a linear basis over the vesting period. The amount reported as expenses for the 2010 fiscal year amounted to 67 thousand euros.

The main characteristics of the plans are the following:

	Plan dated 03/21/2008	Plan dated 11/05/2009	Plan dated 06/08/2010
Date of the General Meeting	February 22, 2008	February 22, 2008	February 22, 2008
Date of the Board of Directors meeting	March 21, 2009	November 5, 2009	June 8, 2010
Date of plan opening	March 21, 2009	November 5, 2009	June 8, 2010
Total number of shares than can be allocated	43,410 shares	28,750 shares	32,540 shares
Initial subscription price	€52.00	€65.00	€55.00
Date of free disposal of free shares			
France	March 21, 2010	November 5, 2011	June 8, 2012
Abroad	March 21, 2012	November 5, 2013	June 8, 2014

Position of plans as of December 31, 2010

Total number of shares allocated	4,740 shares	24,470 shares	32,378 shares
Total number of shares left to be acquired after recorded exercising of options and cancelled options	-	-	28,830 shares
Adjusted acquisition price of free share allotments			
France	€48.77	€61.36	€51.45
Abroad	€41.24	€52.11	€43.40

NOTE 33 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 euros in 2007. This is a one-time, firm and final bonus for the duration of the transaction.

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 (1,356 thousand euros for 2010) 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, was 14 million euros as at December 31, 2010. The 2011 repayments are estimated at 14 million euros, i.e. the total repayment of the Ixis debt.

NOTE 34 Auditors' fees

(n thousands of euros	2010				2009			
	Mazars	**%**	**Grant Thornton**	**%**	**Mazars**	**%**	**Grant Thornton**	**%**
Audit								
Auditing, certification, review of individual and consolidated financial statements								
Cegedim SA	*330*	*41.35%*	*330*	*55.00%*	*347*	*43.73%*	*345*	*63.65%*
Fully consolidated subsidiaries	*468*	*58.65%*	*270*	*45.00%*	*447*	*56.27%*	*197*	*36.35%*
Other work and services directly linked to the Auditors' assignment								
Cegedim SA	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*
Fully consolidated subsidiaries	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*
SUB-TOTAL	**798**	**100.00%**	**600**	**100.00%**	**794**	**100.00%**	**542**	**100%***
Other services provided by the networks to fully consolidated subsidiaries								
Legal, fiscal, social	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SUB-TOTAL	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**
TOTAL	**798**	**100.00%**	**600**	**100.00%**	**794**	**100.00%**	**542**	**100.00%**

NOTE 35 Events occurring after the closing date

To the best of the Company's knowledge, no events or changes with a significant effect on the Group's financial position have taken place since the closing date.

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, 2010, 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.

Without modifying the conclusion expressed above, we draw your attention to:

- note “Accounting standards” which discloses the basis of the presentation of the consolidated financial statements and new applicable accounting standards ;
- note 3 “Intangible assets” and particularly the circumstances of the impairment of the Dendrite trademark at December 31, 2010.

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 14, 2011

The Statutory Auditors

French original signed by

Grant Thornton **Grant Thornton International**	**Mazars**
Michel Cohen	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, 2010 (and their comparative financial statements as at December 31, 2009 and 2008) and the consolidated financial statements drawn up as at December 31, 2010 (and their comparative financial statements drawn up in accordance with IFRS as at December 31, 2009 and 2008) were audited by the independent Auditors. Their reports concerning fiscal year 2010 are presented respectively in points 20.1.3 and 20.2.3 in this Registration Document.

The reports for fiscal year 2009 are presented in the Registration Document filed with the Autorité des Marchés Financiers on April 26, 2010, under the number D.10.0320.

The reports for fiscal year 2008 are presented in the Registration Document filed with the Autorité des Marchés Financiers on April 28, 2009, under the number D.09-0331.

These reports and the statements accompanying them are included by reference in this Registration Document.

20.3.2 OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT THAT WAS AUDITED BY THE STATUTORY AUDITORS

This entire Registration 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 Registration Document appearing in point 1.2.

20.3.3 SOURCE OF THE FINANCIAL INFORMATION

The financial information appearing in this Registration Document was taken from the audited financial statements of Cegedim.

20.4 DATE OF THE LATEST FINANCIAL INFORMATION

On the date of this Registration Document, the latest information audited goes back to December 31, 2010.

20.5 INTERIM FINANCIAL INFORMATION

No interim financial information has been published since December 31, 2010.

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 profit (loss) for the period.

Contrary to previous years, for fiscal year 2008, the General Meeting voted no distribution of dividends.

Following the signature of the memorandum of agreement between Jean-Claude Labrune, FCB and the FSI, the dividend distribution policy consists in distributing between 25% and 35% of the profit (loss) for the period attributable to the owners of the parent.

For 2009, each shareholder received a dividend of 1.00 euro per share, a sum representing 26% of the consolidated profit (loss) for the period attributable to the owners of the parent.

For 2010, a dividend of 1 euro per share will be proposed to the General Meeting, a sum representing 31% of the consolidated profit (loss) for the period attributable to the owners of the parent restated to account for the reduction in the Dendrite brand.

The number of shares remained the same in 2009 and 2010.

In accordance with French 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 Registration 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 2010 fiscal year.

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ADDITIONAL INFORMATION

21

21.1 SHARE CAPITAL

The share capital of Cegedim SA is 13,336,506.43 euros.

The following information is given at December 31, 2010.

21.1.1 SUBSCRIBED CAPITAL

There are 13,997,173 authorized shares. The shares have a par value of 0.9528 euros.

There is no authorized unissued capital and there are no issued shares that are not fully paid up.

The number of shares remains unchanged at December 31, 2010 at 13,997,173.

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, 2010, Cegedim holds 32,758 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		Premiums *(in euros)*	Capital *(in euros)*	Par value *(in euros)*
		Created	After transactions			
	Initial number of shares	488,300	-	-	-	15.24
12/1994	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
04/1998	Division of the par value by 4	6,298,728	8,398,304	-	8,001,957.45	0.9528063
12/2000	Conversion of the capital into euro (3)	-	8,398,304	-	8,001,904.05	0.9528
12/2000	Capital increase through in-kind contribution	891,112	9,289,416	70,900,927.60 (4)	8,850,955.56	0.9528
12/2000	Capital increase through cash contribution	42,033	9,331,449	73,910,793.03 (5)	8,891,004.61	0.9528
12/2009	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 BY LAWS

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 research, 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 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 85 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;
- no one over the age of 85 may be named a Director;
- 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 85 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 retained earnings 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.

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IMPORTANT CONTRACTS

Significant contracts for the two years preceding the publication of this Registration 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.fr).

Cf. item 5.2.1 of this Registration Document for a recap 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 Registration 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 Registration Document.

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INFORMATION FROM THIRD PARTIES, DECLARATIONS FILED BY EXPERTS AND DECLARATIONS OF INTEREST

None.

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PUBLICLY AVAILABLE DOCUMENTS

The bylaws, deeds of incorporation, all reports, correspondence and other documents, historical financial information of Cegedim SA and of its subsidiaries for each of the two fiscal years prior to the publication of this Registration Document may be consulted, where necessary, at the corporate headquarters of Cegedim SA

In particular, this Registration Document and financial releases are available on the Company's Website (www.cegedim.fr/finance).

Pursuant to article L. 451-1-1 of the French Financial Code and article 221-1-1 of the AMF General Regulations, the table below sets out all information published or made public by Cegedim during the last 12 months to fulfill its legislative or regulatory obligations pertaining to financial instruments, issuers of financial instruments and markets in financial instruments.

Date	Document title	AMF [1]	Registry [2]	Cegedim site [3]
02/04/2011	Presentation of Q4 2010 revenues			x
02/04/2011	2010 annual revenues	x		x
01/05/2011	Declaration of number of shares and voting rights as at December 31, 2010			x
01/03/2011	Half-yearly summary of the Cegedim liquidity contract	x		x
12/13/2010	Details pertaining to Alliadis software	x		x
12/02/2010	Directors' declarations	x		
11/15/2010	Presentation of Q3 2010 revenues			x
11/15/2010	Q3 2010 revenues	x		x
09/23/2010	2010 Half-Year Financial Report	x		x
09/23/2010	Presentation of 2010 half-year earnings			x
09/23/2010	2010 half-year consolidated earnings	x		x
09/08/2010	Acquisition of Deskom	x		x
09/01/2010	Approval of FY 2009 consolidated and statutory financial statements			x
08/05/2010	Presentation of Q2 2010 revenues			x
08/05/2010	2010 half-year revenues	x		x
07/19/2010	2009 financial statements and legal appendices		x	
07/29/2010	Takeover of CRM and direct marketing activities of IMS Health in Switzerland	x		x
07/28/2010	Acquisition of Pulse Systems, Inc.	x		x
07/21/2010	Success of the bond issue	x		x
07/07/2010	Half-yearly summary of the Cegedim liquidity contract	x		x
06/30/2010	Acquisition of 100% of Hosta	x		x
05/26/2010	Directors' declarations	x		
05/21/2010	Declaration of transactions on Cegedim shares	x		x
05/06/2010	Q1 2010 revenues	x		x
04/30/2010	Notice of Meeting serving as notice of General Meeting			x
04/27/2010	Announcement of publication of 2009 Registration Document	x		x
04/26/2010	2009 Registration Document	x		x
04/14/2010	Presentation of 2009 profit (loss) for the period			x
04/13/2010	2009 annual consolidated financial statements	x		x
03/31/2010	Directors' declarations	x		
03/26/2010	Directors' declarations	x		
02/16/2010	Directors' declarations	x		
02/11/2010	2009 annual revenues	x		x
01/22/2010	Directors' declarations	x		
01/15/2010	Declaration of number of shares and voting rights as at January 15, 2010			x
01/13/2010	Directors' declarations	x		
01/13/2010	Half-yearly summary of the Cegedim liquidity contract	x		x
01/11/2010	Acquisition of SK&A Information Services, Inc.	x		x
01/06/2010	Acquisition of Pharmacie Gestion Informatique (PGI)	x		x

(1) From July 1, 2007 onwards, information posted on the AMF company newsbank (www.amf-france.org) is for AMF internal use only.
(2) Available on www.infogreffe.fr and at the Company's corporate headquarters.
(3) Available on www.cegedim.fr (Finance heading) and at the Company's corporate headquarters.

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INFORMATION ON TRADE INVESTMENTS

Cegedim's trade investments are presented in the organizational chart in item 7 of this Registration 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 exceeds 30,000,000 euros) are included in the Corporate Management Report found in item 26.

MANAGEMENT REPORT

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CORPORATE MANAGEMENT REPORT

26.1 MANAGEMENT REPORT ON OPERATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

Annual Ordinary General Meeting held on June 8, 2011.

Corporate Management Report on operations for the fiscal year ended December 31, 2010.

Ladies and Gentlemen,

We have called this Annual Ordinary General Meeting pursuant to the bylaws and the provisions of the French Code of Commerce to report to you on the Company's activity during the fiscal year ended December 31, 2010, 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 SA CORPORATE MANAGEMENT REPORT

Presentation of the annual financial statements

The annual financial statements for the fiscal year ended December 31, 2010, 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 SA OPERATIONS

Cegedim SA 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 a range of 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 personal databases), and EDI (electronic data interchange) departments.

HIGHLIGHTS

Bond issue

As part of its policy of diversifying and extending the average maturity of its debt, on July 27, 2010, Cegedim SA completed a bond issue for 300 million euros at a fixed annual rate of 7%. The bond issue matures in 2015 and is payable half-yearly.

This bond issue is intended solely to refinance a portion of the Company's existing bank debt.

Characteristics of the issue:

- Amount: 300,000,000 euros;
- Completion date: July 27, 2010;
- Maturity date: July 27, 2015;
- Annual coupon: 7.000%;
- Yield: 7.250%.

Capitalization of development costs

Development costs for software (consisting of payroll expenses and cost of outside services) were capitalized as intangible assets in the amount of 25,391 thousand euros since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

External growth

On September 6, 2010, Cegedim SA acquired Deskom, a leading French company in the dematerialization of inter-company bills (B-to-B). In 2010 these activities represent annual revenue of approximately 4 million euros.

Allocation of free shares

On June 8, 2010, 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.

CHANGES IN ACTIVITY DURING FISCAL YEAR 2010

Revenue

In 2010, Cegedim SA's business grew by 9.2%, with revenue increasing from 146.2 million euros to 155.9 million euros.

Cegedim SA's revenues consist primarily of services and any sales of software and hardware. These are relatively mature activities that Cegedim SA has been carrying out for many years. They do not call for any particular comments.

Operating income and expenses

Operating income increased by 13.5%. Operating expenses increased by 13.7%.

In particular, the fiscal year saw:

- a rise in capitalized production of 6.4 million euros year on year;
- an increase in operating profit following the establishment of transfer-of-price contracts;
- an increase in write-backs of depreciation, amortization and provisions in the amount of 2.9 euros million;
- a significant increase in "Other external purchases and charges" of 16.8 million euros, or 19.4% compared to 2009, due amongst others to the use of external service providers recognized under "external charges";
- an increase in payroll and benefit-related expenses of 3.7 million euros during fiscal year 2010;
- an increase in allocations to fixed asset depreciation of 2.1 million euros, against a reduction in allocations to provisions for current assets of 0.3 million euros, and in allocations to provisions for risks and charges of 0.2 million euros;
- an increase of 1.2 million euros in other charges

The impact as an absolute value of the few changes in other operating income and expense items was insignificant.

Operating earnings were almost stable at 5.7 million euros, up 0.3 million euros compared to 2009.

Accounts payable

Cegedim SA accounts payable aging balance, broken down as group and excluding-group:

	Total accounts payable at 12/31/2010	Total non-expired accounts payable	Total expired accounts payable	Expired debt < 1 month	Expired debt 1 to 2 months	Expired debt 2 to 3 months	Expired debt 3 to 4 months	Expired debt > 4 months
Group suppliers	20,056,754.24	19,979,566.88	77,187.36	33,271.53	0.00	16,638.91	16,523.63	10,753.29
Non-Group suppliers	5,103,569.79	4,987,230.45	116,339.34	36,687.77	2,808.21	6,041.59	2,134.58	68,667.19
TOTAL ACCOUNTS PAYABLE	**25,160,324.03**	**24,966,797.33**	**193,526.70**	**69,959.30**	**2,808.21**	**22,680.50**	**18,658.21**	**79,420.48**

Financial income and expenses

Financial earnings amounted to a profit of 10.4 million euros compared to a profit of 47.6 million euros in 2009.

It was made up of 66.7 million euros in financial expenses, including 45.0 million euros in interest and related charges primarily associated with securing financing for the acquisition of the Dendrite group, and foreign exchange losses of 4.7 million euros.

Financial income stood at 77.1 million euros in 2010, taking into account, in part, 36.7 million euros in dividends received in 2010, 20 million euros in other interest and similar income, and 14.5 million euros in write-backs of provisions and transfers of costs.

Income from continuing operations before taxes

Income from continuing operations before taxes stood at 16.2 million euros, compared to 53.1 million euros in 2009.

Non-recurring earnings

Non-recurring earnings for 2010 were virtually zero, unchanged from 2009.

Income taxes

Income taxes in 2010 amounted to proceeds of 5.2 million euros.

Profit (loss) for the period

Earnings for the period were a 20.8 million euro profit in 2010 compared to a profit of 61.8 million euros in 2009.

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, 2010, the balance sheet total of Cegedim SA came to 1,073 million euros compared to 1,026 million euros for the previous fiscal year, which is an increase of 4.6%.

SUBSIDIARY ACTIVITIES

The activity of subsidiaries' is described in the part of the Corporate Management Report dedicated 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 is also appended to this report.

Financial structure and debt

Shareholders' equity totaled 382.1 million euros at December 31, 2010, up from 375 million euros at December 31, 2009, a rise primarily due to an increase in other reserves combined with the decline in earnings for the period. Other factors remained stable from 2009 to 2010.

Financial liabilities increased substantially to 550.4 million euros from 535.1 million euros for the previous fiscal year.

Considering the positive cash position, net financial debt amounted to 544.8 million euros, compared to 486.4 million euros at the end of 2009, an increase of 47.6 million euros.

Investments

Cegedim SA's investments are associated with its activities and logically involve the IT infrastructure and equity investments. Net intangible and tangible assets advanced by 19.8 million euros in 2010.

ACQUISITION OF DIRECT AND INDIRECT EQUITY INVESTMENTS

Company	% held	Holding	Entry date
SK&A Information Services	100.00%	Indirect holding via its subsidiary Cegedim USA	Acquired in January 2010
GERS SAS	100.00%	Direct holding	Created in April 2010
Hosta Maroc	100.00%	Indirect holding via its subsidiary Hosta	Acquired in June 2010
Hosta	100.00%	Indirect holding via its subsidiary Incams	Acquired in June 2010
Pulse Systems, Inc.	100.00%	Indirect holding via its subsidiary Cegedim Inc.	Acquired in July 2010
Deskom	100.00%	Direct holding	Acquired in September 2010
Cegedim Ukraine	100.00%	Indirect holding via its subsidiary CDS of 99.9% of the shares, and via its subsidiary Incams of 0.1%	Created in November 2010

SALES OF EQUITY INTERESTS

There were no sales of Cegedim equity interests during fiscal year 2010.

Research and development activity

Cegedim S.A. brings together the pooled development teams assigned to projects using the Group's shared IT infrastructure. Development projects have been capitalized in the statutory financial statements for 25.4 million euros, for all projects combined. This capitalization was carried out in the balance sheet, as the conditions set forth by the General Chart of Accounts were satisfied.

The Company continued and intensified the development of its Mobile Intelligence service for the management of pharmaceutical company sales forces, by focusing on the functions enabling the optimization of the solution's deployment and configuration. A major effort was also made in respect of the OneKey database offering, the cornerstone of the Group's applications, which benefited in 2010 from the synergies generated by the acquisition of SK&A in the United States.

As co-coordinator of all the Group's R&D projects, Cegedim continues to favor the extension of the most effective solutions at the regional level to the global market.

It is therefore worth noting that, in 2010, Cegedim S.A. acquired an extremely secure, high-performance IT infrastructure, enabling it to put in place solutions for hosting healthcare data.

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 SA are the following:

- 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 to 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 SA makes 23% of its 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 Group's debt in US dollars which amounted to 88 million US dollars at December 31, 2010, bearing in mind the Group's income in US dollars.

INTEREST RATES RISK AND FINANCIAL INSTRUMENTS

To limit the effects of rising interest rates on its financial expenses, and as requested in the credit agreement, Cegedim SA decided to implement a risk hedging policy involving protecting an annual maximum financing rate for the term of the loans.

Cegedim SA 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 capacity of Cegedim SA to effectively hedge itself against interest rate risks.

The amount of loans exposed to exchange rate risk is 87,705 thousand dollars on the one hand and 5,095 thousand euros on the other. All other debt has been hedged against adverse changes in interest rates.

Cf. below: for the significant risk factors at the consolidated level.

CLIENT RISK

The clients of Cegedim SA 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 line with trends recorded during 2010. In 2011, several TUPs (complete transfer of assets and liabilities) took place.

Cf infra for events after the end of the fiscal year for the consolidated scope.

Foreseeable trend in the Company's situation and future prospects

Revenue comprising a mix of mature and emerging activities should decrease slightly in 2011. Operating income from continuing operations should experience a more marked decline.

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 197,823 euros corresponding to non-tax-deductible expenses.

As a result, the income tax paid due to these costs and expenses amounted to 68,150 euros.

Earnings allocation

We propose that the profit for the fiscal year of 20,761,962.56 euros is allocated as follows: the sum of 13,997,173.00 euros as dividends, and the balance, 6,764,789.56 euros, to the "Other reserves" account.

AMOUNT – PAYMENT – TAX TREATMENT OF THE DIVIDEND

The unit dividend is 1.00 euro.

The cash dividend will be paid at the corporate headquarters from July 6, 2011.

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 retained earnings item.

Overview of 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:

		Deductible income allowance			
		Dividend			
Fiscal year	Number of shares	Per share	Total	Other income distributed	Non-deductible income allowance
2007	9,331,449	€0.90	€8,398,304.10	None	None
2008	9,331,449	€0.00	€0.00	None	None
2009	13,997,173	€1.00	€13,997,173.00*	None	None

* *The dividend actually paid for 2009 totaled €13,963,775, because no dividend is payable on treasury shares.*

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 share capital or voting rights at December 31, 2010:

To the Company's knowledge, on the date of this Registration Document, the shareholders holding more than 5% of the capital and voting rights are: FCB, FSI and Alliance Healthcare France.

On December 16, 2010 Financière de l'Echiquier sent the Company its declaration that it had gone below the 5% shareholding threshold to 4.27% of the capital and 3.16% of the voting rights on that date. On March 31, 2010, Alliance Healthcare France sent the Company its declaration that it had gone below the 10% shareholding threshold to 8.70% of the capital on that date.

Shareholders	No. shares held	% interest	No. of single votes	No. of double votes		Total votes	% voting rights
				shares	votes		
FCB	7,327,087	52.35%	2,461,250	4,865,837	9,731,674	12,192,924	64.62%
FSI	2,102,060	15.02%	2,102,060	0	0	2,102,060	11.14%
JCL	57,812	0.41%	19,316	38,496	76,992	96,308	0.51%
Public*	4,477,456	31.99%	4,457,972	9,658	19,316	4,477,288	23.73%
Cegedim	32,758	0.23%	0	0	0	0	0.00%
	13,997,173	**100.00%**	**9,040,598**	**4,913,991**	**9,827,982**	**18,868,580**	**100.00%**

* *Including the holding of Alliance Healthcare France and the liquidity contract.*

At December 31, 2009, the capital and voting rights were broken down as follows:

Shareholders	No. shares held	% interest	No. of single votes	No. of 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	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%**

Aspects that may have an impact in the case of a 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 powers 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.

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 at the end of the period. At December 31, 2010, the Corporate Mutual Fund consisted of 79,000 Cegedim shares, representing 0.56% 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

In accordance with article L. 225-40 of the Code of Commerce, we request the Meeting 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, 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 2010 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 current fiscal years, 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, the list of all the offices and duties exercised in all the companies by each of the Company's corporate officers is included in the Appendix.

COMPENSATION OF CORPORATE OFFICERS

In accordance with article L. 225-102-1, paragraph 2 of the Code of Commerce, the Meeting is informed 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

There were no transactions for the acquisition or sale of treasury shares during 2010 except under the free share award plans:

- the sale of 22,530 shares at the maturity of the plan of 3/21/2008, for 710 thousand euros;
- the purchase of 16,738 shares on 5/11/2010 for 859 thousand euros;
- the sale of 640 shares on 9/16/2010 for 20 thousand euros.

The Company has set up a liquidity contract with Chevreux S.A. of 500 thousand euros. At December 31, 2010 the contract had 9,826 Cegedim shares and €189,110.78 in cash.

TRANSACTIONS ON SHARES HELD BY CORPORATE OFFICERS

The table below sets out a summary statement of transactions on the shares of corporate officers, to the Company's knowledge, for the period January 1, 2009 to December 31, 2010:

	Number of shares purchased	Number of shares sold
Jean-Claude Labrune	0	0
FCB	19,694	0
Laurent Labrune	0	0
Aude Labrune	0	0
Pierre Marucchi	100	3,210
GIE GERS	0	19,694
Philippe Alaterre	0	0
Alliance	0	0
Anthony Roberts	0	0
Jean-Pierre Cassan	0	0
Jean-Louis Mery	100	0
Nicolas Manardo	0	0
Jacques Henri David	0	0
TOTAL	**19,894**	**22,904**

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, 2010, 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 companies, 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 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

HIGHLIGHTS

New brand strategy and visual identity for the Group

To strengthen its image, Cegedim decided, in September 2010, to adopt a new and simplified visual identity based on the Cegedim brand and a new logo in each of these three sectors of activity. This change is driven by the Group's desire to present its customers with a coherent, unified image of all of its businesses and to provide them with the most advanced products and services in the industry. It also reflects the successful integration of Dendrite, as the new visual identity will incorporate some graphic elements from its logo.

The benefits of the Dendrite acquisition, now inseparable from the total revenue flows generated in the "CRM strategic data" segment, will continue to flow to the Cegedim group, independently of the use of the Dendrite name. They have been transferred to the new umbrella brand, which does not appear on the balance sheet, as the name was created and not acquired. Accounting standards do not allow us to replace the name "Dendrite" on the balance sheet with the new name. Whereas, maintaining the "Dendrite" brand on the balance sheet as a separable intangible asset assumes that the asset has intrinsic value, particularly as being available for trading on a market, it seems totally improbable that a third party would agree to pay a license fee for a brand no longer maintained by the Group.

Technically speaking, the decision to change the name implies offsetting the total gross value of the "Dendrite" brand of 103,278 thousand euros (138,000 thousand US dollars) at the closing euro/dollar exchange rate, i.e., an impact of 104,009 thousand euros on non-recurring operating income at the average euro/dollar rate, and the write-back of the deferred tax liabilities posted on recognition of this brand at 41,555 thousand euros (55,136 thousand US dollars), amounting to a net impact of 62,454 thousand euros on Consolidated Profit (loss) for the Period.

External growth

On January 7, 2010 the Group acquired SK&A Information Services, Inc., in the US. The acquisition of this first-rate healthcare data supplier complements and reinforces the Cegedim group's *OneKey* offering in the country. The acquired businesses generate full-year revenue of some 15 million dollars.

June 3, 2010 saw Cegedim finalize the acquisition of the Swiss CRM and Direct Marketing division of IMS Health, boosting and complementing its range of products and services in this market. Cegedim expects the acquisition to generate annual revenues of 2 million euros.

On June 18, 2010, the Group acquired the French company, Hosta, a specialist in third-party management in which it has held a minority stake since 2004. With a portfolio of 400,000 managed beneficiaries and substantial expertise in third-party management of health insurance and pensions contracts, Hosta is one of the leading players in the French third-party management sector. The addition expands Cegedim's portfolio of solutions for all of its clients in the insurance sector. The acquired businesses represent annual revenues in 2010 of some 11 million euros.

July 27, 2010 saw Cegedim complete the acquisition of Pulse Systems, Inc., the US healthcare software and services provider. The move gives Cegedim access to the US market for the computerization of health care professionals at a very favorable time for the development of electronic patient records. The company developed a solution for the management of Electronic Healthcare Records (EHR), which includes Practice Management Software (PMS), EHR, e-prescriptions, payment terms, etc. Based in Wichita Kansas, Pulse employs more than 100 staff. Pulse's businesses represent annual revenues in 2010 of roughly 14 million dollars.

On September 6, 2010, Cegedim acquired Deskom, the leading French B-to-B invoice dematerialization company. The acquired businesses represent annual revenues in 2010 of 4 million euros.

In accordance with agreements signed between the parties, the remaining conditions of these transactions are confidential. The 5 transactions were internally financed and do not prevent the Group from complying in full with all its covenants.

Extension of the Group's average debt maturity

As part of its policy of diversifying and extending the average maturity of its debt, on July 27, 2010, Cegedim (BB+ S&P), completed a bond issue for 300 million euros with a fixed annual coupon of 7%, maturing in 2015 and payable every six months.

CHANGES IN ACTIVITY DURING FISCAL YEAR 2010

The year 2010 featured important innovations developed by numerous commercial successes, promising acquisitions and a new visual identity for the Group.

The refocusing on the Cegedim name has been accompanied by the merger of the former Cegedim and Dendrite logos, to the detriment of the Dendrite name. This decision, comparable in accounting terms to impairment of the Debdrite brand, translated into a correction, with no impact on cash, of 104.0 million euros on non-recurring operating income and a reversal of the deferred tax liability of 41.5 million euros, i.e. a net impact of 62.4 million euros on consolidated profit (loss) for the period. This entry has had no impact on the flows generated by operation of the CRM businesses, with the Group continuing to fully benefit from the synergies and the value created since this strategic acquisition.

Consolidated revenue for 2010 totaled 926.7 million euros, up 6.0% on a reported basis and up 0.8% (at constant scope and exchange rates) year on year.

Operating income from continuing operations totaled 107.2 million euros, down 3.9% compared to end-2009. This effect results from the 8.5% rise in payroll costs, the Group having significantly strengthened its teams following the delays in implementing certain CRM projects. The CRM and strategic data sector's margin was affected by this, but the contribution of the Insurance and services sector, which saw a very good improvement in its margin, and the maintenance of the Healthcare professionals sector margin at the high level posted in 2009, ensured a steady level of profitability: 11.6% compared with 12.8% in 2009.

	2010 Revenue in K€	2009 Revenue in K€	2010 operating income from continuing operations		2009 operating income from continuing operations	
	in K€	*in K€*	*in K€*	*%*	*in K€*	*%*
CRM and strategic data	526,513	498,283	50,880	9.7%	63,450	12.7%
Healthcare professionals	271,002	264,255	36,714	13.5%	34,946	13.2%
Insurance and services	129,159	111,534	19,613	15.2%	13,134	11.8%
Total revenue	926,674	874,072	107,207	11.6%	63,450	12.8%

CRM and strategic data

The sector's revenue amounted to 526.5 million euros in 2010, up 5.7% on a reported basis. The exchange rate and acquisitions had positive effects on revenue of 3.4% and 2.8% respectively. In the end, problems relating to delays in implementing the new Mobile Intelligence V5 offer only resulted in a very slight decline in revenue for the period, on a like for like basis.

The Group significantly strengthened its teams in order to reduce these delays, the result being that payroll costs increased. The sector's operating income from continuing operations totaled 50.9 million euros, down 12.6 million euros compared to 2009. The operating margin from continuing operations equaled 9.7%, compared with 12.7% at end-2009.

However, the significant improvement in the margin in the second half of 2010 should be highlighted: 11.8% compared with 7.3% in the first half of 2010. This strong recovery is testament to healthy commercial dynamics, the successful extension of geographic coverage, especially in emerging countries, and the launch of new services, in particular Mobile Intelligence offers in SaaS mode, for both existing and new clients. At the same time, Cegedim continues to strengthen its positions in new business lines, such as Compliance, with the signature of several contracts, and maintains a high level of investment in innovation to support new products.

The successful integration of SK&A, as demonstrated by the contract signed with the government body responsible for managing the plan to computerize US doctors, enables the Group to round out and strengthen its OneKey offer in the United States.

With its strategic data business, Cegedim is one of the leading market research companies dedicated to the pharmaceutical industry and has a global presence. After three years spent revamping its process, this business posted positive growth in 2010, particularly in Asia and the United States, on the back of requests for measuring prescription conformity.

Healthcare professionals

In 2010, the sector's revenue totaled 271.0 million euros, up 2.6% on a reported basis and stable in organic terms. The exchange rate and acquisitions had positive effects on revenue of 0.8% and 1.9% respectively over the year.

Operating income from continuing operations increased by 5.1% to 36.7 million euros, i.e. an improvement in the margin of 30 basis points (13.5%). This improvement is mainly due to i) the strong performance of the business for computerization of doctors and physiotherapists in France, ii) the considerably improved margin of the businesses computerizing UK pharmacies, contrary to the trend recorded in France, and iii) the progression of the advertising business at points of sale in French pharmacies (RNP), which has maintained a high margin.

This result is all the more noteworthy given that the sector's margin was negatively affected by the Cegelease business, which posted a record result in 2009.

The acquisition in the United States of Pulse, a company specialized in the management of electronic healthcare records (EHR), has had a positive impact on the revenue of the Cegedim Healthcare Software division, which is now a global player in the computerization of healthcare professionals.

The EHR complete solution from Pulse is certified by the CCHIT and is compatible with phase 1 of the "Good Practices" criteria allowing American doctors who have this software to receive a grant from the HITECH program, which has been in effect since January 1, 2011.

In order to capitalize on its position in this market, Pulse strongly reinforced its sales team at the end of the year and released its multiplatform software suite (PC, iPadTM, iPhoneTM, Smartphone).

For the last three years, Pulse has been awarded 'Five stars' by the AC Group, a consulting company specialized in IT healthcare research. Lastly, the Complete EHR Solution by Pulse is recommended by the states of Arizona, Texas, Florida, Nebraska, Tennessee and Virginia.

Insurance and services

The sector's revenue amounted to 129.2 million euros in 2010, up 15.8% on a reported basis. Acquisitions made a positive contribution of 6.5% to the increase in revenue. On a like for like basis*, revenue was up 9.2% over the period.

As expected, the operating margin from continuing operations rose sharply from 11.8% to 15.2%, an increase of 340 basis points. Operating income from continuing operations totaled 19.6 million euros, up 49.3% year on year.

The improvement in the margin is primarily due to Cegedim Activ, the leader in software and services dedicated to personal insurance. Through numerous commercial successes and first-rate operational performances, this company continually demonstrates the relevance of its software-package and services offers. The new multi-system platform, ACTIV'RO, has already established itself as the benchmark solution on the market.

The growth trend observed in this sector for the past year should continue in 2011.

It is also worth noting the continued strong commercial vitality of Cegedim SRH, an expert in outsourced payroll and HR management services, and the success of the Cegedim e-business activity's paperless-exchange offers.

Profit (loss) for the period

Consolidated loss for the period attributable to the owners of the parent amounted to -16.9 million euros, with earnings per share totaling -1.2 euros compared with 5.8 euros in 2009. The impact of the restatement of the Dendrite brand, for 104.0 million euros, was accentuated by the rise in the number of shares following the 180.5 million-euro capital increase in December 2009.

There was a significant fall in interest on loans from 40.3 million euros to 34.3 million euros (-14.9%). Excluding the impact of abandoning the brand, the effective tax rate was 27.8%, in line with the rates for 2007-2008.

A solid economic model

At December 31, 2010 Cegedim's consolidated balance sheet total was 1,377 million euros, a slight increase compared to December 31, 2009. The balance sheet has a robust structure, with shareholders' equity up 3%, representing 35% of total assets.

Goodwill amounted to 711 million euros (52% of the balance sheet total), compared with 613 million euros at the end of 2009. This change is a result of exchange-rate effects and acquisitions.

Cash and cash equivalents exceed the amount of financial liabilities payable in less than one year.

Net financial liabilities amounted to 462 million euros, compared with 395 million euros at end-2009. This increase, which was expected, is mainly due to financing of acquisitions and the unfavorable trend in the dollar versus the euro during the period.

After the cost of net financial debt and taxes, operating cash flow totaled 161 million euros, a decrease of 6% compared to end-2009. The gearing level remains virtually unchanged at 1.0 compared with 0.8 at end-2009.

Working capital requirements increased by 11.5 million euros year on year, explained mainly by the change in accounts receivable.

At December 31, 2010, the Group complied with all its banking and compulsory covenants.

Investments under the acquisition policy amounted to 70.7 million euros and mainly included SK&A Information Services (USA), the Swiss CRM and Direct Marketing division of IMS Health (Switzerland), Hosta (France), Pulse Systems (USA) and Deskom (France).

Cash flow before the cost of net financial debt and taxes stood at 161.1 million euros in 2010, a margin of 17%, down from the 20% in 2009, but remaining at the same level as 2005-2007.

Financial structure and debt

Consolidated shareholders' equity totaled 480.3 million euros at December 31, 2010, compared with 466 million euros at December 31, 2009, showing an increase of 14.3 million euros. This increase is explained by an increase in Group reserves of 41.9 million euros and Group conversion differences of 44.2 million euros, combined with a decline in profit (loss) for the period of 71.6 million euros. The portion of equity relating to non-controlling interests is 0.5 million euros at December 31, 2010, compared to 0.7 million euros at December 31, 2009.

Financial liabilities payable in less than one year amounted to 58.5 million euros, and financial liabilities payable in more than one year came to 482.2 million euros, i.e. a total of 540.8 million euros, compared to 516.4 million euros in 2009.

Considering the positive cash position, the Group's net financial debt amounted to 461.6 million euros (395.1 million euros at end-2009), an increase of 66.5 million euros. It represents 1.0 times the amount of shareholders' equity.

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 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 calculated on the cash collateral. Cash collateral, which is the up-to-date outstanding leases yet to be collected from clients on behalf of Natixis, is 14 million euros at December 31, 2010. The 2011 repayments are estimated at 14 million euros.

Investments

The direct equity investments made by Cegedim SA and indirect equity investments made via the Group's subsidiaries were presented earlier.

In 2010, net consolidated intangible assets fell back by 55.6 million euros, while consolidated net tangible assets declined by 2.1 million euros.

Research and development activity

Research expenses are recorded as expenses for the fiscal year during which they were incurred. Development costs for new internal projects are capitalized if the following criteria are fully satisfied in accordance with 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 costs are recorded as expenses for the fiscal year during which they were incurred.

Once in use, a project whose development is complete is transferred to the balance sheet, under the relevant asset category (generally software), and the related amortization is carried out based on its estimated useful life.

The development costs capitalized in the consolidated accounts in 2010 totaled 40 million euros, of which arount 25 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. Certain regional R&D centers and some subsidiaries also have their own teams, and conduct their R&D activities under the coordination of the corporate headquarters.

The projects implemented by the Group involve the CRM sector and strategic data for a total amount of 27 million euros, the healthcare sector for 7 million euros and the insurance and services sector for 7 million euros. The projects under way have an average amortization duration of 5 years, except for three structuring projects amortized over 15 or 20 years.

These specific development efforts are complemented by investments in software and hardware. The work of the dedicated IT teams performed routinely within the Group's different subsidiaries provides application maintenance for all of the solutions marketed (the cost is allocated to expenses for the year).

In all, the Cegedim Group devotes around 8% 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 revenue;
- consolidated operating income from continuing operations;
- investments;
- financial structure.

Detailed comments on these are provided above.

KEY NON-FINANCIAL PERFORMANCE INDICATORS

The key non-financial performance indicators applicable to Cegedim SA 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 upwards of 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.

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 rate risk is 87,705 thousand US dollars. All other debt has been hedged against adverse changes in interest rates.

EXCHANGE RATE RISK

66% of the Group's activities are conducted by subsidiaries in the euro zone, exposing Cegedim to limited exchange rate risk. Exchange rate effects had a positive impact of 2.2% on revenue growth in 2010, primarily due to the pound sterling (9% of revenue) and the dollar (13% 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 88 million dollars at December 31, 2010, bearing in mind the Group's income in US dollars.

LIQUIDITY RISK

The Group's non-operational cash risk is mainly due to the maturity date of its bank loans and bonded debt giving rise to payment of interest and/or amortization, 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 December 31, 2010 increased slightly, by 4.7% compared to December 31, 2009.

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

Similarly, the bond issue prospectus requires compliance with financial covenants, failing which bonds may become payable immediately.

At June 30, 2010 and December 31, 2010, the Group complied with all its bank and bond covenants.

For the bank and bond agreement, aside from the usual covenants for this type of agreement, the Group must meet two ratios (contractual net financial debt to contractual pro forma Ebitda ratio, and contractual Ebitda to contractual cost of debt pro forma ratio). The calculation of both ratios is described in the prospectus for the bond issue (contractual net financial debt to pro forma current Ebitda and pro forma current Ebitda to cost of debt).

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

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 tracks 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.

Moreover, changes to fiscal regulations on income tax rates, transfer prices, dividends, specific tax regimes or tax exemption rules may have an impact on the Group's effective income tax rate and on future results.

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, or for counterfeit arising from intellectual property held and/or exploited by the Group in its activities. 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.

Despite the fact that the Group continues to insure a portion of its professional civil liability with an external insurance provider, liability insurance is increasingly difficult and costly to obtain, particularly in the United States. Given these insurance conditions, even when the Group is covered by insurance policies, obtaining compensation from insurance companies may not be totally satisfactory.

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, etc.

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 Cegedim group's sustainable development program 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

Cegedim also seized the opportunity to develop a strategic activity in the market for the computerization of pharmacies and doctors in Romania, by acquiring Pharmec, which holds 40% of the pharmacy computerization market in that country with annual revenues of some 1 million euros. This acquisition also builds on Cegedim's data offering for pharmaceutical laboratories in Romania.

Pharmec was formed in 2011 for the purposes of this transaction, following a spin-off from a large Romanian company, and brings together all IT and services activities for pharmacies and doctors.

A memorandum of understanding was signed on January 21, 2011 and the acquisition will be closed at end-April 2011 if all conditions precedent are met. The more detailed terms of the transaction are governed by a confidentiality agreement.

As of the date of filing of this Registration Document, with the exception of the undertaking referred to above, no other firm undertakings have been made by the Cegedim group.

Foreseeable trend of the Company's situation and future prospects

For 2011, the Group aims to continue to increase its share of the global health market, with a target revenue growth, excluding new acquisitions and exchange rate effects, of 4% for 2011, with 2% of this resulting from acquisitions completed in 2010. The 2% of purely organic growth breaks down as: 1% achieved from the "CRM and strategic data" sector, roughly 2% from the "Health professionals" sector, and 12% from "Insurance and Services".

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 CORPORATE MANAGEMENT REPORT

26.2.1 EARNINGS FOR THE LAST FIVE FISCAL YEARS (IN EUROS)

Reporting date	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006
Length of the fiscal year (months)	**12**	**12**	**12**	**12**	**12**
Capital at end of fiscal year					
Share Capital	13,336,506.43	13,336,506.43	8,891,004.63	8,891,004.63	8,894,004.61
Number of shares					
■ common	13,997,173	13,997,173	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	170,162,287.47	155,886,601.54	146,163,676.17	138,039,458.63	92,995,188.13
Earnings before taxes, profit sharing, depreciation and provisions	30,639,150.26	57,003,642.07	(16,925,104.78	6,730,293.61	45,185,487.32
Income taxes	(5,208,993.00)	(9,130,423.50)	(11,300,284.17)	(7,377,518.42)	(2,225,125.50)
Employee profit sharing	287,614.98	315,857.59	660,299.39	254,486.00	659,450.00
Depreciation and provisions	14,798,565.72	3,969,547.67	16,413,422.34	2,642,031.58	14,261,620.10
Profit (loss) for the period	20,761,962.56	61,848,660.31	(22,698,542.34)	11,211,294.45	32,489,542.72
Distributed earnings	13,997,173.00	13,997,173.00	-	8,398,304.10	7,465,159.20
Earnings per share					
Earnings after tax, profit sharing, and before allowances, depreciation, and provisions.	2.54	4.70	(0.67)	1.48	5.01
Earnings after tax, profit sharing, allowances, depreciation, and provisions.	1.48	4.42	(2.43)	1.20	3.48
Dividend allotted	1.00	1.00	-	0.90	0.80
Employees					
Average number of employees	1,036	1,036	989	910	561
Payroll	49,314,463.90	46,540,429.98	45,136,048.62	40,295,672.42	24,925,176.89
Sums paid for employee benefits (social security, welfare institutions, etc.)	22,751,129.19	21,845,703.21	20,209,331.56	18,138,984.78	11,790,370.01

26.2.2 INVENTORY OF SECURITIES AS OF DECEMBER 31, 2010

Companies	Number of shares or units	% owned	Net asset value
I - Equity investments			
1. French companies			
Amix	500	100.00%	7,622
Alliadis	8,161	100.00%	44,224,377
Alliance Software	102,500	100.00%	8,962,245
Apsys Net	80,000	100.00%	955,600
CDS	500	100.00%	12,518,294
Cegedim Activ	873,900	100.00%	30,000,000
Cegedim Logiciel Médicaux	1,000	100.00%	3,065,816
Cegedim Holding CIS	4,000	100.00%	0
Cegedim SRH	9,776,597	100.00%	3,370,231
Cegelease	6,450	100.00%	10,219,374
Cegers	3,000	100.00%	714,367
Cetip	39,311	99.66%	1,178,995
CSD	2,178	76.64%	1,796,673
Deskom	1,039,258	100.00%	6,321,000
Edipharm	200	20.00%	3,049
GERS SAS	50	100.00%	50,000
Hospitalis	1,000	100.00%	37,000
Icomed	2,500	100.00%	188,656
Incams	2,500	100.00%	2,296,016
iSsanté	750	100.00%	0
MedExact	6,549	100.00%	654,900
PCO Cegedim	25,000	100.00%	1,733,286
Pharmapost	1,000	100.00%	2,606,735
Pharmastock	5,000	100.00%	576,225
Qualipharma	1,000	100.00%	31,108
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	1,258	100.00%	880,509
Sofiloca	1,000	100.00%	15,245
SCI 2000	159	68.83%	846,739
Netfective Technology	130,875	7.11%	282,116
NEX & COM	240	20.00%	13,332

Companies	Number of shares or units	% owned	Net asset value
2. Foreign companies			
Cegedim USA	10,000	100.00%	302,632,276
Cegedim do Brazil	1,736,825	100.00%	0
Cegedim Holding GmbH	500	100.00%	5,693,464
Cegedim GmbH (Austria)	13,000	100.00%	130,000
Cegedim UK Limited	4,150,000	100.00%	2,677,883
INPS (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	100	100.00%	89,427
Cegedim Turkey	23,353	26.41%	496,901
Cegedim Hellas	11,933	99.98%	360,244
Cegedim Roumania 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 Belgium	2,999	99.97%	268,985,409
CSD Belgium (ex: BKL Pharma consulting)	1	0.02%	10
GERS Maghreb (Tunisia)	630	6.42%	27,920
Cegedim Tunisia	25,170	94.73%	0
Cegedim Algérie	1,000	100.00%	85,000
Cegedim CZ (Czech Republic)	1,000	100.00%	1,170,796
Cegedim Italie	9,999,882	99.9988%	10,024,736
Cegedim Trends (Egypt)	28	70.00%	434,351
Cegedim Espagne	900,000	100.00%	1,656,337
Cegedim Portugal	5,000	8.93%	468,260
Next Software (Tunisia)	1	0.05%	232
TOTAL EQUITY INVESTMENTS, NET VALUE			**821,076,762**
II - Other long-term securities			
1. French companies			
a/ Listed securities			
None			
1. Foreign companies			
None			
III - Marketable securities			
Shares allocated to employees			1,363,289
Chevreux cash assets			500,000
Certificates of Deposit			3,504,866
GRAND TOTAL (I+II+III)			**826,444,918**

26.2.3 LIST OF DIRECTORS IN OFFICE, POSITIONS, AND COMPENSATION

Prepared prior to the General Meeting held on June 8, 2011.

Mr. Jean-Claude Labrune – 114, rue d'Aguesseau, 92100 Boulogne

Position	Companies
Chairman & CEO	Cegedim
Permanent representative	of Cegedim on the Board of Directors of Cegedim SRH
Chairman of the Board of Directors	Cetip
SAS Chairman	FCB – Hospitalis – Pharmapost
Manager	Icomed – JCL – RNP

Fixed compensation: €731,900.
Variable compensation: none.
Directors' fees: €15,700.
Non-cash benefits: €1,358 – company vehicle.
Allocation of free shares: none.

Mr. Laurent Labrune – 114, rue d'Aguesseau, 92100 Boulogne

Position	Companies
Director	Cegedim – FCB
Chairman & CEO	Cegedim SRH
Deputy Managing Director of sas	FCB

Fixed compensation: €250,000.
Variable compensation: €246,500.
Directors' fees: €12,500.
Non-cash benefits: €5,915 – company vehicle.
Allocation of free shares: 1,600 free shares under plan no. 1, allocated on March 21, 2008.

Mrs. Aude Labrune – 11, rue des Fontenelles, 92310 Sevres

Position	Companies
Director	Cegedim – FCB
Chairman of sas	Rosenwald
Deputy Managing Director of sas	FCB

Fixed compensation: €84,994.
Variable compensation: €6,250.
Directors' fees: €12,500.
Non-cash benefits: €2,234 - company vehicle.
Allocation of free shares: none.

GERS – 95 rue de Billancourt, 92100 Boulogne

Permanent representative of GERS: Mr. Philippe Alaterre - 8, avenue de Berry, 92330 Sceaux

Position	Companies
Representative of GERS on the Board of Directors	Cegedim
Chairman	Dakota Pharm
Managing Director	Laboratoire Aventis France
Chairman	GIE GERS
Representative of GERS on the Board of Directors	GIE Edipharm
Directors' fees: none 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

Position	Companies
Permanent representative of	Alliance Healthcare France on the Board of Directors of Cegedim
Representative of	Pharmology.com
Directors' fees: €12,500 Allocation of free shares: none	

FCB – 137, rue d'Aguesseau, 92100 Boulogne

Permanent representative of FCB: Mr. Pierre Marucchi – 19 avenue des Peupliers, 75016 Paris

Position	Companies
Director	Cetip – Cegedim SRH – FCB – Reportive
Permanent representative	of FCB on the Board of Directors of Cegedim
Chairman & CEO	Proval
Chairman of SAS	CSD France – CDS –Cegedim Ingénierie – Chebranmic – DRE – Incams Cegedim Logiciels Médicaux France – Marucchi – RM Ingénierie
Managing Director of SAS	FCB
Deputy Managing Director	Cegedim – Cegedim SRH – Reportive
Manager	Amix- IRIS – iSanté - Qualipharma – Resip
Fixed compensation: €300,000. Variable compensation: €146,645. Directors' fees: €15,700. Non-cash benefits: €5,180 – company vehicle. Allocation of free shares: 1,280 free shares under plan no. 1, allocated on March 21, 2008.	

Fonds Stratégique d'Investissement – 56 rue de Lille, 75007 Paris

Permanent representative of FSI: Mr. Nicolas Manardo – 66 rue Lecourbe, 75015 Paris.

Position	Companies
Permanent representative of	FSI on the Board of Directors of Cegedim
Director	GEM SAS
Directors' fees: €12,500, paid directly to FSI. Allocation of free shares: none.	

Jean-Louis Mery – 194 avenue de la Forêt, 36330 Le Poinconnet

Position	Companies
Director	Cegedim
Chairman (SAS)	Alliance Santé France
Chairman and CEO	Alliance Healthcare France
Chairman (SAS)	Alliance Healthcare Repartition
Representative of Alliance Healthcare France on the Board of Directors	Alphega
Representative of Alliance Healthcare France on the Board of Directors and Director	Ouest Repartition
Chairman (SAS)	Sedley Participation France
Member of the Supervisory Committee	Depolabo

Directors' fees: €12,500.
Allocation of free shares: none.

Jacques Henri David – 11 avenue Céline, 92200 Neuilly sur Seine

Position	Companies
Director	Cegedim
Director	UGC (Paris)
Director	Selene Patrimoine (Luxembourg)
Director	St-Gobain Corporation (New York)
Chairman	Deutsch Bank France

Directors' fees: €15,000.
Allocation of free shares: none.

Jean Pierre Cassan – 210 ter boulevard Pereire, 75017 Paris

Position	Companies
Director	Cegedim
Manager	Eratos

Directors' fees: €17,500.
Allocation of free shares: none.

26.2.4 EMPLOYMENT INFORMATION

(Article L. 225-102-1 paragraph 4 of the Code of Commerce)

Employees at 12/31/2010	France	Abroad	Total
Permanent contract	3,278	4,804	8,082
Fixed-term contract	86	302	388
Total staff	3,364	5,106	8,470
"Full-time" employees(1)	3,107	4,866	7,973
"Part-time" employees	257	240	497
Hires			
Permanent contract	398	985	1,383
Fixed-term contract	77	190	267
Total hires	475	1,175	1,650
Departures	529	1,292	1,821
Temporary employees (*in person-days*)	65,164	30,370	95,534
Absenteeism(2) *(in person-days)*	49,067	15,031	64,098
Payroll at 12/31/2010 *(in thousands of euros)*	134,344	188,221	322,564
Benefit-related expenses at 12/31/2010 *(in thousands of euros)*	71,995	41,487	113,482
Training *(in thousands of euros)*	2,296	836	3,132

(1) Number of work hours in compliance with the regulations in effect in the various countries.
(2) 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 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 more than 30 million insured people in compulsory, supplemental, and pension plans. The healthcare flow management activity handles more than 250 million transactions. 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 *Activ'Infinite*, *Activ'Pro* and *Activ'Premium* software packages, thus covering healthcare reimbursements for 15 million people.

ACTIVITY DURING THE FISCAL YEAR

Cegedim Activ is recognized as a leading player in the field of healthcare and pension management.

The activity of Cegedim Activ increased substantially in 2010, with revenue up 22.1% over the period and a marked improvement in profitability as a result of good cost control and the Protectia TUP.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2010

Income Statement

The operating earnings increased very significantly by 68.2% during the year to 12,893 thousand euros at December 31, 2010. This increase was mainly due to the following factors:

- a substantial rise in operating income of 22.6% to 77,360 thousand euros at December 31, 2010, following an increase in services sold and in capitalized production;
- an increase of 17.9% in wages and social contributions of 31,089 thousand euros;
- an increase of 9.6% in the "Other external purchases and expenses" item of 24,111 thousand euros.

Financial earnings were 1,859 thousand euros in 2010, considerably higher than last year, under the combined effect of a strong reduction in financial expenses (-1,277 thousand euros primarily integrating the reduction in interest and related expenses) and in increase in financial income (+2,316 thousand euros, mainly including the increase in writebacks on provisions and transferred expenses).

Income from continuing operations before taxes amounted to 14,751 thousand euros at December 31, 2010, up by 148.7% over the fiscal year, and the profit (loss) for the period totaled 8,390 thousand euros, significantly up by 215.2% compared to 2009.

Balance Sheet

The combined amount of intangible, tangible and net financial assets was down slightly over the year at 47,958 thousand euros at December 31, 2010.

Cegedim Activ's accounts receivable totaled 16,039 thousand euros at December 31, 2010, a 22.6% increase compared to last year.

Shareholders' equity rose to 26,407 thousand euros from 21,435 thousand euros in 2009, explained in large part by the increase in profit (loss) for 2010.

Loans, sundry financial liabilities and other liabilities totaled 20,124 thousand euros at December 31, 2010, a decrease of 19.7%.

OUTLOOK FOR 2011

The personal insurance market is undergoing rapid change, especially as regards the regulatory environment. Cegedim Activ aims to consolidate its position in 2011, particularly in terms of the "middle market", and to continue to grow 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 Premium 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, Alliadis, and PG Informatique 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

In 2010, Alliadis' business grew by 6.1%, with revenue increasing from 44,233 thousand euros to 46,911 thousand euros.

Overall, operating income increased by 5.5% while operating expenses rose by 6.3%.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2010

Income Statement

Operating income rose by 58 thousand euros or 0.9% compared to the previous fiscal year to 6,748 thousand euros, which is explained particularly by the following combined effects:

- an increase in revenue of 6.1% over the period;
- an increase in purchases of goods and other supplies of 1,108 thousand euros (+9.8%);
- an increase of other external purchases and expenses (+5.1%);
- good control of the wage bill with an increase of 4.4% over the period;
- an increase in the operating provisions of 7.8%.

The other items in the income statement do not call for any particular comments.

Financial earnings at December 31, 2010 showed a profit of 103 thousand euros compared to a profit of 922 thousand euros for fiscal year 2009.

Income from continuing operations before taxes was 6,851 thousand euros compared to 7,613 thousand euros in 2009.

Balance Sheet

The combined amount of intangible, tangible and net financial assets went down over the year, to 10,206 thousand euros at December 31, 2010 (-8.1%).

Alliadis' accounts receivable amounted to 6,121 thousand euros at December 31, 2010, a 2.1% decrease compared to last year following good management of client payment collections.

Cash and cash equivalents totaled 2,485 thousand euros, an increase of 10.8% over the year.

At December 31, 2010, the shareholders' equity was 7,863 thousand euros compared to 9,073 thousand euros in 2009, a reduction of 13.3% which is explained by the slight reduction in earnings compared to the previous year and the reduction in other reserves.

Loans, sundry financial liabilities and other liabilities totaled 2,245 thousand euros at December 31, 2010, an increase of 14.7% over the year.

Accounts payable were 2,555 thousand euros, a decrease of 7.7% over the year.

OUTLOOK FOR 2011

In terms of activities and earnings, Alliadis expects a difficult year in 2011.

INPS

PRESENTATION

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 2010, the Company's activity contracted slightly compared to the previous year, with revenue down from 32,717 thousand pounds at December 31, 2009, to 30,798 thousand pounds at December 31, 2010.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2010

Income Statement

The operating earnings were -6,740 thousand pounds at December 31, 2010, compared to 5,703 thousand pounds at December 31, 2009. This significant decrease was mainly due to:

- revenue of 30,798 thousand pounds, down by 5.9% over the fiscal year;
- successful control of goods purchases, 14.0% lower over the period;
- a reduction of external services of 8.5%;
- a 1.1% increase in staff charges;
- losses on unrecoverable receivables of 12,344 thousand pounds from a Cegedim group company.

The financial earnings for the year were 95 thousand pounds in 2010 compared to 166 thousand pounds in 2009, with a financial income of 132 thousand pounds and interest charges of 38 thousand pounds.

Bearing in mind the above items, income from continuing operations before taxes was -6,645 thousand pounds, significantly lower than the previous year, mainly because of losses relating to unrecoverable receivables from a Cegedim group company.

Balance Sheet

The shareholders' equity was 23,279 thousand pounds at December 31, 2010, a decrease of 26.2% over the year. The current account amount was 31,215 thousand pounds, or -8.3% over the period.

OUTLOOK FOR 2011

Despite a difficult environment, INPS' activities and earnings should grow slightly in 2011.

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 2010, Cegelease's activity continued to grow with an increase in revenue of 0.9%, to 113,799 thousand euros at December 31, 2010.

The growth in activity 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.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2010

Income Statement

Operating earnings amounted to 8,129 thousand euros, a decrease of 17.3%, resulting mainly from a combination of the following items:

- a moderate increase in revenue of 1,025 thousand euros (+0.9%), following a good performance of sales of goods in France, offset by a reduction in products sold;
- an increase of 6.3% in goods purchases, to 72,335 thousand euros at December 31, 2010;
- an increase of 40.0% in other external purchases and expenses, to 4,620 thousand euros at December 31, 2010;
- a reduction in allocations to depreciation of 17.7%;
- a sharp rise in inventory of 2,380 thousand euros.

The financial earnings for the year were -1,193 thousand euros in 2010, compared to -2,480 thousand euros in 2009, with a financial income of 226 thousand euros and financial expenses of 1,419 thousand euros.

Income from continuing operations before taxes was 6,936 thousand euros compared to 7,345 thousand euros in 2009 (-5.6%).

Balance Sheet

In the assets, tangible assets at December 31, 2010, totaled 36,449 thousand euros. The reduction of 24.6% over the year is explained by the fact that in 2010, new large contracts were assigned to banks on a regular basis.

Stocks of goods showed a significant decrease over the year to 2,699 thousand euros, from 4,712 thousand euros in 2009.

The accounts receivable were 9,339 thousand euros in 2010, an increase of 7.2% over the period following a number of contract assignments to banks.

Cegelease's cash position stood at 662 thousand euros at the end of 2010, lower than for the previous year.

Under liabilities, loans and financial liabilities totaled 8,077 thousand euros, up by 7,979 thousand euros, corresponding to additional bank overdrafts granted by Cegelease's partner banks. Miscellaneous loans and financial liabilities were 4,302 thousand euros, and relate to a loan from a Cegedim group company.

Accounts payable were 6,779 thousand euros, a decrease of 9.4%.

Other liabilities decreased sharply, by 60.7%, to 14,546 thousand euros in 2010, as a result of the repayment of securitization operations with Natixis.

The other balance sheet items showed insignificant changes.

OUTLOOK FOR 2011

In 2011, Cegelease, by leveraging its existing financial leasing brands in relation to computerization projects for pharmacists and physicians, expects a difficult year ahead that will be reflected by a reduction in its revenue.

Cegedim Inc. (ex. Cegedim Dentrite Inc.)

PRESENTATION

Cegedim 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, and represents the Group's bridgehead in the United States.

ACTIVITY DURING THE FISCAL YEAR

In 2010, the Company's activity contracted slightly, with revenue down from 175,904 thousand dollars at December 31, 2009, to 156,382 thousand dollars at December 31, 2010.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2010

Income Statement

Revenue for the period was 156,382 thousand dollars. It consisted essentially of revenue resulting from SFE (Sales Force Effectiveness) and database activities.

The operating earnings were -130,512 thousand dollars at December 31, 2010, a very significant reduction of -153,082 thousand dollars over the period, mainly due to amortization of intangible assets and a drop in revenue.

Financial earnings at December 31, 2010, were -23,857 thousand dollars, broadly in line with the previous year. Financial income was 22,617 thousand dollars for the period, while financial charges and provisions, mainly interest expenses, were 46,836 thousand dollars.

Non-recurring earnings at December 31, 2010 were -4,408 thousand dollars, while deferred taxes stood at 56,521 thousand dollars at December 31, 2010. The profit (loss) for the period was therefore -98,215 thousand dollars.

Balance Sheet

At December 31, 2010, the main items making up the assets, in net value, were goodwill for 515,508 thousand dollars, concessions, patents, and brands for 8,347 thousand dollars, following a significant amortization charge during the period, accounts receivable for 55,431 thousand dollars, group current accounts payable for 41,370 thousand dollars, and cash and cash equivalents for 30,130 thousand dollars.

At December 31, 2010, shareholders' equity totaled 340,932 thousand dollars, provisions for risks and expenses were 15,889 thousand dollars, accounts payable were 63,495 thousand dollars, and current accounts were 327,585 thousand dollars.

OUTLOOK FOR 2011

The complementary nature of Cegedim Inc. with the other entities in Cegedim group's "CRM and strategic data" sector should continue and allow Cegedim Inc. to retain its strong position in the United States.

Cagedim Asia Pacific

PRESENTATION

Cegedim Asia Pacific is the regional headquarters, based in Singapore, of all the Cegedim Group's CRM activities and strategic data in Asia. This holding company provides logistical and administrative support to the rest of the Group, and centralizes client relations for the region.

ACTIVITY DURING THE FISCAL YEAR

The company's business activities improved in 2010, with a revenue of 58,973 thousand Singapore dollars at December 31, 2010, up 7.5% compared to 2009.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2010

Income Statement

Revenue for the period was 58,973 thousand Singapore dollars. It is mainly made up of revenues from the provision of services business activities.

Operating earnings were (1,894) thousand Singapore dollars at December 31, 2010, down 4,264 thousand Singapore dollars over the period, due principally to increased expenses for personnel and changes in inventory.

Financial earnings at December 31, 2010 were 1,781 thousand Singapore dollars, down over the period. Financial income was 1,933 thousand Singapore dollars over the period, while financial charges and provisions were (152) thousand Singapore dollars.

Non-recurring earnings at December 31, 2010 were (1894) thousand Singapore dollars. The profit (loss) for the period was therefore (194) thousand Singapore dollars.

Balance Sheet

At December 31, 2010 the main items making up the assets, in net value, were intangible assets for 1,200 thousand Singapore dollars, tangible assets for 647 thousand Singapore dollars, long-term investments for 7,954 thousand Singapore dollars and cash and cash equivalents for 3,108 thousand Singapore dollars.

Shareholders' equity at December 31, 2010 was 18,220 thousand Singapore dollars, accounts payable were 9,244 thousand Singapore dollars, tax liabilities 941 thousand Singapore dollars, social liabilities 635 thousand Singapore dollars, and deferred income 3,415 thousand Singapore dollars.

OUTLOOK FOR 2011

Cegedim Asia Pacific foresees a positive development of its activities in 2011.

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 ten members as of December 31, 2010.

On November 5, 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 provides for changes to be made to the Company's governance.

The list of Directors of Cegedim SA including the offices held in other companies is appended to the Corporate Management Report.

FREQUENCY OF MEETINGS

Article 13 of the bylaws of Cegedim SA 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 6 times.

The schedule of meetings of the Board of Directors was as follows:

2010 schedule of meetings

03/22/2010	■ Approval of the minutes of the preceding meeting of the Board of Directors; ■ Presentation of the draft consolidated financial statements for the fiscal year ended December 31, 2009; ■ Adoption of the internal regulations of the Board of Directors; ■ Creation of the Audit Committee and appointment of its members; ■ Creation of the Strategy Committee and appointment of its members; ■ Creation of the Appointments Committee and appointment of its members; ■ Creation of the Remuneration Committee and appointment of its members; ■ Authorization of a bond issue and delegation of powers to the Chairman and CEO, or with the approval of the latter, to the Deputy Managing Director, for the purposes of implementing the bond issue; ■ Miscellaneous business.
04/12/2010	■ Approval of the financial statements for the fiscal year ended December 30, 2009; ■ Approval of the consolidated financial statements for the fiscal year ended December 30, 2009; ■ Proposed capital increase in cash; ■ Authorization of a capital increase reserved for employees; ■ Draft of the renewal of the free share allocation for Directors and/or employees of the Cegedim group; ■ Share buyback program; ■ Authorization of securities, endorsements and other guarantees; ■ Draft amendment to articles 12, 13, 14 and 16 of the bylaws; ■ Decisions to be made for the preparation and scheduling of the joint Annual Ordinary and Extraordinary General Meeting; ■ Approval of the provisional financial statements; ■ Miscellaneous business.
05/06/2010	■ Approval of the minutes of the Board of Directors meeting of April 12, 2010; ■ Situation of the offices of Directors; ■ Decisions to be made for the preparation and scheduling of the Ordinary General Meeting; ■ Miscellaneous business.
06/08/2010	■ Approval of the minutes of the Board of Directors meeting of May 6, 2010; ■ Renewal of the appointment of the Chairman; ■ Renewal of the appointment of the Deputy Managing Director; ■ 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 2010; ■ Review of external growth; ■ Miscellaneous business.
09/23/2010	■ Approval of the minutes of the meeting of the Board of Directors of June 8, 2010; ■ Approval of the financial statements for the first six months of 2010; ■ Examination of the provisional accounts for the second half of 2010; ■ On-demand guarantee; ■ Guarantee of guarantee given by the subsidiary Cegedim Activ; ■ Miscellaneous business.
11/15/2010	■ Approval of the minutes of the Board of Directors meeting of September 23, 2010; ■ Review of the functioning of the Board of Directors in 2010; ■ Schedule of Board meetings for 2011; ■ Miscellaneous business.

CONVENING OF DIRECTORS

The Directors were convened by fax and e-mail in compliance with article 13 of the bylaws of Cegedim SA.

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, sent to the Directors and validated by them at the next meeting.

DIRECTORS' COMPENSATION

The compensation paid to Directors is stipulated in the list of Directors of Cegedim SA appended to the Corporate Management Report. The Remuneration Committee proposes the remuneration criteria for the Company's corporate officers to the Board. It examines the policies for allocations of free shares and all proposals for increases in the Company's capital in the form of an offer reserved for employees.

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.

THE COMPANY'S COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE

See chapter 14.3.

Internal control procedures

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 required 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. In 2010, the Group received Safe Harbor certification.

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 2010, 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

Cegedim has a governance structure for security. This means that security of all the Company's activities is taken into account in and that all appropriate protection measures are implemented.

A Compliance Department reports directly to the management. It includes the Head of Information Systems Security and defines the Group's security policy using risk analysis, as well as ensuring that the policy is applied consistently to the security requirements identified by the management through regular internal audits.

The Director of Information Systems ensures that the decisions to roll out IT systems, and in particular, procedures relating to data security, take into account Cegedim's strategic priorities.

The IT Operations Manager, the Information Security Manager and the Physical Security Manager implement the Company's strategy. They are responsible for putting security procedures in place.

The Operations Director ensures that all activities provide the level of security appropriate to Cegedim's strategic decisions, through daily monitoring.

The internal security policy for the information system is actively facilitated by the Top Management, and 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 and network 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;
- compliance with legislation.

The major pharmaceutical companies that are customers of the Cegedim group apply recognized international standards, adopting the most stringent requirements in terms of the auditing and control of their information systems.

Cegedim refers to international standards such as ISO 27001 and 27002 for its information security, and has created its own process standards, integrating the recently-introduced ISO 20000/ITIL standard for IT service management, ISO 9001 for quality management and CMMI for project management and software development.

Control of operations management

Control of the Group's operations management covers four areas:

- the annual budget preparation 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 operational synergies and information reporting necessary for management and Management Control in accordance with the current standards are implemented 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 investments. 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.

2011 Objectives

- Continue the optimization of internal procedures by acting on the conclusions of the Operational Excellence Unit and the specialized committees stemming from the Board of Directors.
- 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.
- Restructuring of the Research and Development Department.

Drawn up in Boulogne-Billancourt on April 18, 2011.

Jean-Claude Labrune
Chairman & CEO
Cegedim SA

26.3 AUDITORS' REPORTS

26.3.1 AUDITORS' GENERAL REPORT

Financial statements for the fiscal year ended December 31, 2010.

See note 20.1.3 of the present Registration Document.

26.3.2 AUDITORS' SPECIAL REPORT ON THE REGULATED AGREEMENTS OF CEGEDIM SA.

Fiscal year from January 1, 2010 to December 31, 2010.

For the year ended December 31, 2010

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with related parties.

The terms of our engagement do not require us to identify such agreements or commitments, if any, but to inform you, based on information provided to us, of the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness or appropriateness. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

We are also required, as necessary, to communicate to you information required by article R. 225-31 of the French Commercial Code (*Code de Commerce*), relating to the application of agreements and commitments entered into prior to the financial period, as approved by the General Assembly.

We conducted our procedures in accordance with professional standards applicable in France. These standards require that we agree the information provided to us with the underlying documents.

Agreements and commitments submitted to the General Assembly

In accordance with article L. 225-40 of the French Commercial Code (*Code de Commerce)*, we have been advised of the agreements and commitments that have been previously authorised by the Board of Directors on April 14, 2010.

Director involved

Mr Jean-Claude Labrune, Chairman of GERS SAS

Nature and purpose

Cegedim is engaged jointly with its subsidiary GERS SAS to guarantee, to an unlimited amount, the payment of all sums of an indemnifying nature (such as penalties, indemnities, interest on late payments, etc) claimed from GIE GERS by Datapharm with respect to contractual obligations and/or any indemnification arising from the provision of data provided by Datapharm from GIE GERS for the benefit of the future GERS SAS.

Agreements and commitments already approved by the General Assembly

In accordance with article L. 225-30 of the French Commercial Code (*Code de Commerce*), we have been informed that the performance of the following agreements and commitments, before approved by the General Assembly, has continued the financial year.

WITH SCI MAG

Nature and purpose

Leasing of premises at 110-112, rue d'Aguesseau, Boulogne-Billancourt

Terms

Rent paid in 2010 (excluding expenses): €27,748

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 2010 (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 2010 (excluding expenses): €5,671

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 2010 (excluding expenses): €1,247,102

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 2010 (excluding expenses): €109,338

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 2010 (excluding expenses): €147,233

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 2010 (excluding expenses): €283,359

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 2010: €2,400,000

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:

- 98 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

WITH SCI AT 114, RUE D'AGUESSEAU BUREAU

Nature and purpose

The SCI at 114, rue d'Aguesseau Bureau 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 Bureau 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 2010 (excluding charges): €868,224.

Paris and Courbevoie, April 14, 2011

The Statutory Auditors

French original signed by

Grant Thornton	**Mazars**
French Member of Grant Thornton International	
Michel COHEN	Jean-Paul STEVENARD

26.3.3 AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal year ended December 31, 2010.

See note 20,2,3 of the present Registration Document.

26.3.4 AUDITORS' REPORT PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-235 OF THE CODE OF COMMERCE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CEGEDIM ON THE INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND HANDLING OF ACCOUNTING AND FINANCIAL INFORMATION

Fiscal year ended December 31, 2010.

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, 2010.

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, 2010.

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 14, 2011

The Statutory Auditors

French original signed by

Grant Thornton	**Mazars**
French Member of Grant Thornton International	
Michel COHEN	Jean-Paul STEVENARD

26.3.5 AUDITORS' REPORT ON THE ISSUANCE OF SHARES AND SECURITIES WITH OR WITHOUT PREEMPTIVE SUBSCRIPTION RIGHTS

Extraordinary shareholders' meeting of June 8, 2011

(9th and 10th resolutions)

Dear Shareholders,

In our capacity as Auditors of your company and in accordance with the Article L.225-135 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 (9th resolution), or without preferential subscription rights for a maximum nominal amount of €2 600 000 (10th 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 setting, where applicable, the definitive terms and conditions for these issuances and proposes canceling your preferential subscription rights to equity securities to be issued (10th resolution).

It is up to the Board of Directors to prepare a report in accordance with Articles R. 225-113 and R. 225-114 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.

The Board of Director's report requires from us the following observation:

The methods for determining the issue price have not given in this report.

In addition, according to the undetermined definitive conditions on the capital increase, we cannot provide our opinion on these conditions 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 14, 2011

The Statutory Auditors

French original signed by

Grant Thornton

French Member of Grant Thornton International

Michel COHEN

Mazars

Jean-Paul STEVENARD

26.3.6 AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR EMPLOYEES WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

Extraordinary shareholders' meeting of June 8, 2011

(11th resolution)

Dear Sirs and Madams,

In our capacity as auditors of your company, and in performance of the assignment provided for by articles L 225-135 et seq. of the French Commercial Code, we present you with our report on the proposed capital increase reserved for employees with cancellation of preferential subscription rights for a nominal amount not exceeding 3% of capital, an operation which you are requested to vote on.

This capital increase is subject to your approval pursuant to the provisions of article L. 225-129-6 of the French Commercial Code and articles L. 3332-18 to L. 3332-24 of the French Labor Code.

Your Board of Directors proposes that, on the basis of its report, you authorize it, for a maximum period of 26 months, to set the terms and conditions of this operation and proposes cancelling your preferential subscription right to the shares to be issued.

It is the responsibility of your Board of Directors to prepare a report pursuant to articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our responsibility to give our opinion on the reliability of the information taken from the accounts, on the proposal to cancel preferential subscription rights and certain other information provided in this report relating to the issue.

We carried out the tests that we deemed necessary pursuant to the professional doctrine of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) regarding this assignment. These tests consisted of verifying the content of the Board of Directors' report regarding this operation and its terms and conditions for setting the issue price of the shares to be issued.

We have the following comment to make on the Board of Directors' report:

The terms and conditions for setting the issue price are not specified in the report.

Moreover, since the definitive terms and conditions of the capital increase have not been set, we have no opinion to give on these or, as a consequence, on the proposal to cancel the preferential subscription right.

Pursuant to article R. 225-116 of the French Commercial Code, we will prepare an additional report when your Board of Directors carries out the capital increase.

Paris and Courbevoie, April 14, 2011

The Statutory Auditors

French original signed by

Grant Thornton

French Member of Grant Thornton International

Michel COHEN

Mazars

Jean-Paul STEVENARD

26.3.7 AUDITOR'S SPECIAL REPORT ON THE ALLOTMENT OF FREESHARES, EXISTENT OR TO BE ISSUED, TO MANAGERS OR MEMBERS OF THE PERSONNEL.

To the shareholders

In our capacity as auditors of your company and in the execution of our mission, as provided for by Article L. 225-197-1 of the Code of Commerce, we have established this report on the allotment of free shares, either existent or to be issued, to the salaried personnel and/or corporate officers of the company and the companies which are affiliated to it as defined by Article L. 225-197-2 of the Code of Commerce.

Your Board of Directors proposes that you give it the authorization to grant free shares, existent or to be issued. The Board must establish a report on the transactions it wishes to conduct. We must provide you, where necessary, with our observations on the information you are given with regard to planned transactions.

We have been duly diligent in conducting this mission, which we have carried out in terms of the professional doctrine of the National Company of Statutory Auditors. This due diligence involved, notably, ensuring that the new modalities foreseen and presented in the report of the Board of Directors adhere to the terms stipulated by law.

We have no observations regarding the information presented in the Board of Directors' report on the free share allotment plan.

Paris and Courbevoie, April 14, 2011

The Auditors

Grant Thornton **Membre Français de Grant Thornton International**	**Mazars**
Michel COHEN	Jean-Paul STEVENARD

26.4 TEXT OF THE RESOLUTIONS PROPOSED TO THE ANNUAL ORDINARY GENERAL MEETING

TEXT OF THE DRAFT RESOLUTIONS FOR THE JOINT ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING TO BE HELD ON JUNE 8, 2011

Resolutions under the authority of the Ordinary General Meeting

FIRST RESOLUTION

The General Meeting, after having heard the reading of the Corporate Management Report of the Board of Directors and the Auditors' report on the annual financial statements, approves the annual financial statements for the fiscal year ended December 31, 2010, as presented, in addition to 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 French General Tax Code totaling 197,823.00 euros, as well as the corresponding tax amounting to 68,150.00 euros.

SECOND RESOLUTION

The General Meeting decides to allocate the profit for the fiscal year amounting to 20,761,962.56 euros as follows:

- as dividends, 13,997,173.00 euros;
- the balance, a sum of 47,406,937.13 euros to the "Other reserves" item.

1 Amount - Payment - Tax treatment of the dividend

The unit dividend is 1 euro.

The cash dividend will be paid at the corporate headquarters beginning July 6, 2011.

For individuals who are tax residents of France, this dividend is eligible for the exemption set forth in article 158, 3-2 of the French 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.

2 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 retained earnings item.

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		
2007	9,331,449	€0.90	€8,398,304.10	None	None
2008	9,331,449	€0.00	€0.00	None	None
2009	13,997,173	€1.00	€13,997,173,00*	None	none

* *The dividend actually paid in respect of 2009 totaled 13,963,775 euros, as treasury shares do not confer dividend rights.*

THIRD RESOLUTION

The General Meeting, after having heard the Auditors' report on the consolidated financial statements for the year ended December 31, 2010, approves these financial statements, as well as the transactions reflected in them or summarized in the Management Report included in the Corporate Management Report.

FOURTH RESOLUTION

The Office of the General Meeting then notes that for approval of the agreements falling under the scope of article L. 225-38 et seq. of the French Code of Commerce, the quorum reached by the General Meeting is more than one-fifth of the shares carrying voting rights, it being specified that the shares of persons with an interest in these agreements are excluded from the calculation of the quorum and the majority.

The General Meeting may then vote on the application of these agreements.

FIFTH RESOLUTION

The General Meeting, after having heard the Auditors' Special Report on the agreements coming under articles L. 225-38 et seq. of the French Code of Commerce, approves the findings of this report and the agreements mentioned in it.

SIXTH RESOLUTION

The General Meeting sets the amount of Directors' fees to be distributed among the Directors for the fiscal year in progress at 120,000 euros.

SEVENTH RESOLUTION

The General Meeting ratifies the appointment, made on a temporary basis by the Board of Directors at its meeting of September 23, 2010, as a Director, of:

- Fonds Stratégique d'Investissement, a public limited company with share capital of 19,342,710,000 euros and its registered office at 56 rue de Lille 75007 PARIS, registered in the Paris Trade and Companies Register under the number 509 584 074, represented by Mr. Nicolas Manardo as its permanent representative, to replace Mr. Nicolas Manardo in a personal capacity,

for the remainder of the term of office of his predecessor, until the General Meeting called to approve the financial statements for the fiscal year ending in 2015.

EIGHTH RESOLUTION

The General Meeting, having duly noted the report from the Board of Directors and pursuant to article L. 225-209 et seq. of the French 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 French 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 French Code of Commerce. In compliance with legal provisions, the Company must have permanent unavailable 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 euros per share.

This authorization is given for a period of eighteen (18) months, expiring on December 8, 2012. It cancels and replaces the authorization granted by the Combined General Meeting of Shareholders held on June 8, 2010 and shall be null and void during a public offering period.

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

NINTH 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 French 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 euros, 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.

TENTH RESOLUTION

The General Meeting, after having heard the reading of the Board of Directors' report and of the Auditors' 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 securities will be set according to legal provisions. Moreover, where shareholders' preferential subscription rights are withdrawn to the benefit of the persons or categories of persons named, the duration of the general delegation of authority will be reduced from 26 to 18 months and the total nominal amount limited to 2,600,00 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.

ELEVENTH RESOLUTION

The Extraordinary General Shareholders' Meeting, after having heard the Board of Directors' report and of the Auditors' report, decides, in application of the provisions of article L. 225-129-6 of the French Code of Commerce, to reserve for Company employees an increase in share capital in cash under the conditions provided for in articles L. 3332-18 to L. 3332-24 of the French 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 articles L. 3332-18 to L. 3332-24 of the French 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 articles L. 3332-18 to L. 3332-24, paragraph 3, of the French Labor Code; consequently, this authorization entails the waiver by the shareholders of their preferential subscription right.

TWELFTH RESOLUTION

The Extraordinary General Shareholders' Meeting, having duly noted the report of the Board of Directors in accordance with Article L. 225-147 of the Code of Commerce:

- delegates to the Board of Directors all powers necessary to issue Company shares, up to a total of 10% of the current share capital, to remunerate contributions in kind granted to the Company and consisting in securities, where the provisions of Article L. 225-148 of the Code of Commerce do not apply;
- decides that shares issued under this delegation of powers will count towards the ceilings forseen in the ninth resolution;
- duly notes that the Company's shareholders will not have preferential rights to subscribe for shares that may be issued under this delegation of powers, as such shares will be used solely for the remuneration of contributions in kind;
- grants powers to the Board of Directors to implent this authorization, to apply to the Commercial Court for the appointment of a specialized statutory auditor («Commissaire aux apports»), to approve the value of contributions in kind based on the report of the specialized statutory auditor, to allocate the capital increases' expenses to the premiums relating to such capital increases, and to amend the bylaws accordingly.

This delegation of powers is granted for a period of 26 (twenty-six) months from the date of this meeting.

THIRTEENTH RESOLUTION

In accordance with the provisions of Article L. 225-129-2, paragraph 2, of the French Code of Commerce, the general delegations of authority granted in the resolutions above nullify, effective immediately, any previous delegations having the same subject.

FOURTEENTH 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.

FIFTEENTH RESOLUTION

Having taken note of the Board of Directors' report, the General Meeting decides to delete paragraph 4 of article 12 – Board of Directors from the bylaws, currently worded as follows:

"Unless the French Code of Commerce exempts him from this obligation, each Director is required to own at least one share for his entire term of office."

The rest of the article is unchanged.

SIXTEENTH RESOLUTION

The General Meeting, after examining the report of the Board of Directors and the special report of the Auditors pursuant to Article L. 225-197-1 of the Code of Commerce, and having duly noted that the authorization granted during the extraordinary general shareholders' meeting of February 22, 2008 expired on April 21, 2011, decides it will renew the authorization granted to the Board of Directors in order to:

- grant existing free Company shares that will be acquired in virtue of the authorization given in the eighth resolution;
- decide that the total number of shares granted in virtue of the present authorization will not represent more than 10% of the Company's share capital on the date the Board of Director's decision to grant them;
- decide that the beneficiaries of the allotment will continue to serve as members of the salaried personnel, or of certain categories within it, of the Company or the companies or groups that are affiliated to it directly or indirectly, in accordance with the conditions stipulated by Articles L. 225-197-1 and L. 225-197-2 of the Code and subject to the conditions established by the Board of Directors during its session of March 21, 2008, modified by the Board of Directors during its session of November 5, 2009;
- duly notes that all the conditions of the present renewal of authorization to grant free shares will be strictly identical to those established by the Board of Directors during its sessions of March 21, 2008 and November 5, 2009, notably to:
  - determine the identity of the beneficiaries of the allotment of shares among the members of the Company's personnel, or of the personnel of the abovementioned companies or groups;
  - establish the conditions and, where necessary, the criteria for the allotment of shares;
  - appraise, when the acquisition period has expired, whether the conditions and criteria for the definitive allotment of shares are met;
  - rule, when the acquisition period has expired, on the definitive nature of the allotments previously granted.
- duly note that the rules governing the free Company share allotment plan, established by the Board of Directors on March 21, 2008 and modified by the Board of Directors on November 5, 2009, will continue to apply in all their provisions;
- duly note that, in the event the Board of Directors uses the present authorization, it will report each year to the ordinary General Meeting on the transactions carried out, in virtue of the provisions of Articles L. 225-197-1 to L. 225-197-3 of the Code of Commerce, in accordance with conditions stipulated by Article L. 225-197-4 of said Code;
- decide that the present authorization is given for a period of thirty eight (38) months as of this date.

SIEVENEENTH 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 necessary formalities.

GLOSSARY

EPS: Earnings Per Share. Earnings per share is a specific financial indicator defined by the Group as the net profit (loss) for the period divided by the weighted average of the number of shares in circulation.

Revenue at constant exchange rate: when changes in revenue at constant exchange rate are referred to, it means that the impact of exchange rate fluctuations has been excluded. The term, "at constant exchange rate" covers the fluctuation resulting from applying the exchange rates for the preceding period to the current fiscal year, all other factors remaining equal.

Revenue on a like-for-like basis: the effect of changes in scope is corrected by restating the sales for the previous period as follows:

- by removing the portion of sales originating in the entity or the rights acquired for a period identical to the period during which they were held to the current period;
- similarly, when an entity is transferred, the sales for the portion in question in the previous period are eliminated;

Internal growth: internal growth covers growth resulting from the development of an existing contract, particularly due to an increase in rates and/or the volumes distributed or processed, new contracts, acquisitions of assets allocated to a contract or a specific project.

External growth: external growth covers acquisitions during the current fiscal year, as well as those which have had a partial impact on the previous fiscal year, net of sales of entities and/or assets.

EBIT: Earnings Before Interest and Taxes. EBIT corresponds to the net revenue minus operating expenses (such as salaries, social charges, materials, energy, research, services, external services, advertising, etc.). It is the **operating income** for the Cegedim group.

EBIT from continuing operations: this is EBIT restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the **operating income from continuing operations** for the Cegedim group.

EBITDA: Earnings before interest, taxes, depreciation and amortization. EBITDA is the term used when amortization or depreciation and revaluations are not taken into account. "D" stands for depreciation of tangible assets (such as buildings, machines or vehicles), while "A" stands for amortization of intangible assets (such as patents, licenses and goodwill). It corresponds to the **gross operating earnings** for the Cegedim group.

EBITDA from continuing operations: this is EBITDA restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the **gross operating earnings from continuing operations** for the Cegedim group.

Net Financial Debt: this represents the Company's net debt (non-current and current financial debt, bank loans, debt restated at amortized cost and interest on loans) net of cash and cash equivalents and excluding revaluation of debt derivatives.

Net bank debt: this represents net financial debt less Cegedim's subordinated debt to FCB.

Free cash flow: free cash flow is cash generated, net of the cash part of the following items: (i) changes in working capital requirements, (ii) transactions on equity (changes in capital, dividends paid and received), (iii) capital expenditure net of transfers, (iv) net financial interest paid and (v) taxes paid.

Operating margin: Defined as the ratio of EBIT/revenue.

Operating margin from continuing operations: defined as the ratio of EBIT from continuing operations/revenue.

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FINANCIAL SCHEDULE

May 4, 2011

Q1 2011 REVENUES
press release Wednesday May 4, 2011 after the stock market closes, followed by a teleconference

August 3, 2011

Q2 2011 REVENUES
press release August 3, 2011 after the stock market closes, followed by a teleconference

September 23, 2011

2011 HALF-YEAR EARNINGS
press release Friday September 23, 2011 after the stock market closes, followed by a teleconference

November 9, 2011

Q3 2011 REVENUES
press release Wednesday November 9, 2011 after the stock market closes, followed by a teleconference

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