

# PRESS KIT

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Companies of the « Healthcare professionals » sector  
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# Cegedim Group overview

## Vocation

**Cegedim is a global technology and services company specializing in the healthcare field.** Cegedim offers services, IT tools, specialized software, and information flow and database management services. Its solutions are targeted to health professionals, healthcare industries, pharmaceutical companies, healthcare professionals, and insurance companies.

**The world leader in life-sciences CRM** (Customer Relationship Management), its traditional business focus, Cegedim supports the major pharmaceutical companies in their CRM projects (*appendix 1*).

Cegedim has also positioned itself as **one of Europe's leading producers of medical and paramedical management software**, and also designs management applications dedicated to the health insurance sector. Structured, communicating and scalable, these software programs are integrated into the Cegedim Group's healthcare flow management systems (*appendix 2*).

Capitalizing on its skills in professional software publishing and complex information processing, the Group also **offers solutions dedicated to health insurance players, as well as high value-added management solutions** for its many customers concerned with issues related to outsourcing and computerized exchanges (*appendix 3*).

**Cegedim is constantly developing and exploiting synergies among its activities, with the stated ambition of being one of the chief intermediaries for healthcare sector professionals and partners and positioning itself at the heart of their information needs.**

## Key figures

Founded	<b>1969</b>
Cegedim's 2011 Revenues	<b>€11 million</b>
Workforce	<b>8,200 employees</b>
Countries	<b>80 countries, 5 continents</b>
Listed on NYSE Euronext Paris, compartment B	<b>Since 1995 - ISIN: FR0000053506</b>

## Activities



Cegedim is organized into **three activity sectors**:

- A- CRM and strategic data:** 56% of 2011 Group Revenue
- B- Healthcare professionals:** 29% of 2011 Group Revenue
- C- Insurance and services:** 15% of 2011 Group Revenue

### Jean-Claude Labrune – Chairman & CEO, Founder of the Cegedim Group

**Jean-Claude Labrune** is graduated from the Ecole Nationale Supérieure des Arts et Métiers.

Cegedim (for **CE**ntre de **GE**stion, de **D**ocumentation, d'**I**nformatique et de **M**arketing) was founded in 1969 by a group of pharmaceutical companies that wanted to pool their IT resources and document research expertise.

In short order, **Jean-Claude Labrune**, who initiated the project, saw that the concept could be applied to other pharmaceutical company activities, such as a physician database and, more generally, collecting information for sales and marketing departments.

### Pierre Marucchi – Managing Director

**Pierre Marucchi** is graduated from the *Ecole Nationale Supérieure des Télécommunications*, Stanford University (USA), and the *Centre d'Etudes Supérieures Bancaires*. He was also a Member of the Institute of French Actuaries.

**Mr. Marucchi** began his career in 1977 at Crédit Lyonnais, where he held various technical and commercial positions.

Deputy Managing Director of Cegedim, which he joined in 1984, **Pierre Marucchi** is very involved in the Group's external growth operations both in France and abroad and supervises the Financial, Legal, Quality, and HR Departments.

## Sustainable development

As part of its international strategy, **Cegedim has naturally become involved in sustainable development issues** to help promote:

- social equity among its employees and in the local communities of the 80 countries in which it operates,
- environmental conservation by minimizing the environmental impact of the Group's activities,
- economic efficiency.

To this end, Cegedim Group launched its sustainable development program in September 2008 at the urging of the Group's management.

Christened the "**Cegedim Compact**", it takes its cue from the United Nations' Global Compact.

# Businesses

## CRM and strategic data

**Main customers:** essentially life sciences companies (the world's 400 largest pharmaceutical companies are Cegedim clients)

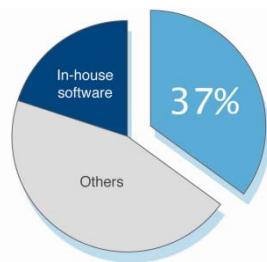
**Activity:** help the sales and marketing divisions of pharmaceutical companies understand:

- **Where their medicines are sold** and in what **quantities**,
- **By whom their products are prescribed and why**,
- **How to optimize** sales and measure the effectiveness of their sales and marketing campaigns.

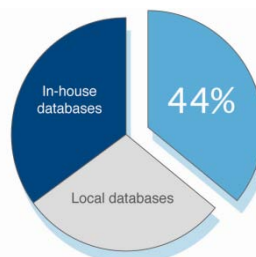
The services offered by Cegedim are unique in the healthcare sector and are highly differentiated from competitors' offers. Cegedim is the only company with an offer that combines the most comprehensive databases on the global market with CRM and compliance solutions.

## Market share:

*Pharmaceutical CRM*



*Databases*



## Geographic presence:

- more than 80 countries, 5 continents
- sales outside France represent more than 70% of revenues

## Competition:

- **CRM:** Oracle (Siebel), Salesforce.com, Update, Veeva Systems and local competitors
- **Strategic Data:** IMS Health, Taylor Nelson Sofres plc, GFK and local competitors

## History:

- **1969:** first databases launched
- **1974:** start of direct marketing service activities
- **1979:** CRM activities in France launched
- **1990:** international expansion begins
- **1996:** medical samples management
- **2005:** international activities represent more than 50% of full-year turnover
- **2007:** acquisition of US company Dendrite International
- **2010:** Following the successful integration of the Dendrite activities, Cegedim Dendrite becomes Cegedim Relationship Management.
- **2012:** The *OneKey* database is available in 73 countries and includes more than 8 million healthcare professionals.

## Healthcare professionals

**Main customers:** doctors, pharmacists and paramedical professionals

**Activity:** software publishing and medical and promotional information

- **Healthcare professionals (about 145,000 workstations)**
  - Software: patient file, prescriptions, diagnosis, SESAM-Vitale card management, etc.
  - Promotion: circulation of medical and promotional information directly onto doctors' screens, etc.
- **Pharmacists (more than 30,000 pharmacies workstations)**
  - Software: full-management solution (sales, stocks, electronic transmission of treatment forms, etc.)
  - Promotion: advertising and merchandising in pharmacy

**Main markets:**

- **Software for pharmacists**
  - **France:** Market benefiting from ongoing developments
  - The Alliadis Group (Alliance-Conseil, Alliadis, Data Conseil, and Servilog) and Pharmagest Interactive are co-leaders in the pharmaceutical computerization market in France.
  - **United Kingdom:** Market subsidized by the British government. **Cegedim** entered this market at the end of 2004, with the acquisition of NDC Health and Enigma Health, which today are combined into one entity called Cegedim Rx. Cegedim Rx is the leader in terms of the number of computerized retail pharmacies in Britain.
- **Physician software**
  - **France:** Rather slow market growth (physicians by nature are somewhat averse to computerization and do not receive public subsidies to encourage them). Cegedim is one of the market leaders. Its main competitors are Compugroup and Hellodoc.
  - **United Kingdom:** A dynamic market, subsidized by the government. Cegedim is the second largest player on this market (after EMIS).
  - **Belgium:** Cegedim is a first-rank player on very fragmented market in which there is a large number of publishers in the health field including Corilus and Compugroup Medical.
  - **Spain:** with 35% of estimated market share with office-based physicians, Cegedim, with its subsidiary Stacks, is the leader in this niche. Indra and Siemens are among its main competitors.
  - **United States:** With more than 20,000 units installed across the United States in 35 different specialties, Pulse holds a leading position in the management of electronic medical records.
- **Promotion:**
  - **France:** Cegedim is the French leader, both in pharmacy Point-of-Purchase Advertising (POP), by the number of pharmacies integrated into its display network, and at point of prescription (in view of the number of computerized physicians).
- **Paramedical software:**
  - **France:** The leader with physiotherapists, speech therapists, podologists and orthoptists, RM Ingénierie holds a first-rank position in France in paramedics' computerization; its main competitor is Epsilog.

**History:**

- **1994 / 1996:** start of doctors' computerization in France and promotional activities dedicated to doctors and pharmacists
- **1998:** computerization of doctors in Great Britain
- **late 2000:** computerization of pharmacists in France
- **2001:** financial leasing activities
- **late 2004:** computerization of pharmacists in the United Kingdom
- **2006:** computerization of paramedical personnel in France, computerization of doctors in Italy, Spain and Chile
- **2008:** acquisition of 01 Santé, which has a strong position in the field of oncology

- **2009:** creation of the Cegedim Healthcare Software business unit to pool and coordinate all of the Group activities dedicated to healthcare professionals
- **2010:** acquisition of Pulse in the United States enabling CHS to become a global player.
- **2011:** acquisition of Pharmec, a company specialized in publishing and distribution solutions for healthcare professionals in Romania

## Insurance and services

**Main customers:** players in the insurance field and companies of all sectors

### Activity:

- **Insurance, banking, and healthcare:**
  - Computerization of health insurers and mutuals
  - Flows and direct billing
- **Other services:**
  - Electronic Data Interchange
  - Outsourced payroll and human resources management
  - Provision of outsourced services
  - Internet and hosting services

**Countries:** France, francophone Africa, Great Britain, and Switzerland (Payroll and HR).

### History:

- **1986:** launch of IT services (distribution)
- **1991:** launch of the first electronic data interchange platform for healthcare actors (orders/invoices between pharmaceuticals firms and wholesale distributors)
- **1994:** start of outsourced human resources management services
- **1996:** outsourced management of cash receipts, expansion into managing third-party healthcare payments
- **1999:** computerization of health insurance and mutual companies
- **2006:** launch of iSanté activity offering mutual companies and insurers new front office services like non-nomenclature management, articulation with healthcare platforms, the medicalization of services, real-time management of direct billing payment and benefits processing, etc.
- **2008:** acquisition of French company Protectia to help Cegedim strengthen its presence in the personal-insurance market.
- **2010:** global acquisition of Hosta (now called iGestion) in which Cegedim had been a minority shareholder since 2004.

# An international culture

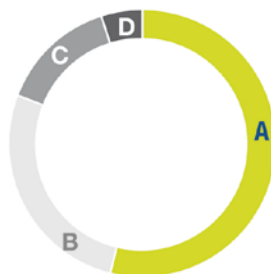
Cegedim affirms its presence in more than 80 countries on the 5 continents



## 2011 revenue distribution:



Activity



Geography



Currency

<b>A</b> CRM & Strategic Data	56%	<b>A</b> France	54%	<b>A</b> EUR	65%
<b>B</b> Healthcare Professionals	29%	<b>B</b> EMEA ex. France	27%	<b>B</b> USD	12%
<b>C</b> Insurance & Services	15%	<b>C</b> America	14%	<b>C</b> GBP	9%
		<b>D</b> APAC	5%	<b>D</b> RoW	14%

## CRM and strategic data

Cegedim started developing its historical core business activities internationally in the 1990s. These CRM businesses gradually expanded throughout Europe as the company opened subsidiaries in the following countries:

- **1991:** Belgium
- **1992:** Italy, Spain and Portugal
- **1994:** Germany and England
- **1997:** the Netherlands and Switzerland
- **1998:** Greece, Turkey, Hungary and the Czech Rep.
- **1999:** Poland
- **2001:** Romania, Slovakia and Austria

At the same time, these international subsidiaries launched “doctors” databases in these countries. In 1999, the group added entities specializing in certain strategic databases, such as:

- Medimed in Germany and Icomed in Belgium (databases constituted by measuring physicians’ prescription preferences),
- InfoSanté in England and Romania (regional sales statistics on pharmaceutical products based on wholesale distributors’ data).

Established in the 2000s as the European leader in CRM, CEGEDIM has pursued its global development:

- **2001:** CRM affiliates opened in Brazil and United States
- **2002:** acquisition of the CAM Group (measures promotions and the effectiveness of medical reps’ visits)
- **2002:** acquisition of MSM Group (CRM), which covers South and Central America with affiliates in Mexico, Colombia, Ecuador and Guatemala
- **2004:** Cegedim enters the Nordic market with the acquisition of Pharma Marketing group, the main Scandinavian player in CRM and doctor databases, with subsidiaries in Norway, Sweden and Denmark
- Subsidiaries founded in CRM: Tunisia (2002), Russia (2004), Algeria (2004) and Morocco (2005); and in strategic databases: CAM activities launched in China (2004); and panel activities progressively expanded to England, Italy, Belgium and Germany (2004/2005)
- **2005:** acquisition of US company Target Software (the up-and-coming player in SFA and CRM tools in the North American market) and of the Egyptian Trends Technology solution used by more than 1,000 medical reps in Egypt and the Middle East. Acquisition of UK companies Epic and Compufile, which specialize in qualitative studies based on information gathered from doctors
- **2006:** creation of Pharma CRM and Cegedim Strategic Data subsidiaries in Korea, Mexico and Finland
- **2007:** creation of a subsidiary in India and acquisition of US company Dendrite
- **2008:** acquisition of Ultima (supplier of CRM solutions) in Turkey
- **2009:** *OneKey*, the international reference database for healthcare professionals, is available in 73 countries
- **2010:** acquisition of SK&A enabling Cegedim to strengthen its *OneKey* offer in the United States.

## Healthcare professionals

The “**Healthcare professionals**” activities began their international development in 1998:

- **1998:** acquisition of In Practice Systems in England (software publisher for doctors)
- **2003:** acquisition of HDMP in Belgium (doctor’s software)
- **2004:** acquisition of Cegedim Rx (formerly NDC Health) and Enigma in England (software publishing activities for pharmacists)
- **2006:** expansion in Europe with the acquisition of a significant stake in Millennium in Italy, and the acquisition of Stacks, the Spanish leader, which is also present in Chile
- **2009:** acquisition of Next Software (pharmacist software) in Tunisia, enabling Cegedim to strengthen its positions in North Africa
- **2010:** acquisition of Pulse Systems Inc. enabling Cegedim to access the American healthcare professionals market in a very favorable context.
- **2011:** acquisition of Pharmec in Romania, Cegedim Healthcare Software is now present in 9 countries.

## Insurance and services

“Insurance and services” sector activities, historically based in France, are also expanding its services to markets whose health insurance systems are similar to the French system, particularly in French-speaking Africa, with confirmed success in Mali.

The outsourced payroll and human resources management businesses have operated in the United Kingdom and Switzerland since the late 1990s.

# Recent highlights

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## External growth

### ■ In the "Healthcare Professionals" sector

A specialist in publishing and distributing solutions for healthcare professionals in Romania. Pharmec Healthcare Software is the leader in the pharmaceutical software industry with over 35% market share. Pharmec is also one of the up and coming players in the physician computerization market in the country. This acquisition also strengthens Cegedim's data offering for pharmaceutical laboratories in Romania.

## New products

### ■ In the "CRM and strategic data" sector

For two consecutive years, the high level of investment in innovation for this business directly translates into quality products, praised by commentators such as IDC or Frost & Sullivan.

In March 2011, Cegedim Relationship Management (Cegedim RM) launched a new version (5.2) of AggregateSpend360™, its aggregate spending solution for the life science industries. Marketed in the United States in 2006, this solution optimally meets the requirements of the Sunshine Act, which requires the pharmaceutical and medical equipment industries to publish all amounts and all competitive advantages received by physicians. This compliance business continued to develop rapidly in 2011 with the widespread use of good governance regulations concerning medical marketing in Europe (Great Britain, Netherlands, France, etc.) initiated in the United States. According to a report from June 2011 by IDC Health Insights, Cegedim is the world leader (in market share) of aggregate spending solutions for life science industries.

In April 2011, Cegedim RM also announced the availability of a second generation of Mobile Intelligence (MI) on an international level for iPad®, its flagship solution for Customer Relationship Management (CRM). Designed specifically to make the most of the functions of the iPad®, this new version is more user-friendly and has improved offline functionality in order to encourage users to adopt it and to meet their mobility needs. This solution encountered significant commercial success, notably in emerging countries.

In 2011, Cegedim Relationship Management also developed significant strategic partnerships notably with:

- QUMAS, to market its compliance solutions in North America and Europe;
- MeLLmo, to provide mobile analytical solutions to pharmaceutical company sales teams around the world;
- Model N, to offer an integrated Customer Relationship Management and revenue solution;
- Hitachi, to offer Customer Relationship Management (CRM) solutions to life science companies based in the Asia-Pacific region.

Additionally, Cegedim continued to develop its global healthcare professional database, *OneKey*, the core of the Group's business. Available in over 70 countries, at the beginning of 2012, *OneKey* exceeded 8 million validated healthcare professionals.

Also, in 2011, the US Department of Healthcare and Human Services in the United States signed a contract with Cegedim to provide studies on monitoring physicians' use of electronic medical data.

## ■ In the "Healthcare Professionals" sector

In 2011, Cegedim Healthcare Software continued to increase the international synergies between its various entities as well as its position at the core of healthcare data transfers in all countries where the Business Unit operates (Belgium, Chile, Spain, United States, France, Italy, Romania, United Kingdom and Tunisia). Some examples:

- **In the United Kingdom:** InPS gained full approval from the National Health Service to roll-out EPS, version 2. Cegedim Rx also has this status and now both companies have begun the implementation phase of this important national project. INPS has also completed the installation of its *Vision GP Clinical System* to 50% of Scotland following its earlier success in the national procurement there. Cegedim Rx has also equipped one of the UK's largest supermarket chains with its *Pharmacy Manager* software during 2012 and now provides pharmacy systems to all of the top seven supermarket retailers in the UK;

- **In Italy,** Millennium launched a new product, named *Milleweb*, which will be placed on the market in the coming months. This solution will be used in conjunction with *Millewin* medical records, already used by thousands of General Practitioners.

- **In Belgium:** HDMP successfully passed the 2010-2011 Labeling tests, with the highest score.

- **In Spain:** Stacks has launched the new Web 2.0 Personal health folders solution to enhance and create patient and practitioner participation. Stacks also succeeded in consolidating the largest centralized healthcare system in Spain, with over 15,000 professionals connected online and over 6 million medical histories in Madrid;

- **In the United States:** Pulse continued to grow its sales and marketing presence in 2011 by expanding to new markets in the western United States. During 2011, Pulse completed its new mobile technology by delivering the iPhone App for physician connectivity and Charge Capture. Pulse became qualified to submit quality data to the Centers for Medicare and Medicaid Services (CMS) and was announced as an official 2012 PQRS Registry. Pulse clients will utilize this status in order to submit their data to CMS and receive PQRS incentives in 2012;

- **In France:** For Cegedim Medical Software (CLM), version 19 of *Crossway* was favorably received by users. This version is certified by the French National Authority for Health (la Haute Autorité de Santé) for its prescription module. *Crossway* was also the first software to integrate the National Health Insurance Fund's (Caisse Nationale d'Assurance Maladie) "Payment history" teleservice.

Additionally, *Mediclick*, Mac/PC compatible software includes a mobility function allowing doctors to consult their patient files via iPhone®.

Resip launched a new Web application designed for healthcare establishments, hospitals and clinics: *BCB Dexter*. *BCB Dexter*'s main new products and services are a new interface, new search engine, product information additions outside of AMM, such as dietetics, dermo-cosmetic and facilities updated online daily. *BCB Dexter* allows users to easily access information from any station in a hospital with an Internet connection.

RM Ingénierie developed its offer around multidisciplinary residential and long-term care centers now commercialized in partnership with CLM. For medical assistants, RMI launched a professional planner synchronization system via Internet accessible on smartphones and tablets. Major advances were made in mobility with the release of a synchronized analysis module with the assistance of baropodometric platforms, inertial units and high frequency video.

Alliadis, which is very involved with pharmacists in all document digitalization operations managed in the pharmacy, rolled out the first prescription scanning and uploading system, "SCOR", with the Caisse Nationale d'Assurance Maladie.

## ■ In the "Insurance and services" sector

### Regarding IT for healthcare insurers and mutual funds:

The year 2011 gave rise to significant changes in Cegedim Activ's product and services offering:

- Integration of new customers for *ACTIV'Infinite* concerning forecasting, therefore consolidating the positioning of this offering with a portfolio of over 3.5 million protected users;
- Migration and switch to outsourcing all of the registered entities having chosen *ACTIV'RO*, which has now become the benchmark platform for mandatory plan management;
- Development of a fraud detection offering that detects fraud and inappropriate payment recovery through data from supplementary health insurers;
- Improvement of all of its back offices with an interface designed for SEPA migration;
- Deployment of an information system supporting the launch of mandatory health insurance for the Republic of Mali, reinforcing Cegedim Assurances' strategy to make its expertise available internationally.

### Regarding flows and direct payment

The year 2011 allowed Cetip to develop new segments of direct payment, particularly direct payment online to the optical and with hospital sectors. Thanks to direct payment online, registration with opticians and hospitals saw a steady rise in 2011.

Beyond the strong progression of its registered healthcare professionals network (over 126,000 as of December 2011), iSanté also launched new services in 2011, in particular:

- The development of direct payment with hospitals, for both outpatient care and inpatient expenses, with a strong increase in paperless payments and invoices, as targeted;
- Access to position determination technology of its healthcare professional partners via mobile phone;
- The implementation of an optical filter, to control its customers' optical expenses by detecting payment requests deemed excessive compared to market rates.

### Regarding outsourced payroll and HR

In addition to its *TEAMS<sup>RH</sup>* offer, which covers the main HR functions, Cegedim SRH launched in 2011 an electronic safe named *Arkevia*. This new service, a private electronic document storage space for the employee, allows him / her to receive payment statements in electronic format, if he/she wishes. To guarantee their integrity throughout their life cycle, they are electronically signed by Cegedim and stored in a private vault accessible on the Internet via a user id and password unique to each user. This space can also hold the employee's personal documents. Access to the safe is simple and secure. All documents issued by the employer are in pdf format and can be exported, sent via email and printed.

### Regarding paperless exchanges

The European Commission's implementation of the SEPA initiative, aiming to harmonize the methods of payment in Euros lead to constraints and very important adaptations to procedures and processes by all debit issuers (in particular, the management and digitalization of the SEPA mandate which replaces the national direct debit authorization).

To cope with this regulatory obligation, in 2011, Cegedim developed Cegedim Global Payments, an activity dedicated to managing financial streams, and in particular, the migration to SEPA Direct Debit (or SDD). To facilitate this migration to SEPA Direct Debit, Cegedim Global Payments designed and implemented a software suite (MA€A) in accordance with the requirements defined by the European Council of Payments (EPC) which is available in license and SaaS mode.

# Human resources

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The Group's HR policy involves training new graduates in the nature of Cegedim's business while also attracting more experienced candidates to bring their expertise into the Group.

Working conditions, a long-term compensation policy and development opportunities created by growth are among the factors ensuring a low workforce turnover rate in line with statistics for similar activity sectors.

Moreover, the Cegedim Group allocates significant funds to employee training with a view to driving business growth and expanding its service offering. These factors play a leading role in ensuring the continuity and quality of services delivered to the Group's customers.

## Workforce characteristics

- 8,200 employees
- 60% abroad (80 countries)
- In more than 100 subsidiaries

## An active recruiting policy

To support its development both in France and abroad, **the Group plans to follow the recruitment of new employees in 2012.**

The diverse nature of Cegedim's business and activities position it to offer exciting career opportunities in areas ranging from sales, research and consulting to information technology (technical architecture and operational management of application projects).

In addition to technical qualifications and a sound understanding of its customers' business, Cegedim's hiring criteria include the sharing of values such as innovation, pragmatism and a service focus.

## A unique culture

Over the last 40 years, Cegedim has successfully established its own culture and know-how based on a strong sense of identity and values embraced by all of its employees and guiding its ongoing growth and development:

- A flexible organization designed to favor innovation and the company spirit;
- A company culture resolutely oriented to client satisfaction;
- Compliance with the regulations in force and a strong ethic.

## 2011 Revenues and results

On April 2, 2012, Cegedim published its results for the year 2011:

■ <b>Revenues:</b>	€911,5m	-1.6%
■ <b>Operating income from continuing operations:</b>	€83.9m	-22.3%

Amid tough conditions, Cegedim's revenue and operating income experienced a decline. This decline was offset by the Group's diverse business portfolio, client base and geographical presence, combined with solid sales momentum.

In 2012, the Group's sustained innovation efforts over the past three years gave rise to a successful platform for SaaS offerings (CDF – Cegedim Dynamic Framework), which is based on a pioneering original architecture.

The ongoing sales momentum, innovative new product launches and Performance Improvement Plan will have a positive impact on Group operating income from continuing operations starting in the second half of 2012.

### Simplified income statement

	€m	%	€m	%	
<b>Revenue</b>	<b>911.5</b>	<b>100%</b>	<b>926.7</b>	<b>100%</b>	<b>-1.6%</b>
EBITDA from continuing operations	150.4	16.5%	174.8	18.9%	-13.9%
Depreciation	-66.5		-66.8		-0.4%
<b>Operating income from continuing operations</b>	<b>83.9</b>	<b>9.2%</b>	<b>108.0</b>	<b>11.7%</b>	<b>-22.3%</b>
Dendrite brand discontinuation	-		-104.0		n.m.
Exceptional operating income / expenses	-8.0		-10.8		-26.0%
<b>Operating income</b>	<b>75.9</b>	<b>8.3%</b>	<b>-6.8</b>	<b>n.m.</b>	<b>n.m.</b>
Net cost of financial debt	-37.7		-34.3		+9.9%
Tax expenses	-6.6		+24.0		n.m.
Share of earnings in equity-accounted affiliates	1.0		0.9		+15.2%
<b>Consolidated profit</b>	<b>32.7</b>	<b>3.6%</b>	<b>-16.2</b>		<b>n.m.</b>
Profit attributable to the owners of the parent	32.6	3.6%	-16.3		n.m.

\* at constant scope and exchange rates

### Outlook

Over the coming months, Cegedim will benefit from:

- The launch of innovative new products;
- The increasing use of performance-based pay policies for doctors, particularly in France;
- The sales momentum that began in 2011 for the CRM, Compliance and *OneKey* offerings;
- The revolution in the control of online rights in the health insurance sector;
- Continued progress, internally, on the Performance Improvement Plan.

These factors will boost the Group's consolidated revenue and EBITDA starting in the second half of 2012.

# Cegedim stock market performance

Cegedim's stock was initially offered at €9.52 on the Second Marché of the Paris Stock Exchange in April 1995. It was subsequently listed on NYSE Euronext Paris, compartment B.

At December 31, 2011, the market capitalization is of €238 million.

## Listing: NYSE Euronext Paris – compartment B

- ISIN Code: FR0000053506
- Reuters Code: CGDM.PA
- Bloomberg Code: CGM

## Share price since 1995

(in euros)



## Appendix 1: The “CRM & strategic data” sector

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The purpose of the “**CRM and strategic data**” sector is to provide support for healthcare firms worldwide in their various commercial and medical operations by supplying them with data bases, marketing tools, standard and tailor-made audits.

These various services enable them to optimize their investments by supplying the technical tools and data required to link to the needs of the prescribers who generally use the services concerned.

Cegedim also supplies various “compliance” services so that the right use of the medicine can be known and to check the prescription’s compliance with the drug approvals.

Cegedim’s solutions combine performance and compliance with the Public Health Code and personal data protection regulations in force in all the countries in which it operates.

In particular, Cegedim offers:

- Tools for optimizing information resources and sales and marketing investments.
- Reports and analysis tools for office and hospital sales forces.
- Databases and tools that provide better knowledge of prescribers.
- Strategic marketing, operational marketing and competitor monitoring tools and studies.
- Performance measurement tools.
- Promotional spending auditing tools.
- Pharmacy order-taking tools.

### CRM for the life sciences industry

#### Cegedim Relationship Management

With more than 200,000 users of its solutions in 80 countries, Cegedim is one of the world’s leading providers of solutions for the life science industry. Cegedim Relationship Management offers a very profession-oriented overall solution very close to users’ needs in the sales, marketing and regulatory compliance fields.

Cegedim Relationship Management’s offer includes:

- *Mobile Intelligence*, a quality CRM platform combining proven and flexible functionalities. This robust platform responds to the local, regional and international needs of its users thanks to its unparalleled “hierarchical” model. This offer includes: a complete suite of CRM solutions, advanced configuration, administrative management and sales force sectoring tools, installation and support services adapted to local issues, and hosting and business intelligence services.
- *OneKey*, the most complete healthcare professional database in the world (2), with more than 8 million contacts, allowing for global management of international data.
- *AggregateSpend360™*, a compliance solution that helps life sciences companies to monitor and communicate all of their expenses to healthcare professionals in order to cope with the global generalization of transparency regulations.

#### SK&A

SK&A is the main supplier of healthcare IT solutions and databases in the US. Integrated into Cegedim’s *OneKey* solution, SK&A researches and maintains the contact info and profiles of more than 2 million healthcare professionals and 840,000 prescribers. SK&A data facilitates canvassing and marketing efforts in many sectors, and particularly in the areas pertaining to the pharmaceutical industry, medical equipment, medical management, direct marketing, publishing, education, etc.

## Business Intelligence

### Reportive

Reportive publishes a unique business intelligence software suite. This facilitates the creation and automatic circulation of customized reporting and interactive activity co-ordination management charts (sales teams, marketing, finance, human resources) with the aim of improving the organizations' competitiveness, productivity and efficiency. Nowadays, Reportive is a significant player on the business intelligence software publishing market and has more than 130 clients, including 16 of the 20 largest pharmaceutical laboratories in the world. A large number of Cegedim entities also use the *Reportive* solution to improve the quality of the service rendered to the clients as well as their own productivity.

## Market research studies

### Cegedim Strategic Data (CSD)

Cegedim Strategic Data (CSD) is one of the main market study companies specialized in the pharmaceutical industry. With the advantage of more than 40 years' experience, CSD offers a wide range of studies and services based on the integration of its numerous data sources (ad hoc studies, promotional data, patient data, communication follow-up, medical studies). This information is collected from the general practitioners and specialists (office-based and hospital), pharmacists and patients.

CSD, nowadays established all over the world, has more than 50 international laboratories and 500 local laboratories among its clients. Its international expertise enables it to provide its clients with analyses comparing one country with another.

Each stage is carried out internally, from the collection of raw data, continuing through their processing, their analysis and their interpretation up to presenting the studies to the clients.

## Sales force optimization

### Itops Consulting

Itops Consulting offers its customers support in their strategic thinking on promotional issues. Its expertise covers: promotional strategy plans to organize and reorganize their promotional networks, performance evaluation, development and implementation of compliance regulations, managing change, training, and processing and analyzing data.

## Sales statistics for pharmaceutical products

### Gers SAS

Gers SAS manages the reference file of French pharmaceutical products. On behalf of the Gers (Economic Interest Group, grouping together the pharmaceutical laboratories operating in France), it processes and establishes the sales statistics on all the pharmaceuticals by UGA (Geographic Analysis Units), on the basis of the data collected from the wholesale distributors and the laboratories. Since 1999, these statistics may be consulted on line and are available each week.

### Cegers

Specialized in data processing, Cegers offers total outsourcing by ensuring data integration, reprocessing and distribution of trend charts via *Click-Pharma*. Cegers also offers internalization allowing companies' industry experts to be autonomous in their reporting and satisfy their internal customers by making the Reportive software platform available.

### InfoSanté

Through its subsidiaries InfoSanté in Romania and Gers Maghreb in Tunisia, the Cegedim Group provides sales statistics on pharmaceutical products.

### Santestat

Using sales data collected from a range of pharmacies, Santestat compiles a statistics database that is continuously enriched. Thanks to Santestat, pharmacists and their groups have the tools necessary to optimize the management of their agencies, the monitoring of their pricing policies and the vision of their purchasing market.

## Medical prescription analysis

### Cegedim Customer Information (CCI) – Europe, USA, Canada

Cegedim Customer Information provides pharmaceutical companies defined nominative information on healthcare professionals. Using the *OneKey* database, the world's leading reference among healthcare professionals, CCI offers its customers two main types of studies:

- **Icomed (Prescriber in Germany):** Every year, Icomed performs syndicated surveys with general and specialized practitioners on their activities and prescription preferences with significant response rates - from 30% to 50% - depending on the specialty and country. These studies exist in France (in 44 specialties) as well as in Germany, Italy, Spain, Benelux, Nordic countries, Russia, Poland, Turkey and Romania.
- **Physician Connect:** Physician Connect identifies experts and their networks of influence managing a pathology due to a unique and robust peer-to-peer nomination methodology. This study responds to different departments' needs (medical, marketing, sales and SFE) to optimize their relationships with networks of influence throughout the product's life cycle.

## Corporate databases, CRM and associated service

### Cegedim Communication Directe (CCD)

Specializing in professional databases and marketing tools throughout the world, and backed by its expertise in these fields, Cegedim has developed a specific department for its French activities in direct marketing, Cegedim Communication Directe (CCD), which offers: specific databases, data processing / data quality management, online services, products and services dedicated to Press and Web publishers.

## Medical sample management

### Pharmastock

The Cegedim Group provides its clients with two sample management packages: *Tracere*, designed to respond to the sample management needs of medical reps and doctors, and *3S*, designed to manage sample requests from healthcare professionals. These offers rely on Pharmastock, a depository pharmaceutical company.

## Digital promotion

### MedExact

MedExact works in synergy with all the companies in the Cegedim Group whose activity is promotion apart from medical representation: with doctors by circulating advertising campaigns on screen savers (*ScreenPub*) and with pharmacists (promotional tools for creating loyalty and communications, studies on dispensing medicines in pharmacies).

## Appendix 2: The “Healthcare professionals” sector

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With many years of experience dedicated to healthcare professionals, Cegedim has positioned itself as one of the leading European publishers of medical and paramedical management software.

The Group works daily with pharmacists, general practitioners and specialists, whether they work independently or in group practices, in healthcare centers or networks.

Cegedim’s software responds to the needs of professionals and to the latest technical and regulatory requirements. This a main vector for the transfer of scientific, and medical information between healthcare professionals at the place of practice.

### > Cegedim Healthcare Software

#### | Software for pharmacists

##### **Alliadis**

Specializing in pharmacy computerization, the Alliadis group has been providing support to pharmacists since the beginning of the sector’s computerization, i.e. for more than 20 years. It develops and markets comprehensive, integrated software solutions for pharmacists, including the supply of suitable IT equipment.

Alliadis is at the forefront of the latest technological innovations and is meeting its clients’ occupational needs with high value-added and continuously updated solutions. The new regulatory challenges, such as the Pharmaceutical File, development of the SESAM-Vitale environment, substitution targets, the pharmacists’ new missions under the HPST Act, product traceability and product codification all require the development of IT tools in the short and medium term.

In France, 450 employees, 30 skill centers and 2 help-lines deployed around the country provide daily local service at a level of quality that is recognized by the clients. Alliadis holds 41% of the pharmacy computerization market in France.

##### **Cegedim Rx**

Cegedim Rx is the United Kingdom’s leading company in the supply of software and computerized services to pharmacies, with a market share of nearly 50%, which represents more than 12,200 pharmacies. Its product offering consists of the *Nexphase* and *Pharmacy Manager PMR* systems, which are used to process more than 300 million prescriptions annually. Cegedim Rx also offers services relating to distribution, hardware installation, and set-up, support, training and consumables sales.

##### **Next Software**

The leader in the field of pharmacy computerization with a 25% market share, Next Software is the only company present nation-wide in Tunisia.

##### **Pharmec Healthcare Software**

Specialized in publishing and distribution solutions for healthcare professionals in Romania. Pharmec Healthcare Software is the leader in the pharmaceutical software industry with over 35% market share. Pharmec is also one of the up and coming players in the physician computerization market in the country.

### Cegedim Logiciels Médicaux

CLM offers solutions for office-based physicians, oncology institutions and healthcare centers, and multidisciplinary residential and long term care centers:

- for physicians: *Crossway* (and its interfaces, *Eglantine*, *Medigest* and *Cardiolite*), *DocWare*, *Médiclick*, and *MegaBaze* software ensure simple and efficient patient record management;
- or oncology institutions: *OncoBaze*, and soon *OncoWeb* software offers comprehensive management of the workflow for chemotherapy treatments and their complete traceability;
- for healthcare centers: *Crossway* software offers medical center management (coupled with a management solution for third party payment);
- for multidisciplinary residential and long-term care centers: CLM (partnered with RMI) offers a line of software, *Santé + 4000*, which shares data between different healthcare professionals (physicians and paramedical professionals) within the same structure.
- the *Secure Medical Mail*, *Resip FSE* and *e-FSE* software programs, used alone or integrated with medical software, allow medical information to be shared through secure e-mail and CPS authentication, and to prepare electronic care sheets in compliance with the latest regulations in effect;

### INPS – United-Kingdom

INPS is strengthening its position as leader in the Primary Care sector in the United Kingdom with its *Vision* offer. The reforms undertaken by the National Health Service require different levels of interoperability between healthcare professionals, and In Practice Systems continues to develop and adapt its software solutions in order to meet these requirements for General Practitioners. The *Vision* application is used by almost 10,000 doctors at more than 2,300 primary care locations in the United Kingdom.

### HDMP - Belgium

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

### Millennium - Italy

Based in Florence, Millennium, 49% owned by Cegedim, is Italy's leading medical software publisher, with *Millewin* installed on nearly 16,500 workstations. Millennium strengthened its regional presence and became a principal shareholder of two other publishers, one focused on general practitioners and the other on pediatricians. Millennium now directly or indirectly equips more than 22,800 physicians, representing a market share of 39% with Italian general practitioners and 45% with pediatricians.

### Stacks – Spain and Chile

The leader in physician software in Spain with more than 30,000 users, Stacks specializes in the analysis, design and development of information systems dedicated to the healthcare sector. Stacks also offers consulting and technical services for identification, adaptation and integration of solutions in order to meet the needs of healthcare professionals.

The primary market for Stacks is the Spanish public sector, which represents more than 60% of its sales. The company has its own commercial network throughout the country. It is also present in South America through its establishment in Chile.

### Pulse Systems – United States

Pulse reinforces its position in the management of electronic patient records (Electronic Health Record or EHR), the management of the medical practice and payment follow-up in the United States. The support plans set up by the American Minister of Health and Social Services encourage the adoption of these medical technologies started in 2011. Pulse Systems is continuing its efforts to develop and upgrade its software solutions to remain on the cutting edge of these technologies. There are more than 20,000 users of Pulse solutions in the United States.

## Software for paramedics

### RM Ingénierie

RM Ingénierie offers a full range of software (+4000 line) for paramedical professions: nurses, physiotherapists, speech therapists, orthoptists, chiropractors, podiatrists and midwives. Designer, in 1984, of France's first practice management software for physiotherapists, RM Ingénierie has positioned itself as the French leader in management software solutions for paramedical practices with approximately 32,000 users. RM Ingénierie also provides a new Maisons Médicales (Medical Homes) offer that responds to the new demand to regroup medical and non-medical healthcare professionals.

## Medication database

### RESIP Banque Claude Bernard

RESIP (Recherches et Etudes en Systèmes Informatiques Professionnels) provides healthcare professionals with a scientific database to assist them in prescribing and issuing medications: the *Base Claude Bernard (BCB)*. The *BCB* is the first drug database accredited by the French National Health Authority, the Haute Autorité de Santé (HAS), in late September 2008, as a certification of prescription assistance software. The *BCB* is integrated into pharmacy management software, software programs for doctors, and hospital healthcare sites and portals.

## > Other companies of the healthcare professionals sector

## Promotional information

### RNP

RNP (Réseau National de Promotion) is the undisputed French benchmark for POS (Point of Sale) advertising in the pharmaceutical and para-pharmaceutical sectors. Its services include: window dressing, installing in-store promotional materials and conducting surveys.

## Medical financial leasing

### Cegelease

Cegelease, with its *Pharmalease* and *Médilease* brands, is a financial leasing company that offers financing options to retail pharmacies and healthcare professionals for the purchase or lease of computer hardware and management systems.

## Appendix 3: The “Insurance and services” sector

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Leveraging its professional software publishing and complex information processing skills, the Cegedim Group brings together offers in the “**Insurance and services**” sector for major health insurance and technological expertise players intended for partners and customers in all sectors.

### > Cegedim Insurance

#### | IT for healthcare insurers

##### **Cegedim Activ**

Cegedim Activ's solutions are now used to manage more than 30 million policyholders in France, making it the leader in software and services dedicated to personal insurance (supplementary health schemes, mandatory health plans, contingency plans, life insurance and retirement). Its products are intended for all market operators: insurance companies, mutual healthcare companies, provident institutions and brokers.

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

##### **Midiway**

Midiway designs and implements online services on the Internet and on Mobile devices designed for the insured and for companies involved in individual health insurance. Due to its expertise in this field, Midiway has also developed digital communication strategy consulting services for customers in the Business Unit on the Internet, on mobile devices and on social networks.

#### | Flows and electronic payment

##### **Cetip**

Cetip is the leader in managing direct healthcare billing and payment flows as historical operator of the Santé-Pharma Association. Cetip handled more than **110 million data flows in 2011** for more than 200 Supplemental Health Insurance agencies, close to 112,500 Healthcare Professionals and 13 million beneficiaries. At present, direct billing and payment extends to all healthcare professionals.

##### **iSanté**

iSanté is a national operator which is developing standard or on-line direct healthcare investment by insurers providing better access to healthcare for the policyholders, and the fastest and most secure means of payment for the healthcare professionals. Set up in 2007, iSanté is growing strongly with 6 million beneficiaries using its services. iSanté has emerged as one of the most dynamic and innovative operators on the generalized multi-profession market for direct healthcare investment by insurers.

#### | Management service

##### **iGestion**

iGestion proposes management services, on behalf of third parties in supplemental healthcare insurance and pensions, to insurance companies, pension institutions, mutual healthcare companies and intermediaries. In this way, these activities carried out on behalf of 20 players in the insurance market cover the supplemental system for more than 500,000 beneficiaries.

## >Other services

### Cegedim e-business

Specialized in electronic data exchange since 1989, Cegedim designs, develops and markets invoice digitization, probative value filing offers and EDI through its Cegedim e-business Business Unit, which groups together the activities of Cegedim EDI, *GIS (Global Information Services)*, *Cegedim Global Payments*, *Hospitalis* and *Qualitrans-Telepharma*.

#### Cegedim EDI

Dedicated to Electronic Data Interchange (EDI), Cegedim EDI offers electronic management of all documents circulating between the companies (orders, follow-ups, invoices, etc.). Initiated through the Edipharm system, mainly between wholesale distributors and laboratories, this activity has quickly spread outside the healthcare market, particularly in the mass distribution and administrative services sectors. In particular, Cegedim EDI offers *Global Invoice Services (GIS)*, the most complete computerization platform in ASP mode on the market.

#### Global Information Services

Global Information Services (GIS) is a unique, multi-document digitalization service offer (simple and fiscal digitalization, EDI, filing) that groups together all of the services required to digitize a company's documents: *Deskorn*, *EDI Network*, *Sign&Archive*, and the *e-factory*.

#### Cegedim Global Payments

Cegedim Global Payments offers a (MA€A) software suite that facilitates and optimizes migration to SEPA Direct Debit. (SDD). Available in license or SaaS mode, this offer allows customers to minimize adaptations made in the debit issuer's information system and makes the complex regulations tied to the use of the mandate and SEPA Direct Debit transparent to users.

#### Hospitalis

Hospitalis is a Web portal that provides information and data exchanges between healthcare institutions and their suppliers, ensuring the global computerization of all procurements of drugs, medical equipment, and laboratory reagents. Hospitalis is now present in over 900 major healthcare institutions, including 25 hospitals, and was used to transmit more than 1.6 million orders in 2011.

#### Qualitrans-Telepharma

Qualitrans-Telepharma is an OCT (technical concentrator) that centralizes the claims for Electronic Care Sheets issued by pharmacies and allocates them to the appropriate Mandatory and Supplementary healthcare insurers. Qualitrans-Telepharma carries more than 84 millions flows per year for more than 3,000 pharmacists.

The electronic transmission of care sheets complements the Group's software and database solutions. It represents a sustainable solution for everyday contacts with healthcare professionals.

### Outsourced payroll and human resources management

#### Cegedim SRH

Cegedim SRH intervenes in the HR outsourcing market by proposing innovative solutions and services with high added value, from payroll management to Human Resource Management. A benchmark player in the market, Cegedim SRH is based on TEAMS<sup>RH</sup>, its own HRIS solution to offer value added solutions, adapted to needs depending on the size of its customers.

Within the context of complex economic and legislative changes, TEAMS<sup>RH</sup> responds to the HR function's need for agility. TEAMS<sup>RH</sup> is an innovative, complete and modular HRIS solution designed for outsourcing. Its design mode allows reactivity and flexibility of use. It is specifically adapted to manage companies with varying sizes and structures: from tens to tens of thousands of employees.

### **Cegedim Hosting**

Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurance providers, and healthcare mutuals and healthcare networks (Electronic Patient File trials), as well as in the management of financial flows and paperless documents. Due to their strategic and sensitive nature, these activities have led the Group's teams to devise architectures with very high availability that meet the security requirements of its customers and, in particular, the standards governing the hosting of medical records. Cegedim is an accredited "private healthcare data hoster" by the French Health Ministry. Cegedim's facilities management services are located in three different geographical zones: America (Chesapeake site in the USA), Europe (Boulogne-Billancourt and Toulouse sites in France), and Asia-Pacific (Bangalore sites in India and Singapore).

These sites, three of which are Tier III+ level (in France and the USA), provide the back-up and launch of Business Continuity Plans (BCP) for coverage of all time zones.

### **Cegedim Outsourcing**

Cegedim Outsourcing provides infrastructure solutions and facilities management services to companies, allowing them to secure, administer and supervise information systems.