INTERIM FINANCIAL REPORT

2016

January - March

cegedim

Summary

Interim Financial Report

Please note that the first quarter consolidated financial statements are not reviewed by our auditors.

1 Group presentation

1.1 Key figures

The following selected consolidated financial information has been prepared in accordance with: International Financial Reporting Standards (IFRS) as adopted by the European Union, except where stated otherwise.

Disclaimer : Pursuant to IAS 17 as it applies to Cegelease's activities, leases are now classified as financial leases, resulting in an adjustment to the 2015 figures published. Readers should refer to the point 1.1 in chapter3.6 of the consolidated financial statements of this document. All of the figures in this document reflect the adjustments.

In millions of euros (except for per share data)	**03.31.2016**	03.31.2015
Revenue	106.2	100.5
EBITDA	11.1	14.7
Operating income before special items	3.0	7.4
Profit (loss) for the period	(21.0)	(2.6)
Profit (loss) for the period attributable to the owners of the parent	(21.4)	(1.5)
Number of shares outstanding	13,997,173	13,997,173
Average number of shares excluding treasury shares	13,953,944	13,965,725
Net earnings per share	(1.5)	(0.1)
Net current earnings per share	(1.4)	0.0

In millions of euros	**03.31.2016**	03.31.2015
Total balance sheet	666.7	864.3
Goodwill on acquisition	185.8	188.5
Net financial debt	209.4	167.6
Shareholders' equity, Group share	199.9	228.1
Cash flow after cost of net financial debt and taxes	13.3	19.2

1.2 Executives and supervisory bodies, statuary auditors

Board of Directors

Jean-Claude Labrune

Chairman of the Board of Directors

Laurent Labrune

Aude Labrune-Marysse

Pierre Marucchi

Representative of FCB

Anne-Sophie Hérelle

Representative of Bpifrance

Valérie Raoul-Desprez

Appointed by Bifrance

Anthony Roberts

Representative of Alliance Healthcare France

Philippe Tcheng

Representative of GERS GIE

Jean-Pierre Cassan

Independent Board Director

Jean-Louis Mery

Statutory Auditors

Grant Thornton

Represented by Solange Aïache

Mazars

Represented by Jérôme de Pastors

Audit Committee

Valérie Raoul-Desprez

Chairman

Aude Labrune-Marysse

Pierre Marucchi

Jean-Pierre Cassan

Independent Board Director

Nomination Committee

Jean-Claude Labrune

Chairman

Valérie Raoul-Desprez

Jean-Pierre Cassan

Independent Board Director

Compensation Committee

Jean-Pierre Cassan

Chairman, Independent Board Director

Aude Labrune-Marysse

Jean-Louis Mery

Strategy Committee

Jean-Claude Labrune

Chairman

Laurent Labrune

Anne-Sophie Hérelle

General Management

Jean-Claude Labrune

Chairman & Chief Executive Officer

Pierre Marucchi

Managing Director

Laurent Labrune

Managing Director

1.3 Activities

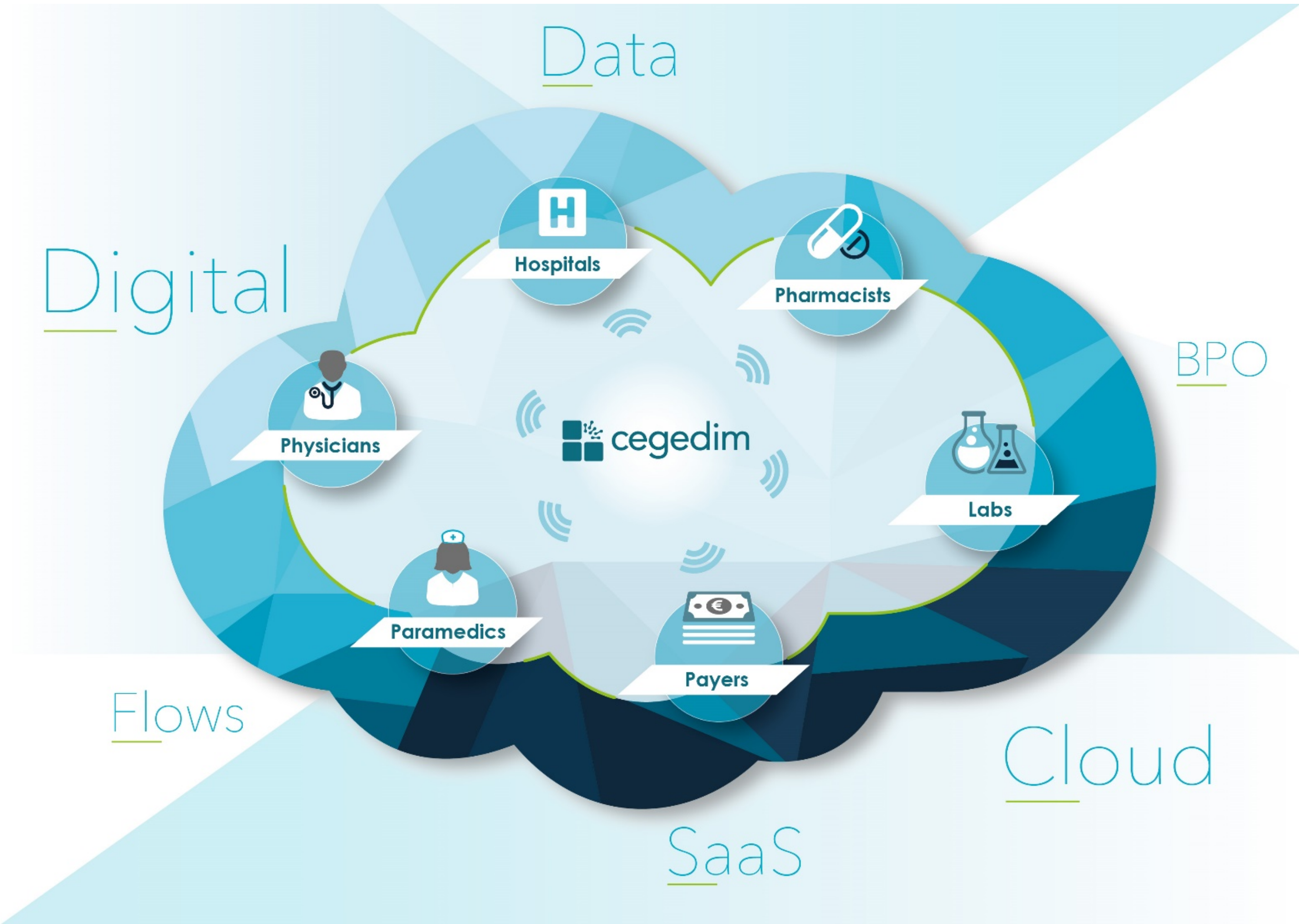
Cegedim is an innovative technology and services company specializing in the digital flows of the healthcare ecosystem and in B2B marketing, as well as in the design of enterprise software for healthcare and insurance professionals.

The Group is also involved the businesses of human resources management and digitization in all types of industries.

Cegedim generated revenues of 426.2 million euros in 2015 and has over 3,600 employees in 11 countries.

Given the services offered and customers targeted, Cegedim's business is structured around two operating divisions:

- **Health insurance, HR and e-services;**
- **Healthcare Professionals.**



1.4.1 Main business activities

Health insurance, HR and e-services

CEGEDIM INSURANCE SOLUTIONS

The *Cegedim Insurance Solutions* business unit includes all of the Group's solutions and services for insurers, supplemental insurers, provident institutions and intermediaries through its subsidiaries *Cegedim Activ*, *Activus, Cetip* and *iGestion*. This unit brings together competencies across the entire chain of information sharing between healthcare professionals, insurance organizations and managers of compulsory and supplemental insurance plans. *Cegedim Insurance Solutions* has broadened its digital product offering with innovative solutions in preventive healthcare based on managing wellbeing and health capital, hospitalization, home care and chronic illness.

CEGEDIM E-BUSINESS

Specialized in electronic data since 1989, *Cegedim* designs, develops and markets invoice digitization, probative value file storage and EDI through *its Cegedim e-business* business unit.

CEGEDIM SRH

Cegedim SRH offers Human Resources Departments *TEAMS*^{RH}, a complete, modular HRIS platform via SaaS.

DIGITAL

e-promotion

MedExact offers a variety of digital marketing tools to physicians and pharmacists equipped with *Cegedim* software.

RNP, Réseau National de Promotion or National Promotional Network, offers its customer a set of services to increase the penetration and visibility of their products in pharmacy and drugstore chains: point-of-sale media campaigns (store windows, jumbo screens), shelf dispays, promotions to strategic groups and POS surveys..

DATA

Sales Statistics for Healthcare products and real-time patient data.

Healthcare Professionals

CEGEDIM HEALTHCARE SOFTWARE (CHS)

This division contains all of the Group's computerization activities for healthcare professionals. Its solutions are used on over 237,000 physician and paramedical workstations and 83,000 pharmaceutical workstations in nine countries (Belgium, Chile, Spain, the United States, France, Italy, Romania, the United Kingdom and Tunisia). In 2015, *CHS* grew stronger in Web software and in the development of the Patient Ecosystem, a true platform of exchanges between patients and healthcare professionals.

CHS operates in the following areas:

- Pharmacist software (*Smart Rx, Cegedim Rx UK and Romania, Webstar, Next Software*);
- Medical software *(CLM, INPS, HDMP, Millennium, Stacks and Pulse Systems*);
- Software for paramedical professions (*RM Ingénierie*);
- Medication database (*Resip/Claude Bernard Database*).

CEGELEASE

In France, *Cegelease* offers professionals and businesses in any sectors, financial leases on computer equipment (software, hardware and maintenance) and on pharmacy fixtures and furnishings (signs, robotics, furniture, etc.).

1.4 Shareholding structure

Shareholder	Number of shares held	% held	Number of single votes	Number of doubles votes		Total votes	% of voting rights
				Shares	Votes		
FCB	7,375,891	52.70%	14,847	7,361,044	14,722,088	14,736,935	62.81%
Bpifrance Participations	2,102,061	15.02%	0	2,102,061	4,204,122	4,204,122	17.92%
Free Float	4,475,892	31.98%	4,428,626	47,266	94,532	4,523,158	19.28%
Cegedim[1]	43,329	0.31%	0	0	0	0	0,00%
Total	**13,997,173**	**100.00%**	**4,443,473**	**9,510,371**	**19,020,742**	**23,464,215**	**100.00%**

(1) Including the liquidity contract

1.5 Stock market indicators

1.5.1 Cegedim share

Cegedim is listed on Euronext Paris, compartment B.

ISIN code: FR0000053506

Reuters ticker: CGDM.PA

Bloomberg ticker: CGM

The Cegedim share price is posted with a short delay on Cegedim's website: Cegedim.com.

1.5.2 Stock market performance as of March 31, 2016

Cegedim share perfomed positively during the first quarter 2016. The closing price at the end of March 2016 was down 20.3% at €25.50. The price reached its high of €33.35 on January 18, 2016.

	January - March	
	2016	2015
Share price at closing	25.50	31.50
Average for the period	25.62	32.11
High for the period	33.35	34.07
Low for the period	21.02	29.00
Market capitalization	356.93	440.91
Outstanding shares	14.0m	14.0m

1.6 Shareholders relations

Cegedim's financial communication policy is to deliver rapid, relevant and timely information on company performance to investors and the market.

One key element of communicating with the market is the publication of earnings in annual reports, interim reports and quarterly revenue reports.

Following the publication of financial media statements, Cegedim organizes a conference call. Cegedim has regular contact with institutional investors through meetings and road shows in Europe and the United States.

Financial disclosure policy

Simplicity, transparency, clarity.

Provisional financial calendar for 2016

June 14, 2016: Shareholders' meeting

July 26, 2016: 2016 first six months revenue

September 15, 2016: 2016 first six months earnings

November 29, 2016: 2016 third quarter earnings

Shareholder contacts

Jan Eryk Umiastowski

Chief Investment Officer

Head of Investor Relations

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2 Overview of the interim period

2.1 Interim period highlights

New credit facility

In January 2016, the Group took out a new five-year revolving credit facility (RCF) of €200 million. The applicable interest rate for this credit facility is Euribor plus a margin. The Euribor rate can be the 1-, 3- or 6- month rate; if Euribor is below zero, it will be deemed to be equal to zero. The margin can range from 0.70% to 1.40% depending on the leverage ratio calculated semi-annually in June and December (refer to point 2.1.1.1 on page 14 of this Report).

Apart from the items cited above, to the best of the company's knowledge, there were no events or changes during the period that would materially alter the Group's financial situation.

2.2 Employees

On March 31, 2016, the Cegedim Group employed 3,835 people worldwide. Thus, the total number of employees increased by 180 people, or 4.9%, compared to the end of December 2015 (3,655 people) and increased by 469 people, or 13.9%, compared to March 31, 2015 (3,366 employees*)*. It should be noted that these figures include the employees from the acquisitions of *Activus* in July 2015 and of *Nightingale* in October 2015.

2.2.1 Employees by region

	03.31.2016	03.31.2015
France	2,589	2,439
EMEA excl. France	999	789
Americas	247	138
Cegedim Group	**3,835**	**3,366**

2.2.2 Employees by division

	03.31.2016	03.31.2015
Health Insurance, HR and e-services	1,835	1,589
Healthcare Professionals	1,792	1,602
Activities not allocated	208	175
Cegedim Group	**3,835**	**3,366**

2.3 Events after March 31, 2016

Exercise of the call option on the entire 2020 bond

On April 1, 2016, *Cegedim* exercised its call option on the entire 6.75% 2020 bond with ISIN code XS0906984272 and XS0906984355, for a total principal amount of €314,814,000.00 and a price of 105.0625%, i.e. a total premium of €10,624,972.50. The company then cancelled these securities. The transaction was financed by drawing a portion of the RCF obtained in January 2016 and using the proceeds of the sale to IMS Health. Following this transaction, the Group's debt comprised the €45.1 million FCB subordinated loan, the partially drawn €200 million RCF, and overdraft facilities.

S&P has raised Cegedim's rating to BB with positive outlook

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

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

2.4 Risk factors and related party transactions

2.4.1 Risk factors

A description of the Group's main risks is available in the 2015 Registration Document filed with the Autorité des Marchés Financiers (French Financial Market Authority – AMF) on March 31, 2016, in Chapter 2.4, Risk and insurance, from page 40 to page 55. During the first three months of 2016, Cegedim identified no other significant changes.

However, following the implementation of a new credit facility on January 2016 and the exercise of the call option on the entire 2020 bond on April 2016, the risks cited in sections 2.4.1.1 and 2.4.1.3, respectively on pages 40 to 42 and 42 to 45 of the 2015 Registration Document filed with the Autorité des Marchés Financiers on March 31, 2016, have been updated below.

2.4.1.1 Cegedim's indebtedness could adversely affect its financial situation and prevent it from fulfilling its obligations under the notes and with respect to its other indebtedness (*section 2.4.1.1 of the 2015 Registration Document*)

In May 2007, Cegedim raised 50.0 million euros, the FCB Loan, from its largest shareholder, FCB. The shareholder loan agreement between Cegedim SA and FCB was signed on May 7, 2007. The FCB Loan Agreement was amended on September 5, 2008, and September 21, 2011, to extend the maturity date and modify the applicable interest rate. During the December 2009 capital increase, FCB subscribed for 4.9 million euros equivalent in shares as a redemption of a portion of debt that decreased the balance of the FCB Loan to 45.1 million euros. In January 14, 2016, the FCB Loan was amended in order to subordinate it to the 200 million euro revolving credit facility taken the same day and to extend the maturity date and modify the applicable interest rate.

On March 20, 2013, Cegedim issued a senior bond at 6.75% maturing on April 1, 2020, for an amount of 300 million euros, in accordance with the Reg. S and 144A rules . The bond is listed on the Luxembourg Stock Market under the ISIN codes XS0906984272 and XS0906984355. The bonds have been priced at 100% of their face value.

On April 7, 2014, Cegedim issued 125 million euros in bonds in addition to its issue of 300 million euros at 6.75%, maturing in 2020. The issue price was 105.75%, plus interest accrued since April 1, 2014. Apart from the issue date and price, these new bonds are identical to those issued on March 20, 2013, under the 300 million euro bond issue with a coupon of 6.75% maturing in 2020.

Between May 6, 2015, and February 25, 2016, Cegedim redeemed on the market its 6.75% bond, maturing April 1, 2020, ISIN code XS0906984272, for a total principal amount of 110.2 million euros. The company cancelled these bonds. As a result, a total principal amount of 314.8 million euros remains in circulation.

In January 2016, the Group took out with Cegedim's bankers a new five-year revolving credit facility (RCF) of 200 million euros maturing on January 14, 2021.

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

THE STRUCTURE OF DEBT AT DECEMBER 31, 2015 WAS AS FOLLOWS:

- €200 million revolving credit, of which €176 million was drawn as of March 31, 2016; maturing January 14, 2021;
- €45.1 million FCB Loan maturing in January 2021;
- €24.0 million overdraft facility; of which €1.9 million was drawn as of March 31, 2016.

INTEREST RATE

The interest payable on the Revolving Credit Facility is the aggregate of the applicable margin, Euribor and certain mandatory costs (Non-use fee of 35% of the margin, and a use fee of 10 basis points applies if the amount drawn is below one-third; 20 basis points if the amount drawn is greater than or equal to one-third but below two-thirds; and 40 basis points if the amount drawn is greater than or equal to two-thirds of the revolving credit). The applicable margin is based on the consolidated leverage ratio.

The table below provides the schedule of applicable margins for the Revolving Credit Facility.

Leverage ratio	Leverage ratio
Ratio ≤ 1,00	0.70
1,00 < Ratio ≤ 1,50	0.90
1,50 < Ratio ≤ 2,00	1.10
Ratio > 2,00	1.40

As of March 31, 2016, the applicable margin on amounts drawn under the Revolving Credit Facility was 0.90%.

The FCB Loan bears interest at a rate of 200 basis points above the rate applicable under the Revolving Credit Facility Agreement. The interest is payable semi-annually on June 30 and December 31 of each year.

REPAYMENT OF BORROWINGS

The RCF and the FCB loan mature January 14, 2021, without amortization.

Cegedim may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If the Group does so, the risks related to its level of indebtedness could intensify. Specifically, a high level of indebtedness could have important consequences for the holders of the equity securities, including:

- Limiting the Group's ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- Requiring a substantial portion of its cash flows to be dedicated to making debt service (principal and interest) payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- Making it more difficult for the Group to satisfy its obligations with respect to its debt;
- Increasing the Group's vulnerability to general adverse economic and industry conditions;
- Exposing the Group to the risk of increased interest rates, as certain of its borrowings are at variable rates of interest;
- Limiting the Group's flexibility in planning for and reacting to changes in the industry in which it competes;
- Negatively impacting credit terms with its creditors;
- Placing the Group at a disadvantage relative to competitors that have lower leverage or greater financial resources;
- Increasing the Group's cost of borrowing.

In addition, Cegedim has restrictive covenants that limit its ability to engage in activities that may be in its long-term best interest. The Group's failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of a significant portion of its debt. Any of these or other consequences or events could have a material adverse effect on its ability to satisfy its debt obligations. The Group's ability to make payments on and refinance its indebtedness, to fund future working capital, capital expenditures, acquisitions and other general corporate requirements will depend on its future operating performance and ability to generate cash from operations. Cegedim's ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond its control. The Group may not be able to generate sufficient cash flow from operations or obtain enough capital to service its debt, or to fund its future acquisitions or other working capital expenditures. If new debt is added to its current debt levels, the risks that the Group now faces could intensify. For a discussion of its cash flows and liquidity, see section 2.5.3 of this Interim Financial Report.

2.4.1.2 Restrictions imposed on Cegedim's existing debt agreements may limit its ability to finance its capital needs or its external growth (*section 2.4.1.3 of the 2015 Registration Document*)

The debt agreements contain a number of restrictive covenants that impose significant operating and financial restrictions on the Group and may limit its ability to engage in acts that may be in its long-term best interest, including restrictions on its ability to:

- Incur additional indebtedness;
- Pay dividends;
- Make loans and investments;
- Sell assets;

Make adjustments to Group businesses.

These restrictions are subject to a number of qualifications and exceptions. Complying with the restrictions contained in some of these covenants requires Cegedim meets certain ratios and tests. The requirement that the Group complies with these provisions may materially adversely affect its ability to react to changes in market conditions, take advantage of business opportunities the Group believes to be desirable, obtain future financing, find funds needed for capital expenditures, or withstand a continuing or future downturn in its business.

In addition, the Revolving Credit Facility Agreement requires Cegedim to comply with a semi-annual maximum leverage ratio test and a minimum coverage ratio test. The coverage ratio test becomes more restrictive over time. The Group's ability to comply with this financial covenant can be affected by events beyond the Group control, and Cegedim may not be able to satisfy it.

A breach of the covenants under the existing debt agreements and future debt agreement could, from time to time, result in an event of default under the applicable indebtedness agreements. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event holders of the Cegedim debt securities or other creditors accelerate the repayment of its borrowings, the Group and its subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, the Group may be:

– Limited in how it conducts its business;
– Unable to raise additional debt or equity financing to operate during general economic or business downturns;
– Unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect the Group's ability to grow in accordance with its strategy.

The Group's liquidity risk is caused primarily by the maturity, amortization and payments of interest of the Revolving Credit Facility, the FCB Loan and the overdraft facilities. Borrowing is monitored centrally.

Net Financial Debt	In millions of euros
03.31.2015	511.0
06.30.2015	157.6
30.09.2015	168.7
12.31.2015	159.3
03.31.2016	201.0

REVOLVING CREDIT FACILITY

Structure

The Revolving Credit Facility Agreement consists of a euro revolving credit facility of 200.0 million euros.

The Revolving Credit Facility Agreement facilities are unsecured and not guaranteed by any subsidiaries of the Group. Its payment obligations under the Revolving Credit Facility Agreement is ranked pari passu with all of the Group's other unsecured and unsubordinated obligations.

Repayment

Each loan drawn under revolving credit facility is payable at the end of its interest period.

Financial covenants

Cegedim is subject to two maintenance covenants under the terms of the Revolving Credit Facility Agreement. Its compliance with these financial covenants is determined according to IFRS.

The Group must ensure that, for any relevant 12-month period until the termination date, its leverage ratio is less than and its interest cover ratio does not fall below the ratios set forth below.

12-month period ending	Leverage ratio	Interest cover ratio
06.30.2016	2.50	1.50
12.31.2016	2.50	1.50
06.30.2017	2.50	1.50
12.31.2017	2.50	4.50
06.30.2018	2.50	4.50
12.31.2018	2.50	4.50
06.30.2019	2.50	4.50
12.31.2019	2.50	4.50
06.30.2020	2.50	4.50
12.31.2020	2.50	4.50

Net financial debt in the calculation does not include employee profit sharing debt or the FCB loan.

Non-financial covenants and other provisions

Under the Revolving Credit Facility Agreement, Cegedim is subject to negative pledges with respect to granting security over any of its assets and to disposing of any of its assets as part of a transaction to raise financial indebtedness or to consummate an acquisition.

The Revolving Credit Facility Agreement also contains general undertakings, including a prohibition against incurring additional indebtedness, subject to limited exceptions, and against disposal of assets, and restrictions on providing loans and credits, guarantees, dividends and mergers.

The Revolving Credit Facility Agreement also includes provisions for standard affirmative covenants, representations, and warranties and undertakings.

The Revolving Credit Facility Agreement also contains other standard events of default.

Governing law

The Revolving Credit Facility Agreement is governed by French law.

FCB LOAN

Structure

The FCB Loan is unsecured and not guaranteed by any of Cegedim's subsidiaries. The payment obligations under the FCB Loan Agreement are subordinated to the Revolving Credit Facility.

Non-financial covenants and other provisions

Under the terms of the Intercreditor Agreement, the Group may only repay €5 million of the FCB Loan in advance of its maturity of January 2021.

Governing law

The FCB Loan Agreement is governed by French law.

OVERDRAFT FACILITIES

The Group has in place certain overdraft facilities with various banks in France for an amount of up to €24.0 million. These facilities have indefinite terms and are terminable at will by either party. The interest rates under these overdraft facilities are variable rates indexed to Euribor. As of March 31, 2016, the Group had €1.9 million outstanding under these overdraft facilities.

PRINCIPAL FINANCING ARRANGEMENTS

The table below sets out Cegedim's principal financing arrangements as of March 31, 2016.

In millions of euros	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Revolving credit facility	176.0		176.0	
FCB Loan	45.1	-	45.1	
Overdraft facility	1.9	1.9	-	-
Total	223.0	1.9	221.1	-

As of March 31, 2016, the Group's confirmed credit lines amounted to €200.0 million, of which €24.0 million is undrawn.

2.4.2 Related party transactions

A description of transactions with related parties is available in Chapter 9.5, page 214, and in the note 5.3, page 113, of the 2015 Registration Document filled with the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) on March 31, 2016. During the first three months of 2016, Cegedim identified no other significant related party transactions.

2.5 Analysis of the financial position of the Cegedim Group

2.5.1 Consolidated P&L

In € million		03.31.2016	03.31.2015	Variation
Revenue	**€M**	**106.2**	**100.5**	**+5.7%**
Purchases used	€M	(9.2)	(8.9)	+3.6%
External expenses	€M	(30.9)	(27.0)	+14.6%
Payroll costs	€M	(51.5)	(46.1)	+11.7%
EBITDA	**€M**	**11.1**	**14.7**	**(24.6)%**
EBITDA margin	%	10.4%	14.6%	(420)bps
Depreciation	€M	(8.1)	(7.3)	+10.7%
EBIT before special items	**€M**	**3.0**	**7.4**	**(59.4)%**
EBIT margin before special items	%	2.8%	7.4%	(454)bps
Special items	€M	(1.1)	(2.9)	(62.0)%
EBIT	**€M**	**1.9**	**4.6**	**(57.9)%**
EBIT margin	%	1.8%	4.5%	(273)bps
Cost of net financial debt	**€M**	**(23.2)**	**(6.9)**	**+236.3%**
Total taxes	**€M**	**(0.3)**	**(0.7)**	**(58.9)%**
Profit (loss) for the period	**€M**	**(21.0)**	**(2.6)**	**(700.4)%**
Net profit (loss) for the period from activities sold	€M	(0.4)	1.1	n.m.
Group share	**€M**	**(21.4)**	**(1.5)**	**n.m.**

Restatement of the accounting treatment of the lease business in the Group consolidated statement

Cegelease is a wholly owned subsidiary of Cegedim and since 2001 has offered financing options to pharmacies and healthcare professionals in France through a variety of dedicated contracts. *Cegelease's* activity has evolved from an exclusive reseller of Cegedim group products to a broker proposing a variety of leasing solutions (using group products as well as products developed by third parties) to a variety of clients (including clients who are not already in business with other group entities).

After the sale of its *CRM and strategic data* business to IMS Health, Cegedim investigated these activities in depth and found that they needed to be reclassified according to the IAS17 standard on March 23, 2016, when the 2015 annual accounts were published.

Cegelease now represents less than 10% of Group revenues and consolidated EBITDA; it has been transferred back to the *Healthcare Professionals* division since March 23, 2016, when the 2015 annual accounts were released.

Finally, in March 2015, *Cegedim Kadrige* was classified as an activity held for sale. Thus, the Q1 2015 accounts from the *Health Insurance, HR and e-services* division has been restated.

Impacts on numbers as formerly published within the Q1 2015 consolidated financial statements are described hereafter:

Q1 2015 Income statement impact

In millions of euros	03.31.2015 reported	Restatement of lease contract	03.31.2015 restated
Revenue	**121.0**	**(20.5)**	**100.5**
Purchases used	(22.5)	13.6	(8.9)
External expenses	(30.3)	3.3	(27.0)
EBITDA	**18.3**	**(3.6)**	**14.7**
Depreciation expenses	**(10.9)**	**3.6**	**(7.3)**
Operating income before special items	**7.3**	**0.1**	**7.4**

Q1 2015 revenue by division

In millions of euros	03.31.2016 reported	03.31.2016 restated
Health Insurance, HR and e-services	54.0	53.7
Healthcare Professionals	37.2	45.9
Cegelease	29.3	-
Activities not allocated	0.8	4.2
Cegedim Group	**121.3**	**100.4**

Revenue from continuing activities increased by €5.7 million, or 5.7%, from €100.5 million at March 31, 2015, to €106.2 million at March 31, 2016. Currencies had a positive impact of 0.5% and acquisitions, a positive impact of 1.3%. Like-for-like revenue grew by 4.8%.

The negative impact of foreign currency translation was €0.5 million, or 0.5%, coming mainly from the negative impact of the pound sterling (13.8% of revenue) for €0.5 million.

The positive impact from acquisition was €1.3 million, or 1.3%, coming mainly from the acquisition of *Activus* in UK in July 2015.

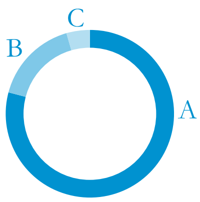
All the operational divisions contributed to the like-for-like growth. The *Health Insurance, HR and e-services* division grew l-f-l by 8.7% and the *Healthcare Professionals* division grew l-f-l by 0.5%.The *Activities not allocated* division decreased by 3.8% l-f-l.

By geographic region, the relative contribution of France and EMEA (excluding France) fell by respectively 0.5 and 1.1 points, to 79.1% and 16.4% respectively, whereas the Americas climbed by 1.7 points to 4.5%.

The breakdown of revenue by currency has marginally changed since the same period last year: the euro and the pound sterling fell by respectively 0.4 and 1.1 points to 80.6% and 13.8% respectively, whereas the US dollar climbed by 1.7 points to 4.5%, and other currencies remained relatively stable at 1.0%.

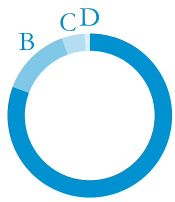
Q1 2016 revenue breakdown:

Geography



A: France	79.1%
B: EMEA excl. France	16.4%
C: Americas	4.5%

Currency



A: EUR	80.6%
B: GBP	13.8%
C: USD	4.5%
D: Others	1.0%

By division, the breakdown of Group revenue remains relatively stable. The contribution of the *Health Insurance, HR and e-services* division increased by 2.8 points to 56.2%, whereas that of the *Healthcare Professionals* division decreased by 2.7 points to 43.0%. The contribution of the *Activities not allocated* division remained relatively stable at 0.7%.

Operational Charges

Purchases used increased by €0.3 million, or 3.6%, from €8.9 million at March 31, 2015, to €9.2 million at March 2016. Expressed as a percentage of revenue, purchases used represented 8.8% at March 31, 2015, compared to 8.7% at March 31, 2016. This increase in purchases used was primarily due to the trend at the digital display activity and at the computerization of pharmacists in France, as well as the trend in computerization of UK physicians.

External expenses increased by €3.9 million, or 14.6%, from €27.0 million at March 31, 2015, to €30.9 million at March 31, 2016. Expressed as a percentage of revenue, external expenses represented 26.9% at March 31, 2015, compared to 29.1% at March 31, 2016. This increase in external expenses was primarily due higher use of temporary employees as part of the migration and development of Cegedim's offering.

Payroll costs increased by €5.4 million, or 11.7%, from €46.1 million at March 31, 2015, to €51.5 million at March 31, 2016. Expressed as a percentage of revenue, payroll costs represented 45.8% at March 31, 2015, compared to 48.5% at March 31, 2016. The increase in payroll costs mainly reflects an increase in number of employees in the

USA following the launch of the RCM activity, and in the UK following the *Activus* acquisition in July 2015.

The introduction of the CICE ("Crédit d'impôt pour la compétivité et l'emploi" -Tax credit for competitiveness and employment) in France in 2013 reduced the payroll cost in the P&L. At March 31, 2016, the impact on payroll cost is a reduction of €0.7 million, compared to reduction of €0.9 million at March 31, 2015.

EBITDA decreased by €3.6 million, or 24.6%, from €14.7 million at March 31, 2015, to €11.1 million at March 31, 2016. Expressed as a percentage of revenue, EBITDA represented 14.6% at March 31, 2015, compared to 10.4% at March 31, 2016. This decrease in EBITDA reflected the trends in revenue, purchases used, external expenses and payroll costs based on the factors set out above.

EBIT before special items (*Operating income before special items*) decreased by €4.4 million or 59.4% from €7.4 million at March 31, 2015, to €3.0 million at March 31, 2016. Expressed as a percentage of revenue, EBIT represented 7.4% at March 31, 2015, compared to 2.8% at March 31, 2016. This decrease was due to a decrease of €3.6 million in EBITDA and an increase of €0.8 million in depreciation expenses, from €7.3 million at March 31, 2015, to €8.1 million at March 31, 2016.

Special items at March 31, 2016 amounted to a charge of €1.1 million, compared to a charge of €2.8 million at March 31, 2015. This decrease mainly reflects the accounting in 2015 of fees related to the disposal of the C*RM and strategic data* division to IMS Health.

Breakdown of special items by nature

In € million	03.31.2016	03.31.2015
Capital gains or losses on disposals	-	-
Restructuring costs	(0.6)	(1.5)
Impairment of goodwill	-	-
Other non-recurring income and expenses	(0.5)	(1.3)
Special items	**(1.1)**	**(2.8)**

Breakdown of special items by division

In € million	03.31.2016	03.31.2015
Health Insurance, HR, e-services	(0.3)	(0.1)
Healthcare professionals	(0.5)	(1.4)
Activities not allocated	(0.3)	(1.4)
Special items	**(1.1)**	**(2.8)**

EBIT decreased by €2.6 million, from €4.6 million at March 31, 2015, to €1.9 million at March 31, 2016. Expressed as a percentage of revenue, EBIT represented 4.5% at March 31, 2015, compared to 1.8% at March 31, 2016. This decrease was due to the €4.4 million decrease in EBIT before special items, partly offset by the €1.8 million decrease in special items.

Financial Charges

Total cost of net financial debt increased by €16.3 million, or 236.3%, from €6.9 million at March 31, 2015, to €23.2 million at March 31, 2016. This increase reflects payment of the €18.0 million premium for the early redemption of the 2020 bond, partly offset by a decrease in interest paid following the restructuring of bond debt in 2015.

Tax expense amounted to a charge of €0.7 million at March 31, 2015, compared to a charge of €0.3 million at March 31, 2016. This increase reflects mainly the decrease in taxable result.

Net results

Consolidated net profit from continuing activities amounted to a €2.6 million loss at March 31, 2015, compared to a €21.0 million loss at March 2016. This increase of €16.3 million in consolidated net loss from continuing activities reflected the trends in revenue, EBIT, special items, cost of net financial debt and tax expense based on the factors set out above.

Net profit from discontinued activities amounted to a €0.4 million loss at March 31, 2016, compared to a €1.1 million profit at March 31, 2016. After taking into account minority interests, the **consolidated net profit attributable to the Group** amounted to a €21.4 million loss at March 31, 2016, compared to a €1.5 million loss at March 31, 2015.

Earnings per share from continuing activities before special items amounted to a €1.4 loss at March 31, 2016, compared with €0.0 for the same period one year before. **Earnings per share** amounted to a €1.5 loss at March 31, 2016, compared to a €0.1 loss one year before.

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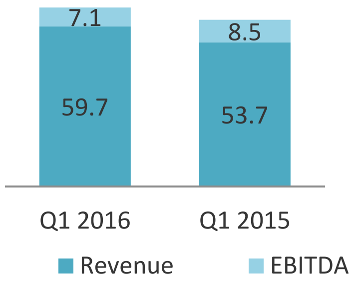
2.5.2 Analysis of the financial position by division

2.5.2.1 Health Insurance, HR and e-services

In € million	03.31.2016	03.31.2015	Change
Revenue	**59.7**	**53.7**	**+11.2%**
EBIT before special items	**3.5**	**4.6**	**(24.5)%**
EBIT margin	*5.8%*	*8.5%*	*(273)bps*
Special items	(0.3)	(0.1)	n.s.
EBIT	3.2	4.5	(29.1)%
EBITDA	**7.1**	**8.5**	**(16.7)%**
EBITDA margin	*11.8%*	*15.8%*	*(397)bps*
Depreciation	**(3.6)**	**(3.9)**	**(7.6)%**



Revenue for the *Health Insurance, HR and e-services* division increased by €6.0 million, or 11.2%, from €53.7 million at March 31, 2015, to €59.7 million at March 31, 2016. The acquisition of *Activus* in July 2015 in the UK made a positive contribution of 2.5%. Currencies had virtually no impact. Like-for-like revenues grew 8.7% over the period

Expressed as a percentage of total revenue, revenue for the *Health Insurance, HR and e-services* division represented 53.5% at March 31, 2015, compared to 56.2% at March 31, 2016.

By geographic region, the relative contribution of France fell by 2.1 points at 96.6%, and EMEA (excluding France) climbed by 2.1 points to 3.4%.

The breakdown of revenue by currency has marginally changed since the same period last year: the euro fell by 2.1 points to 96.6% and the pound sterling climbed by 2.2 points to 2.2%, whereas other currencies remained relatively stable at 1.2%.

This significant Q1 2016 revenue growth was chiefly attributable to:

- *Cegedim Insurance Solutions*, bolstered by robust growth in its business of managing third-party payment flows and from the software and services ranges despite the temporarily negative impact of switching its offering to a cloud format. BPO activities for health insurance, with *iGestion*, posted double-digit revenue growth. This division was also bolstered by the acquisition of *Activus* in July 2015.
- Double-digit growth in the operation of the *GIS* SaaS platform for electronic data flows by *Cegedim e-business*, including payment platforms.
- The double-digit acceleration of growth in business at *Cegedim SRH*, the SaaS platform for managing human resources, which started operations with a number of clients.

EBITDA decreased by €1.4 million, or 16.7%, from €8.5 million at March 31, 2015, to €7.1 million at March 31, 2016. Expressed as a percentage of revenue, EBITDA represented 15.8% at March 31, 2015, compared to 11.8% at March 31, 2016.

The drop in EBITDA was mainly due to:

- A temporary decrease in the profitability of the *iGestion* and *Cegedim e-business* activities due to the start of operations with numerous BPO clients;
- *RNP*, the specialist in traditional and digital displays for pharmacy windows in France, which suffered from a change in the timing of promotional campaigns between 2015 and 2016;

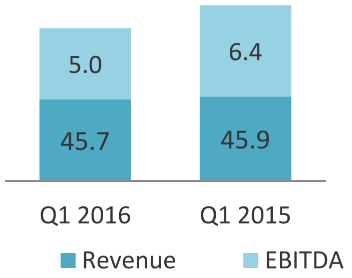
This was partly offset by the good performances of:

- The business of managing third-party payment flows;
- *Cegedim SRH*, despite the start of business with numerous BPO clients;
- The software and services offering for personal insurance, despite the temporary negative impact of switching to the cloud.

EBIT before special items (*Operating income from recurring operations*) decreased by €1.1 million, or 24.5%, from €4.6 million at March 31, 2015, to €3.5 million at March 31, 2016. Expressed as a percentage of revenue, EBIT represented 8.5% at March 31, 2015, compared to 5.8% at March 31, 2016. This decrease in EBIT was primarily due to the €1.4 million decrease in EBITDA, partially offset by a €0.3 million decrease in depreciation.

2.5.2.2 Healthcare Professionals

In € million	03.31.2016	03.31.2015	Change
Revenue	**45.7**	45.9	(0.5)%
EBIT before special items	**1.8**	3.5	(48.6)%
EBIT margin	*3.9%*	*7.6%*	*(368)bps*
Special items	(0.5)	(1.4)	(62.9)%
EBIT	1.3	2.1	(39.0)%
EBITDA	**5.0**	6.4	(22.0)%
EBITDA margin	*10.9%*	*13.8%*	*(298)bps*
Depreciation	**(3.2)**	(2.9)	+10.7%



Revenue for the *Healthcare Professionals* division decreased slightly by €0.2 million, or 0.5%, from €45.9 million at March 31, 2015, to €45.7 million at March 31, 2016. There were no disposals or acquisitions. Excluding the negative impact foreign currency translations of 1.0%, revenue increased by 0.5%.

Expressed as a percentage of total revenue, revenue for the *Healthcare Professionals* division represented 45.7% at March 31, 2015, compared to 43.0% at March 31, 2016.

By geographic region, the relative contributions of France and EMEA (excluding France) fell by respectively 1.2 and 3.1 points to 59.9% and 33.6%. The Americas climbed by 4.3 points to 10.5%.

The breakdown of revenue by currency has marginally changed since the same period last year: the euro and the pound sterling fell by respectively 0.9 and 3.5 points to 59.5% and 29.2% respectively. The US dollar climbed by 4.3 points to 10.5%, whereas other currencies remained relatively stable at 0.8%.

This modest like-for-like growth was mainly attributable to:

- Growth of more than 60% at *Pulse Systems* owing to a successful rollout of its Revenue Cycle Management (RCM) offering. This offering will let the Group manage the process of obtaining reimbursement from multiple US insurers on behalf of doctors. Growth also came from the rollout of EHR offerings after a period of some hesitancy by US doctors.
- Growth in the *Claude Bernard* medication database, whose sales are also growing in the UK.

This performance was partly offset by, mainly, a slowdown in the UK doctor computerization business owing to the market's migration to cloud-based offerings. That said, investments in developing a cloud offering should make it possible to progressively restore sales momentum in 2017.

In May 2016 the Cegedim subsidiary specializing in French pharmacy IT, one of the market leaders, announced a new comprehensive pharmacy management solution based on a hybrid architecture combining cloud and local computing. It has been designed to facilitate the new kinds of networked collaboration now in favor between pharmacies and healthcare professionals. Healthcare data are hosted in a secure environment, earning Cegedim HDS health data hosting certification from ASIP Santé.

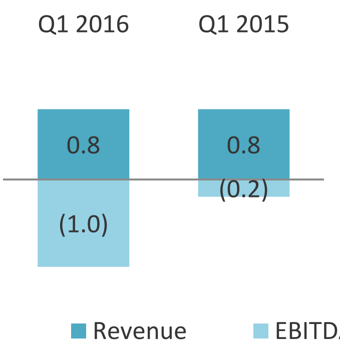
EBITDA decreased by €1.4 million, or 22.0%, from €6.4 million at March 31, 2015, to €5.0 million at March 31, 2016. Expressed as a percentage of revenue, EBITDA represented 13.8% at March 31, 2015, compared to 10.9% at March 31, 2016.

The decline in EBITDA was chiefly attributable to investments made to ensure future growth. The Group was in fact penalized chiefly by the investments it made in France to develop the new hybrid offering for pharmacies, which it launched in May 2016.The trend was partly offset by EBITDA growth at the RCM and EHR activities in the US.

EBIT before special items (*Operating income before special items*) decreased by €1.7 million, from €3.5 million at March 31, 2015, to €1.8 million at March 31, 2016. Expressed as a percentage of revenue, EBIT represented 15.5% for 2014, compared to 10.0% for 2015. This decrease in EBIT reflects the €1.4 million EBITDA decrease and the €0.3 million increase in depreciation.

2.5.2.3 Activities not allocated

In € million	03.31.2016	03.31.2015	Change
Revenue	**0.8**	**0.8**	**(3.8)%**
EBIT before special items	**(2.2)**	**(0.7)**	**(233.6)%**
EBIT margin	*(283.6)%*	*(81.8)%*	*n.s.*
Special items	(0.3)	(1.4)	(77.7)%
EBIT	(2.6)	(2.0)	(24.8)%
EBITDA	**(1.0)**	**(0.2)**	**n.s.**
EBITDA margin	*(120.5)%*	*(18.4)%*	*n.s.*
Depreciation	**(1.3)**	**(0.5)**	**147.7%**



Revenue for *Activities not allocated* remained virtually stable at March 31, 2016, compared to March 31, 2015. There were no disposals or acquisitions and there was no impact from foreign currency translations.

Expressed as a percentage of revenue from continuing activities, revenue for *Activities not allocated* represented 0.8% at March 31, 2015, compared to 0.7% at March 31, 2016.

The EBITDA trend was negative by €0.8 million, from a €0.2 million loss at March 31, 2015, to a €1.0 million loss at March 31, 2016. Expressed as a percentage of revenue, EBITDA represented 18.4% at March 31, 2015, compared to 120.5% at March 31, 2016. This EBITDA weakness partly reflects the costs needed to develop IT infrastructure.

The EBIT before special items (*Operating income from recurring operations*) trend was negative by €1.6 million, or 233.6%, from a €0.7 million loss at March 31, 2015, to a €2.2 million loss at March 31, 2016. Expressed as a percentage of revenue, the EBIT loss represented 81.8% at March 31, 2015, compared to 283.6% at March 31, 2016. This negative trend in EBIT before special items was primarily due to the €0.8 million negative trend in EBITDA and the €0.8 million increase in depreciation.

2.5.3 Financial structure

2.5.3.1 Consolidated Balance Sheet

In € million	Note	03.31.2016	12.31.2015	Change
Assets				
Goodwill		**185.8**	**188.5**	**(1.5)%**
Tangible, Intangible assets		149.7	147.2	+1.7%
Long-term Investments	a	10.8	10.0	+8.2%
Other non-current assets	b	65.8	66.5	(1.1)%
Accounts receivable current portion		166.0	161.9	+2.5%
Cash & Cash equivalent		20.2	231.3	(91.3)%
Other current assets		67.0	58.1	+10.1%
Assets of activities held for sale		*1.4*	*0.8*	*+76.5%*
Total assets		666.7	864.3	(22.9)%
Liabilities				
Long-term financial liabilities	c	227.8	51.7	+340.4%
Other non-current liabilities		44.2	44.3	(0.2)%
Short-term liabilities	c	1.8	347.2	(99.5)%
Other current liabilities	d	192.4	189.1	+1.7%
Total Liabilities (excluding Shareholders' equity)			**636.1**	
Shareholders' equity	e	**199.9**	**228.1**	**(12.3)%**
Liabilities associated with assets held for sale		*0.5*	*3.8*	*(86.5)%*
Total Liabilities & Shareholders' equity		666.7	864.3	(22.9)%

a) Excluding equity shares in equity method companies
b) Including deferred tax of €28.5 million for March 31, 2016, and €28.7 million for December 31, 2015
c) Long-term and short-term liabilities include liabilities under our employee profit sharing plans in the total amount of €8.0 million for March 31, 2016, and €8.0 million for December 31, 2015
d) Including "tax and social liabilities" of €67.4 million for March 31, 2016, and €70.6 million for December 31, 2015. This includes VAT, French and US profit-sharing schemes, provisions for leave days, social security contributions in France, French health coverage and wage bonuses.
e) Including minority interests of €0.1 million for March 31, 2016, and €0.1 million for end-December 2015

Net financial debt

In € million	Note	03.31.2016	12.31.2015	Variation
Long-term debt		227.8	51.7	+340.4%
Short-term debt		1.8	347.2	(99.5)%
Gross debt	f	229.6	398.9	(42.4)%
Cash & cash equivalent		20.2	231.3	(91.3)%
Net financial debt	f	**209.4**	**167.6**	**+24.9%**
Equity		199.6	228.1	(12.3)%
Gearing	g	**1.0**	**0.7**	**-**

f) Gross financial debt equal total debt minus profit sharing of €8.0 million and €0.3 million of other items as of March 31, 2016
g) Net financial debt to Total equity ratio

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

Consolidated total balance sheet amounted to €666.7 million at March 31, 2016, a 22.9% decrease over December 31, 2015.

Acquisition goodwill was €185.8 million at March 31, 2016, compared with €188.5 million at end-2015. The €2.8 million decrease, i.e. 1.5%, was mainly due to the euro's appreciation against certain foreign currencies, chiefly the pound sterling for €2.4 million. Acquisition goodwill represented 27.9% of the total balance sheet at March 31, 2016, compared with 21.8% on December 31, 2015.

Tangible and intangible assets amounted to €149.7 million at the end of March 2016, compared to €147.2 million at the end of December 2015, a €2.5 million increase, or 1.7%.

- Tangible assets increased by €2.7 million, or 12.1%, from €24.8 million at the end of March 2016 to €22.1 million at the end of December 2015.
- Intangible assets remained virtually stable at €124.9 million at the end of March 2016 compared to December 31, 2015, reflecting the increase of capitalized development costs being almost offset by depreciation and amortization and the impact of foreign currency.

Tangible and intangible assets represented 22.5% of total assets at the end of March 2016 compared to 17.0% at December 31, 2015.

Accounts receivable, short-term portion, increased by €4.1 million, or 2.5%, from €161.9 million at the end of December 2015 to €166.0 million at the end of March 2016. This increase resulted primarily from some clearly identified disputes, which are being carefully monitored.

Cash and equivalents came to €20.2 million at March 31, 2016, a decrease of €211.1 million compared with December 31, 2015. The drop was principally due to the early redemption of the 2020 bond for a nominal value of €340.1 million, payment of €18.0 million in early redemption premium, and an €11.6 million deterioration in WCR, partly offset by drawing €176.0 million from the €200 million revolving credit facility. Cash and cash equivalents came to 3.0% of total assets at the end of March 2016 compared to 26.8% at the end of December 2015.

Long-term financial liabilities increased by €176.1 million or 340.4%, to €227.8 million at March 31, 2016, from €51.7 million at December 31, 2015. This increase reflects mainly the drawing, on March 31, 2016, of the €200 million revolving credit facility taken out on January 14, 2016, for an amount of €176.0 million. Long-term liabilities include liabilities under Cegedim employee profit sharing plans in the total amount of €6.3 million at the end of March 2016, roughly stable compared to December 31, 2015.

Short-term debts decreased by €345.4 million, or 99.5%, to €1.8 million at March 31, 2016, compared to €347.2 million at December 31, 2015. This decrease reflects primarily the early redemption of the 6.75% 2020 bond for a nominal value of €340.1 million in Q1 201. Short-term liabilities include liabilities under Cegedim employee profit sharing plans in the total amount of €1.7 million at the end of March 2016.

Total financial liabilities amounted to €229.6 million, a decrease of €169.3 million or 42.4%. Total net financial debt amounts to €209.4 million, an increase of €41.7 million compared to three months earlier. This represents 73.5% of equity as of December 31, 2015, compared to 104.7% as of March 31, 2016. Long-term and short-term liabilities include liabilities under Cegedim employee profit sharing plans in the total amount of €8.0 million, and €0.3 million of other liabilities at the end of March 2016. Thus, the net financial liabilities amount to €201.0 million compared to €159.3 million three months earlier.

Shareholders' equity fell by €28.1 million, i.e. 12.3%, to €200 million at March 31, 2016, compared with €228.1 million at December 31, 2015. The drop was mostly the result of a deterioration in Group earnings and exchange rate gains/losses, by respectively €88.4 million and €6.3 million. Those items were partly offset by a €66.5 million increase in Group reserves. Shareholders' equity represented 30.0% of the total balance sheet at end-March 2016, compared with 26.4% at end-December 2015.

Off-balance sheet commitments

Cegedim S.A. provides guarantees and securities on the operational or financing obligations of its subsidiaries in the ordinary course of business. See note 10.4 of the Interim Consolidated Financial Statement.

2.5.3.2 Cegedim cash flow sources and amounts

SUMMARIZED CONSOLIDATED CASH FLOW STATEMENT

In € million	Note	31/03/2016	31/03/2015
Gross cash flow		**13.3**	**19.2**
Tax paid		(1.3)	(6.6)
Changes in working capital		(11.6)	+18.4
Net cash provided by (used in) operating activities		**0.3**	**31.0**
Of which net cash provided by (used in) operating activities held for sale	*f*	*0.1*	*9.0*
Net cash provided by (used in) investing activities		**(14.2)**	**(20.7)**
Of which net cash provided by (used in) investing activities held for sale		*0.0*	*(5.0)*
Net cash provided by (used in) financing activities		**(192.8)**	**(16.9)**
Of which net cash provided by (used in) financing activities		*0.0*	*(0.8)*
Total cash flows excluding currency impact	f	**(206.8)**	**(6.5)**
Change due to exchange rate movements		(0.6)	3.0
Net cash at the beginning of the period	g	**228.1**	**99.7**
Net cash at the end of the period		**20.8**	**96.2**

RESTATEMENT OF THE ACCOUNTING TREATMENT OF THE LEASE BUSINESS IN THE GROUP CONSOLIDATED STATEMENT

Cegelease is a wholly owned subsidiary of Cegedim that since 2001 has offered financing options through a variety of contracts dedicated to pharmacies and healthcare professionals in France. *Cegelease's* activity has evolved from an exclusive reseller of Cegedim group products to a broker proposing a variety of leasing solutions (using group products as well as products developed by third parties) to a variety of clients (including clients who are not already in business with other group entities).

After the sale of its *CRM and strategic data* business to IMS Health, Cegedim investigated these activities in depth and found that they needed to be reclassified according to the IAS17 standard on March 23, 2016, when the 2015 annual accounts were published.

The full impacts on numbers formerly published are presented on point 1.1 in Chapter 3.6 of the Notes to the consolidated financial statement.

COMMENTS ON THE CASH FLOW STATEMENT

Net cash flow from operating activities decreased by €30.7 million, from €31.0 million at March 31, 2015, to €0.3 million at March 31, 2016. This decrease mainly reflects the impact of the payment of the premium for the early redemption of the 2020 bond in Q1 2016, a decrease in working capital requirement, and a decrease in earnings. This increase in working capital requirement was the result, among other things, of the cancellation of factoring arrangements.

Net cash flow used in investing activities decreased by €6.5 million, from an outflow of €20.7 million at March 31, 2015, to an outflow of €14.2 million at March 2016. This decrease was principally due to the lower level of acquisitions of intangible assets following the increase in capitalized R&D being more than offset by the depreciation and amortization of former R&D and from foreign currency impact.

Net cash flow used in financing activities increased by €176.0 million, from an outflow of €16.9 million at March 31, 2015, to an outflow of €192.8 million at March 31, 2016. This decrease was mainly due to the early redemption of the 2020 bond and from the payment of the related premium, offset by the €176 million drawn from the €200 million revolver credit facility.

Working capital levels vary as a result of several factors, including seasonality and the efficiency of the receivables collection process. Historically, Cegedim has financed its working capital requirements with cash on hand and amounts available under the Revolving Credit Facility and overdraft facilities.

Change in Working Capital amounted to a requirement of €11.6 million at the end of March 2016 compared to a surplus of €18.4 million twelve months earlier. The WRC is negatively impacted in 2016 by the cancellation of factoring arrangements and by the receivables linked to the disposal to IMS health.

CAPITAL EXPENDITURES

In € million	**03.31.2016**	**03.31.2015**
Capitalized R&D	(9.1)	(5.9)
Maintenance capex	(5.1)	(9.7)
Impact from the acquisition of US assets of Nightingale	0.0	0.0
Acquisition / Disposal	0.0	(5.0)
Investment in discontinued activities	**(14.2)**	**(20.7)**
Total capital expenditures		

Capital expenditures were relatively stable from year to year. Historically, they have primarily related to R&D, maintenance costs and to acquisition/disposal. There are no material capital expenditure commitments. Flexibility and discretion are maintained in order to adjust, from time to time, the level of capital expenditures to the needs of Cegedim's business.

At March 31, 2016, capital expenditures came to €14.2 million. The capital expenditures breakdown was as follows: €9.1 million of capitalized R&D and €5.1 million in maintenance capex. As a percentage of revenue from continuing activities, capital expenditures amounted to 13.4% in Q1 2016.

Payroll expenses for the R&D workforce represent the majority of the total R&D costs. For 2015, they amount to around 5% of 2015 revenue. Although this percentage is not a targeted figure, it has remained relatively stable for the past several years. Of this R&D expenditure, approximately half is capitalized annually in accordance with IAS 38, which requires that (i) the project is clearly identified and the related costs are separable and tracked reliably; (ii) 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; and (iii) it is probable that the developed project will generate future economic benefits that will flow to the Group.

At the end of March 2016, €9.1 million of R&D costs were capitalized, an increase of €3.2 million compared to March 31, 2015. This figure came from a reduction of payroll costs and external expenses. The remaining R&D costs are recorded as expenses for the period in which they were incurred.

The change in net cash from operations, from investment operations and from financing operations was a decrease of €207.3 million at the end of March 2016, including a €0.6 million negative contribution from exchange rate movements.

2.5.4 Activities held for sale

Cegedim Kadrige was classified as asset held for sale in 2016. In 2015, the CRM and Strategic Data division was classified as asset held for sale.

Revenue amounted to €0.6 million at March 31, 2016. EBIT before special items amounted to a €0.4 million loss at March 31, 2016.

Net earnings of activities held for sale amounted to a €0.4 million loss.

2.6 Outlook

For 2016, Cegedim expects at least stable revenue from continuing activities and stability at the EBITDA level.

The Group does not expect any significant acquisitions in 2016 and is not issuing any earnings guidance or estimates.

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

3 Consolidated condensed financial statement

3.1 Consolidated balance sheet

3.1.1 Assets

In thousands of euros	Note	03.31.2016 Net	12.31.2015 Net (1)
Goodwill on acquisition	**6.1**	**185,777**	**188,548**
Development costs		17,944	16,923
Other intangible fixed assets		106,961	108,166
Intangible fixed assets		**124,906**	**125,089**
Property		459	459
Buildings		4,940	5,021
Other tangible fixed assets		18,509	16,574
Construction work in progress		878	51
Tangible fixed assets		**24,786**	**22,107**
Equity investments		1,098	1,098
Loans		3,145	3,146
Other long-term investments		6,547	5,730
Financial assets excluding shares from equity method companies		**10,791**	**9,973**
Equity shares in equity method companies	2.4	9,681	10,105
Government - Deferred tax	8.1	28,544	28,722
Accounts receivable: Long-term portion	4.5	26,491	26,544
Other receivables: Long-term portion		1,075	1,132
Non-current assets		**412,050**	**412,219**
Services in progress		0	0
Goods		8,958	8,978
Advances and deposits received on orders		490	218
Accounts receivable: Short-term portion	4.5	166,044	161,923
Other receivables: Short-term portion		39,526	32,209
Cash equivalents		8,001	153,001
Cash		12,228	78,298
Prepaid expenses		18,036	16,666
Current assets		**253,283**	**451,293**
Assets of activities held for sale	3.3	1,356	768
Total assets		**666,689**	**864,280**

(1) Restated see note 1.1

3.1.2 Equity and liabilities

In thousands of euros	**Note**	**03.31.2016**	**12.31.2015[1]**
Share capital		13,337	13,337
Group reserves		205,822	139,287
Group exchange gains/losses		2,186	8,469
Group earnings		(21,443)	66,957
Shareholders' equity, Group share		**199,902**	**228,051**
Minority interests (reserves)		85	39
Minority interests (earnings)		1	41
Minority interests		86	79
Shareholders' equity		**199,988**	**228,130**
Long-term financial liabilities	7.1	227,781	51,723
Long-term financial instruments		3,511	3,877
Deferred tax liabilities	8.1	6,484	6,731
Non-current provisions		19,724	19,307
Other non-current liabilities		14,486	14,376
Non-current liabilities		**271,987**	**96,014**
Short-term financial liabilities	7.1	1,813	347,213
Short-term financial instruments		5	5
Accounts payable and related accounts		51,131	54,470
Tax and social liabilities		67,394	70,632
Provisions		2,184	2,333
Other current liabilities		71,673	61,657
Current liabilities		**194,199**	**536,311**
Liabilities of activities held for sale	3.3	515	3,823
Total Liabilities		**666,689**	**864,280**

(1) Restated see note 1.1

3.2 Consolidated income statement

In thousands of euros	Note	03.31.2016	03.31.2015[(1)(2)]	Change
Revenue		**106,208**	**100,468**	**+5.7%**
Other operating activities revenue		-	-	-
Purchases used		(9,196)	(8,875)	+3.6%
External expenses		(30,912)	(26,978)	+14.6%
Taxes		(2,896)	(3,844)	(24.7)%
Payroll costs	5.1	(51,458)	(46,059)	+11.7%
Allocations to and reversals of provisions		(1,033)	(590)	+75.0%
Change in inventories of products in progress and finished products		-	-	-
Other operating income and expenses		366	581	(37.0)%
EBITDA		**11,079**	**14,704**	**(24.6)%**
Depreciation expenses		(8,076)	(7,299)	+10.7%
Operating income before special items		**3,003**	**7,405**	**(59.4)%**
Depreciation of goodwill		-	-	-
Special items		(1,085)	(2,851)	(62.0)%
Other special items	4.2	**(1,085)**	**(2,851)**	(62.0)%
Operating income		**1,918**	**4,554**	**(57.9)%**
Income from cash and cash equivalents		879	983	(10.6)%
Gross cost of financial debt		(23,820)	(10,054)	+136.9%
Other financial income and expenses		(231)	2,180	n.m.
Cost of net financial debt	**7.2**	**(23,172)**	**(6,891)**	**+236.3%**
Income taxes		(434)	(883)	(50.9)%
Deferred taxes		132	148	(11.0)%
Total taxes	**8.1**	**(302)**	**(735)**	**(58.9)%**
Share of profit (loss) for the period of equity method companies		511	442	+15.6%
Profit (loss) for the period from continuing activities		(21,044)	(2,629)	(700.4)%
Profit (loss) for the period discontinued activities	3.3	(398)	1,149	n.m.
Consolidated profit (loss) for the period		(21,442)	(1,481)	n.s.
Group Share	**A**	**(21,443)**	**(1,474)**	**n.s.**
Minority interests		1	(7)	n.m.
Average number of shares excluding treasury stock	B	13,953,944	13,965,725	-
Current Earnings Per Share (in euros)		**(1.4)**	**0.0**	**n.m.**
Earnings Per Share (in euros)	**A/B**	**(1.5)**	**(0.1)**	**n.m.**
Dilutive instruments		n.a.	n.a.	**n.m.**
Earning for recurring operation per share (in euros)		**(1.5)**	**(0.1)**	**n.m.**

(1) Restated, see note 1.1

(2) The “Taxes” line was restated pursuant to IFRIC 21 for €1,518 thousand.

3.3 Consolidated statement of other comprehensive income

In thousands of euros	Note	03.31.2016	03.31.2015[1] [2]	Change
Consolidated net profit (loss) for the period		**(21,442)**	**(1,481)**	**n.m.**
Other items included in total earnings				
Unrealized exchange gains / losses		(6,283)	81,792	n.m.
Free shares award plan		58	(28)	n.m.
Hedging of financial instruments (net of tax)		(19)	68	n.m.
Hedging of net investments		-	-	-
Actuarial differences relating to provisions for pensions		(441)	2,522	n.m.
Items recognized as shareholders' equity net of taxes		(6,685)	84,354	n.m.
Total earnings		**(28,128)**	**82,873**	**n.m.**
Minority interests' share		(7)	(18)	(62.8)%
Group share		**(28,122)**	**82,892**	**n.m.**

(1) Restated, see note 1.1

(2) The "Taxes" line was restated pursuant to IFRIC 21 for €1,518 thousand

3.4 Consolidated statement of change in equity

In thousands of euros	Equity	Reserves tied to capital	Conso. reserves and earnings	Unrealized exchange gains/losses	Total group share	Minority interests	Total
Balance as at 01.01.2014, restated	**13,337**	**185,561**	**154,533**	**(9,234)**	**344,198**	**376**	**(344,574)**
Earnings for the fiscal year			(199,724)		(199,724)	24	(199,700)
Earnings recorded directly as shareholders' equity					0		0
• Transactions on shares			(389)		(389)		(389)
• Hedging of financial instruments			(587)		(587)		(587)
• Hedging of net investments					0		0
• Unrealized exchange gains/losses				72,760	72,760		72,760
• Actuarial differences relating to provisions for pensions			(24)		(24)		(24)
Total earnings for the fiscal year			**(200,724)**	**72,760**	**(127,964)**	**24**	**(127,940)**
Transactions with shareholders							
• Equity transactions						(53)	(53)
• Distribution of dividends [(1)]						(74)	(74)
• Treasury shares			650		650		650
Total transactions with shareholders			**650**	**(**	**650**	**(127)**	**523**
Other changes		(2,606)	2,380		(226)		(226)
Change in consolidated scope			(5)	51	46	(131)	(85)
Balance as at 12.31.2014	**13,337**	**182,955**	**(43,166)**	**63,578**	**216,704**	**142**	**216,846**
Earnings for the fiscal year			66,957		66,957	41	66,998
Earnings recorded directly as shareholders' equity					0		0
• Transactions on shares			(904)		(904)		(904)
• Hedging of financial instruments			754		754		754
• Hedging of net investments					0		0
• Unrealized exchange gains/losses				(55,108)	(55,108)		(55,108)
• Actuarial differences relating to provisions for pensions			438		438		438
Total earnings for the fiscal year			**67,246**	**(55,108)**	**12,138**	**41**	**12,179**
Transactions with shareholders							
• Equity transactions						(33)	(33)
• Distribution of dividends [(1)]						(70)	(70)
• Treasury shares			(707)		(707)		(707)
Total transactions with shareholders	**0**	**0**	**(707)**	**0**	**(707)**	**(103)**	**(810)**
Other changes		(182,955)	182,871		(84)		(84)
Change in consolidated scope					0		0
Balance as at 12.31.2015	**13,337**	**0**	**206,244**	**8,469**	**228,051**	**80**	**228,131**
Earnings for the fiscal year			(21,443)		(21,443)	1,	(21,442)
Earnings recorded directly as shareholders' equity							
• Transactions on shares			58		58		58
• Hedging of financial instruments			(19)		(19)		(19)
• Hedging of net investments					0		0
• Unrealized exchange gains/losses				(6,283)	(6,283)	6	(6,277)
• Actuarial differences relating to provisions for pensions	0	0	(21,845)	(6,283)	(28,128)	7	(28,122)
Total earnings for the fiscal year							
Transactions with shareholders					**0**		**0**
• Equity transactions					0		0
• Distribution of dividends [(1)]					0		0
• Treasury shares	0	0	0	0	0	0	0
Total transactions with shareholders			(20)		(20)		(20)
Other changes					**0**		**0**
Balance as at 03.31.2016	**13,337**	**0**	**184,379**	**2,186**	**199,902**	**86**	**199,988**

(1) The total amount of dividends is distributed in respect of common shares. There are no other classes of shares. There were no issues, repurchases or redemptions of equity securities between 2014 and 2016, except for the shares acquired under the free share award plan.

3.5 Consolidated statement of cash flow

In thousands of euros	Note	03.31.2016	12.31.2015	03.31.2015[(1) (2)]
Consolidated profit (loss) for the period		(21,442)	66,998	(1,481)
Share of earnings from equity method companies		(511)	(1,348)	(485)
Depreciation and provisions		11,525	31,546	8,144
Capital gains or losses on disposals		200	(46,857)	372
Cash flow after cost of net financial debt and taxes		**(10,228)**	**50,339**	**6,551**
Cost of net financial debt		23,176	40,120	8,224
Tax expenses		306	(14,431)	4,444
Operating cash flow before cost of net financial debt and taxes		**13,253**	**76,028**	**19,219**
Tax paid		(1,292)	(12,127)	(6,605)
Change in working capital requirements for operations: requirement		(11,648)	(24,072)	-
Change in working capital requirements for operations: surplus		-	-	18,412
Cash flow generated from operating activities after tax paid and change in working capital requirements	A	**313**	**39,829**	**31,026**
Of which net cash flow from operating activities of discontinued operations		*57*	*6,419*	*9,019*
Acquisitions of intangible assets		(9,595)	(51,229)	(14,215)
Acquisitions of tangible assets		(4,977)	(10,231)	(6,409)
Acquisitions of long-term investments		-	-	(262)
Disposals of tangible and intangible assets		355	1,416	173
Disposals of long-term investments		(17)	927	-
Impact of changes in consolidation scope (1)		-	336,347	-
Dividends received from equity method companies		-	81	12
Net cash flows generated by investment operations	B	**(14,235)**	**277,311**	**(20,701)**
Of which net cash flow from investment operations of discontinued operations		*0*	*(7,482)*	*(5,018)*
Dividends paid to parent company shareholders		-	-	-
Dividends paid to the minority interests of consolidated companies		-	(69)	-
Capital increase through cash contribution		-	-	-
Loans issued		176,000	-	-
Loans repaid		(340,139)	(147,563)	(64)
Interest paid on loans		(29,369)	(42,681)	(17,524)
Other financial income and expenses paid or received		675	(1,130)	726
Net cash flows generated by financing operations	C	**(192,833)**	**(191,443)**	**(16,862)**
Of which net cash flow from financing operations of discontinued operations		*(4)*	*(852)*	*(842)*
Change In Cash without impact of change in foreign currency exchange rates	A+B+C	**(206,755)**	**125,698**	**(6,537)**
Impact of changes in foreign currency exchange rates		(557)	2,707	2,984
Change in cash		**(207,312)**	**128,405**	**(3,553)**
Opening cash		228,120	99,715	99,715
Closing cash		20,807	228,120	96,162

() Restated, see note 1.1
(2) Restated pursuant to IFRIC 21 for €1,518 thousand.
(3) Change in WCR was impacted by the cancellation of a factoring arrangement and by the disposal of the CRM and Strategic Data division to IMS Health on April 1, 2015.

3.6 Notes to the consolidated financial statement

Note 1 General principles

The Group's consolidated financial statements as of March 31, 2016, have been prepared in accordance with standard IAS 34 - Interim Financial Reporting. They correspond to condensed interim financial statements and do not include all of the information required for annual financial statements. The consolidated financial statements as of March 31, 2016, should therefore be read in conjunction with the Group's consolidated financial statements reported on December 31, 2015.

The accounting principles applied by the Group for the preparation of the interim consolidated financial statements at March 31, 2016, are the same as those applied by the Group at December 31, 2015, and comply with international accounting standards IFRS (International Financial Reporting Standards) as endorsed by the European Union. These accounting principles are described in the section entitled "Accounting Principles" applicable to the consolidated financial statements in the 2015 Registration Document.

The consolidated condensed financial statements were approved by the Board of Directors of Cegedim SA at their meeting of May 25, 2016, were reviewed by the Audit Committee on May 24, 2016.

1.1 Reconciliation between the 2015 financial statements as initially published and as presented on a like-for-like basis

CORRECTION OF THE ACCOUNTING TREATMENT OF THE LEASE BUSINESS IN THE GROUP CONSOLIDATED FINANCIAL STATEMENT

Cegelease is a wholly owned subsidiary of Cegedim which since 2001 has offered financing options through a variety of contracts dedicated to pharmacies and healthcare professionals in France.

Initially, these solutions were aimed at serving the pharmacists, who preferred to lease the pharmacy management system software they bought from the Cegedim group rather than pay up-front.

As time passed, Cegelease diversified its activities. After starting as the exclusive finance lease provider for Cegedim group products, Cegelease converted to a broker proposing a variety of leasing solutions (for group products as well as products developed by third parties) to a variety of clients (including clients who are not already in business with other group entities).

This restatement implied accounting corrections related to the leasing business in the Cegedim consolidated financial statement following the release of 2015 financial statement on March 23, 2016.

This correction is described in Note 1, “General Principles”, in the 2015 Registration Document filed with the AMF in March 31, 2016; Chapter 4.6, pages 89 to 94.

Impacts on numbers as formerly published within the 2015 consolidated financial statements are described below:

Q1 2015 revenues by division

In millions of euros	03.31.2015 reported	IFRS 5 impact from Cegedim Kadrige	Correction of leases	Division aggregation	03.31.2015 restated
		(1)	(2)	(3)	
Health Insurance, HR & e-services	54.0	(0.3)	-	-	53.7
Healthcare professionals	37.2	-	-	8.7	45.9
Cegelease	29.3	-	(20.5)	(8.7)	-
Activities not allocated	0.8	-	-	-	0.8
Cegedim Group	**121.3**	**(0.3)**	**(20.5)**	**0**	**100.4**

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

(2) The correct accounting treatment of the Cegelease finance lease business, for all types of contracts (self-financed, sold except process management, or asset-backed) requires a downward restatement of the consolidated revenue of €21m.

(3) The finance lease business accounts for less than 10% of consolidated revenue and EBITDA, and as such is not isolated anymore within the Group’s internal reporting. These activities are reported in the “Healthcare professionals” division, where they were previously housed until the 2014 annual closing.

Q1 2015 Income statement

In thousands of euros	03.31.2015 (1)	Correction of leases	31.03.2015 restated
Revenue	**121,017**	**(20,549)**	**100,468**
Other operating activities revenue	-		
Purchases used	(22,487)	13,612	(8,875)
External expenses	(30,323)	3,345	(26,978)
Taxes	(3,844)	-	(3,844)
Payroll costs	(46,059)	-	(46,059)
Allocations to and reversals of provisions	(590)	-	(590)
Change in inventories of products in progress and finished products	-	-	-
Other operating income and expenses	543	37	581
EBITDA	**18,258**	**(3,554)**	**14,704**
Depreciation expenses	(10,942)	3,643	(7,299)
Operating income before special items	**7,316**	**89**	**7,405**
Depreciation of goodwill	-	-	-
Special items	(2,851)	-	(2,851)
Other special items	**(2,851)**	**-**	**(2,851)**
Operating income	**4,465**	**89**	**4,554**
Income from cash and cash equivalents	983	-	983
Gross cost of financial debt	(10,054)	-	(10,054)
Other financial income and expenses	2,180	-	2,180
Cost of net financial debt	**(6,891)**	**-**	**(6,891)**
Income taxes	(883)	-	(883)
Deferred taxes	149	-	149
Total taxes	**(734)**	**-**	**(734)**
Share of profit (loss) for the period of equity method companies	442	(	442
Profit (loss) for the period from continuing activities	(2,719)	89	(2,630)
Profit (loss) for the period discontinued activities	1,149	-	1,149
Consolidated profit (loss) for the period	(1,570)	89	(1,481)
Group Share	**(1,563)**	**89**	**(1,474)**
Minority interests	(7)	-	(7)

(1) The “Taxes” line was restated pursuant to IFRIC 21 for €1,518 thousand.

Q1 2015 Cash flow statement

In thousands of euros	03.31.2015 (1)	Correction of leases	31.03.2015 restated
Consolidated profit (loss) for the period	**(1,570)**	**89**	**(1,481)**
Share of earnings from equity method companies	(485)		(485)
Depreciation and provisions	11,788	(3,644)	8,144
Capital gains or losses on disposals	372		372
Cash flow after cost of net financial debt and taxes	**10,105,**	**(3,554)**	**6,551**
Cost of net financial debt	8,224		8,224
Tax expenses	4,444		4,444
Operating cash flow before cost of net financial debt and taxes	**22,773**	**(3,554)**	**19,219**
Tax paid	(6,605)		(6,605)
Change in working capital requirements for operations: requirement	-		-
Change in working capital requirements for operations: surplus	14,858	3,554	18,412
Cash flow generated from operating activities after tax paid and change in working capital requirements	**31,026**	**0**	**31,026**
Acquisitions of intangible assets	*9,019*		*9019*
Acquisitions of tangible assets	(14,215)		(14,215)
Acquisitions of long-term investments	(6,409)		(6,409)
Disposals of tangible and intangible assets	(262)		(262)
Disposals of long-term investments	173		173
Impact of changes in consolidation scope (1)	-		-
Dividends received from equity method companies	-		-
Net cash flows generated by investment operations	12		12
Dividends paid to parent company shareholders	**(20,701)**	**0**	**(20,701)**
Dividends paid to the minority interests of consolidated companies	*(5,018)*		*(5,018)*
Capital increase through cash contribution	-		-
Loans issued			-
Loans repaid	-		-
Interest paid on loans	-		-
Other financial income and expenses paid or received	(64)		(64)
Net cash flows generated by financing operations	(17,524)		(17,524)
Change In Cash without impact of change in foreign currency exchange rates	726		726
Impact of changes in foreign currency exchange rates	**(16,862)**	**0**	**(16,862)**
Change in cash	*(842)*	*0*	*(842)*
Opening net cash	**(6,537)**	**0**	**(6,537)**
Closing net cash	2,984		2,984
	(3,553)		**(3,553)**
	99,715		99,715
	96,162	0	99,162

(1) Restated pursuant to IFRIC 21 for €1,518 thousand.

Note 2 Consolidation scope

2.1 Change in consolidation scope

2.1.1 COMPANIES ENTERING TEH CONSLIDATED SCOPE

Company	% owned at the end of the FY	% owned during the FY	% owned during the previous FY	Consolidation method during the FY	Consolidation method during the previous FY	Comments
CHS Russia	100.00%	100.00%	-	FC	-	Creation
CHS Ukraine	100.00%	100.00%	-	FC	-	Creation

2.1.2 COMPANIES LEAVING THE CONSLIDATED SCOPE

Company	% owned at the end of the FY	% owned during the FY	% owned during the previous FY	Consolidation method during the FY	Consolidation method during the previous FY	Comments
PGI	-	-	100.00%	-	FC	TUP(1) of PGI in Alliadis

(1) TUP: Universal transfer of assets

2.2 Equity method investments

2.2.1 VALUE OF SHARES IN COMPANIES ACCOUNTED FOR THE BY THE EQUITY METHOD

Company	% owned as at 12.31.2015	Profit (loss) as at 12.31.2015	Group share of profit (loss) as at 12.31.2015	Group share of total net shareholders' equity as at 12.31.2015	Group share of total net shareholders' equity as at 12.31.2015	Goodwill	Provision for risks	Net value of shares in companies accounted for the equity method as at 12.31.2015
Edipharm	20,00%	284	57	354	71	-	-	71
Infodisk	34,00%	(8)	(3)	(63)	(22)	-	-	(22)
Millennium	49,22%	2,663	1,311	14,643	7,207	2,859	-	10,066
Tech Care Solutions	50,00%	(117)	(58)	(35)	(17)	-	-	(17)
Galaxy Santé	49,00%	(1)	0	16	8	-	-	8
Total		**2,822**	**1,306**	**286**	**47**	**2,859**	**0**	**10,106**

Company	% owned as at 03.31.2016	Profit (loss) as at 03.31.2016	Group share of profit (loss) as at 03.31.2016	Group share of total net shareholders' equity as at 03.31.2016	Group share of total net shareholders' equity as at 03.31.2016	Goodwill	Provision for risks	Net value of shares in companies accounted for the equity method as at 03.31.2016
Edipharm	20,00%	282	56	635	127	-	-	127
Infodisk	34,00%	(123)	(42)	(187)	(63)	-	-	(63)
Millennium	49,22%	914	450	13,658	6,722	2,859	-	9,581
Tech Care Solutions	50,00%	94	47	59	29	-	-	29
Galaxy Santé	49,00%	1	0	16	8	-	-	8
Total		**1,167**	**511**	**14,182**	**6,823**	**2,859**	**-**	**9,682**

2.2.2 CHANGE IN THE VALUE OF SHARES IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

The change in equity shares accounted for using equity method can be analyzed as follows:

In thousands of euros	
Shares accounted for using the equity method as at 01.01. 2016	10,106
Distribution of dividend	(935)
Capital increase	
Share of profit (loss) as at 03.31.2016	511
Newly consolidated companies	
Total	**9,682**

Note 3 Segment reporting

3.1 Segment reporting as of 2016

Cegedim Group's business is structured around two operational divisions whose composition changed slightly following the disposal of the CRM and Strategic Data division to IMS Health on April 1, 2015. From Q1 2015, published segment reporting follows this new division breakdown, which reflects the internal reporting.

During 2015, the Group temporarily presented the Cegelease activities within a separate division. This breakdown is no longer valid and the presentation adopted for the 2015 closure is identical to that prevailing at December 31, 2014, with Cegelease activities included in the division "Healthcare professionals".

3.1.1 INCOME STATEMENT ITEMS AS AT MARCH 31, 2016

	In thousands of euros	Health Insurance, HR & e-services	Healthcare professionals	Activities not allocated	Continuing activities as of 03.31.2016	Activity sold	IFRS 5 restatement	Total 03.31.2016	Total France	Total rest of the world
	Segment revenue									
A	**Revenue HG**	**59,728**	**45,687**	**793**	**106,208**	**596**	**-**	**106,804**	**84,594**	**22,210**
B	Inter-company revenue	711	789	9,350	10,850	-	-	10,850	10,189	661
A+B	**Revenue**	**60,439**	**46,475**	**10,143**	**117,057**	**596**	**-**	**117,654**	**94,783**	**22,871**
	Segment earnings									
C	**Operating income before special items**	**3,455**	**1,798**	**-2,250**	**3,003**	**(390)**	**-**	**2,613**		
D	**EBITDA before special items**	**7,077**	**4,958**	**-956**	**11,079**	**(390)**	**-**	**10,689**		
C/A	Operating margin	5,8%	3.9%	-283.6%	2.8%	(65.4)%	-	2.4%		
D/A	EBIDTA margin	11,8%	10.9%	-120.5%	10.4%	(65.4)%	-	10.0%		
	Segment depreciation									
	Depreciation and amortization	3,622	3,161	1,294	8,076	-	-	8,086		

3.1.2 GEOGRAPHICAL REVENUE BREAKDOWN AS AT MARCH 31, 2016

In thousands of euros		France	Euro zone excluding France	Pound sterling zone	Rest of the world	31.03.2016
Continuing activities	Geographical breakdown	83,998	1,650	14,691	5,869	106,208
	%	79%	2%	14%	6%	100%
Activities held for sale	Geographical breakdown	596	0	0	0	596
	%	100%	0%	0%	0%	100%
Total	**Geographical breakdown**	84,594	1,650	14691	5,869	106,804
	%	79%	2%	14%	5%	100%

3.1.3 BALANCE SHEET ITEMS AS AT MARCH 31, 2016

In thousands of euros	CRM and strategic data not sold	Health Insurance, HR & e-services	Healthcare professionals	Activities not allocated	Continuing activities 03.31.2016	Activities held for sale	Total 03.31.2016	Total France
Segment assets								
Goodwill *(Note 6.1)*	57,926	127,853	-	185,778	-	185,778	102,966	82,812
Intangible assets	50,634	71,665	2,607	124,906	-	124,906	67,941	56,965
Tangible assets	5,361	9,453	9,972	24,786	-	24,786	17,947	6,839
Equity shares accounted for using the equity method *(Note 2.4)*	155	9,525	-	9,681	-	9,681	71	9,609
Net total	**114,076**	**218,497**	**12,578**	**345,151**	**-**	**345,151**	**188,926**	**156,225**
Investments during the year (gross values)								
Goodwill *(Note 6.1)*	-	-	-	-	-	-	-	-
Intangible assets	4,141	5,129	325	9,595	-	9,595	5,992	3,604
Tangible assets	1,535	1,378	2,064	4,977	-	4,977	3,754	1,223
Equity shares accounted for using the equity method	-	-	-	-	-	-	-	-
Gross total	**5,676**	**6,507**	**2,389**	**14,572**	**-**	**14,572**	**9,746**	**4,826**
Segment liabilities (1)								
Non-current liabilities								
Provisions	11,713	7,350	661	19,725	201	19,926	19,899	26
Other liabilities	1,468	13,018	-	14,486	-	14,486	14,486	-
Current liabilities								
Accounts payable and related accounts	24,137	24,033	2,961	51,131	86	51,217	36,353	14,864
Tax and social liabilities	47,760	17,554	2,080	67,394	228	67,622	62,102	5,520
Provisions	1,213	971	-	2,184	-	2,184	2,184	-
Other liabilities	34,027	37,646	-	71,673	-	71,673	63,677	7,996

(1) Cegedim SA's contribution to liabilities is still allocated by default to the Health Insurance, HR & e-services segment, with no segment breakdown.

3.2 Segment information as at 2015

Changes have been carried out regarding the IFRS financial statements as at Mars 31, 2015, initially published on May 27, 2015, following the reorganization of divisions in order to align with the internal reporting and the restatement for the accounting treatment of the lease business in the Group consolidated financial statement. These restatements were applied to each line for each division as at March 31, 2015, as presented below:

3.2.1 1 INCOME STATEMENT ITEMS AS AT MARCH 31, 2015

	In thousands of euros	Health Insurance, HR & e-services	Healthcare professionals	Activities not allocated	Continuing activities as of 03.31.2015	Activity sold	IFRS 5 restatement	Total 03.31.2015	Total France	Total rest of the world
	Sector revenue									
	Total revenue (excluding revenue with activities held for sale)	53,555	44,540	335	98430	103,980	-	202,410	106,888	95,522
	Revenue with activities held for sale	157	1,391	490,	2038	-	(2,038)	-	-	-
	Revenue with continuing activities	-	-	-	-	453	(453)	5,484	5,050	434
A	**Revenue HG**	**53,712**	**45,931**	**825**	**100468**	**104,433**	**2,491**	**202,410**	**106,888**	**95,522**
B	Inter-company revenue from continuing activities	535	746	4,203	5484	-	-	5,484	5,050	434
A+B	**Revenue**	**54,247**	**46,678**	**5,028**	**105952**	**104,433,**	**(2,491)**	**207,894**	**111,938**	**95,956**
	Segment earnings									
C	**Operating income before special items**	**4,579**	**3,501**	**(675)**	**7,405**	**7,873**	**-**	**15,278**		
D	**EBITDA before special items**	**8,499**	**6,357**	**(152)**	**14,704**	**7,873**	**-**	**22,576**		
C / A	Operating margin	8.5%	7.6%	(81.8)%	(54.4)%	7.5%	-	(24.7)%		
D / A	EBIDTA margin	15.8%	13.8%	(18.4)%	14.6%	7.5%	-	11.2%		
	Segment depreciation									
	Depreciation and amortization	3,920	2,856	522	7,299	-	-	7,299		

3.2.2 GEOGRAPHICAL REVNUE BREAKDOWN AS AT MARCH 31, 2015

In thousands of euros		France	Euro zone excluding France	Pound sterling zone	Rest of the world	03.31.2015
Continuing activities	Geographical breakdown	77 963	1 401	15 013	4 053	98 430
	%	79%	1%	15%	4%	100%
Activities held for sale	Geographical breakdown	28 925	19 204	5354	50 497	103 980
	%	28%	18%	5%	49%	100%
Total	**Geographical breakdown**	106 888	20 605	20 367	54 550	202 410
	%	53%	10%	10%	27%	100%

3.2.3 BALANCE SHEET ITEMS AS AT MARCH 31, 2015

In thousands of euros	CRM and staretgic data not sold	Health Insurance, HR & e-services	Healthcare professionals	Activities not allocated	Continuing activities as of 12.31.2015	Activity sold	IFRS 5 restatement	Total 12.31.2015	Total France
Segment assets									
Goodwill *(Note 6.1)*	-	57,926	130,622	0	188,548	-	188,548	102,965	85,583
Intangibles assets	-	49,410	72,345	3,333	125,089	-	125,089	66,818	58,271
Tangible assets	-	5,588	9,039	7480	22,107	-	22,107	15,704	6,403
Equity shares accounted for using the equity method *(Note 2.4)*	-	53	10,052	-	10,105	-	10,105	56	10,049
Net total	**-**	**112,977**	**222,058**	**10,814**	**345,849**	**-**	**345,849**	**185,543**	**160,306**
Investments during the year (gross values)									
Goodwill *(Note 6.1)*	-	7,670	4,038	-	11,709	-	11,709	-	11,709
Intangible assets	-	15,117	22,085	1,741	38,943	-	38,943	22,434	16,509
Tangible assets	-	3,023	3,651	3,117	9,791	-	9,791	6,301	3,490
Equity shares accounted for using the equity method *(Note 2.4)*	-	-	-	-	-	-	-	-	-
Gross total	**-**	**15,811**	**29,774**	**4,858**	**60,443**	**-**	**60,443**	**28,735**	**31,708**
Segment liabilities (1)									
Non-current liabilities									
Provisions	-	11,612	7,290	405	19,307	193	19,500	19,474	27
Other liabilities	-	1,466	12,910	-	14,376	-	14,376	14,376	-
Current liabilities									
Accounts payable and related accounts	-	27,439	23,893	3,139	54,470	132	54,603	40,426	14,176
Tax and social liabilities	-	49,232	19,560	1,840	70,633	318	70,950	63,150	7,801
Provisions	-	1,261	1,073	-	2,333	-	2,333	2,333	-
Other liabilities	-	23,297	37,971	390	61,658	2	61,660	50,650	11,009

(1) Cegedim SA's contribution to liabilities is still allocated by default to the Health Insurance, HR & e-services segment, with no segment breakdown.

Changes have been carried out regarding the IFRS financial statements as at Mars 31, 2015, initially published on May 27, 2015, following the reorganization of divisions in order to align with the internal reporting and the restatement for the accounting treatment of the lease business in the Group consolidated financial statement. These restatements were applied to each line for each division as at March 31, 2015, as presented below:

In thousands of euros	Health Insurance, HR & e-services	Healthcare professional	Cegelease	Activities not allocated	Continuing activities as of 12.31.2015	Activity held for sell	IFRS 5 restatement 5	Total 03.31..2015
Segment revenue								
Total revenue (excluding revenue with activities held for sale) Reported	53,847	36,139	28,950	335	119,271	103,688	-	222,959
Division aggregation	-	28,950	(28,950)	-	-	-	-	-
IFRS 5 impact from Cegedim Kadrige	(292)	-	-	-	(292)	292	-	-
Correction of leases		(20,549)	-		(20,549)	-	-	(20,549)
Total revenue (excluding revenue with activities held for sale) 03.31.2015	53,555	44,540	-	335	98,430	103,980	-	202,410
Revenue with activities held for sale	157	1,048	343	490	2,038	-	(2,038)	-
Division aggregation	-	343	(343)	-	-	-	-	-
Revenue with activities held for sale 03.31.2015	**157**	**1391**	**-**	**490**	**2,038**	**-**	**(2,038)**	**-**
Revenue with continuing activities	-	-	-	-	-	457	(457)	-
IFRS 5 impact from Cegedim Kadrige	-	-	-	-	-	(4)	4	-
Revenue with continuing activities 03.31.2015	**-**	**-**	**-**	**-**	**-**	**453**	**453**	**-**
Revenue	**53,712**	**45,931**	**-**	**825**	**100,468**	**104,433**	**(2491**	**202,410**
Inter-company revenue from continuing activities	535	6,563	590	4,203	11,891	-	-	11,891
Division aggregation	-	590	(590)	-	-	-	-	-
Correction of leases		(6,407)	-		(6,407)	-	-	(6,407)
Inter-company revenue from continuing activities 03.31.2015	**535**	**746**	**-**	**4,203**	**5,484**	**-**	**-**	**5,484**
Total division revenue as of 03.31.2015	**54,247**	**48,678**	**-**	**5,028**	**105,952**	**104,433**	**(2,491)**	**207,894**

In thousands of euros	Health Insurance, HR & e-services	Healthcare professional	Cegelease	Activities not allocated	Continuing activities as of 03.31.2015	Activity held for sell	IFRS 5 restatement 5	Total 03.31.2015
Segment earnings								
Operating income before special items, reported	4,464	3,693	78	(33)	8,202	8,506	-	16,708
Division aggregation	-	78	(78)	-	-	-	-	-
IFRIC 21 restatement	(518)	(359)	-	(641)	(1,518)	-	-	(1,518)
IFRS 5 impact from Cegedim Kadrige	633	-	-		633	(633)	-	-
Correction of leases		89	-		89	-	-	89
Operating income before special items 31/03/2015	**4,579**	**3,501**	**-**	**(675)**	**7,405**	**7,873**	**-**	**15,278**

In thousands of euros	Health Insurance, HR & e-services	Healthcare professional	Cegelease	Activities not allocated	Continuing activities as of 03.31.2015	Activity held for sell	IFRS 5 restatement 5	Total 03.31.2015
Segment depreciation								
Depreciation and amortization, reported	3,920	2,827	3,673	522	10,942	-	-	10,942
Division aggregation	-	3,673	(3,673)	-	-	-	-	-
Correction of leases		(3,643)	-		(3,643)	-	-	(3,643)
Depreciation and amortization as at 03.31.2015	**3,920**	**2,856**	**-**	**522**	**7,299**	**-**	**-**	**7,299**

3.3 Assets held for sale and discontinued or divested operations

Cegedim sold it CRM and Strategic Data division to IMS Health on April 1st, 2015. In March 2016, Cegedim decided to sell the Cegedim Kadrige activity.

DISCONTINUED OPERATIONS

In the consolidated income statement presented for comparison, the results of divested operations or held for sale have been reclassified line by line on the item “Net profit (loss) from activities held for sale.” for December 2014 and on “Net profit (loss) from activities sold” for December 2015

The main indicators of the consolidated income statement as at December 31, 2015, and December 31, 2014, in respect of discontinued operations are:

In thousands of euros	03.31.2016	03.31.2015
Revenue	**596**	**104,433**
Purchased used	(13)	(3,683)
External expenses (1)	(123)	(29,262)
Taxes	(15)	(1,043)
Payroll costs (1)	(833)	(60,947)
Allocation and reversals of provisions	(2)	(819)
Change in inventories of products in progress and finished products	-	(1)
Other operating income and expenses	(1)	(804)
EBITDA	**(390)**	**7,873**
Depreciation and amortization	-	-
Operating income before special items	**(390)**	**7,873**
Depreciation of goodwill	-	-
Special items	-	(1,727)
Other special items	**-**	**(1,727)**
Operating income	**(390)**	**6,146**
Cost of net financial debt	(4)	(1,331)
Gain on disposal	-	-
Income taxes	-	(3,530)
Deferred income taxes	(4)	(180)
Share of net profit (loss) for the period of equity method companies	-	43
Net profit (loss) from activities held for sale	**(398)**	**(645)**
Net profit (loss) from activities sold	**-**	**1,793**

(1) Capitalized production has been reclassified in external expenses and payroll costs, as explained in the below table:

In thousands of euros	03.31.2016	03.31.2015
Payroll costs	-	5,344
External expenses	-	1,336
Capitalized production	**-**	**6,681**

Cash flow from discontinued operations

In thousands of euros	03.31.2016	03.31.2015
Net cash flow from operating activities	57	9,019
Net cash flow from investing activities	0	(5,018)
Net cash flow from financing activities	(4)	(842)

Note 4 Operating data

4.1 Other special items

Special items comprise the following:

In thousands of euros	03.31.2016	03.31.2015
Operating income before special items	**3,003**	**7,405**
Impairment on tangible and intangible assets (including goodwill)		
Restructuring costs	(583)	(1,509)
Capital gains or losses on disposals		
Other special items (including IMS Health transaction)	(502)	(1,342)
Operating income	**1,918**	**4,554**

4.2 Capitalized production

Capitalized production has been reclassified to payroll costs and external expenses as shown in the table below.

In thousands of euros	03.31.2016	03.31.2015
Payroll costs	7,299	4,751
External expenses	1,825	1,188
Capitalized production	**9,124**	**5,938**

4.3 Trade receivables

In thousands of euros	Current customers	Non-current customers	03.31.2016	12.31.2015
French companies (1)	138,954	26,491	165,446	164,953
Foreign companies	35,793	-	35,793	31,924
Total gross value	**174,748**	**26,491**	**201,239**	**196,877**
Provisions	(8,703)	-	(8,703)	(8,410)
Total net value	**166,044**	**26,491**	**192,536**	**188,468**

(1) including the fair value of collected leases related to the Cegelease restatement.

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.

The share of past-due receivables (gross amount), excluding provisions, was €36.3 million as at March 31, 2016.

AGING BALANCE

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	18,375	3,298	6,110	2,660	1,055	5,252
Foreign companies	17,977	3,129	2,624	2,042	1,506	8,677
Total	**36,352**	**6,427**	**8,734**	**4,702**	**2,560**	**13,929**

On foreign companies, receivables outstanding for more than four months correspond in particular some clearly identified disputes which are carefully monitored.

Note 5 Employees’ benefits expense and liabilities

5.1 Employees’ benefits expense

In thousands of euros	03.31.2016	03.31.2015
Wages	(50,632)	(45,267)
Profit-sharing	(768)	(820)
Free shares award plan	(58)	28
Payroll costs	**(51,458)**	**(46,059)**

5.2 Number of employees

In thousands of euros	03.31.2016	03.31.2015
France	2,589	2,439
International	1,246	927
Number of employees	**3,835**	**3,366**

Note 6 Intangible assets

6.1 Goodwill

At March 31, 2016, goodwill amounted to €185 million compared to €188 million as at December 31, 2015. The €3 million decrease is mainly due to foreign currency effects on Goodwill valued in pound sterling.

Segment	12.31.2015	Reclassification	Scope	Impairment	Translation gains or losses and other changes	Assets held for sale	03.31.2016
Health Insurance, HR & e-services	57,926						57,926
Healthcare professionals	130,622				2,770		127,852
Activities not allocated	0						0
Assets held for sale	0						0
Total goodwill	**188,548**	**0**	**0**	**0**	**2,770**	**0**	**185,777**

Paragraph 90 of IAS 36 indicates that CGUs where goodwill has been allocated should be tested at least annually and every time an impairment charge could occur. This impairment charge is defined as the difference between the CGU's recoverable value and its book value. The recoverable value is defined by IAS 36.18 as the higher of the asset's fair value - less costs of sales - and its value in use (sum of capitalized flows expected by the company for this asset).

The performance in the first nine months of 2016, although slightly below initial projections in the *Healthcare professionals* division, do not raise the concern of a risk of impairment of assets allocated to it. The group has therefore not considered it necessary to carry out new impairment tests. These tests will be updated as part of the annual closure in 2016.

No impairment is to be recorded in the March 31, 2016, financial statement.

Note 7 Financing and financial instruments

7.1 Net debt

In thousands of euros	31.03.2016			31.12.2015
	Financial	Miscellaneous(1)	Total	
Long-term financial borrowing and liabilities (> 5 years)	-	-	-	-
Medium-term financial borrowing and liabilities (> 1 year, < 5 years)	221,096	6,685	227,781	51,723
Short-term financial borrowing and liabilities (> 6 months, < 1 year)	1	-	1	1
Short-term financial borrowing and liabilities (> 1 month, < 6 months)	-	1,675	1,675	347,211
Short-term financial borrowing and liabilities (< 1 month)	135	-	135	-
Current bank loans	2	-	2	2
Total financial liabilities	**221,234**	**8,360**	**229,594**	**398,937**
Positive cash	20,229	-	20,229	231,299
Net financial debt	**201,005**	**8,360**	**209,365**	**167,638**

(1) The miscellaneous item includes employee profit sharing plans in the amount of €7,604 thousand.

NET CASH

In thousands of euros	Financial	03.31.2016	12.31.2015
Current bank loans	2	2	2
Positive cash	20,229	20,229	231,299
Net cash	**20,227**	**20,227**	**231,297**

STATEMENT OF CHANGES IN NET DEBT

In thousands of euros		03.31.2016	12.31.2015
Net debt at the beginning of the fiscal year	**A**	**167,638**	**504,180**
Operating cash flow before cost of net debt and taxes		13,253	76,028
Tax paid		(1,292)	(12,127)
Change in working capital requirement		(11,648)	(24,072)
Net cash flow from operating activities		**313**	**39,829**
Change from investment operations		(14,234)	(59,036)
Impact of changes in consolidation scope		-	336,347
Dividends		-	-
Increase in cash capital		-	-
Impact of changes in foreign currency exchange rates		(557)	2,707
Interest paid on loans		(29,369)	(42,681)
Other financial income and expenses paid or received		675	(1,130)
Other changes		2,025	(3,986)
Total net change for the fiscal year	**B**	**(41,147)**	**272,050**
Impact of assets sold	C	-	(61,314)
Impact of assets held for sale	D	580	(3,177)
Net debt at the end of the fiscal year	A-B+C+D	**209,365**	**167,638**

The bank loans have the following terms:

In thousands of euros	< 1 month	> 1 month < 6 months	> 6 months < 1 year	> 1 year < 5 years	> 5 years
Fixed rate	-	-	-	-	-
Euribor rate	2	-	-	221,094	-
Total	**2**	**-**	**-**	**221,094**	**-**

The main loans have conditions concerning the consolidated financial statements. For example, the revolving loan facility includes, in particular, a ratio of the level of net indebtedness to consolidated gross operating income (or EBITDA) and a ratio of the level of gross operating income to the level of financing costs.

FINANCING

In May 2007, Cegedim raised 50.0 million euros, the FCB Loan, from its largest shareholder, FCB. The shareholder loan agreement between Cegedim SA and FCB was signed on May 7, 2007. The FCB Loan Agreement was amended on September 5, 2008, and September 21, 2011, to extend the maturity date and modify the applicable interest rate. During the December 2009 capital increase, FCB subscribed for 4.9 million euros equivalent in shares as a redemption of a portion of debt, which decreased the balance of the FCB Loan to 45.1 million euros. In January 14, 2016, the FCB Loan was amended in order to subordinate it to the 200 million euro revolving credit facility taken the same day and to extend the maturity date and modify the applicable interest rate.

On March 20, 2013, Cegedim issued a senior bond at 6.75%, maturing on April 1, 2020, for an amount of 300 million euros in accordance with the Reg. S and 144A rules. The bond is listed on the Luxembourg Stock Market with ISIN codes XS0906984272 and XS0906984355. The bonds have been priced at 100% of their face value.

On April 7, 2014, Cegedim issued 125 million euros in bonds in addition to its issue of 300 million euros at 6.75%, maturing in 2020. The issue price was 105.75%, plus interest accrued since April 1, 2014. Apart from the issue date and price, these new bonds are identical to those issued on March 20, 2013, under the 300 million euro bond issue with a coupon of 6.75% maturing in 2020. Between May 6, 2015, and February 25, 2016, Cegedim redeemed on the market its 6.75% bond, maturing April 1, 2020, ISIN code XS0906984272, for a total principal amount of 110.2 million euros. The company cancelled these bonds. As a result, a total principal amount of 314.8 million euros remains in circulation.

In January 2016, the Group took out from Cegedim's bankers a new five-year revolving credit facility (RCF) of 200 million euros maturing on January 14, 2021.

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

- As at March 31, 2016, the debt was structured in the following manner:
- 200 million euro revolving credit, of which 176 million euros was drawn as of March 31, 2016; maturing on January 14, 2021;
- 45.1 million euro FCB Loan maturing in January 2021;
- 24.0 million euro overdraft facility, of which 1.9 million euros was drawn as of March 31, 2016.

The exposure of the debt to fluctuations in euro rates has been partially hedged by a euro rate hedge.

The Group sold a swap in June 2015 with a pre-set Euribor receiver rate and a fixed payer rate of 4.565% on a notional amount of 20 million euros maturing December 29, 2017, against cash payment.

As at March 31, 2016, the hedge of the debt against fluctuations in the euro rate consisted of two no-premium, one-month, amortizing swaps, with a pre-set Euribor receiver rate and a fixed payer rate defined as follows:

- 4.57% rate on a notional hedged amount of 20 million euros, amortizable until maturity on December 29, 2017;
- 4.58% rate on a notional hedged amount of 20 million euros, amortizable until maturity on December 29, 2017.

The total notional hedged amount was 40 million euros as at December 31, 2015.

Interest expense on bank loans, bonds, charges and commissions totaled 29.4 million euros as at March 31, 2016.

The interest related to the shareholder loan as at March 31, 2016, amounted to 0.5 million euros.

The change in fair value of these derivatives was recorded in shareholders' equity for the efficient part of those qualified as cash flow hedges (0.1 million euros) and in profit or loss for their inefficient part and for the related counterparty risk taken into account in accordance with IFRS 13 (0.3 million euros). The fair value at the closing date of hedging instruments amounts to 3.5 million euros.

LIQUIDITY RISK

Contractual cash flows are not discounted.

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

7.2 Net financial expenses

In thousands of euros	03.31.2016	03.31.2015
Income or cash equivalent	**879**	**983**
Interest paid on loans [1]	(29,369)	(17,524)
Accrued interest on loans	5,900	8,264
Interest on financial liabilities	**(23,469)**	**(9,260)**
Other financial interest and expenses[2]	(351)	(795)
Cost of gross financial debt	**(23,820)**	**(10,055)**
Net currency exchange differences	(36)	1,751
Valuation of financial instruments	(241)	386
Other financial income and expenses, non cash[2]	46	44
Other financial income and expenses	**(231)**	**2,181**
Cost of net financial debt	**(23,172)**	**(6,891)**

(1) Including €17,997 thousand interest resulting from the bond buyback

In thousands of euros	03.31.2016	03.31.2015
(2) Including FCB interest	479	565
Interest on shareholding	0	(12)
Total	(113)	(7)
	366	**546**

Note 8 Income tax

8.1 Deferred tax

8.1.1 TAX BREAKDOWN

The tax expense recognized in fiscal year income was €302 thousand, compared with an expense of €734 thousand in March 2015. This comprised:

In thousands of euros	03.31.2016	03.31.2015
Tax paid		
France	0	(101)
Abroad	(434)	(782)
Total tax paid	**(434)**	**(883)**
Deferred taxes		
France	377	337
Abroad	(245)	(187)
Total deferred taxes	**132**	**149**
Total tax income recognized in the income statement	**(302)**	**(734)**

8.1. THERETICAL 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		03.31.2016	03.31.2015
Net profit (loss) from continuing activities		(21,044)	(1,845)
Group share of companies accounted by equity method		(511)	(442)
Income taxes		302	734
Earnings before tax for consolidated companies	(a)	**(21,254)**	**(1,554)**
Of which French consolidated companies		*(1,204)*	*(707)*
Of which foreign consolidated companies		*(20,490)*	*(846)*
Standard tax rate in France	(b)	33.33%	38,00%
Theoretical tax expense	(c) = (a) x (b)	**7,084**	**590**
Impact of permanent differences		(755)	(667)
Impact of differences in tax rates on profits		607	848
Activation of tax losses		(7,527)	(1,820)
Uncapitalized tax on losses		289	315
Impact of tax credit		**(302)**	**(734)**
Reversal of previous capitalization		**0.00%**	**0.00%**
Tax expenses recognized in the income account			
Effective tax rate			

Standard tax rate in France: 33.33%

The main countries contributing to the impact of differences in tax rates on profits are:

In thousands of euros	03.31.2016
UK	300
USA	110
Luxembourg	84
Others	112
Total	**607**

8.1.3 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	12.31.2015	Opening correction	Reclassification	Earnings	Change in consolidations scope	Other change in equity	Change in exchange rate	03.31.2016
Tax loss carryforwards and tax credits	20,000	-	-	-	-	-	-	20,000
Pension plan commitments	5,622	-	(254)	-	(437)	-	-	4,931
Non-deductible provisions	2,773	-	3	-	-	-	-	2,776
Updating to fair value of financial instruments	1,475	-	(215)	-	(88)	-	-	1,172
Cancellation of margin on inventory	139	-	2	-	-	-	-	141
Restatement of R& margin	190	-	(16)	-	-	-	-	174
Other	379	-	(26)	-	(-5)	-	-	348
Total deferred tax assets	**30,578**	**-**	**(506)**	**-**	**(530)**	**-**	**-**	**29,542**
Unrealized exchange gains/losses	0	-	(466)	-	-	466	-	0
Cancellation of accelerated depreciation	(540)	-	53	-	-	-	-	(487)
Cegelease restatement	(562)	-	692	-	-	-	-	130
Cancellation of depreciation on business goodwill	(48)	-	3	-	-	-	-	(45)
Updating to fair value of financial instruments	(90)	-	90	-	-	-	-	0
Finance lease	(98)	-	15	-	-	-	-	(83)
R&D capitalization	(6,553)	-	313	-	-	-	-	(6,240)
Restatement of the allowance for the R&D margin	(14)	-	1	-	-	-	-	(13)
Others	(679)	-	(66)	-	-	-	-	(745)
Total deferred tax liabilities	**(8,587)**	**-**	**636**	**-**	**-**	**466**	**-**	**(7,482)**
Net deferred tax	**21,992**	**0**	**130**	**0**	**(530)**	**466**	**0**	**22,060**

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
As at December 31, 2015	**28,721**	**(6,731)**	**21,990**
Impact of earnings for the period	(506)	636	130
Impact shareholders' equity	(530)	466	(64)
Impact of net presentation by fiscal entity	859	(855)	3
Reclassification of assets/liabilities held for sale	-	-	-
As at March 31, 2016	**28,544**	**6,484**	**22,060**

Tax corresponding to deferred taxes not activated from continuing activities as at March 31, 2016, amounts to €71,006 thousand for French companies and €14,853 thousand for foreign companies.

Note 9 Equity

9.1 Equity

As at March 31, 2016, the share capital was made up of 13,997,173 shares (including 42,469 treasury shares), each with a nominal value of 0.9528 euros, i.e. total share capital of 13,336,506 euros.

9.2 2 Treasury shares

ALLOCATION OF FREE SHARESES

The Board was authorized by the Extraordinary General Shareholders' Meeting of June 10, 2014, to award free shares in a total number not exceeding 10% of the total number of shares comprising the share capital to corporate officers and employees of the Cegedim Group.

Following a resolution of the Extraordinary General Shareholders' Meeting of June 8, 2011, the Board of Directors, at its meetings of September 19, 2012, and June 4, 2013, was authorized to award free shares in a total number not exceeding 10% of the total number of shares comprising the share capital to corporate officers and employees of the Cegedim Group.

The main characteristics of the plans are the following:

- The free shares awarded will confer the right to dividends, the distribution of which will be determined as of the award date.
- The plan dated September 19, 2012, authorized a maximum allocation of 31,670 free shares.
- The plan dated June 4, 2013, authorized a maximum allocation of 48,870 free shares.
- The plan dated September 18, 2014, authorized a maximum allocation of 19,280 free shares.
- The allocation of such shares to their beneficiaries will become final after a two-year vesting period 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 fully allocated to the beneficiaries on one condition: no resignation, dismissal or termination;
- Starting from the final award date, beneficiaries whose residence for tax purposes is in France as of the award date must keep said shares for a term of two years starting from the final award date.

In application of IFRS 2 standard, the expense measuring "the benefit" offered to employees is spread out on a linear basis over the beneficiaries' vesting period.

THE MAIN CHARACTERISTICS OF THE PLANS ARE THE FOLLOWING:

	Plan of 09.19.2012	Plan of 06.04.2013	Plan of 09.18.2014
Date of the General Meeting	06.082011	06.082011	06.10..2014
Date of the Board of Directors meeting	09.19.2012	06.04.2013	09.18.2014
Date of plan opening	09.19.2012	06.04.2013	09.18.2014
Total number of shares than can be allocated	31 670 shares	48 870 shares	19 280 shares
Initial subscription price	€15.70	€24.46	€27.11
Date of availability of free shares			
France	09.18.2014	06.03.2015	09.17.2016
Foreign	09.18.2016	06.03.2017	09.17.2018

A new plan was set up on January 28, 2016, without significant impact on Q1 2016 financial accounts.

POSITION OF PLANS AS AT DECEMBER 31, 2015

	Plan of 09.19.2012	Plan of 06.04.2013	Plan of 09.18.2014
Total number of shares allocated	7,270 shares	4,500 shares	18,780 shares
Total number of shares left to be acquired after recorded exercising of options and canceled options	0	0	714 shares
Adjusted acquisition price of free share allotments			
France	€15.24	€23.74	€26.31
Forgien	€13.35	€20.79	€23.04

Note 10 Other disclosures

10.1 Seasonality

The business activities of the Group are marked by certain seasonality effects due to its Software Publishing activity.

The operating profit of the Second and Fourth Quarters is generally better than that of the other two quarters and, on the whole, the operating profit of the second half is better than the first. This is largely due to the seasonal nature of the decision-making processes of Cegedim's customers. In particular, the Health Insurance, HR & e-services and Health Professionals divisions are characterized by a certain seasonality effect, as some customers invest in the Group's end-of-year offers in order to spend their annual budgets.

10.2 Period highlights

NEW CREDIT FACILITY

In January 2016, the Group took out a new five-year revolving credit facility (RCF) of €200 million. The applicable interest rate for this credit facility is Euribor plus a margin. The Euribor rate can be the 1-, 3- or 6- month rate; if Euribor is below zero, it will be deemed to be equal to zero. The margin can range from 0.70% to 1.40% depending on the leverage ratio calculated semi-annually in June and December (Refer to point 2.1.1.1 on page 14 of this Report).

Apart from the items cited above, to the best of the company's knowledge, there were no events or changes during the period that would materially alter the Group's financial situation.

10.3 Significant post-closing transactions and events

EXERCISE OF THE CALL OPTION ON THE ENTIRE 2020 BOND

On April 1, 2016, *Cegedim* exercised its call option on the entire 6.75% 2020 bond with ISIN code XS0906984272 and XS0906984355, for a total principal amount of €314,814,000.00 and a price of 105.0625%, i.e. a total premium of €10,624,972.50. The company then cancelled these securities. The transaction was financed by drawing a portion of the RCF obtained in January 2016 and using the proceeds of the sale to IMS Health. Following this transaction, the Group's debt comprised the €45.1 million FCB subordinated loan, the partially drawn €200 million RCF, and overdraft facilities.

S&P HAS RAISED CEGEDIM'S RATING TO BB WITH POSITIVE OUTLOOK

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

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

10.4 Off-balance sheet commitments

Existing guarantees at December 31, 2015, did not change significantly during the first three months of 2016.

4 Additional information

4.1 Statement by the company officer responsible for the first quarter 2016 financial report

I hereby certify that, to the best of my knowledge, the condensed interim consolidated statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, financial position and profit or loss of the parent company and of all consolidated companies, and that the Interim Management Report gives a true and fair picture of the significant events during the first three months of the fiscal year and their impact on the financial statements, of the main related party transactions, as well as a description of the main risks and uncertainties for the remaining nine months of the fiscal year.

Boulogne-Billancourt, May 25, 2016

Jean-Claude Labrune

Chairman & CEO

Cegedim S.A.

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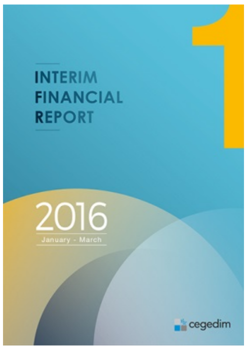
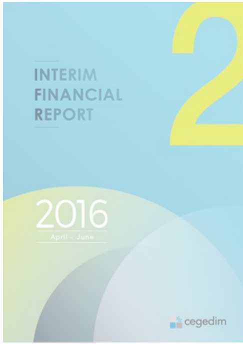


Published on May 26, 2016



Available on September 15, 2016

Available on November 29, 2016

Designed & Published by: Cegedim’s Financial Communications Department

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