cegedim

Registration Document

Annual Financial Report included

cegedim.com/finance

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

WARNING

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

REGISTRATION DOCUMENT 2011

ANNUAL FINANCIAL REPORT INCLUDED

Copies of the Registration Document are available for free from Cegedim SA
at 127-137 rue d'Aguesseau, 92100 Boulogne-Billancourt, France,
and on the website: **www.cegedim.com/finance**

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the Autorité des Marchés Financiers (AMF) on April 6, 2012 in accordance with the provisions of article 212-13 of AMF general regulations.

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

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

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Annual Financial Report items are clearly identified in the summary with the aid of the AFR pictogram

CORPORATE GOVERNANCE

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CORPORATE MANAGEMENT REPORT

CEGEDIM, TODAY AND TOMORROW

JEAN-CLAUDE LABRUNE, CHAIRMAN & CEO

"By leveraging **its key strengths**, notably at the international level, and **its efficient and motivated teams**, and by continuing to adapt its products to new requirements, **Cegedim aims to remain a global benchmark in advanced technologies and IT services in the healthcare sector.**"

The economic crisis is accelerating rapid change in the global health economy, as well as the consequences on the reinforcement of economic and safety constraints imposed on the pharmaceutical industry by governments and insurance systems.

For over three years, Cegedim has been transforming itself to support this fundamental change in healthcare professions with the aim of anticipating new requirements regarding product development, new standards and market conditions. Its main challenge will be to succeed in integrating this changing business model to take advantage of the positive growth that healthcare related activities will generate in coming years. Cegedim is very well-placed to achieve new and future success.

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

Cegedim's offers are now global offers that rest upon a high quality service infrastructure capable of supporting its customers' needs.

These CRM services for the pharmaceutical industry are becoming increasingly complex and come with changes in requirements. Therefore, the number of medical representative users in general medicine has significantly decreased in the last few years. Conversely, the number of specialized users of these services (medical reps in specialist areas, medical consultants, researchers, etc.) grew rapidly due to the medical professionals' requirements for complex information, particularly with regard to all the implications of Market Access.

These important changes will be particularly beneficial for Cegedim, as it is the only international organization in possession of a worldwide database of health professionals, with *OneKey*.

New government policies regarding compliance will also create new requirements in Cegedim's priority areas, which include healthcare professional databases, longitudinal patient studies, "risk-benefit" studies for all new products upon market placement, the management of new prescribers, and management of new purchasers.

One of the new requirements relates to disclosure requirements for health spending, an area in which Cegedim's "reconciliation" service called "AggregateSpend" has been a significant success in the United States. This year, Cegedim plans to extend this success to Europe, and notably to France, with the first contracts signed in 2011.

2011 REVENUE
911 MILLION EUROS

WORKFORCE
8,200 EMPLOYEES

PRESENCE
80 COUNTRIES, 5 CONTINENTS

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

At the same time, the adaptation of management and prescription software used by healthcare professionals, the new requirements for sharing medical records and the importance of rationalizing relationships between patients and insurers continue and will provide Cegedim with opportunities to develop new medical and paramedical software. **2012 will see the launch of new offers in prescription software accessible solely via the Internet, as well as new portals reserved for patients.**

Cegedim's Insurance business is another major growth driver, for which Cegedim has supported key order placers by meeting their needs for interconnection and computerization as well as by offering support in the area of their changing relationships with healthcare professionals. Here too, **the Group boasts strong growth potential based on its specialized knowledge of the healthcare sector and the converging needs of organizations, pharmaceutical companies, insurers and healthcare professionals.**

The success of Cegedim's activities in IT for human resources management, electronic data exchange and the new SEPA procedures for payment and debit management is growing rapidly.

Cegedim will continue the strategy that has always made it strong: innovation and expertise in its trade.

The quality of Cegedim teams and its flexible and perpertually moving organization built on responsible units motivated by entepreneurial managers allows Cegedim to offer high performance tools and to continue its progression.

By leveraging its key strengths, notably at the international level, and its efficient and motivated teams, and by continuing to adapt its products to new requirements, Cegedim aims to remain a global benchmark in advanced technologies and IT services in the healthcare sector.

Jean-Claude LABRUNE,

Chairman & CEO

Cegedim's expertise breaks down into three sectors of activity

Founded in 1969, Cegedim is a global technology and services company specializing in healthcare. Cegedim supplies services, IT tools, specialized software, data flow management services and databases.

Its offerings are targeted notably at healthcare industries, life sciences companies, healthcare professionals and insurance companies.

1. CRM & strategic data

+ than 200,000 users

OneKey, worldwide reference among professionals and players in the healthcare sector

56% of 2011 revenue

2. Healthcare professionals

+ than 140,000 physicians' and paramedics' workstations

+ than 78,000 pharmacists' workstations

29% of 2011 revenue

3. Insurance & services

30 million policyholders managed with its solutions

250 million third party payments flows

15% of 2011 revenue

1.

CRM & strategic data

This sector aims to support healthcare companies around the world in their different commercial and medical operations by providing them with databases, marketing tools and regular or customized audits.

This sector allows those in the life science industries to optimize their investments by providing the technological tools and necessary data to identify the medical needs of prescribers who normally have to use such services. Cegedim also provides different compliance services, allowing for customers to better understand the correct use of drugs and ensure the compliance of prescriptions with market authorizations.
Cegedim solutions combine performance and compliance with different Public Health Codes and privacy laws.

2.

Healthcare professionals

Alongside health professionals for many years, Cegedim has today positioned itself as one of leading publishers of medical management software throughout the world.

Cegedim assists paramedics, pharmacists, general practitioners and specialists in their professional lives on a daily basis.

Structured and communicative, Cegedim software meets the daily needs of healthcare practitioners and professionals while meeting the latest technical and regulatory requirements. It is an important vehicle for transferring scientific and medical information between healthcare professionals at the place of practice.

3.

Insurance & services

Leveraging its skills in professional software publishing and in processing complex information, the Cegedim Group brings together offers, in the Insurance and Services sector, for major healthcare insurance players and technological expertise for its customers in all business sectors.

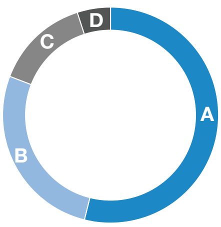
The Cegedim Assurances Business Unit includes all of the Group's products and services for insurers, mutual insurers and provident societies, through its subsidiaries Cegedim Activ, Midiway, Cetip, iSanté and iGestion.
This BU harvests synergies along the entire exchange chain, from healthcare professionals to supplementary health insurers.

Key figures

> Cegedim

Key figures

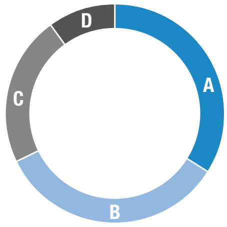
Revenues in millions of €	2011	911.5	-1.6%
	2010	926.7	
EBITDA from ordinary activities in millions of €	2011	150.4	-13.8%
	2010	174.0	
Margin of EBITDA from ordinary activities as a % of revenues	2011	16.5%	-230bp
	2010	18.8%	
EBIT from continuing operations in millions of €	2011	83.9	-22,3%
	2010	107.2	
Margin of EBITDA from ordinary activities as a % of revenues	2011	9.2%	-240bp
	2010	11.6%	



Geographical breakdown of revenues

A	France	54%
B	Europe excluding France	27%
C	North America	14%
D	Rest of the world	5%

1. CRM & strategic data



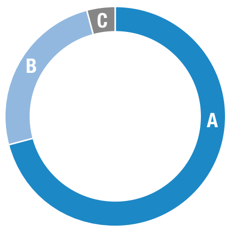
Geographical breakdown of revenues

A	France	34%
B	Europe excluding France	34%
C	North America	22%
D	Asia	10%

Key figures

Revenues in millions of €	2011	510.6	-3.0%
	2010	526.5	
EBITDA from ordinary activities in millions of €	2011	60.3	-20.7%
	2010	76.1	
Margin of EBITDA from ordinary activities as a % of revenues	2011	11.8%	-260bp
	2010	14.4%	
EBIT from continuing operations in millions of €	2011	33.6	-34%
	2010	50.9	
Margin of EBIT from ordinary activities as a % of revenues	2011	6.6%	- 310bp
	2010	9.7%	

2. Healthcare professionals



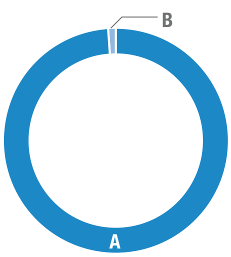
Geographical breakdown of revenues

A	France	71%
B	Europe excluding France	25%
C	North America	4%

Chiffres clés

Revenues in millions of €	2011	259.8	-4.1%
	2010	271.0	
EBITDA from ordinary activities in millions of €	2011	58.7	-14.8%
	2010	69.0	
Margin of EBITDA from ordinary activities as a % of revenues	2011	22.6%	-280bp
	2010	25.4%	
EBIT from continuing operations in millions of €	2011	29.3	-20.2%
	2010	36.7	
Margin of EBIT from ordinary activities as a % of revenues	2011	11.3%	-220bp
	2010	13.5%	

3. Insurances & services



Geographical breakdown of revenues

A	France	99%
B	Europe excluding France	1%

Key figures

Revenues in millions of €	2011	141	+9.2%
	2010	129.2	
EBITDA from ordinary activities in millions of €	2011	31.3	+8.1%
	2010	29.0	
Margin of EBITDA from ordinary activities as a % of revenues	2011	22.2%	-20bp
	2010	22.4%	
EBIT from continuing operations in millions of €	2011	21.0	+7.0%
	2010	19.6	
Margin of EBIT from ordinary activities as a % of revenues	2011	14.9%	-30bp
	2010	15.2%	

Comments on the trading environment

Cegedim

Revenues amounted to 911.5 million euros in 2011, a decline of 1.6% on a reported basis. Acquisitions had a positive contribution of 1.7%, while currency fluctuations had a negative impact of 0.6%.

Operating income from continuing operations totaled 83.9 million euros, a decline of 22% year on year. The decline stemmed from an increase in payroll costs in the first semester and the revenue decrease in the second semester.

The operating margin on continuing operations was 9.2%, compared with 11.7% in 2010.

1. CRM & strategic data

Sector revenues amounted to 510.6 million euros in 2011, a decline of 3.0% on a reported basis.
Acquisitions had a positive contribution of 0.2%, while currency fluctuations had a negative impact of 0.9%.

Operating income from continuing operations totaled 33.6 million euros, a decline of 17.6 million euros year-on-year. The operating margin on continuing operations was 6.6%, compared with 9.7% in 2010.

2. Healthcare professionals

Sector revenues amounted to 259.8 million euros in 2011, a decline of 4.1% on a reported basis. Acquisitions (Pulse in the US and Pharmec Romania) had a positive contribution of 2.6%, while currency fluctuations had a negative impact of 0.3%.

Operating income from continuing operations totaled 29.3 million euros, a decline of 7.5 million euros year-on-year. The operating margin on continuing operations was 11.3%, compared with 13.6% in 2010.

3. Insurance & services

Sector revenues amounted to 141.0 million euros in 2011, an increase of 9.2% on a reported basis. Acquisitions had a positive contribution of 6.2%. Currency fluctuations had a positive contribution of 0.1%.

Operating income from continuing operations totaled 21.0 million euros, an increase of 1.1 million euros year-on-year.
The operating margin on continuing operations was 14.9%, compared with 15.4% in 2010.

Corporate governance

The Company follows the Afep-Medef "Code of Corporate Governance for listed companies". This Code may be viewed on the Afep-Medef website. (code-afep-medef.com).

The Board of Directors has set of Internal Rules and Procedures establish, notably, the rules governing it composition, missions, operation and responsibili-ties.

The role and missions of four committees are also defined by the Board's Rules of Procedure.

Board of Directors

The Board of Directors is composed of ten Directors including an independent member as defined by the Afep-Medef Code of Corporate Governance.
One of its members is a woman. During fiscal year 2011, the Board of Directors met six times on written invitation from the Chairman, sent to each Director at least one week before the date of the meeting.
The Board approved the annual and interim financial statements and deliberated on the overall direction and strategic decisions of the Group.

1. Audit Committee

The mission of the Audit Committee is mainly to examine the financial statements, monitor the process of preparation of financial information and the efficiency of the internal control systems, and oversee risk management and the rules of independence and objectivity of the Auditors.

It is composed of four members including one independent member.
The Audit Committee met five times during the 2011 fiscal year. All meetings were held in the presence of all committee members. The Auditors and the Director of Investment also attended the meetings.

2. Appointments Committee

The main missions of the Appointments Committee are to create proposals for the selection of Directors and to elaborate a plan for the succession of the corporate officers in the event of unplanned vacancies.

It is composed of three members including one independent member.
The Committee met once during the 2011 fiscal year.

3. Compensation Committee

The main missions of the Compensation Committee are to examine and make recommendations to the Board concerning the compensation of the Cegedim Directors, the Chairman & CEO and the Deputy Managing Director; and to examine the policy of free share allocation and variable compensation.

It is composed of three members including one independent member.
The Committee met twice during the 2011 fiscal year, with all of its members in attendance.

4. Strategy Committee

The main missions of the Strategy Committee are to propose directions for the Company's growth and to identify potential targets.

It is composed of three members appointed by the Board of Directors.
The Committee met twice during the 2011 fiscal year, with all of its members in attendance.

Management bodies

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

Auditors
- Grant Thornton, represented by Michel Cohen
- Mazars, represented by Jean-Paul Stevenard and Jérôme de Pastors

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

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

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

Appointments Committee
- Jean-Claude Labrune, Chairman
- Jacques-Henri David
- Jean-Pierre Cassan

Cegedim's values

Cegedim's values are founded on a permanent quest for innovation and the optimization of the quality of its products and of data to support the "business" needs of its customers' markets. This requirement for innovation, quality and investment for their future is the core of the Group's strategy for growth and is based on strongly-held values.

"Adhering to these values, together, we guarantee the success of our own future."

> Innovation and entrepreneurial spirit

The Cegedim Group is based on business units and on very independent companies, animated by managing entrepreneurs who are able to share and promote the technological excellence of their products in sectors with large potential for growth.

Most offerings proposed are very complete lines of customer services, involving high levels of knowledge and business specializations. The technical teams follow the products from the initial innovation to the production stage. Product development teams are fully aware of customers' needs and of the features of the solutions they offer.

> Culture of customer satisfaction

Cegedim's goal is to deliver the added-value that customers need at a fair price. Great responsiveness and adaptability to change are possible due to human sized teams that promote communication, the transfer of skills and sharing of experiences. Cegedim bases its work on efficient, proactive and motivated teams, which benefit from short information circuits and rapid decision-making, and which are very adaptable to change.

> Compliance

The nature of Cegedim's activities requires it to handle sensitive data, primarily in the pharmaceutical industry. Compliance is the source of Cegedim's credibility in the world of healthcare, in particular concerning confidential customer data and commitments to anonymity. Adherence to applicable regulations and strong ethics are the core values that enable Cegedim to develop and lead its collaborators to evolve individually.

Cegedim on the Stock Exchange

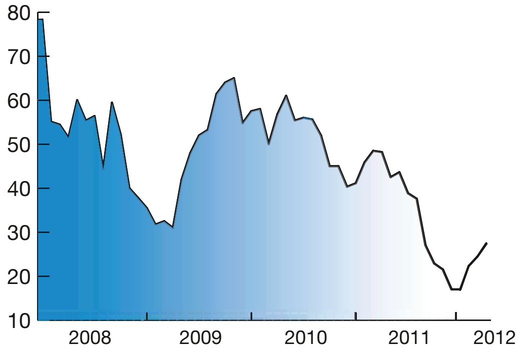
Cegedim's financial communication policy is to deliver rapid, relevant and timely information on company performance to investors and the market. One key element in communicating with the market is the publication of earnings in annual reports, interim reports and quarterly revenue reports.

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.

Additional financial information

Further information and updates can be viewed on our website:
www.cegedim.com/finance → menu: profile/shareholding

1. Change in the share price

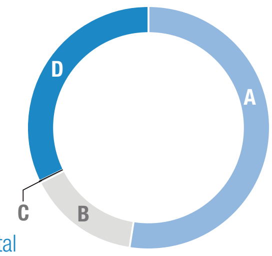


Cegedim shares closed at 17 euros on December 30, 2011, putting market capitalization at 238 million euros.

2. Key share data

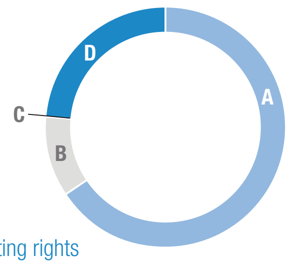
In euros	2011	2010	2009	2008	2007
Market capitalization, in millions	238.0	575.6	804.8	331.3	730.7
Number of shares	13,997,173	13,997,173	13,997,173	9,331,449	9,331,449
Share value at year end (€)	17.00	41.12	57.50	35.50	78.30
Yearly high (€)	49.19	61.95	76.10	78.30	93.40
Yearly low (€)	13.72	40.33	30.00	32.70	65.90
Average price (€)	34.58	51.92	42.48	51.37	79.83

3. Shareholding structure
as of December 31, 2011



Capital

A	FCB	52.57%
B	FSI	15.02%
C	Cegedim	0.29%
D	Free float including Alliance Healthcare	32.12%



Voting rights

A	FCB	64.91 %
B	FSI	11.17 %
C	Cegedim	0.0 %
D	Free float including Alliance Healthcare	23.92%

Policy in respect of financial disclosure

"simplicity, transparency, clarity."

> Investor contacts:

Jan Eryk UMIASTOWSKI
Chief Investment Officer &
Head of Investor Relations

janeryk.umiastowski@cegedim.com
www.cegedim.com/finance
TEL : +33 (0)1 49 09 33 36

1. The Cegedim share

Date of IPO	April 1995
Market	NYSE Euronext Paris Compt. B
Code ISIN	FR0000053506
Code Reuters ; code Bloomberg	CGDM.PA ; CGM
Indices	SBF 250 ; CAC IT ; CAC Mid & Small 190 ; CAC Mid 100 ; CAC Technology ; CAC Soft & C.S.
Date of year end	Décembre 31

2. Market financing

On July 27, 2010, Cegedim issued 300 million euros in bonds maturing in 2015, with a fixed-rate coupon of 7.00% per annum, payable every six months.
The bonds are traded on the Luxembourg Stock Exchange under the ISIN code FR0010925172.

3. Credit rating

Cegedim is committed to maintaining a high credit rating. Meetings are held regularly between the rating agency and Cegedim's senior management.

> Standard and Poor's rating: BB-, negative outlook

4. Analysts

Fixed income

> **Imperial Capital:** Brad BRYAN
> **Société Générale:** Juliano HIROSHI TORII

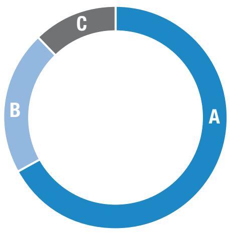
Equity

> **CA Cheuvreux:** Michaël BEUCHER
> **CM-CIC Securities:** Jean-Pascal BRIVADY
> **Gilbert Dupont:** Guillaume CUVILLIER / Mickael CHANE-DU
> **Natixis Securities:** Thomas LE QUANG
> **Oddo & Cie:** Xavier-Emmanuel PINGAULT
> **Société Générale:** Patrick JOUSSEAUME

Human resources

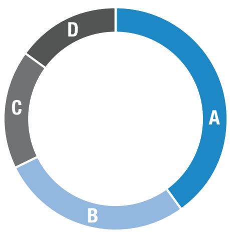
8,200
employees, of which 60% outside France

+1,000
new employees in 2011



Breakdown by sector

A	CRM and strategic data	67%
B	Healthcare professionals	21%
C	Insurance and services	12%



Geographical breakdown

A	France	40%
B	EMEA excluding France	28%
C	America	17%
D	APAC	15%

1. 2011 Highlights

Acquisition

On April 15, 2011, Cegedim seized the opportunity to develop a strategic activity in the market for the computerization of pharmacies and doctors in Romania by acquiring Pharmec, which holds more than one third computerization market in that country, with annual revenues of approximately 1 million euros. This acquisition also strengthened Cegedim's data offering for pharmaceutical laboratories in Romania.
Formed in January 2011 for the purposes of this transaction, following a spin-off from a large Romanian industrial group, Pharmec combines IT and services activities for pharmacies and doctors.

Refinancing of bank loans taken out in conjunction with the Dendrite acquisition in May 2007

Cegedim successfully established a five-year credit agreement for 280 million euros (term loan and revolving loan) on June 10, 2011. This refinancing was used to repay the bank loan set up in May 2007. The security package for the initial credit facility was fully closed.

Two-year extension of the maturity of the subordinated loan

FCB granted a 50 million euro loan to Cegedim S.A. in May 2007. FCB subsequently underwrote the December 2009 capital increase, in part by offsetting its debt, reducing its loan to 45.1 million euros. This amount was to fall due in May 2014.

On September 21, 2011, a rider was signed between FCB and Cegedim, under the same financial terms, extending the loan's maturity until June 10, 2016.

2. Events occurring after the closing date

To the best of the Company's knowledge, no events or changes with a material impact on the Group's financial position have taken place since the closing date.

3. 2012 outlook

Cegedim stands to benefit from:

- The launch of highly innovative new products;
- The widespread adoption of performance-based pay for doctors, particularly in France;
- The sales momentum initiated in the CRM, Compliance and OneKey offerings in 2011;
- The revolution of online entitlement checks for health insurance;
- The reinforcement, excluding implementation costs, of cost-saving measures taken in November and December.

As such, the Group expects the first half of 2012 to be substantially identical to that of 2011 in terms of revenues, with a positive impact on revenues in the second half of the year.

CEGEDIM GROUP

1

PERSONS RESPONSIBLE

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

Jean-Claude Labrune

Chairman & CEO

Cegedim SA

1.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

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

I hereby certify that, to the best of my knowledge, the financial statements have been established in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and earnings of the Company and all of the companies included in the consolidation scope. I hereby certify that, to the best of my knowledge, the Corporate Management Report included in chapter 26 of this document presents a true image of the change in business, earnings and financial position of the Company and of all the companies included in the scope of consolidation as well as a description of the main risks and uncertainties that they are faced with.

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

The statutory auditors' reports on the consolidated financial statements for fiscal year 2011 that appear in point 20.1.3 of this Registration Document have the following observations: "without modifying [our] opinion, we draw your attention to the Accounting policies, paragraph «Retirement benefits» as well as note 13 «Retirement commitment» which disclose the change in accounting method which occurred during the fiscal year pertaining to the application of the option offered by IAS 19 as amended, and to the note 7 relating to the «Goodwill on acquisition» which stipulates that the difficult economic environment which the Group faced in 2011 was included in the assumptions and the business plans underlying the impairment tests for Goodwill on acquisition. The Group's top management also emphasized that there is no reason to believe that this environment had a long-term and structural impact on the CRM sector's forecast and its strategic positions".

The statutory auditors' reports on the consolidated financial statements for fiscal year 2011 that appear in point 20.2.3 of this Registration Document have the following observation: "without modifying [our] opinion, we draw your attention to the matter set out in note 2 «Accounting rules and methods - paragraph C) Equity investments and other investments» in the Annual Financial Statements. These state that the difficult economic environment facing the Cegedim Group in 2011 was taken into account in the assumptions and business plans underlying the valuation of investments. The Cegedim Group's top management also emphasized that there is no reason to believe that this environment had a long-term and structural impact on the CRM sector's forecast and its strategic positions".

The Auditors' Reports concerning the annual financial statements and the consolidated financial statements for the 2010 fiscal year (which appear in the Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 21, 2011 under number D.11-0351) have the following observations: "without modifying [our] opinion, we draw your attention to the note - Accounting Standards from the annexes to the consolidated financial statements, which details the methods of presenting the consolidated financial statements and new obligatory standards and note 3 - Intangible Assets that specifically details the circumstances concerning impairment reporting of the Dendrite brand as of December 31, 2010.

The Auditors' Reports concerning the annual financial statements and consolidated financial statements for the 2009 fiscal year (which appear in the Registration Document filed with the AMF on April 26, 2010 under number D.10-0320) do not contain any comments.

Signed in Boulogne-Billancourt on April 6, 2012.

Jean-Claude Labrune

Chairman & CEO

Cegedim SA

2

STATUTORY AUDITORS FOR THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION

2.1 PERMANENT AUDITORS

Cabinet Mazars

represented by Mr. Jean-Paul Stevenard and Mr. Jérôme de Pastors.
Exaltis, 61 rue Henri Regnault – 92400 Courbevoie

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

Cabinet Grant Thornton

represented by Mr. Michel Cohen
100 rue de Courcelles – 75017 Paris

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

2.2 ALTERNATE AUDITORS

Mr. Thierry Colin

39 rue de Wattignies – 75012 Paris

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

IGEC – Institut de Gestion et d'Expertise Comptable

represented by Mr. Victor Amselem
3 rue Léon Jost – 75017 Paris

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

3

SELECTED FINANCIAL INFORMATION

CONSOLIDATED DATA

In millions of euros	12/31/2011	12/31/2010	12/31/2009
Revenue	911	927	874
Operating income from continuing operations	84	108	112
Profit (loss) for the period	33	(16)	55
Profit (loss) for the period attributable to the owners of the parent	33	(16)	55
Cash flow	96	150	126
Total balance sheet	1,393	1,377	1,328
Goodwill on acquisition	725	711	613
Net financial debt	453	462	395
Shareholders' equity, Group share	516	480	465
Number of shares outstanding	13,997,173	13,997,173	13,997,173
Average number of shares excluding treasury shares	13,955,940	13,965,092	9,480,237
Earnings per share *(in euros)*	2.3	(1.2)	5.8
Current earnings per share *(in euros)*	2.8	4.1	6.9

4

RISK FACTORS

The Group's activities remain subject to the usual risks inherent in engaging in its trades as well as political and geopolitical risks arising from its international presence for most of its activities and unexpected instances of force majeure. These risks as well as others of which it is not yet aware or which it considers to be insignificant to date, could have a negative impact on its activity and results. After reviewing these risks, the Groups has decided that there are no significant risks except for those described here below.

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

4.1 MARKET RISKS

4.1.1 INTEREST RATE RISK

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

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

Financing was established on May 9, 2007 both to purchase the company Dendrite and to re-consolidate the existing debt. Part of this was refinanced on July 27, 2010 by a five-year, 300 million euro bond issue and the remainder on June 10, 2011 by a five-year bank loan consisting of an amortizable term loan of 200 million euros and a revolving credit line of 80 million euros.

Following the amortization of 20 million euros of the term loan at December 31, 2011 and the dynamic management of the bond debt, at December 31, 2011, the financing breaks down as follows:

- bank loan:
  - 180 million euros: an amortizable loan with a variable interest rate, maturing in 2016,
  - 80 million euros: a revolving, variable interest loan facility renewable at one, three or six months, at Cegedim's choice. At December 31, 2011, the total amount used was 20 million euros;
- shareholder loan:
  - 45.1 million euros for a bullet loan until at least 2014 at a variable interest rate. FCB granted a loan to Cegedim SA for 50,000 thousand euros in May 2007. When Cegedim increased its capital in December 2009, FCB subscribed for an amount of 4,906 thousand euros by an extinguishment of debt that resulted in a decrease in the debt from 50,000 thousand euros to 45,094 thousand euros. On September 21, 2011, an agreement between FCB and Cegedim was signed, under the same financial conditions, to extend the loan until June 10, 2016;
- bond issue:
  - 280 million euros: a bond issue of 300 million euros maturing in 2015, from July 27, 2010, with a fixed-rate coupon of 7.00% per annum, payable every six months. The bond is listed on the Luxembourg stock market under ISIN code FR0010925172. In 2011, following an active management of its debt, the nominal initial amount of 300 million euros was brought down to 280 million euros.

Repayment of Borrowings

Period	Bank loan *(in euros)*	Bonds *(in euros)*	Shareholder loan *(in euros)*
December 31, 2011	20,000,000	-	-
June 30, 2012	20,000,000	-	-
December 31, 2012	20,000,000	-	-
June 30, 2013	20,000,000	-	-
December 31, 2013	20,000,000	-	-
June 30, 2014	20,000,000	-	-
December 31, 2014	20,000,000	-	-
June 30, 2015	20,000,000	-	-
July 21, 2015	-	300,000,000	-
December 31, 2015	20,000,000	-	-
June 10, 2016	20,000,000	-	45,093,726

Description of Hedges put in place by the Group

The euro debt's exposure to variations in the euro rate is partially hedged. The notional amount hedged is 136,959 thousand euros for a euro debt of 245,094 thousand euros (the bank loan, the RCF portion and the shareholder debt). The hedge is made up of three no premium one month Euribor pre-set receivers, fixed rate payer as follows:

- rate of 4.565% on a notional hedged amount of 45,653 million euros, amortizable as shown in the table below;
- rate of 4.57% on a notional hedged amount of 45,653 million euros, amortizable as shown in the table below;
- rate of 4.58% on a notional hedged amount of 45,653 million euros, amortizable as shown in the table below.

Amortization of hedges

		Notional Amount hedged			
From (included)	**To (excluded)**	**Swap 4.565%**	**Swap 4.57%**	**Swap 4.58%**	**Total**
12/30/2011	6/29/2012	45,652,644.99	45,652,644.99	45,652,644.99	136,957,934.97
6/29/2012	12/31/2012	40,425,748.88	40,425,748.88	40,425,748.88	121,277,246.64
12/31/2012	6/28/2013	35,198,852.77	35,198,852.77	35,198,852.77	105,596,558.31
6/28/2013	12/29/2017	20,000,000.00	20,000,000.00	20,000,000.00	60,000,000.00

The amount of loans exposed to exchange rate risk at December 31, 2011 totaled 108,135 thousand euros.

Assessment of the Interest Rates Risk

At December 31, 2011, a 1% increase in interest rates applied to the non-hedged debt would have an impact of approximately 1.1 million euros on the Group's earnings before income tax.

Financial rating

Cegedim has been rated by Standard & Poor's since May 2010. At the date this Registration Document was submitted, and since October 2011, Cegedim has had the BB- grade, with a negative outlook. The rating agency could downgrade the Group either due to factors internal to Cegedim or on account of factors that affect the sector of activity in which the Group operates.

A lower grade by Standard & Poor's would have no impact on the financial costs of the current bond issue. On the other hand, it could impact the Group's ability to raise new funding or to refinance a portion of its existing debt.

4.1.2 EXCHANGE RATES RISK

65% of the Group's activities are conducted by subsidiaries in the euro zone, exposing Cegedim to limited exchange rate risk. In fact, exchange rate effects accounted for a 0.6% loss of revenue in 2011. These effects come mainly from the US dollar (12% of revenue), the Singapore dollar (4% of revenue) and from the pound sterling (9% of revenue). The Group has not established a policy for exchange rate hedging.

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

The breakdown of the Group's consolidated balance sheet by currency used to prepare the financial statements of subsidiaries that are part of the Group's consolidated scope at December 31, 2011, is as follows:

Consolidated Balance Sheet Total at 12/31/2011	GBP	USD	EUR	Other Currencies	Total
Amount *(in thousands of euros)*	75,535	287,986	975,630	54,166	1,393,316
Share in % terms	**5.4%**	**20.7%**	**70.0%**	**3.9%**	**100.0%**

The table below allows the loss risk on the net global foreign currency position to be calculated on the basis of unfavorable currency effects or consistent 1% growth being experienced by a currency used to prepare financial statements in comparison to the total number of foreign currencies concerned. The impact of an unfavorable and consistent currency change of 1% of the:

- euro-dollar parity on the financial statements of the subsidiaries whose currency used in preparation of their financial statements is the USD would have a negative impact of 3.2 million euros on the Group's shareholders' equity;
- euro-sterling parity on the financial statements of the subsidiaries whose currency used in the preparation of their financial statements is the GBP would have a negative impact of 0.3 million euros on the Group's shareholders' equity.

In thousands of euros	GBP	USD
Balance sheet total	-619	-6,241
Off-balance sheet positions	-	-
Net position after management	**-619**	**-6,241**

Should the revenue/costs structure remain similar, any appreciation in the euro against the pound sterling would bring about a reduction in earnings expressed in euro. On the basis of the 2011 fiscal year, all other currencies remaining at the same level against the pound sterling, a theoretical 1% appreciation in the euro against the pound sterling would have a negative impact of 781 thousand euros on Cegedim's revenue, and 107 thousand euros on its operating income.

Should the revenue/costs structure remain similar, any appreciation in the euro against the US dollar would bring about a reduction in earnings expressed in euros. On the basis of the 2011 fiscal year, all other currencies remaining at the same level against the US dollar, a theoretical 1% appreciation in the euro against the US dollar would have a negative impact of 1,056 thousand euros on Cegedim's revenue and 88 thousand euros on its operating income.

Exchange rate effects had a negative impact of 5.2 million euros on 2011 revenue. It should be noted that the US dollar had a negative impact of 5.4 million euros, the Singapore dollar had a positive impact of 1.1 million euros and the pound sterling had a negative impact of 0.9 million euros. The amount of exchange gains or losses on revenue is determined by recalculating the 2010 revenue based on the 2011 exchange rate. The currency exchange rates used are the average rates over the fiscal year.

4.1.3 LIQUIDITY RISK

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

Borrowing is monitored centrally.

Net financial debt at December 31, 2011 decreased slightly, by 1.8%, compared with December 31, 2010:

12/31/2011	12/31/2010
€453,3 million	€461,6 million

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

At June 30, 2011 and December 31, 2011, the Group complied with all its bank and bond debt covenants.

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

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

Pro forma ratio of contractual net financial debt to contractual EBITDA

The contractual pro forma EBITDA (used as the basis to calculate the bank ratios) is equivalent to the restated operating income* from other non-current income and expenses from operations [(1)], amortization expenses [(1)], and integration expenses (expenses considered as non-IFRS as defined in the credit agreement with the Group's creditor banks).

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

The ratio of contractual net financial debt to contractual pro forma EBITDA at the end of each half calendar year must be less than 3.00 up to the maturity of the debt.

Period	Covenants	Cegedim
June 30, 2011*	3.00	2.60
December 31, 2011	3.00	2.71

* *Unaudited covenants.*

Pro forma contractual EBITDA to contractual cost of debt ratio

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

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

The contractual pro forma EBITDA over contractual cost of debt ratio must, at the end of each half calendar year, be greater than 4.5 until the maturity of the debt:

Period	Covenants	Cegedim
June 30, 2011*	4.50	5.05
December 31, 2011	4.50	5.19

* *Unaudited covenants.*

Restrictions on the use of capital are set out in section 10.4 of this Registration Document.

To assess the expected sources of financing necessary to honor the commitments for investments (mentioned in points 5.3.2 and 8.1) it is also necessary to see point 10.5 of the Registration Document.

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

4.1.4 CLIENT RISKS

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

No client of the Group represents more than 2.5% of the Group's revenue for the fiscal year ended December 31, 2011. Except for one that represents 4.5% of revenue for the fiscal year ended December 31, 2011. The Group's top five and the top ten clients account for 12.5% and 18.4% of the Group's revenue, respectively, for the fiscal year ended December 31, 2011.

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

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

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

4.2 LEGAL RISKS

4.2.1 SPECIFIC REGULATIONS

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

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

The Group's Legal Department requires the Group's subsidiaries ensure compliance with regulations that apply to Group activities.

Nonetheless, in view of the of the current revision of Directive 95/46/EC of October 24, 1995 in 2012, the Group cannot exclude the possibility that this change or another evolution in applicable regulations toward more strict rules governing the collection, the protection, and handling and transfer of personal data would have a significant consequence on the conduct of activities. The Group cannot guarantee that unanticipated regulatory reforms, particularly those affecting the main markets in which it operates, will not adversely affect its ability to provide access to its databases in the current conditions which would have a negative impact on its business.

4.2.2 INTELLECTUAL PROPERTY

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

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

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

4.3 INDUSTRIAL AND ENVIRONMENTAL RISKS

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

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

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

Given the name "Cegedim Compact", it is inspired by the United Nations "Global Compact". Cegedim Compact comprises 12 major commitments based on those contained in the Global Compact and on Cegedim's business activities which aim to:

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

The implementation of these commitments is coordinated by a dedicated team and is based on a three-year action plan across all Group entities. This plan has been continuously updated since 2008 with more than one hundred initiatives having been undertaken. The first indicators for checking and analyzing the results in order to adapt future actions were put in place in 2010.

4.3.1 INDUSTRIAL RISKS

Operating in the sector of technologies and services relating to information and databases, the Cegedim Group's priority is to satisfy its clients and partners concerning systems and data security. The best precautions are taken to guarantee that our clients receive the highest standards of quality and of protection of data and traffic that are entrusted to us.

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

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

The Chairman's Report on Internal control details the information system security measures implemented within the Cegedim Group. The industrial risks are also covered by suitable insurance policies.

4.3.2 ENVIRONMENTAL RISKS

Given their essentially intangible nature (software, databases and intellectual services), the activities of the Cegedim Group have no significant environmental impact.

The main levers are based on:

- reducing energy consumption, mainly at the level of the data centers and the use of latest generation equipment;
- the purchase of recycled products;
- optimizing the life cycle of manufactured goods by managing certain products' end of life (paper, cardboard, IT equipment, cartridges, etc.);
- controlling the Group's vehicle fleet;
- controlling movements.

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

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

Cegedim Compact's main efforts are aimed at:

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

4.3.3 OTHER RISKS ASSOCIATED WITH CEGEDIM'S ACTIVITY

Risks related to Human Resources

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

Risks related to the Economic Situation

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

Risks related to the Competition

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

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

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

Dependence on Third Parties

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

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

Technological Risks

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

Product-related Risks

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

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

Share price

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

Risks related to acquisitions

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

4.4 LEGAL ACTION AND ARBITRATION

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

4.5 INSURANCE

Cegedim SA has taken out contracts with recognized insurance companies covering it and all the companies belonging to the Group against all professional and civil liability risks inherent in its operations. These contracts insure the following amounts:

- operations liability: 25 million euros per claim;
- professional liability and products liability or liability after delivery: 15 million euros per claim per insurance year.

Cegedim has also taken out with this same company a policy covering buildings and/or all tenant risks for all the sites occupied by it or by the companies belonging to the Group. This contract includes computer all risk coverage up to a limit of 13,548,380 euros excluding intangible losses.

The American subsidiaries have renewed their policies covering risks linked to employment, vehicle risk and general liability insurance. The insurance policies cover risks related to civil liability on several levels:

- 10 million dollars per insurance year for professional liability;
- 32 million dollars per insurance year for operations liability and/or liability after delivery.

Cegedim SA's insurance coverage intervenes when there are different conditions and as a complement to or after exhaustion of the American coverage.

5

INFORMATION CONCERNING THE ISSUER

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 REGISTERED COMPANY NAME AND TRADE NAME OF THE ISSUER

The issuer's registered company name is: Cegedim.

The issuer's trade names are: Cegedim – TVF Division, Cegedim – Santesurf Division, Cegedim Pharma CRM Division, Cegedim Relationship Management, Cegedim Relationship Management France, Cegedim Relationship Management Corp., *Deskom*, and Cegers.

5.1.2 ISSUER'S PLACE OF REGISTRATION AND NUMBER

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

5.1.3 DATE OF INCORPORATION AND TERM OF THE ISSUER

Cegedim SA was incorporated on August 27, 1969.

On April 18, 1989, FCB was incorporated for a term of 99 years.

On December 26, 1994, the holding company at that time merged with Cegedim SA and took on its corporate name.

5.1.4 ISSUER'S CORPORATE HEADQUARTERS AND LEGAL FORM, LAWS GOVERNING ITS BUSINESS ACTIVITIES, COUNTRY OF ORIGIN, ADDRESS AND TELEPHONE NUMBER OF THE CORPORATE HEADQUARTERS

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

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

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

Country of origin: France.

Laws governing the business activities of Cegedim: French Commercial Code (*Code de commerce*).

5.1.5 SIGNIFICANT EVENTS IN THE DEVELOPMENT OF THE ISSUER'S BUSINESS ACTIVITIES

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

World leader [(1)] in pharmaceutical CRM (Customer Relationship Management), its historical core business, Cegedim provides the world's largest pharmaceutical companies with vital support for successful CRM and helps to measure the effectiveness of their sales and marketing. The Cegedim Group's CRM tools, with its value-added strategic databases, provide its customers with an informed view of their market and their targets so that they can optimize their strategies and their returns on investments. These activities are now consolidated into the "CRM and strategic data" sector.

Cegedim has also positioned itself as one of Europe's leading publishers [(2)] of medical and paramedical management software. Structured, scalable, and communicative, this software adapts to the needs of healthcare professionals while meeting the latest technical and regulatory requirements. These activities are now consolidated into the "Healthcare professionals" sector.

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

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

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

5.1.6 HISTORY

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

1972 Innovation with the first computerized database of doctors.

1979 Launch of CRM activities in France.

1990 International expansion begins.

1991 Innovation with the first electronic data interchange platform.

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

1995 Cegedim is listed on the Second-tier market of the Paris Stock Exchange. It is now listed on the NYSE Euronext Paris Exchange, compartment B.

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

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

1999 Computerization of health insurance and mutual companies.

2006 Cegedim revenue exceeds 500 million euros.

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

2009 180.5 million euro capital increase to re-launch a strategy of dynamic external growth and the French Strategic Investment Fund (FSI – Fonds Stratégique d'Investissement) becomes a shareholder in the Group.

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

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

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

2011 Refinancing of a 200 million euro loan and of an 80 million euro revolving loan with a bank pool.

(1) Cegedim, through its subsidiary Cegedim Relationship Management, is the world leader in terms of the number of users of its CRM solutions for the pharmaceutical industry, according to in-house estimates.

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

5.1.7 COMPANY DEVELOPMENT

Revenue for the "CRM and strategic data" sector has more than quadrupled since 2000 and represents 56% of the Group's revenue as of December 31, 2011. This increase was particularly affected by the acquisition of Dendrite in 2007 which represented a significant strategic step for the Group as part of its development. Sustained internal and external growth has allowed Cegedim to cover over 80 countries at present with an extensive line of products and services.

The computerization of "Healthcare professionals," initiated in French doctors' offices, was extended to the United Kingdom in 1999 and to French pharmacists in 2001. It continued with the acquisition of software for doctors publishing companies in Belgium (2003), Italy (2006), Spain (2006) and the United States (2010) and software for pharmacy publishing companies in the United Kingdom (2004).

The "Insurance and services" sector, historically devoted to managing direct billing and direct payment health insurance flows, has, since 2000, included computerization services and software packages for members of the healthcare insurance and pension industries. This sector has strengthened steadily since 2003, and particularly in 2008 with the marketing of the new range of *ACTIV'Insurance Suite* solutions and the acquisition of Protectia, a French publisher of healthcare software packages designed for personal insurance, particularly well established in the middle market, and in 2010 with the acquisitions of Hosta and *Deskom*.

5.2 INVESTMENTS

5.2.1 MAIN INVESTMENTS MADE BY THE ISSUER DURING THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION UP TO THE DATE OF THE REGISTRATION DOCUMENT

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

The acquisition price is covered by confidentiality agreements.

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

Transactions in excess of 20 million euros must be approved by the Board of Directors with a qualified majority of 6/10 including at least one Director representing the FSI (Fonds Stratégique d'Investissement).

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

In millions of euros **Year of acquisition**	**Price of acquisitions excluding earn-outs**	**Amount of earn-outs**	**Total price of acquisitions**
2009	11.0	2.0	13.0
2010	55.1	15.0	70.1
2011	1.5	0.0	1.5

Additionally, estimated earn-outs to pay and deferred payments concern three transactions closed in 2010. They total 12.6 million euros and are based on revenue and/or EBIT. A total of 10.1 million euros is payable in 2012 and 2.5 million euros in 2013. In 2012, most of this 10.1 million euros amount also depends on the euro/dollar exchange rate. The estimate was made at the rate on December 31, 2011. As mentioned in item 20 of this Registration Document, all calculable earn-outs were recorded. There is no minority shareholder buyback commitment.

No other year is impacted by an earn-out.

No other earn-out will be paid after 2013.

Main Investments of 2009

"CRM AND STRATEGIC DATA"

February 2009: Acquisition of the Belgian company Fichier Medical Central SPRL (FMC), which specializes in databases of healthcare professionals.

In 2008, revenue from these activities represented less than 1 million euros.

July 2009: acquisition of the company NOMI, one of the leading providers of business intelligence and sales force optimization solutions for the pharmaceutical industry in the Nordic region. With its three product lines - Databases, CRM, and market and prescription studies, NOMI's products and services perfectly complement the Cegedim Group's existing offering in Sweden, Norway, Finland, and Denmark.

In 2008, the business acquisitions accounted for revenues in excess of 6 million euros.

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

In 2008, revenue from these activities represented more than 1 million euros.

"HEALTHCARE PROFESSIONALS"

March 2009: acquisition of Next Software, pharmacy management software publisher in Tunisia. This transaction reinforces Cegedim's position in the pharmacist computerization market in the Maghreb.

In 2008, revenue from these activities represented less than 1 million euros.

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

In 2008, the acquired activities represented revenue of nearly 1 million euros.

Main Investments of 2010

"CRM AND STRATEGIC DATA"

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

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

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

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

"HEALTHCARE PROFESSIONALS"

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

The move gives Cegedim access to the US market for the computerization of health care professionals at a very favorable time for the development of electronic patient records. The ARRA [(2)] provides 30 billion US dollars in grants for doctors and hospitals to implement EHR solutions [(3)]. Motivated by these financial incentives, which will be paid starting in 2011, it will be necessary to develop and equip doctors with computerized electronic medical records quickly, offering fantastic prospects for players in the market. According to a report by the Congressional Budget Office (CBO) from March 2009, 90% of doctors should be equipped with this by 2019 compared to 12% in 2006. Today, this rate remains weak and still leaves a large percentage to be equipped.

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

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

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

(3) EHR - Electronic Health Record. EHR is defined as a patient's health records. This electronic data can be shared within different medical facilities and exchanged between healthcare professionals. Also referred to as Electronic Patient Record (EPR) or Dossier Médical Personnel (DMP).

“INSURANCE AND SERVICES”

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

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

September 2010: Cegedim acquired the company *Deskom*, the leading French B-to-B inter-company invoice digitalization company. The deal is an opportunity for its professional electronic exchange management department to build on its leadership in the field.

In 2010, the acquired businesses represent annual revenue of 4 million euros.

Main investments in 2011 and up to March 31, 2012

“HEALTHCARE PROFESSIONALS”

April 2011: acquisition of the company Pharmec, leader in pharmacy computerization in Romania with more than a third market share. Formed in 2011 for the purposes of this transaction, following a spin-off from a large Romanian industrial group, the company Pharmec brings together all IT and services activities for pharmacies and doctors. This acquisition also strengthens Cegedim’s data offering for pharmaceutical laboratories in Romania.

In 2011, the acquired businesses represented annual revenue of less than one million euros.

5.2.2 MAIN CURRENT INVESTMENTS

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

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

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

5.2.3 CEGEDIM’S INTENDED FUTURE INVESTMENTS FOR WHICH ITS MANAGEMENT HAS ALREADY MADE FIRM COMMITMENTS.

As of the filing date of this Registration Document, no other firm commitments have been made by the Cegedim Group.

6

SUMMARY OF ACTIVITIES

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

Cegedim supplies services, IT tools, specialized software, data flow management services and databases. Its offerings are targeted notably at healthcare industries, life sciences companies, healthcare professionals and insurance companies.

The Cegedim Group's expertise is broken down into three sectors:

- CRM and strategic data;
- Healthcare professionals;
- Insurance and services.

The world leader [1] in healthcare CRM (Customer Relationship Management), its historical core business, Cegedim provides the world's largest pharmaceutical companies with vital support for successful CRM and helps to measure the effectiveness of their sales and marketing.

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

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

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

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

(1) Cegedim, via its subsidiary Cegedim Relationship Management, is the world leader in terms of the number of users of its CRM solutions for the pharmaceutical industry, according to in-house estimates.

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

6.1 SECTOR 1 “CRM AND STRATEGIC DATA”

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

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

Cegedim allows those in the life science industries to optimize their investments by providing the necessary technological tools and data to identify the medical needs of prescribers who normally have to use such services.

Cegedim also provides different compliance services, allowing for customers to better understand the correct use of drugs and ensure the compliance of prescriptions with market authorizations.

Cegedim solutions combine performance and compliance with different public health codes and privacy laws.

In particular, Cegedim offers:

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

CRM

CEGEDIM RELATIONSHIP MANAGEMENT

With 200,000 users of its solutions in 80 countries, Cegedim Relationship Management is one of the world’s leading [1] providers of solutions for the life science industry, with 37% global market share for the pharmaceutical CRM and 44% for healthcare professional databases. Cegedim Relationship Management offers a very profession-oriented overall solution very close to users’ needs in the sales, marketing and regulatory compliance fields. Designed for the business model and specific needs of life science companies, Cegedim Relationship Management Solutions allow for long-standing relationships to be implemented with their different parties and respond to their current and future commercial objectives.

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

Mobile Intelligence

Cegedim Relationship Management offers *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 available under licenses or in SaaS mode (Software as a Service) allowing for the optimization of profitability and efficiency for all types of medical reps, employees working remotely (commercial or IT), account managers, etc.;
- advanced configuration, administrative management and sales force sectoring tools;
- installation and support services adapted to local issues;
- business intelligence and hosting services.

Quick, simple, always accessible and with identical ergonomics in offline mode, *Mobile Intelligence* is the first CRM solution for the life science industries to be made available on iPad® and iPhone® since 2010. The graphical user interface applies Apple’sTM ergonomic recommendations.

Data optimization

OneKey

Cegedim Relationship Management offers *OneKey*, the most complete healthcare professional database in the world [2], with more than 8 million contacts, allowing for global management of international data.

(1) According to in-house estimates.

(2) The OneKey database is the benchmark in the pharmaceutical industry in terms of number of countries covered and data entered, as well as in terms of user numbers.

This solution is based on an advanced data integration model and proven updated methodology maintained daily by experts in the field with excellent knowledge of local healthcare issues and adhering to certified ISO 9001 procedures.

Used by medical reps and players in the healthcare industry, the *OneKey* database allows users to obtain accurate medical information for each category of healthcare professional and provides various means of contacting them: practice address, telephone numbers, emails, etc.

Today, *OneKey* is the only platform likely to respond to overall management and regulatory compliance needs.

SK&A

SK&A is the main [1] 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. The quality and reliability of SK&A databases is ensured by its research center based in Irvine, California, which audits them thoroughly twice per year.

Every month, SK&A receives over 400 orders and provides more than 32 million items of healthcare data to its numerous customers, including the biggest healthcare institutions, press groups and pharmaceutical laboratories.

Regulatory Transparency

In order to help the life science industry cope with complex regulations and the specific environment in healthcare, Cegedim Relationship Management has specialized experts, support procedures and first-rate technological tools allowing them to implement solutions adapted to local, regional and international policies, processes and regulations for a lesser cost.

The global generalization of transparency regulations encourages pharmaceutical laboratories to monitor and communicate all of their expenses to healthcare professionals.

In 2006, *AggregateSpend360*™ was the first offer launched in this area. Cegedim Relationship Management continues to improve it, currently positioning itself as the global leader on the subject, according to an IDC study conducted in 2011 (IDC report on the Aggregate Spend Compliance market).

AggregateSpend360™ has tools that allow its users to automatically generate reports adapted to each regulation. The latest version of the solution includes an even more advanced option to detect fraud, Internet publication of spending and conflict management as required by American federal law, and more recently, by other countries, such as France, Germany, Spain and the United Kingdom.

Business Intelligence

REPORTIVE

Reportive publishes a business intelligence software package. This facilitates the creation and automatic distribution of personalized reports and interactive trend charts (sales force, marketing, finance, human resources) aimed at improving the competitiveness, productivity and efficiency of organizations.

The solution's agility makes it possible to adapt to the needs of the profession and provides the necessary responsiveness to integrate changes. The ease of use combined with advanced data validation capabilities allow experts in the field to develop their own applications while guaranteeing the reliability of results.

The use of a component library and "Plug and Play" interface generates significant productivity gains thanks to a low TCO (Total Cost of Ownership) and quick implementation.

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

Several Cegedim solutions integrate Reportive to provide guidelines and trend charts for their businesses.

Market research studies

CEGEDIM STRATEGIC DATA

Cegedim Strategic Data (CSD) is one of the leading [2] market research companies dedicated to the pharmaceutical industry. With over 40 years experience in this industry, CSD offers a comprehensive range of market research services by integrating its numerous data sources (primary market research, promotional data, patient database, communication tracking, and clinical research).

This information is collected from general practitioners, specialists (office and hospital based), pharmacists and patients.

CSD is present worldwide and has over 50 international and 500 local pharmaceutical companies among its clients. Its international expertise enables it to provide its clients with comparable analyses between different countries. Based on *INES*© software (a tool developed for clinical study management) and CSD Analyzer (an analytical tool and dynamic dashboard tool), CSD Advance (Business Intelligence tool developed by Reportive), and the *OneKey* doctors database, CSD internally manages each step of its research, from raw data collection to processing, analyses, and interpretation to the presentation of research to customers.

(1) According to in-house estimates.

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

Promotional Audit

Each year, more than 200,000 healthcare professionals worldwide participate in CSD's panels. Data collected on different investments from laboratories allow customers to monitor pharmaceutical marketing and promotional strategies: marketing mix analysis (medical rep visits, press releases, samples, direct mailings, meetings, clinical trials, Internet and DTC, social media, etc.), investment trends concerning different targets (general practitioners, specialists and pharmacists), the usefulness and impact of medical rep visits, the effectiveness of sales forces, and monitoring competition.

Patient database

CSD has two sources for patient and prescription information:

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

The information collected opens a wide range of studies: market trends, product performance tracking, particularly during the launch phase, monitoring patient cohorts, changes in prescribing behavior for a particular therapeutic class, product, etc.

Communication Tracking

The Communication Tracking range provides pharmaceutical companies with an in-depth view of market communications. It measures sales force performance, evaluates message recall and analyses the impact of their medical rep visits on prescribing behavior. These reports are adapted to the specific needs of each client, and deal with product communication, its evolution over time, allowing for strategic adjustments and communication strategies if necessary.

Medical Research

CSD's offer also includes (Contract Research Organization) activities.

With its patient management software installed in doctor's offices and its Web-based data collection tool (*INES*), it is possible for CSD to respond to any pharmaceutical company's or health authority's issues: post-marketing studies, pharmaco-epidemiology, health economics, outcomes research, regulatory affairs, clinical studies or registries.

Primary Market Research

CSD offers a wide range of both qualitative and quantitative primary market research studies in order to provide customized strategic recommendations to its clients. In 2011, CSD conducted over 1,500 international and local studies (recall tests, prescribing behavior, analyses of rep visits, brand equity, advertising overview, etc.) in all of the therapeutic areas.

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

Sales force optimization

ITOPS CONSULTING

Itops Consulting offers its customers support in their strategic thinking on promotional issues. Itops Consulting expertise covers:

- promotional strategy: product portfolio analysis and estimates, strategic planning, risk management and promotional design;
- plans to organize and reorganize their promotional networks;
- performance evaluation: operational productivity or performance, financial performance, return on investment and risk assessment;
- development and implementation of compliance regulations, audit, process optimization to combine economic performance and compliance;
- managing change;
- training;
- processing and analyzing data (collection, synthesis, production of trend charts, reporting, etc.).

Sales statistics for pharmaceutical products

GERS SAS

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

Since 1999, these statistics have been available online on a weekly basis. The most recent geographical segmentation (746 geographic units divided into 4,565 Sales Point Aggregates or APV each containing three to eight pharmacies), which is much more homogeneous in terms of business volume, allows pharmaceutical companies to develop true micro-marketing strategies.

France is one of the few countries in the world where the industry has joined forces to produce its own statistics, which have become regulatory data for conventional agreements between the LEEM (1) and the CEPS (2).

(1) LEEM: professional organization that federates and represents pharmaceutical companies present in France.

(2) CEPS: Economic Committee on Healthcare Products (Comité Economique des Produits de Santé), an inter-departmental organization placed under the joint authority of the Ministries in charge of health, social security and the economy, is mainly required by law to establish the price of medications and rates for medical plans for individual use paid for by mandatory health insurance.

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

With its InfoSanté subsidiaries in Romania and GERS Maghreb in Tunisia, the Cegedim Group offers pharmaceutical product sales statistics. In these two countries, Cegedim is the market leader (1) in the sales data markets, including regional and national sales data, and offers a full range of products and services for the pharmacy and hospital segments.

SANTESTAT

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

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

Medical prescription analysis

CEGEDIM CUSTOMER INFORMATION

Cegedim Customer Information (CCI) is an essential nominative information assessor qualifying healthcare professionals with more than 25 years of experience. This nominative research allows users to obtain key indicators for segmentation and targeting: prescription preferences, number of patients, therapeutic strategies, early adopters, digital profile and experts as well as their networks of influence.

Based on *OneKey*, CCI delivers strategic data to laboratories in total compliance with local laws regarding personal data protection.

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. This information is primarily used to carry out or optimize segmentations and the targeting of pharmaceutical laboratories and can be used as sales force indicators.

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.

Physician Connect is the most complete nominative database in oncology networks of influence, covering seven solid tumors and five hematological cancers in ten countries (top five in Europe, Benelux, United States and Canada) with over 24,000 appointed experts and 100,000 links between practitioners.

Physician Connect can also be used for specific requests from pharmaceutical laboratories on a specific therapeutic field for all countries where *OneKey* is present.

Corporate databases and associated services

CEGEDIM COMMUNICATION DIRECTE

Specializing in professional databases and marketing tools throughout the world, and backed by its expertise in these fields (2), Cegedim has developed a specific department for its French activities in direct marketing, Cegedim Communication Directe (CCD), which offers:

Specific databases

- Business & Management: 287,435 companies, classified by revenue, with telephone and fax numbers and over 501,811 qualified operational functions;
- 3,738,306 corporate headquarters with the main executive's contact information, telephone and fax;
- Insee: 5,832,120 establishments (comprehensive directory of companies);
- LaMég@baseB2B: the multichannel BtoB reference system with over 2,900,000 nominative emails, etc.;
- Professional automotive fleets: 755,061 active establishments for 3,789,412 vehicles;
- Businesses: liberal and elective professions, territorial collectivities.

Data processing/Data Quality Management

- Database audit, normalization, restructuring, clearing;
- Merge and purge, reconciliation, data consolidation;
- Sirénage (reconciliation with the Sirene database);
- Data cleaning and enrichment;
- Customer data maintenance using Cegedim CD-specific updates;
- Analysis of data and client profiles, segmentation, marketing scores.

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

(2) The OneKey database is the benchmark in the pharmaceutical industry in terms of number of countries covered and data entered, as well as in terms of user numbers.

Online services

- *GlobalDataControl:* secure exchange space coupled with automated auditing and processing to improve professional data and make it more reliable;
- *GlobalDataDistri:* data counting and extraction Web solution for operational BtoB data;
- *SirWebAnnuaire:* access to Insee's Sirene repository, enriched by Cegedim CD in directory mode;
- *SirWebServices:* Web Services to plug customer solutions (CRM, ERP, Web forms, etc.) into Cegedim CD's BtoB repository, and supply them with qualifier data;
- *GlobalDataReport:* report generating solution (from the Reportive software suite) to enlighten customer knowledge;
- *GlobalDataValid:* Web solution allowing users to manually validate and reconcile duplicate data online.

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

Products and services dedicated to Press and Web publishers

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

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

Pharmaceutical printing and package inserts

PHARMAPOST

Pharmapost, an ISO 9001 certified company, is a mass production printing company that specializes in fine paper printing and finishing. In 2011, it produced 470 million flat, folded and single, double and triple roll pharmaceutical inserts thus placing it among the leading French producers.

Pharmapost also prints sales brochures, Annual Reports, and any type of promotional materials.

Medical sample management

PHARMASTOCK

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

- samples to doctors;
- documentation to medical representatives.

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

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

Online promotion

MEDEXACT

MedExact works in synergy with Cegedim Group companies involved in promotion, with the exception of medical reps promotion. The ScreenPub offer concerns doctors equipped with Cegedim medical software interconnected to the Cegedim server. It allows for the exchange of information and, notably, uploading campaigns and distributing them.

6.1.2 PRODUCTS AND SERVICES LAUNCHED DURING THE 2011 FISCAL YEAR FOR 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.

6.1.3 MAIN MARKETS

Key figures

56% of the Cegedim Group's consolidated revenue.

Geographic presence: across five continents; more than 80 countries.

Main customers: Sales and Marketing Departments in the pharmaceutical and life sciences sectors.

Competition

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

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

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

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

CRM

Oracle (Siebel) and **Salesforce.com:** These companies are software generalists who, contrary to Cegedim, do not focus exclusively on the healthcare sector. They focus on providing software, while Cegedim also provides outsourced solutions combining them with a complete range of services (online services, implementation, user support, training, etc.). Oracle, which bought out Siebel in 2006, is now positioned as the world leader in generalist CRM software.

Update is an Austrian publisher specializing in CRM that offers a dedicated healthcare solution and primarily targets the European market.

Veeva Systems is a competitor that appeared in the US market in 2007. It offers a solution that is only available in SaaS (Software as a Service) mode whose analytical capacities are limited and depend on the salesforce.com platform. The offer does not integrate compliance solutions, expense tracking or sales force allocation, which allows Cegedim to offer its solutions to Veeva CRM customers.

There are also a number of local competitors in the different countries.

STRATEGIC DATA

IMS is Cegedim's main competitor at the international level in the market for strategic studies in the health sector.

Taylor Nelson Sofres plc and **GFK** are generalists who also offer primary market research in the medical field.

There are also a number of local competitors in this market.

Main market trends

Despite the unfavorable economic context, pressure from international competition, the development of the generics market and attempts to impose State regulations, the global drug market was valued at 880 billion dollars in 2011, an increase from 5 to 7%.

This IMS estimate (October 2010) highlights growth rates that vary greatly from region to region:

- emerging markets should continue to sustain world growth in 2011, with an average increase of between 15% and 17% (25% to 27% of which in China, which would represent 50 billion dollars, making it the third largest world market);
- the five main European markets (Germany, Spain, France, Italy and United Kingdom) should record growth of between 1% and 3%;
- while the American market should grow by between 3% and 5%.

Cegedim primarily provides solutions intended for the Sales and Marketing Departments of pharmaceutical companies, so it is essential to understand how promotion spending is organized.

According to studies published by Cegedim Strategic Data (CSD), which serve as a benchmark [(1)] in the pharmaceutical sector, the amount set aside for promotional spending worldwide in 2011 was 92 billion dollars broken down as follows: 61% related to medical examinations, 10% went on samples distributed, 9% on so-called DTC (Direct To Consumer) expenses and lastly 20% on other promotional resources such as public relations, the press and the Internet.

Worldwide Healthcare Sector Trends

The worldwide healthcare sector is reorganizing itself to cope with changes in its model and its profitability being slowly eroded. According to a study published in February 2012 by PricewaterhouseCoopers, merger-acquisition transactions should continue to grow in the healthcare industry. “In a context marked by global healthcare reforms, the growth in the number of players from emerging markets and the growing appeal for more efficient new distribution models, mergers and acquisitions are becoming an increasingly important external growth strategy”.

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

Although the number of medical representatives in general medicine has significantly decreased in recent years in mature economies, it is achieving strong growth in specialized medicine and in emerging economies.

Furthermore, following the example of the American federal regulation called the “Sunshine Act”, adopted in 2010 by congress, several countries in Europe (the Netherlands, the United Kingdom, etc.) strengthened their regulations in support of more transparency in spending for healthcare professionals. Regulations that change pharmaceutical companies’ operating mode but initiate a radical turning point to improve the life science industry’s image and recover the sector’s players’ confidence. France recently adopted similar legislation to the American law (US Patient Protection and Affordable Care Act, which includes the “Sunshine Provisions”) imposing on the laboratories operating in France the complete transparency of payments made to healthcare professionals.

Pharmaceutical sector trends in France

France is the third European producer and one of the world’s leading drugs exporters. French drug exports have significantly increased in 2010 compared to 2009, reaching 24.1 billion euros, with a +4.5% growth rate. In 2010, pharmaceutical product exports represented 7% of total exports from France, just behind aeronautic/aerospace (10.7%), and is ranked fourth in industrial sectors (excluding military equipment) in terms of trade surplus.

In 2010, there were 257 industrial companies including 250 biotechnology companies in the pharmaceutical sector in France. In total, the drugs industry employed 303,000 people (including employees from drugs and biotechnology companies and jobs created by this industry particularly for wholesale-distributors and pharmacies) (source: LEEM).

Promotion is the main leverage to optimize pharmaceutical company marketing and sales. Despite government attempts to regulate the sector, it continues to benefit from considerable resources: 4.3 billion dollars in 2011 (versus 4.5 billion in 2010).

For example, the promotional spending for French pharmaceutical companies in 2011 may be broken down as follows: 54% related to medical rep visits, approximately 23% on public relations type promotions, the press, the Internet, just over 22% on so-called DTC expenditure and less than 1% on samples distributed.

(Source: CSD 2012, Cegedim Group)

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

6.2 SECTOR 2 “HEALTHCARE PROFESSIONALS”

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

Having worked alongside healthcare professionals for many years, today Cegedim has positioned itself as one of the leading [1] medical management software publishers across the world.

The Group works on a daily basis with paramedical professionals, pharmacists, general physicians, and specialists.

Structured and communicative, Cegedim’s software meets the daily practice needs of professionals and the latest technical and regulatory requirements. It is an important vector for transferring scientific and medical information between healthcare professionals at the place of practice.

CEGEDIM HEALTHCARE SOFTWARE (CHS)

Created in 2009 to coordinate and consolidate all activities pertaining to software solutions for healthcare professionals, the Cegedim Healthcare Software (CHS) Business Unit has over 140,000 physician and paramedical workstations and 78,000 pharmaceutical workstations, using its solutions in nine countries (Belgium, Chile, Spain, the United States, France, Italy, Romania, the United Kingdom, Tunisia). Cegedim Healthcare Software, organized around four areas, provides major diversification for Cegedim’s future:

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

Software for pharmacists

ALLIADIS

Specialized in pharmacy computerization, the Alliadis group (Alliance Software, Alliadis, PGInformatique) has been providing support to pharmacists since that sector began to be computerized over 20 years ago.

It develops and markets comprehensive, integrated software solutions, including the supply of suitable IT equipment. Alliadis is at the forefront of the latest technological innovations, and is meeting its customers’ occupational needs with high value-added and continuously updated solutions.

The new regulatory challenges such as the Pharmaceutical File, the development of the SESAM-Vitale environment, substitution goals, product traceability and coding, over-the-counter drugs and new pharmacist responsibilities as part of the HPST [2] law, are some of the issues that encourage short or medium term changes in IT tools and to which Alliadis still commits to at a very early stage.

A seasoned partner of new developments in the pharmaceutical industry, the Alliadis group has succeeded in adapting to economic challenges by offering customized solutions to different market players:

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

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

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

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

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

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

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

Committed to professional requests, Alliadis has committed to CNAM and pharmacy unions as part of the SCOR process with the goal of digitizing the transmission of supporting documents to CPAM. The success of the experimental phase led to the signing of an amendment to the agreement, which brings the digitalization of prescriptions and their transmission to CPAM into general use for the whole territory, starting in 2012.

Today, Alliadis is the only company to support its customers in implementing this new mode of communication with their CPAM.

In France, 450 employees, 30 skills centers and two hotlines deployed across the entire territory provide daily local service whose quality is unanimously recognized by customers. With 9,380 customers, the Alliadis group holds 41% of the pharmaceuticals IT market in France.

CEGEDIM RX

Cegedim Rx is the leading supplier of Pharmacy software solutions and computer services in the United Kingdom, with over 50% of the pharmacy market which incorporates in excess of 12,200 pharmacies.

Its product line includes Nexphase and Pharmacy Manager Patient Medication Record systems, which process over 300 million prescriptions every year. Cegedim Rx has ISO 27001 certification and now has over 150 employees who are based in two main sites in the UK. The majority of leading pharmacy cooperatives such as: Asda, Boots, the Co-operative Group, Sainsburys, Tesco, Morrisons and Superdrug all use one of Cegedim Rx's solutions.

Cegedim Rx is heavily involved in the development and provision of electronic prescriptions and minor ailment software in the UK. Cegedim Rx also provides its customers with government sponsored broadband communications (N3) within pharmacies as well as providing its own Message Handling service which will eventually handle up to 60% of the English prescriptions managed by its own Network Operating Center.

Cegedim Rx also offers products for:

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

NEXT SOFTWARE

Next Software is a company specialized in publishing and distributing solutions for healthcare professionals in Tunisia.

A leader in pharmacy computerization with a 25% market share, Next Software is one of the most important players in the market, with a presence across the Tunisian territory.

Already heavily involved in IT support for reimbursement systems installed by the healthcare authorities, Next Software will quickly benefit from the experience of Cegedim's other "pharmaceutical" publishers, enhancing its offering in therapeutic banks (Base Claude Bernard) and electronic information exchange.

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. Pharmec Healthcare Software's offering is going to rapidly grow in the medicinal database and online medical software fields thanks to Cegedim's experience in this area.

Medical software

CEGEDIM LOGICIELS MÉDICAUX (CLM)

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), *Doc'Ware*, *Médiclick*, and *MegaBaze* software ensure simple and efficient patient record management;
- for oncology institutions: *OncoBaze*, and soon *OncoWeb* software offers comprehensive management of the workflow for chemotherapy treatments and their complete traceability;
- for healthcare centers: *Crossway* CDS 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. This offer will change to include a full Web solution that also responds to the needs of healthcare centers;
- 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;

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

- hosted in the Cegedim HADS environment (Hébergement Agréé de Données de Santé -Certified Healthcare Data Hosting), *monLogicielMedical.com* targets young physicians with whom these new technologies are popular, as well as specialists (over 200 specialized forms available), and multidisciplinary residential and long-term care centers and group practices for which centralized data facility management, both hardware and software, represents an ideal solution.

Significant developments in the business software product line.

In 2011, important developments took place for a significant number of healthcare professionals regarding interoperability in the CLM line of software, notably in their interaction with medical information sharing platforms, at the forefront of which were DMP developments.

Efforts undertaken in the field of interoperability will continue in 2012, particularly through the European epSOS project.

In order to respond to users' needs in terms of administrative simplification, the work launched in 2011 with CNAM made digitalization of the top health insurance teleservices available to CLM software line users, and said work will continue in 2012.

An offer in line with the new medical convention and performance compensation criteria.

After obtaining the HAS certification for the Prescription Aid Software (Logiciel d'Aide à la Prescription - LAP) in 2011 for CrossWay, CLM developed a dash board, integrated into its software line, which allows users to monitor performance indicators associated with medical efficiency and prevention.

In this regard, 2012 will be marked by the certification of all the products of the CLM line, as well as by the deployment of software versions allowing physicians to meet the convention's requirements.

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

This offering responds to the interoperability issues of healthcare professional solutions, referring to the national interoperability framework published by ASIP Santé. It deliberately places itself in a dynamic synergy through the various Cegedim Group product lines for healthcare professionals (physicians and paramedical professionals, healthcare centers, etc.).

INPS

INPS is strengthening its position as leader [(1)] in the "Primary Care" sector in the United Kingdom with its Vision offer. The reforms undertaken by the National Health Service require different levels of interoperability between healthcare professionals, and InPS continues to develop and adapt its software solutions in order to meet these requirements for General Practitioners.

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

HDMP

With the Health One solution, HDMP is the second largest player in the Electronic Healthcare Record market for general practitioners in Belgium. HDMP is also very active in sectors involving hospitals, occupational medicine, after hours services, prevention centers, healthcare centers, etc. with more than 2,200 references.

MILLENNIUM

Based in Florence, Millennium, 49% owned by Cegedim, is Italy's leading [(2)] medical software publisher, with Millewin installed on nearly 16,500 workstations. Millennium recently strengthened its regional presence and became a strong shareholder of two other publishers, one focused on general practitioners and the other on pediatricians (Mediatec with 2,600 Gps and Sosepe with 3,700 Gps). Millennium now directly or indirectly equips more than 22,800 physicians (GPs and Pediatricians), representing a 39% market share with Italian general practitioners and 45% with pediatricians.

STACKS

The leader [(3)] in physician software in Spain with more than 30,000 users, Stacks specializes in the analysis, design, and development of information systems dedicated to the healthcare sector. Stacks also offers consulting and technical services for identification, adaptation, and integration of solutions in order to meet the needs of healthcare professionals. The primary market for Stacks is the Spanish public sector, which represents more than 60% of its sales. The company has its own commercial network throughout the country. It is also present in South America through its establishment in Chile.

In 2012, Stacks has been working together with CHS to launch the first 100% on-line medical solution for physicians in France (mon LogicielMedical.com) and other EU countries.

PULSE SYSTEMS, INC.

Pulse is growing its position as a leader in Electronic Health Records (EHR) [(4)], Practice Management and Revenue Cycle Management in the United States. The incentive programs undertaken by the US Department of Health and Human Services encourage adoption of these healthcare technologies beginning in 2011, and Pulse Systems continues to develop and adapt its software solutions in order to remain at the forefront of these technologies. Pulse applications are utilized by over 20,000 healthcare users in locations throughout the United States.

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

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

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

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

software for paramedical professions

RM INGÉNIERIE

RM Ingénierie offers a full range of software (+4,000 lines), for paramedical professions: nurses, physiotherapists, speech therapists, orthoptists, chiropodists, podiatrists, midwives.

Designer of France’s first practice-management software for physiotherapists in 1984, RM Ingénierie has positioned itself as one of the leaders in France for management software solutions for paramedical practices with over 32,000 users. RM Ingénierie also develops innovative tools designed for physiotherapists and sports medicine customers. These tools make it possible to analyze, measure, and rehabilitate movement. RM Ingénierie also provides a new *Maisons Médicales* (Medical Homes) offer that responds to the new demand to regroup medical and non-medical healthcare professionals.

Medication database

CLAUDE BERNARD DATABASE – RESIP COMPANY

Resip (Research and Studies in Professional Information Systems) provides healthcare professionals with a scientific database to assist them in prescribing and issuing medications: the *Claude Bernard Database* (BCB in French). The *BCB* is the first drug database, accredited 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 the pharmacy management software marketed by the Alliadis network (AlliancePremium and Opus software), representing more than 9,000 subscribing pharmacies. The *BCB* is also present in software programs for doctors: over 16,000 practices are subscribed. The *BCB* will be more and more present on all computerized physicians’ workstations owned by the Cegedim Group in France, and is also distributed by other medical software publishers.

Leading [1] player in the Web market, the BCB is integrated into healthcare sites and portals. The technology used in the BCB allows the software to be present in hospitals by offering a Web consulting solution of the database for hospitals: BCB Dexther. APIs (Application Program Interface) also make it possible to interface with the hospital management software. Over 300 hospitals have integrated the *BCB* into their prescription or dispensation software. In 2012, the BCB will add value and its knowledge of regulations to the Group’s medical and pharmaceutical software in England and Tunisia.

OTHER SERVICES

Promotional information

RÉSEAU NATIONAL DE PROMOTION (RNP)

RNP is the benchmark [2] in France for pharmacy and para-pharmacy intervention regarding:

- dynamic display;
- structural and opportunistic merchandising (linear, counter, etc.);
- sales space organization;
- point-of-sale surveys.

Equipped with Android tablets, the 123 RNP promoters-merchandisers transmit their activity with supporting digital photos in real time. The pharmaceutical companies can, at the same time, monitor the progress of their campaigns via Internet. In 2012, RNP also made auxiliary merchandising and sales teams available to its customers.

Furthermore, becoming the exclusive partner of major associations, RNP manages all of their promotional activities.

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.

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

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

6.2.2 PRODUCTS AND SERVICES LAUNCHED DURING THE 2011 FISCAL YEAR IN THE "HEALTHCARE PROFESSIONALS" SECTOR

In 2011, Cegedim Healthcare Software continued to strengthen international synergies between the different entities as well as its position in the heart of health-related data exchange in all of the countries that have Business Units (Belgium, Chile, Spain, the United States, France, Italy, Romania, the United Kingdom, Tunisia). For example:

- **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 is already available and 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. The new software embraces the Cloud solution, namely the possibility of running the software within the so-called 'Cloud', through the use of the Internet. Soon, the computer will virtually become a mere terminal from which to launch the applications that will be repeatedly uploaded by the server. Milleweb's use of the cloud could bring an end to the handbook, tables, new software updates and the prescription regulations folder;
- **in Belgium:** HDMP successfully passed the 2010-2011 Labeling tests, with the highest score. HDMP is also involved in the EBMeDS project (The Evidence-Based Medicine electronic Decision Support system brings evidence into practice through context-sensitive guidance at the point of care. - Pilot for Belgium). With regards to Recip-e (electronic prescription), the public pilot was launched successfully;
- **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:** The Pulse solution is a suite of applications designed for the ambulatory healthcare space in the US and includes Complete EHR, Practice Management, Revenue Cycle Management, Secure Patient Portal, Self-Service Patient Kiosk and iPhone App. The Pulse Compete EHR is certified by the Office of National Coordinator (ONC), which is the branch of US government responsible for the Medicare and Medicaid EHR incentive programs. During 2011, Pulse clients received millions of dollars from various government incentive programs including Medicare EHR incentives, e-prescribing incentives and Physician Quality Reporting Initiative (PQRI) incentives. 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. In 2011, 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 Heath (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 Dexther. BCB Dexther's main new products and services are a new interface, new search engine, product information additions outside of AMM (1), such as dietetics, dermo-cosmetic and facilities updated online daily. BCB Dexther allows users to easily access information from any station in a hospital with an Internet connection. It is an economical and environmentally friendly solution.

  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 Apple™, Google™, and Windows™ 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.

(1) AMM : Autorisation de Mise sur le Marché (Marketing Authorization).

6.2.3 MAIN MARKETS

Key figures

29% of the Cegedim Group's consolidated revenue.

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

Main customers: doctors, pharmacists, and paramedical professionals.

Competition

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

SOFTWARE FOR DOCTORS

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

In the United Kingdom: Cegedim, with its INPS subsidiary, is the second player in terms of user numbers (market share estimated at more than 24%), after EMIS (market share estimated at 51%), and ahead of TPP (15%).

Cegedim, with its INPS subsidiary, is ranked the number two player in terms of user numbers (market share estimated at more than 24%), after EMIS (market share estimated at 51%), and ahead of TPP (15%).

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

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

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

With more than 20,000 users across the United States in 35 different specialties, Pulse is among the leading companies in the US in healthcare information technology. Its largest competitors are: Allscripts, Cerner, NextGen, Greenway, eClinicalWorks, McKessen, and AthenaHealth.

In Romania: Pharmec is one of the leading players with 16.5% market share.

SOFTWARE FOR PHARMACISTS

In France: the Alliadis group (Alliance Software, Alliadis and PGInformatique), which belongs to Cegedim and Pharmagest Interactive, are joint leaders in the pharmacy computerization market in France.

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

In Romania: Pharmec is the leader with an estimated market share of nearly 35%.

SOFTWARE FOR PARAMEDICAL PROFESSIONS

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

OTHER

In terms of promotion, Cegedim is the French leader (4), both in terms of advertising at points of sale (POS) in pharmacies, through the number of pharmacies included in its display network, and advertising at points of prescription (given its fleet of computerized doctors).

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

Main market trends

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

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

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

(3) RMI is the leader among physiotherapists, speech therapists, chiropodists, and orthoptists in terms of the number of FSEs (electronic care sheets) transmitted (source GIE SESAM-Vitale).

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

UNITED KINGDOM POPULATION

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

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

6

POPULATION FRANCE

Doctors	In regular practice (1)	In general medicine (1)	In general medicine and in private practice (1)	Generalist services transmitted electronically (2)	Specialist services transmitted electronically (2)
	199,987	93,394	55,136	55,746	45,091
Pharmacists	Practicing (3)	Holding a pharmacy license (3)	Assistant pharmacists (3)	Number of pharmacies (3)	Services transmitted electronically (2)
	73,259	27,853	21,956	22,186	22,965
Physiotherapists	Practicing (4)	Individual practices (4)	In group practices (4)	Independent (4)	Services transmitted electronically (2)
	70,780	33,472	19,953	55,763	50,199

Source:
(1) French National Council of Physicians - Atlas of Medical Demography - situation on January 1, 2011. Statistics for all of France.
(2) GIE SESAM-Vitale, figures as of 01/31/2012.
(3) Statistics from the French National Council of Pharmacists (l’Ordre National des Pharmaciens) as of January 1, 2011.
(4) DREES, Répertoire Adeli figures as of January 1, 2011.

COMPUTERIZATION OF DOCTORS IN FRANCE

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

On the whole, the doctor computerization market in France, which depends on individual initiative, has remained relatively stable over the last few years. There are numerous areas for improvement, both in terms of the number of doctors equipped and in terms of making use of the most sophisticated tools.

While waiting for implementation of the Personal Medical Record (DMP), the need for healthcare professionals to exchange information and the development of new modes of multidisciplinary organization and cooperatives are positive factors that feed the growth of this market. The implementation of a new performance compensation system relying on the use of advanced medical file management tools will, starting in 2012, significantly support this growth.

COMPUTERIZATION OF PHARMACISTS IN FRANCE

All French pharmacies are now computerized: the market for pharmacist software is therefore a replacement market. Nevertheless, this market remains dynamic given the considerable technological developments it has experienced and continues to experience, particularly with respect to computerizing flows (both for managing direct payment with health insurance and for orders placed with wholesalers and pharmaceutical companies).

The new regulatory challenges such as the Pharmaceutical File, the development of the SESAM-Vitale environment, substitution goals, product traceability and coding, over-the-counter drugs and new pharmacist responsibilities from the HPST laws, are some of the issues that encourage short or medium term changes in IT tools.

PHYSICIAN SOFTWARE IN THE UNITED KINGDOM

All medical practices are computerized in the United Kingdom. This is encouraged by the National Health Service (NHS), which has been undertaking a ten-year modernization program to reform the IT needed to improve the provision of healthcare in the United Kingdom. The current UK government has indicated that they will continue those aspects of the program that have proven to deliver benefits. From a CEGEDIM perspective, InPS and Cegedim Rx, suppliers of GP and pharmacy management applications respectively, continue to be affected by the changes.

Our GP Systems have achieved all relevant levels of interoperability with national systems to improve the management and administration of patients and their medical records. Security and privacy are assured by using a private telecommunications network, procured by the NHS called N3. For GP systems, the interoperability agenda covers the following topics:

- compliance with NHS standards (CAP GP accreditation which has a series of continuous updates);
- electronic appointments system between GP Practices and hospital consultants;
- electronic transmission of prescriptions (ETP) from GPs to pharmacists now in its second phase;
- electronic transmission of medical files between GP Practices used when a patient changes location;
- summarized patient medical records (known as SCR) which are transferred to a central nationwide system and continuously updated for each new patient encounter;
- centralized hosting of GP IT systems according to NHS accreditation standards in force.

InPS has successfully introduced all of these topics into their software applications and technical environments.

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

The overall program continues to be ambitious and demanding for all of the players in the UK market. Cegedim, through its subsidiaries InPS (GP Systems) and Cegedim Rx (Pharmacy Management Systems), is at the forefront of all of these projects.

Take-up for the new developments is ensured through government financial incentives and targets, which pay for the roll-out of new functionality and the ongoing technical support for GP Systems. Pharmacists are also reimbursed for implementing systems that have been accredited for ETP and for connection to the national secure N3 network.

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

PHYSICIAN SOFTWARE IN THE UNITED STATES

The US market continues to expand and offers growth opportunities for Pulse Systems, Inc., which was acquired by Cegedim in 2010.

The Electronic Health Records (EHR) Medicare and Medicaid incentive program offer payments to physicians and hospitals who use certified EHR products according to Meaningful Use (MU) guidelines published and monitored by the US government.

MU is split into three stages. Stage 1 began in 2011 and complying physicians and hospitals have received the incentive funds from the government. Likewise, Pulse clients who have achieved Stage 1 MU have also received their funds. Stage 2 MU compliance has been delayed by the government in order to allow more healthcare entities to comply with Stage 1 MU. Pulse continues to deliver certified products that meet MU Stage 1 and continues to prepare its clients for Stage 2 and beyond. Physicians and hospitals must comply with MU guidelines by 2017 in order to avoid Medicare and Medicaid penalties in the form of reimbursement reductions.

6.3 SECTOR 3 "INSURANCE AND SERVICES"

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

Leveraging its skills in professional software publishing and in processing complex information, the Cegedim Group brings together different offers in the "Insurance and services" sector for major healthcare insurance players, as well as technological expertise for its customers in all business sectors.

CEGEDIM INSURANCE

The Cegedim Insurance Business Unit includes all of the Group's products and services for insurers and mutual and contingency companies through its subsidiaries Cegedim Activ, Midiway, Cetip, iSanté and iGestion. This BU regroups synergies along the entire exchange chain, ranging from the healthcare professional to supplemental health insurers.

IT for healthcare insurers

CEGEDIM ACTIV

With more than 30 million policyholders in France managed with its solutions, Cegedim Activ is now the leader [(1)] of software and services dedicated to private insurance (supplementary health plans, mandatory health plans, contingency plans, life insurance and retirement).

Its products are intended for all market operators: insurance companies, mutual healthcare companies, provident institutions and brokers.

With its expertise in personal insurance, Cegedim Activ works closely with its customers to create innovative offers and help them optimize the profitability of their business.

To accomplish this, Cegedim Activ has a unique combination of know-how: the expertise of its employees, the availability and implementation of its technological solutions, and offers for facilities management, SaaS, and healthcare flow management services with 250 million EDI flows per year.

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 THIRD PARTY PAYMENT

CETIP

Cetip is the leader [(2)] in third party payment management in the healthcare sector as the historical technical operator of SP Santé since 1991. In 2011, Cetip's flow receipt and management platform processed more than 110 million invoices for third party healthcare payments, 98% of which were transmitted electronically, with the highest rate of secure electronic claim submissions (*Demandes de Remboursement Electroniques* or DRE) on the market, also integrating exchanges with hospitals.

2011 allowed Cetip to develop new segments of third party payment, particularly third party payment online with the optical and with hospital sectors.

Expanding this service offer is part of SP Santé's desire to consider the needs of its subscribers, in segments considered strategic for insurers. This third party payment online professionalizes relationships between insurers, opticians, and hospitals.

The offer is available in two formats:

- the "loop" circuit: the payment decision comes from the insurer's information system;
- the so-called "hosted" solution: the decision is conferred to the Cetip operator.

Thanks to third party payment online, registration with opticians and hospitals saw a steady rise in 2011.

Cetip handles all regulatory and technical changes related to third party payment by insurers for its customers (scaling deployment of SESAM-Vitale 1.40 among healthcare professionals, regulatory changes, changes in inter-partner healthcare standards such as DRE). Cetip's information system is developed and maintained by the IT teams of the Cegedim Insurance Business Unit through software components provided by Cegedim Activ.

(1) Cegedim Activ customers manage over 30 million subscribers in France (close to one out of two French people), which makes the Company a market leader (Health, Contingency, Savings).

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

Over 200 Supplemental Health Insurance Agencies, over 112,500 healthcare professionals, and 13 million beneficiaries through SP Santé have placed their trust in Cetip for over 18 years, making it the undisputed leader (1) of third party payment operators.

ISANTÉ

iSanté is a national operator that develops standard or online third party payment services allowing insurance subscribers to have better access to care, as well as providing healthcare professionals quicker and more secure payment terms. iSanté develops innovative and personalized services for its customers, notably stakeholders in social economies and those involved in innovative and personalized services related to healthcare professional network agreements; non-classified healthcare services and mandatory healthcare plan management; monitoring rights online; articulation with healthcare platforms; etc.

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

- the development of third party payment with hospitals;
- access to GPS technology for its healthcare professional partners via mobile phone;
- the implementation of an optical filter, to control its customers' opticianry expenses by detecting payment requests deemed excessive compared to market rates.

Created in 2007, the company iSanté grew rapidly, ensuring the third party payment of over 6 million beneficiaries using its services in 2011. With 380 million euros in services and 360,000 telephone calls per year, iSanté has now become one of the most dynamic and innovative operators in the generalized third party payment market.

Management services

IGESTION

iGestion, a completely refurbished management center, offers supplementary and contingency health insurance management services to third parties, for insurance companies, provident institutions, mutual healthcare companies, and brokers.

This offer allows supplementary health organizations to outsource all or part of their professional processes. It is based on the Cegedim Group's know-how, technical expertise and capacity for innovation. Operations carried out on behalf of 20 insurance players thus cover over 500,000 beneficiaries.

In order to ensure that the operations entrusted to iGestion are managed appropriately, iGestion performs back-office and call center services based on Cegedim Activ's *Activ'Infinite* solution. With this specialized back-office and customer service management platform for supplementary health insurance and providence, the Cegedim Insurance Business Unit has an adapted, scalable and largely shared industrial service offer to guarantee customers constant service quality.

In order to continue the changes in progress, iGestion now offers a packaged service offer with Cegedim Insurance's third party payment 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 companies. Born from a partnership with GIE Edipharm formed in 1991, which enabled the creation of an EDI system between wholesale distributors and pharmaceutical companies, this operation quickly spread to all of the players in the health sector as well as medical analysis laboratories and the animal health sector.

Backed by its experience, Cegedim EDI is now able to offer its customers an industrial solution for electronic exchanges that adapts to their specific requirements and integrates the constraints of their particular trade, drawing on the power of the Cegedim Group's IT infrastructure. With over 1,000 digitalization projects, Cegedim EDI is also the first company to have obtained accreditation from the French Tax Authority (Direction Générale des Impôts) for invoice digitalization, in 1991.

The *Edipharm* solution, operated by Cegedim EDI:

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

GLOBAL INFORMATION SERVICES

With 60,000 customers connected in France, in Europe and across the world, and 250 million data flow exchanges per year, 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.

Deskom

The *Deskom* service allows customers to fiscally digitize supplier and customer invoices. Electronic invoices (EDI or with an electronic

(1) Cetip is the leader in France in terms of the number of third party payment flows handled per year.

signature) are electronically exchanged in accordance with each country's specific regulations. These invoices are archived in an electronic safe and are accessible via a consultation portal.

Thanks to this service, supplier invoices can be scanned and customer invoices edited in a shared industrial process.

EDI Network

Cegedim is an EDI and WebEDI solutions publisher who processes all EDI flows from the supply chain, whether they are commercial, logistic or financial. Cegedim meets the specific needs of sectors like retail, automobile, manufacturing, transportation, health, etc. Thanks to the EDI Network, Cegedim customers can easily connect and exchange data with their business partners.

Sign & Archive

The Sign & Archive offer applies electronic signatures to documents and archives all types of documents. All of the documents are signed, time-stamped and archived in a highly secure electronic safe. Customers can file and consult their documents via a Web browser or on their own website (made available from Web Services).

The e-factory

The e-factory offers components designed for processing the paper documents of its partners.

Cegedim performs digitalization services and implements desktop publishing solutions for the industrial processing of documents. Cegedim also offers virtual printer services that allow electronic invoices to be sent with just one click of the mouse.

CEGEDIM GLOBAL PAYMENTS

Cegedim Global Payments offers a (MA€A) software suite that facilitates and optimizes migration to SEPA [(1)] Direct Debit. (or SDD [(2)]). 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.

Cegedim Global Payments has also made its Authorization Management Service Center available; it provides all of the processes and procedures to digitize and archive digital authorizations in an electronic safe (NF Z 42013 certified) as well as the associated evidence and return management processes.

Lastly, the CEG€Pass suite of solutions and services allows customers:

- to totally digitize contract management and authorizations;
- electronically pay invoices initiated by the customer;
- and implement new payment methods.

Hospitalis

Hospitalis is a shared portal between healthcare establishments and their suppliers, allowing customers to facilitate supply chain commercial exchanges for the pharmaceutical, medical and diagnostic fields.

The scope of the *Hospitalis* offer includes product repositories, purchase orders, orders, logistics information and invoices.

With 1.6 million orders in 2011 and 900 major healthcare establishments, 25 of which are regional university hospital centers, *Hospitalis* contributes to the traceability of exchanges by centralizing all information on its Web portal. Moreover, this solution ensures interoperability between the different software programs used by order placers, their suppliers, or their service providers.

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

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

QUALITRANS-TELEPHARMA

Qualitrans-Telepharma is a technical concentrator agency (Organisme Concentrateur Technique or OCT) that centralizes the claims for electronic care sheets from pharmacies and allocates them to the appropriate mandatory and supplementary healthcare insurers. This is a crucial phase when it comes to the acceptance of third party payments by healthcare professionals. On the cutting edge of technology, *Qualitrans-Telepharma* is fully compatible with SESAM-Vitale 1.40 standards and, with a high level of responsiveness, can integrate legislative and regulatory changes (LOI, RPPS, etc.).

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

Qualitrans-Telepharma handles over 84 million electronic care sheets per year for over 3,000 pharmacists. This makes *Qualitrans-Telepharma* the second largest [(3)] French OTC.

(1) SEPA: Single Euro Payments Area.

(2) SDD: SEPA Direct Debit.

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

OTHER SERVICES

Outsourced payroll and HR 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 [(1)], Cegedim SRH is based on *TEAMS*RH, its own HRIS solution [(2)] 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*RH responds to the HR function’s need for agility.

*TEAMS*RH 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; with multi-companies and multi-establishments; or with multiple collective labor and regulatory agreements.

*TEAMS*RH offers wide functional coverage and a range of customizable functionalities, modular and customizable, which offer a response to each organization:

- payroll and personnel administration;
- HR portal;
- controlling and HR decision-making;
- GPEC [(3)];
- training;
- time management;
- Global HR.

Cegedim SRH distinguishes itself in the market by offering a wide range of services and support functions that can be adjusted at any time.

Furthermore, the offer differentiates itself in its approach by making a standard payment application platform integrating the maintenance of essential legal changes to, and provisions of, collective agreements.

Cegedim SRH’s commitment is to guarantee sustainable and reliable payment and Human Resource management, regardless of its customers’ legislative structures and changes.

Cegedim SRH’s different services are as follows:

- SaaS - Software as a Service: data facilities management, corrective maintenance and legal and conventional updates of the application;
- Processing Outsourcing - partial outsourcing: Controlling Customer Service. Processing payment, business, production and editing operations;
- Semi BPO - Business Process Outsourcing: Managing the production of corporate disclosures in addition to the service processing level;
- Total BPO outsourcing: Management of all payment processing operations (SOX accreditation).

Hosting, services and Internet

CEGEDIM HOSTING

Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurers and healthcare mutual companies, and healthcare networks (e.g. Electronic Patient File trials [(4)]), as well as in the management of financial flows and documents exchanged electronically. Due to their highly strategic and sensitive nature, these activities have led the Group’s IT teams to design and implement methods and architectures with very high availability, which meet its customers’ most stringent security requirements, and in particular standards governing the hosting of medical records.

Cegedim is an accredited “private healthcare data hoster” by the French Health Ministry.

Cegedim therefore offers its customers a complete private cloud service, based on hosting capacities and knowledge distributed around the world across its three zones: America (Chesapeake site), Europe (Boulogne-Billancourt campus and Toulouse site) and Asia-Pacific (Singapore site).

These different level Tiers III+ sites thus distributed allow, on the one hand, for services to be provided continuously and, on the other, for the implementation of Service Continuity Plans or Disaster Recovery Plans within the same region or between regions.

In 2010, the Cegedim Group was one of the first industrialists to receive ASIP Santé for hosting private healthcare data.

CEGEDIM OUTSOURCING

Cegedim Outsourcing provides infrastructure solutions to companies, allowing them to secure, administer, and supervise information systems, electronic data exchange and data facility management services. Cegedim Outsourcing’s offer is centered on three main businesses:

- integration

Integration involves designing and implementing all or part of the IT systems and networks requiring the integration of assorted elements: company directories, shared messaging, migrations, virtualization, storage, security and supervision.

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

(2) HRIS: Human Resource Information System.

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

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

- electronic data exchange

  Electronic data exchange looks to support customers throughout the process of managing heterogeneous content (forms, inbound documents, paper or electronic invoices): reception, digitization, recognition, extraction, verification, validation with the implementation of workflows and integration (EDM [1]).

- data management

  Data management groups together services tied to IT infrastructure management: distribution, asset leasing, on-site technical assistance, fleet management, and outsourcing backups. The level of delegation is customizable based on customer needs.

6.3.2 PRODUCTS OR SERVICES LAUNCHED DURING THE 2011 FISCAL YEAR 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 [2];
- 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*RH offer, which covers the main HR functions: Payroll and personnel administration/HR Portal/Corporate steering/GPEC - Training/Time management/international unified HR database/HR Business Intelligence, in 2011, Cegedim SRH launched 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 [2] 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.

(1) EDM: Electronic Document Management.

(2) Single Euro Payments Area - Unique space for payments in euros.

6.3.3 MAIN MARKETS

Key figures

15% of the Cegedim Group’s consolidated revenue.

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

Main customers: healthcare insurers and mutual funds, companies in all sectors including businesses associated with the healthcare sector.

Competition

With over 30 million insured people managed by its solutions, Cegedim Activ is the French leader [(1)] in the personal insurance computerization market. Its main competitors are mainly generalists in fields such as Consulting, Engineering, and Integration, such as CSC, Sopra, Atos, Oracle and Accenture, and publishers such as Linedata and Wyde.

Regarding value-added services in direct payment and registration management (Cetip on behalf of SP Santé and iSanté), the Group holds a leading position at the forefront [(2)] of this market with over 18 million people managed in direct payment and more than 250 million streams transported. Viamedis and Almerys (Orange Business Services) are its main competitors in this field.

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

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

In terms of electronic data exchange, after a year marked by several very large commercial successes, Cegedim e-business remains the leading European network in electronic invoicing, with more than 60,000 companies directly connected and 250 million documents handled per year. Docapost (subsidiary of the La Poste group), b-process (purchased by Ariba) and OB10 are among Cegedim e-business’ main competitors.

Main market trends

MAIN INSURANCE MARKET TRENDS IN FRANCE

In 2011, insurance revenue remained high, with 189.6 million euros in contributions (source FFSA). Insurance contributions from people amounted to 141.6 billion euros (124 billion of which in life insurance and capitalization) but underwent a 12% decrease compared to last year, whereas contributions for property and liability insurance increased 4% and amounted to 48 billion euros in 2011.

In a context of economic crisis, the healthcare market remains an important strategic issue for insurers. The inevitable growth in healthcare spending and the program for withdrawal or reduction of reimbursements for certain treatments currently covered by Social Security, which is already underway, signal an increase in the market’s value which will increase competitiveness.

The year 2011 gave rise to an increase in taxation on healthcare contracts, from 3.5% to 7%, with the public powers regularly asking supplementary health insurance companies to contribute.

This situation reinforces their request for productivity gains and leads them to increase their contributions and insurance premiums, as healthcare expenses continue to grow.

The increased pressure on technical stability, Solvency 2 requirements, and revenue from financial management will weigh on changes in healthcare offerings, for both individuals and groups. Insurers are going to have to rework their offers: increased segmentation, control of services through healthcare platforms and health networks, rate negotiation with healthcare professionals, control of all management costs.

One can also expect an inevitable continuation of the consolidation movement, accented by regulatory constraints and financial uncertainties.

The race to attain critical size continues with the emergence of powerful groups managing several million beneficiaries, such as Harmonie Mutuelles, which boasts more than 4.6 million beneficiaries, Istya (over 6 million people protected), Médéric-Malakoff and Humanis in the field of pension institutions.

The competitive situation should change even more with the arrival of new players in the market (La Banque Postale, Matmut Mutualité, GMF, etc.) and an increasing space occupied by banks that offer insurance and intend to develop the size of their agency networks and their “one-stop shop” offer.

All of these changes, along with the reforms to France’s mandatory healthcare insurance scheme, render the system more complex, thus creating new needs.

For the last several months, the healthcare system has been affected by large changes: effects from the HPST law [(3)] (new role of pharmacists, attending doctors) from the new medical convention (variable compensation according to the quality of practices), different measures from the finance law.

The year 2011 gave rise to the publication of the new Cnamts Plan with numerous consequences for the mandatory and supplementary healthcare industry.

(1) Cegedim Activ customers manage over 30 million subscribers in France (close to one out of two French people), which makes the Company a market leader (Health, Contingency, Savings).

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

(3) Loi “Hôpital, Patients, Santé, Territoires” (Hospital, Patients, Health, Territories law).

The development of online services is confirmed, as well as those of prevention and disease management tools and paperless exchange.

The recognition of the Internet and mobile telephony is establishing itself in all insurance processes, notably in view of better controlling timeframes and costs, increasing the reliability of circuits and fully guaranteeing better service quality.

Therefore, in 2011, two new services were developed by iSanté for its customers: position determination technology of its healthcare professional partners via mobile phone, or direct optical payment via an online website that sells glasses.

An increasing number of projects are leveraging the entire healthcare value chain, from he healthcare professionals to supplementary insurance organizations. Cegedim has invested by participating in several innovative projects such as: implementing Babusiaux recommendations (access to healthcare data by supplementary insurance organizations), managing electronic insurance cards (Vitale cards, Duo cards, associated cards), or establishing direct connections (Web Services) between the workstations of healthcare professionals and supplementary insurance providers, thus greatly reducing timeframes and increasing reliability.

The Cegedim Group has integrated these different elements to change its offering and offer supplementary healthcare insurers solutions to guarantee their independence, irrespective of mandatory healthcare insurance solutions, by having:

- a rich and open menu of services;
- direct connections between healthcare professional software and their back offices, in line with Cegedim Healthcare Software;
- making a middle office available via a specialized carrier and professional services carrier.

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

MAIN PAPERLESS EXCHANGE MARKET TRENDS IN FRANCE

The movement to concentrate players initiated by the Cegedim Group’s purchase of *Deskom* in September 2010 continued in 2011 (acquisition of Quadrem and b-process by Ariba, acquisition of Crossgate by SAP).

The digitalization market continues to grow rapidly due to a mass movement towards outsourcing invoice handling, by increased research into rapid productivity gains as well as by supporting French and European public powers.

The new 2010 European Directive aims notably to relax conditions to access digitalization, for small to medium sized businesses in particular. This directive shall be transposed in French law by January 2013.

According to a Markess international study published in November 2011, one fourth of French decision-makers questioned indicated that, for them, digitizing documents is at a preliminary stage, notably in customer invoices, and close to two thirds will be impacted within the next two years.

6.4 EXCEPTIONAL EVENTS

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

6.5 DEGREE OF DEPENDENCY

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

The share of revenue achieved in 2011 with the top client was 4.5%, with the top five clients, 12.5%, and with the top ten clients, 18.4%. Furthermore, none of the Group's clients accounted for more than 2.5% of revenue in 2011.

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

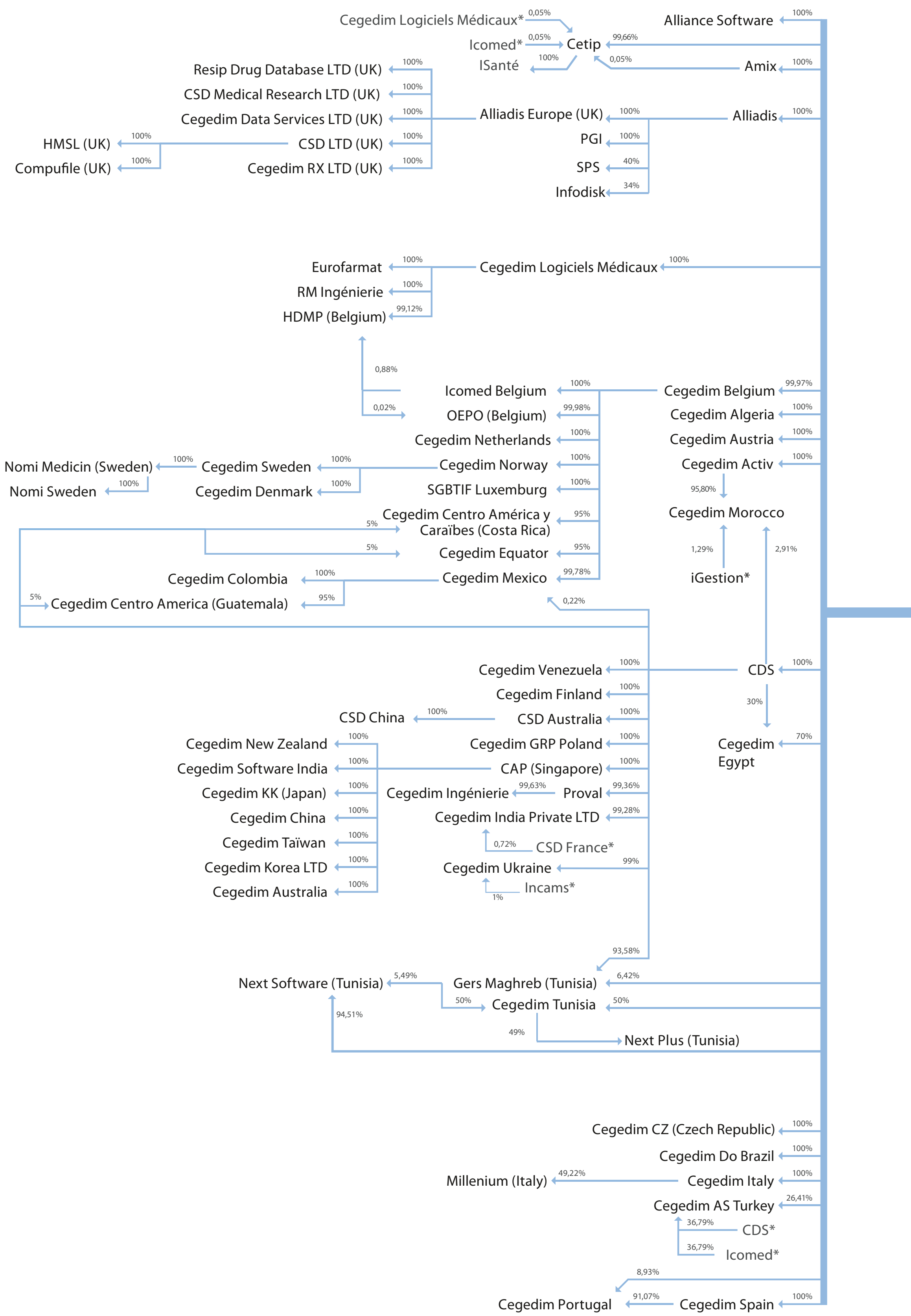
6.6 INFORMATION ON WHICH ANY DECLARATION MADE BY THE ISSUER CONCERNING ITS COMPETITIVE POSITION IS BASED

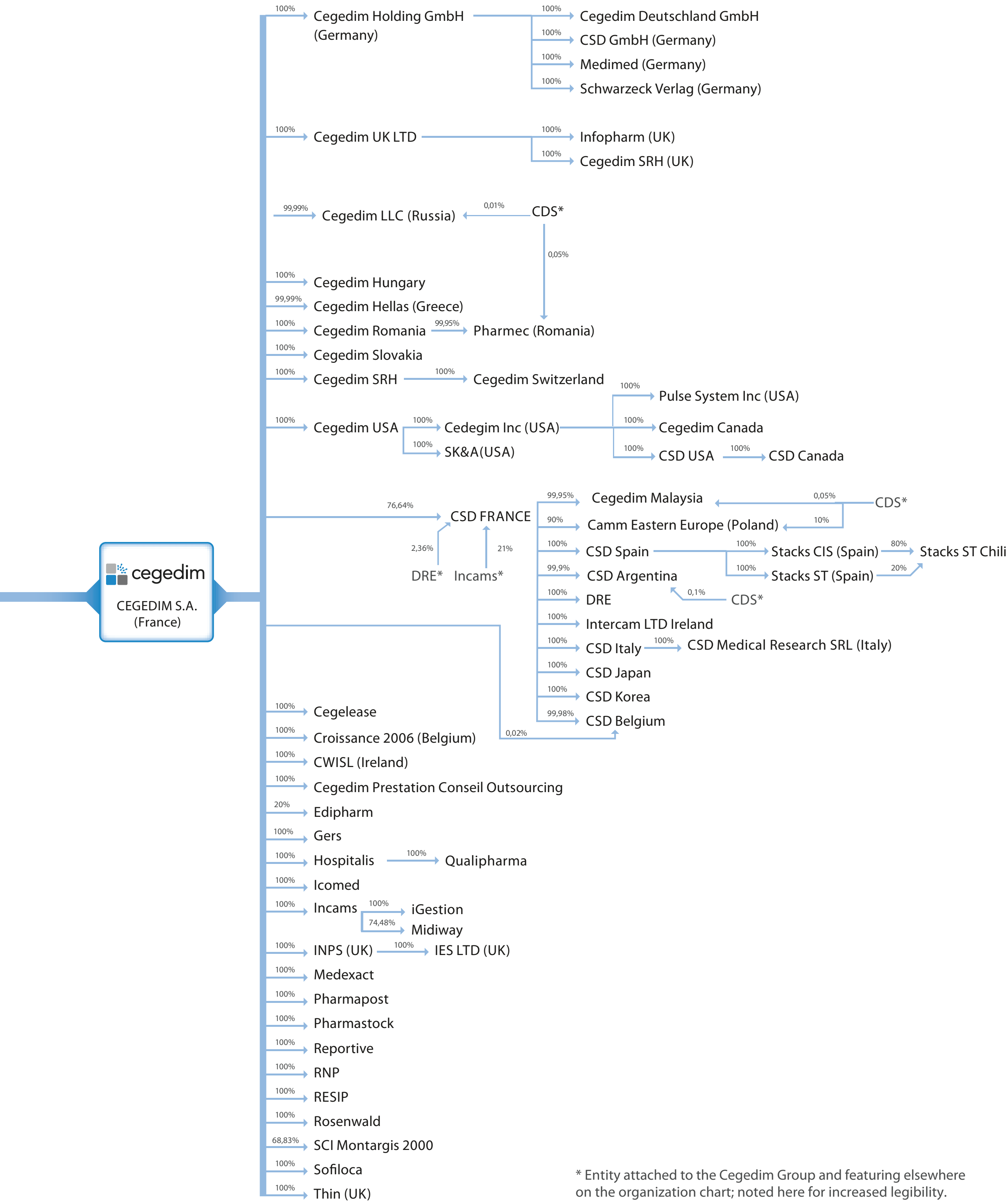
The sources of the figures presented in item 6 of this Registration Document are generally cited in the text or explained in the references given below. The topics discussed in the market information in items 6.1, 6.2, 6.3 were gathered from Web sites, trade publications, CXP and LEEM market research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

7

ORGANIZATION CHART

Organization chart of the Cegedim Group at December 31, 2011





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

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

7.1 CEGEDIM GROUP AND CEGEDIM'S PLACE WITHIN THE GROUP

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

Cegedim SA is active in the following fields:

- development and upgrading of most of the IT tools used by the other departments and subsidiaries of the Group to supply the services they sell. It is also the Group's IT operations center;
- centralized services: payroll processing, employee management, billing, accounting and monthly reporting. All the security, insurance and confidentiality rules in effect in the IT facilities management fields are obeyed. Centralized services also include handling tax, legal, social and accounting, organization and audit questions, insurance, purchasing, external communication and intellectual property. These expenses are allocated monthly to the Group's subsidiaries according to the allocation key specific to each family of services.

Cegedim SA also plays an operational role with its departments:

- Cegedim Sales Statistics: management of the French pharmaceutical products file, processing and establishment for GERS (EIG uniting all the pharmaceutical companies established in France) of sales statistics for all pharmaceutical products using data gathered from wholesale distributors and pharmaceutical companies in France;
- Cegedim Communication Directe (CCD): design, management and marketing of different personal databases (business addresses and associated direct marketing services) as well as management and processing of files for third parties;
- Electronic Data Interchange (EDI): data concentrator for the transmission of orders and invoices between pharmaceutical companies, wholesale distributors and hospitals (Edipharm system) and the transmission of subrogatory invoices between pharmacies and payer agencies (Télépharma). Hosting of application software developed by the Group and information flow management;
- Cegedim Hosting: Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurance providers and health networks (e.g. personalized medical records tests, etc.), as well as in the management of capital flows and paperless documents. Due to their strategic and sensitive nature, all these activities have led the Group's teams to devise architectures with very high availability that meet the security requirements of its customers and, in particular, standards governing the hosting of medical records.

7.2 LIST OF CEGEDIM SUBSIDIARIES

The list of the Group's subsidiaries, their country of origin and the percentage of control held are given in item 20.1 of the consolidated financial statements of this Registration Document. In addition, more detailed information on the activity of the Group's main subsidiaries appears in item 26.2.5 of this Registration Document. The Group's organization chart is presented on the preceding pages.

REVENUE ANALYSIS

8

REAL ESTATE, PRODUCTION PLANTS AND EQUIPMENT

8.1 SIGNIFICANT, EXISTING OR PLANNED TANGIBLE ASSETS, INCLUDING REAL ESTATE LEASED AND ANY MAJOR SPENDING RELATED TO THEM

Only 18 companies, out of the 132 entities included in the Group's consolidation scope, own buildings or land for a net book value of 5.6 million euros as of December 31, 2011.

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

In particular, Cegedim SA rents all of the facilities it occupies in Boulogne-Billancourt. Some rent amounts are paid to companies (managing holding company FCB or different real estate holding companies) that have common Directors with Cegedim SA, as indicated in the Auditors' Special Report reproduced and appended to this Registration Document. The total rent amounts involved (premises and parking) amounted to 5.1 million euros, excluding occupancy expenses for 2011. Rents are established based on market conditions and will remain so.

8.2 USE OF TANGIBLE ASSETS WITH RESPECT TO THE ENVIRONMENT

The use of tangible assets with respect to the environment does not call for any particular remarks.

9

ANALYSIS OF THE FINANCIAL POSITION AND EARNINGS

9.1 DESCRIPTION AND CHANGE IN CEGEDIM'S FINANCIAL POSITION

The Corporate Management Report prepared by the Board of Directors of Cegedim SA gives a description of the financial position of Cegedim SA and of the Group. It appears in item 26 of this Registration Document.

9.2 OPERATING EARNINGS

The Corporate Management Report prepared by the Board of Directors of Cegedim SA (appearing in item 26 of this Registration Document) gives, where relevant, a description:

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

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

10

CASH AND CAPITAL

10.1 CEGEDIM EQUITY

Consolidated shareholders' equity totaled 516.2 million euros at December 31, 2011, compared to 480.3 million euros at December 31, 2010; an increase of 35.9 million euros. This increase is explained by the increase of unrealized exchange gains/losses which have increased by 14.7 million euros, combined with a 16.2 million euro positive change in Group earnings following the impact of abandoning the Dendrite brand in September 2010. The portion of equity relating to minority interests was 0.5 million euros at December 31, 2011, i.e. 0.1%.

10.2 BORROWING TERMS AND CEGEDIM FINANCING STRUCTURE

Debts payable in less than one year amounted to 51.9 million euros, and debts payable in more than one year came to 483.7 million euros, i.e. a total of 535.6 million euros, compared to 549.9 million euros in 2010. This constitutes a 14.3 million euro reduction.

In view of its available cash position, the Group's net debt amounted to 462.5 million euros, compared to 470.8 million euros at the end of 2010, down 8.3 million euros. It represents 0.9 times the amount of shareholders' equity, versus 1.0 times in 2010.

The Group's operating cash flow before the cost of net financial debt totaled 140.1 million euros at December 31, 2011, compared to 160.6 million euros at December 31, 2010.

Cegelease concluded a flow exchange transaction with Natixis, according to the terms of which Natixis must pay forecasted amounts for lease receivables to Cegelease, and Cegelease must pay the actual amounts for these same receivables to Natixis. As the flow exchange transaction guarantees Cegelease's future receivables, Natixis has granted the latter a cash collateral that is repaid as the receivables are collected. As a guarantee of its obligations to repay the cash collateral, Cegelease must transfer full ownership of certain receivables resulting from its goods leasing activity to Natixis. The financial interest is calculated on the cash collateral. The cash collateral, which is the discounted outstanding leases yet to be collected from customers on behalf of Natixis, amounted to slightly less than 4 million euros at December 31, 2011. The 2012 repayments are estimated at 4 million euros, allowing the company to totally pay off this debt in 2012.

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

Closing cash, before the impact of exchange rate fluctuations, was 70.8 million euros in 2011, compared to 72.6 million euros in 2010, down 1.8 million euros. After the impact of exchange rate fluctuations, cash amounted to 71.7 million euros, down 6.3 million euros compared to 2010.

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

NET CASH FLOW GENERATED BY OPERATING ACTIVITIES

Cash flow amounted to 141.5 million euros for 2011, compared to 133.9 million euros in 2010 (+7.7 million euros).

The change in working capital requirements is +21.3 million euros in 2011, versus -11.5 million euros in 2010.

Before the cost of net financial debt and income tax, operating cash flow amounted to 140.1 million euros in 2011, compared to 160.6 million euros in 2010, down 20.6 million euros.

Interest from loans amounted to 32.3 million euros in 2011, compared to 18.7 million euros in 2010. The cost of net financial debt amounted to 37.7 million euros in 2011, compared to 34.3 million euros in 2010. This increase is mainly due to the two refinancing operations carried out in July 2010 (full year effect) and an increase in interests paid in exchange for extending the maturity date in June 2011.

Operating cash flow after net financial debt and income tax amounted to 95.8 million euros for 2011 compared to 150.4 million euros in 2010, down 54.5 million euros. This decline mainly reflects the decrease in consolidated earnings for the period after restating the 2010 non-cash instruments associated with the disposal of the Dendrite brand.

The consolidated income tax rate stands at 17.19%. This level is due to the consolidated tax revenue being 5.53% during the first half of 2011. In addition, the 17.19% rate cannot be compared to the 2010 rate. In fact, in 2010, the Group's tax position had been affected by the reversal of the deferred tax liability after the Dendrite brand was abandoned in September 2010 for 41.5 million euros, resulting in 24.3 million euros in tax revenue.

NET FLOWS TIED TO INVESTMENT OPERATIONS

Cash flow amounted to 80.9 million euros in 2011, compared to 124.0 million euros in 2010 (-43 million euros). This significant decrease is mainly related to an external growth policy that was less active than in 2010 (1.4 million euros impact of changes in consolidation scope in 2011 compared to 56.3 million in 2010). This This policy is in keeping with that which was announced when the 2010 accounts were published.

Acquisitions of intangible assets amounted to 50.5 million euros in 2011 (versus 45.5 million euros in 2010) and are mainly the result of an increase in capitalization of internal development projects within the Group from 22.5 million euros in 2010 to 31.1 million euros in 2011.

The acquisition of tangible assets totaled 29.6 million euros in 2011 (versus 27.8 million euros in 2010), remaining virtually stable compared to the preceding period.

NET CASH FLOWS RESULTING FROM FINANCING TRANSACTIONS

Cash flow amounted to 67.8 million euros for 2011, compared to 39.6 million euros in 2010 (+28.2 million euros).

This change is due to the fact that the Group totally refinanced its bank debt in June 2011, for 200 million euros, and amortized 20 million in bank debt at December 31, 2011.

In 2011, the Group paid out 14.0 million euros in dividends. This was the same amount as in 2010.

10.4 RESTRICTION ON THE USE OF CAPITAL

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

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

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

10.5 EXPECTED SOURCES OF FINANCING NECESSARY TO HONOR INVESTMENT COMMITMENTS (MENTIONED IN SECTIONS 5.2.3 AND 8.1)

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

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

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RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Cegedim SA Corporate Management Report gives a description of the Cegedim Group's research and development policy. It is listed in point 26 of this Registration Document.

Cf. also item 4.2.2, relating to intellectual property.

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INFORMATION CONCERNING TRENDS

The trends applicable at the beginning of 2012 do not show any major differences with those seen during the 2011 fiscal year. In fact, since most Cegedim customers work in the field of healthcare, the Group has not experienced any marked repercussions from the global economic downturn. However, the realignment of the world healthcare economy means that the Group is obliged to make a number of changes across its business sectors.

OPERATING REVENUE AND PRICING POLICY

It should be noted that the Group realizes more than the two thirds of its revenue in the healthcare field, a sector known for its particularly defensive nature which makes the Group rather insensitive (or with a certain amount of inertia) to the general tensions which can affect the economy. The older age profile in mature countries or the population increase combined with a progressively higher standard of living in emerging countries make for an increase in healthcare spending, which is a favorable indicator for the Group's activities. Nonetheless, the changing economic model of pharmaceutical laboratories, associated with pressure from the generics' market, increasingly complex therapies and new regulatory requirements, negatively impacted the Group's margins in 2011. These trends are expected to continue in 2012. This is why Cegedim implemented a performance improvement program to adapt its fixed costs to this new situation.

For 2012, Cegedim's international growth perspectives are being confirmed for territories such as South America, Poland, Switzerland and Russia. China and India also offer strong potential which the Group is only starting to tap.

The Group does not foresee any significant changes in its pricing policy, and is exposed to general parameters which remain relatively unchanged for the start of 2012. Cegedim negotiates with its customers on a continuous basis to maintain its selling prices in line with the quality of its services and ongoing product updates.

OPERATING EXPENSES

Employees make up the Group's main resource and represent one of the most significant expenses. Cegedim adapts its wage policy appropriately in order to motivate talent, ensure training and recruiting while maintaining salary costs within a reasonable growth level. For 2012, the Group is expecting wages to climb by around 1.5%.

In 2011, Cegedim continued its integration and restructuring, mainly carried out in 2010, thus incurring non-recurrent costs that are partly recognized by international IFRS standards. These initiatives should, all other things being equal, have a positive effect on the Group's fixed costs.

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

INVENTORY AND PRODUCTION

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

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PROFIT PROJECTIONS OR ESTIMATES

For 2012, the Group has set the objective of strengthening its lead in the world health market by increasing its revenue, excluding new acquisitions and exchange rate fluctuations, carried out mainly in the second half of the year. The EBITDA, in this case, should grow slightly.

The Group does not disclose profit projections or estimates.

CORPORATE GOVERNANCE

14

ADMINISTRATIVE AND MANAGEMENT BODIES

14.1 NAME, BUSINESS ADDRESS AND OFFICES OF THE CORPORATE OFFICERS

14.1.1 MEMBERS OF THE BOARD OF DIRECTORS

During the 2011 fiscal year, the Board of Directors was made up of the following members:

- Jean-Claude Labrune, Chairman & CEO and Founder of Cegedim SA;
- FCB SAS, lead holding company, represented by Pierre Marucchi, also Deputy Managing Director of Cegedim SA;
- GERS, an Economic Interest Grouping (EIG) of pharmaceutical companies operating in France, represented by Philippe Alaterre;
- Alliance Healthcare France, a company held by the pharmaceuticals distributor Alliance Boots, represented by Anthony Roberts;
- Laurent Labrune, Chairman & CEO of Cegedim SRH, a subsidiary of Cegedim SA;
- Aude Labrune-Marysse, Chairman of Rosenwald, a subsidiary of Cegedim SA;
- Jacques-Henri David;
- Jean-Louis Mery;
- Jean-Pierre Cassan;
- the Strategic Investment Funds (FSI), represented by Nicolas Manardo.

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

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

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LIST OF OFFICES HELD DURING THE LAST FIVE YEARS EXCLUDING THE SUBSIDIARIES OF THE CEGEDIM GROUP

Director	Company	Office	Start	End
Jean-Claude Labrune	Cegedim	Director	4/12/1989	-
		CEO	12/20/1989	-
		Chairman and CEO	8/18/1994	-
	FCB	Chairman (SAS)	6/24/2005	-
	JCL	Manager	11/30/1994	-
Pierre Marucchi	Cegedim	Representative of FCB on the Board of Directors	4/12/1989	-
		Deputy MD	4/23/2002	-
	IRIS	Manager	1997	-
Laurent Labrune	Cegedim	Director	4/18/2001	-
	FCB	Director and Deputy MD	11/21/2005	-
Aude Labrune-Marysse	Cegedim	Director	4/27/2007	-
	FCB	Director and Deputy MD	11/21/2005	-
Anthony Roberts	Cegedim	Representative of Alliance Healthcare France on the Board of Directors	12/21/2009	-
	Pharmology.com	Director	July 2000	-
	Anzag GmgH	Director	July 2011	-
Philippe Alaterre	Cegedim	Representative of GERS on the Board of Directors	3/20/2009	-
	Dakota Pharm	Chairman	3/31/2004	6/30/2007
	GIE GERS	Chairman	12/11/2008	-
	GIE Edipharm	Representative of GERS on the Board of Directors	12/11/2008	-
Jean-Louis MERY	Cegedim	Director, natural person	1/8/2010	9/23/2010
	Alliance Santé France	Chairman (SAS)	6/13/2003	8/18/2009
	Alliance Healthcare France	Chairman and CEO	4/29/2003	8/19/2009
	Alliance Healthcare Repartition	Chairman (SAS)	1999	8/20/2009
	Alphega	Representative of AHF on the Board of Directors	2001	6/18/2009
	Ouest Repartition	Representative of AHF on the Board of Directors and Director	July 2003	6/18/2009
	Ouest Repartition	Representative of AHF on the Board of Directors and Director	July 2003	6/18/2009
	Sedley Participation France	Chairman (SAS)	12/12/2007	6/17/2009
	Depolabo	Member of the Supervisory Committee	12/01/2007	6/17/2009
Nicolas MANARDO	Cegedim	Representative of the FSI on the Board of Directors	9/23/2010	-
	GEM SAS	Director, natural person	6/1/2002	-
Jean-Pierre CASSAN	Cegedim	Director	1/8/2010	-
	Eratos	Manager	5/25/2004	-

Director	Company	Office	Start	End
Jacques Henri David	Cegedim	Director	1/8/2010	-
	Acxior Corporate Finance	Chairman	2010	-
	CCAF (Financial activities control commission) Monaco	Chairman	2011	-
	UGC (Paris)	Director	before 2005	-
	Selene Patrimoine (Luxembourg)	Director	2008	-
	St Gobain Corporation (New York)	Director	before 2005	December 2008
	Deutsch Bank France	Chairman	before 2005	December 2009

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

Jean-Claude Labrune and Pierre Marucchi also hold various other positions in Cegedim's French and foreign subsidiaries. Nicolas Manardo holds, in addition, other offices in French entities.

14.1.2 DIRECTORS' EXPERIENCE

- Jean-Claude Labrune graduated from the Ecole Nationale Supérieure des Arts et Métiers. During his years of experience with IBM as a sales engineer, he became very familiar with the pharmaceutical industry. He was among the promoters of business focus groups bringing together IT Directors from pharmaceutical companies like Cedhys. Concerned with providing responses to the problems raised by the profession, he founded Cegedim in 1969.
- Pierre Marucchi graduated from the Ecole Nationale Supérieure des Télécommunications, Stanford University (USA) and the Centre d'Etudes Supérieures Bancaires. He was also Member of the Institute of French Actuaries. Pierre Marucchi began his career in 1977 at Crédit Lyonnais where he held various technical and commercial positions. He joined the Cegedim Group in 1984.
- Laurent Labrune graduated from the Ecole Nationale Supérieure des Arts et Métiers. He joined Cegedim in 1995, where he was coordinator of IT development for the Group, before taking over as manager of the subsidiary Cegedim SRH. Laurent Labrune is CEO of the new entity, Cegedim Relationship Management.
- Aude Labrune-Marysse has a Master's in Commercial Law and a DESS in International Taxation. She joined Cegedim in 1999 before taking over the management of Rosenwald, a Cegedim subsidiary and taking up the position of Deputy Managing Director in charge of legal matters for the lead holding company, FCB.

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

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

The Strategic Investment Funds (FSI) is a public limited company (société anonyme) that is 51% owned by the Caisse des Dépots and 49% owned by the French government. The FSI is an informed investor which enhances equity by becoming a minority investor in French companies involved in industrial projects that create value and competitiveness for the economy.

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

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

14.1.3 DECLARATION

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

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

14.2 CONFLICTS OF INTEREST IN THE ADMINISTRATIVE AND MANAGEMENT BODIES

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

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

Cegers has been wholly-owned by Cegedim since April 16, 2010. All of its assets were transfered to Cegedim starting January 3, 2011.

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

Cegedim has commercial relations with certain of its shareholders and/or Directors and their respective groups. These concern, in particular:

- Alliance Healthcare France: shareholder and member, with a seat on the Board of Directors of Cegedim;
- GIE GERS: member, with a seat on the Board of Directors of Cegedim;
- Jacques Henri David: member, with a seat on the Board of Directors of Cegedim and Chairman of the Board of Directors of Acxior Corporate Finance.

The agreements with Alliances Healthcare France, GIE GERS and Acxior Corporate Finance were undertaken in line with market conditions and represent revenue below 0.3%, 1.0% and 0.1% respectively of the consolidated revenue of the Company. In consequence, relations between Cegedim and the above-mentioned entities do not cause any conflicts of interest.

14.3 CORPORATE GOVERNANCE

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

Certain important decisions of the Board of Directors (in particular dissolution or winding up of Cegedim, issue of transferable securities, investments, additional indebtedness, the agreement referred to in article L. 225-38 of the Code of Commerce, revocation of any member of the Board of Directors appointed at the proposal of the FSI, determination of the indicative annual budget) are taken on a qualified majority of 6/10 including at least one Director representing the FSI; the FSI's rights are reduced if its share of the capital or voting rights is reduced.

With regard to the determination of the indicative annual budget mentioned above, the FSI, in particular, has a stronger right of consultation under which, in the event of persistent disagreement between the FSI and the Managing Director of Cegedim on this budget, the budget for the previous year will be brought forward after adjustment for inflation and for current projects already authorized by the Board, without prejudice to the Managing Director's right to change it subsequently, if necessary after having informed the members of the Board of Directors in the case of a significant change, provided that the FSI's share of the capital or voting rights does not fall below certain thresholds.

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

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

AUDIT COMMITTEE

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

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

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

The Audit Committee meets on at least two occasions each year, prior to the approval of the Company's interim and annual financial statements. In 2011, the Audit Committee met five times.

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

- in respect of the approval of the annual financial statements for 2010 and the interim financial statements for 2011, the Audit Committee reviewed the accounts and other related financial information, following consultation with the Auditors and examination of the Auditors' reports;
- it examined the various press releases on the quarterly revenue figures and annual and interim results, as well as the miscellaneous documents used to present these results to financial analysts;
- it considered the opportunity to acquire the company Pulse System Inc.;
- it discussed the presentation of Cegedim's new visual identity;
- with regard to the functioning of the IT system, it looked at the uniformity of systems between different Group entities, a description of the reporting process, and the timescales necessary for making available monthly financial information.

APPOINTMENTS COMMITTEE

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

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

- formulate proposals on the selection of Directors with regard to the composition of the Company's shareholder base and any changes thereto;
- formulate proposals on the selection of independent Directors by carrying out its own research into potential candidates before making any approaches;
- formulate a succession plan for Directors and corporate officers so that a proposal can be made to the Board of Directors without delay in the event of an unforeseen vacancy.

The Appointments Committee meets at least once a year, prior to the Board meeting that decides on the date of the Annual General Meeting, and approves the meeting agenda. In 2011, the Appointments Committee met once.

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

COMPENSATION COMMITTEE

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

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

The Compensation Committee met twice during the past fiscal year, prior to the Board meeting that decides on the date of the Annual General Meeting, and approves the Meeting agenda.

STRATEGY COMMITTEE

The Company complies with the recommendations of the AFEP-Medef Corporate Governance code for listed companies, dated April 2010.

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

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

It usually meets twice a year. In 2011, the Strategy Committee met twice. In the course of its meetings, the Strategy Committee examined, in particular, its working procedures.

EXCEPTIONS

The exceptions to the recommendations of the AFEP-Medef code that the parties to the draft agreement agreed not to apply are set out below. In accordance with the draft agreement, the Company conforms to the principles of the AFEP-Medef code and changed the bylaws of the Board of Directors in order to observe the code, except for the stipulations stated below:

- article 2.2. of the AFEP-Medef code will not be applied. The Company will provide information concerning non-balance sheet items in accordance with the law;
- article 3 of the AFEP-Medef code relating to the separation of the duties of the Chairman of the Board of Directors and the Managing Director will not be applied;
- sub-section 7.2. of the AFEP-Medef code will not be applied. The FSI and Alliance Healthcare, which both have a holding in the Company's capital, would like to be represented on the Board of Directors;
- sub-section 8.2 of the AFEP-Medef code cannot be applied because the number of independent Directors will be lower than the recommendation of said code, which is 1/3 in subsidiary companies;
- article 9 of the AFEP-Medef code relating to the evaluation of the Board of Directors will be applied subject to the evaluation of the performance of the Managing Director;
- article 10 of the AFEP-Medef code will be applied subject to indication in the Annual Report of the duration of sessions which Cegedim does not wish to announce;
- article 11 of the AFEP-Medef code will be applied insofar as the bylaws will be amended within a reasonable period after the increase in capital. Moreover, bearing in mind the size of the Company, the Directors' right to information under this article must be exercised in a reasonable manner in terms of time period and documents or information requested;
- article 12 of the AFEP-Medef code relating to the duration of the Directors' duties will be applied subject to the duration of the Directors' terms of office, which will be kept at six years to ensure stability of the Board of Directors and in accordance with the maximum duration authorized by the AFEP-Medef code, and to the staggering of the Directors' terms of office which the Company considers satisfactory;
- article 17 of the AFEP-Medef code relating to the Code of Ethics of the Director will be applied subject to application for certain Directors of the recommendation relating to the significant number of shares that each Director in office must hold;
- article 19 of the AFEP-Medef code relating to the termination of the employment contract if the position of corporate officer is taken up will not be applied as it might constitute an obstacle if the Company wishes to ask an employee to take on the duties of corporate officer;
- sub-section 20.1 of the AFEP-Medef code will not be applied as the salaries of the Directors who act as corporate officers are revised annually.

15

COMPENSATION AND BENEFITS

15.1 TOTAL COMPENSATION AND IN-KIND BENEFITS PAID INDIVIDUALLY, DIRECTLY OR INDIRECTLY, DURING THE FISCAL YEAR TO EACH CORPORATE OFFICER BY CEGEDIM AND BY ANY COMPANY OF THE GROUP

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

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

In euros **Fiscal year 2011**	**Total compensation except in-kind benefit**	**Fixed portion**	**Variable portion**	**Extraordinary variable portion**	**Directors' fees**	**In-kind benefit amount**	**Type**
Jean-Claude Labrune	747,600	731,900	-	-	15,700	1,358	Car
Pierre Marucchi	517,260	300,000	201,560	-	15,700	6,901	Car
Laurent Labrune	468,675	250,000	206,175	-	12,500	7,936	Car
Aude Labrune-Marysse	106,494	84,994	9,000	-	12,500	10,168	Car
Jean-Louis MERY	12,500	-	-	-	12,500	-	-
Anthony Roberts	12,500(1)	-	-	-	12,500(1)	-	-
Jacques Henri David	15,000	-	-	-	15,000	-	-
Jean-Pierre Cassan	17,500	-	-	-	17,500	-	-
Nicolas Manardo	12,500(2)	-	-	-	12,500(2)	-	-

(1) Directors' fees paid directly to Alliance Healthcare France.
(2) Directors' fees paid directly to the FSI.

The variable portion is based on the Group's earnings. The variable portion of the compensation of Pierre Marucchi, Laurent Labrune and Aude Labrune is a percentage of current EBIT from continuing operations, respectively, of the Group, of the CRM Division and of the activities that are attached to it.

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

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

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

There are management fee agreements binding Cegedim to its holding company FCB, with which it has Directors in common. These agreements are governed by article L. 225-38 of the French Commercial Code relating to agreements concluded at arm's length. The services invoiced by FCB to Cegedim for 2011 total 2,5 million euros. This amount corresponds to the re-invoicing of salary expenses and expenses for Directors' fees borne by FCB and attributable to Cegedim. The Directors' fees represent less than 10% of the total. The salary portion corresponds to the re-invoicing of 90% of the compensation of Jean-Claude Labrune, Laurent Labrune, Aude Labrune and of half of the compensation of Pierre Marucchi, as well as the compensation of non-managers.

15.2 TOTAL AMOUNTS ALLOCATED OR ACCRUED BY THE ISSUER OR ITS SUBSIDIARIES FOR THE PURPOSES OF PAYING PENSIONS, RETIREMENT OR OTHER BENEFITS

There are no specific supplemental retirement plans set up for certain corporate officers.

All the pertinent information related to calculating the provision for retirement compensation is presented in the Accounting Principles and note 13 (retirement liabilities) to the consolidated financial statements found in item 20.1 of this Registration Document.

15.3 ALLOCATION OF FREE SHARES

Following a resolution of the Extraordinary Shareholders' Meeting of June 8, 2011, the Board of Directors, in its meeting of June 29, 2011, was authorized to award a total number of free shares not to exceed 10% of the total number of shares making up the share capital to the managers and employees of the Cegedim Group. In other words a total of 1,399,717 shares.

Following a resolution of the Extraordinary Shareholders' Meeting of February 22, 2008, the Board of Directors, in their meetings of March 21, 2008, November 5, 2009 and June 08, 2010 were authorized to award a total number of free shares not to exceed 10% of the total number of shares making up the share capital to the managers and employees of the Cegedim Group. In other words a total of 933,144 shares.

	Plan n° 1	**Plan n° 2**	**Plan n° 3**	**Plan n° 4**
Date of the General Meeting	02/22/2008	02/22/2008	02/22/2008	06/08/2011
Number of shares authorized by the General Meeting	933,144	933,144	933,144	1,399,717
Date of the Board meeting	03/21/2008	11/05/2009	06/08/2010	06/29/2011
Total number of shares than can be allocated	43,410[(1)]	28,750	32,540	41,640
Number of recipients	48	48	73	86
Award date	03/21/2008	11/05/2009	06/08/2010	06/29/2011
Date of free disposal of free shares				
France	03/20/2010	11/04/2011	06/07/2012	06/28/2013
Abroad	03/20/2012[(2)]	11/04/2013	06/07/2014	06/28/2015
End of lock-in period	03/20/2012	11/04/2013	06/07/2014	06/28/2015
Shares permanently allocated but not acquired	4,740	13,320	27,728	38,980
Shares permanently acquired at 12/31/2011	23,170	7,090	0	0

(1) Including 2,880 shares allocated to Directors (1,280 for P. Marucchi and 1,600 for L. Labrune).
(2) Including 640 which mature on 09/16/2012.

16

OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

16.1 EXPIRY DATE AND LENGTH OF THE CURRENT DIRECTORS' TERMS OF OFFICE

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

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

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

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

Laurent Labrune joined the Board following the meeting of the Board of Directors of April 18, 2001. His term was renewed for six years in 2007 until the General Meeting to approve the 2012 financial statements.

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

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

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

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

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

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

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

16.2 INFORMATION CONCERNING THE SERVICE CONTRACTS BINDING THE MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES TO THE ISSUER OR TO ANY OF ITS SUBSIDIARIES AND PROVIDING FOR THE GRANTING OF BENEFITS AT THE END OF THIS CONTRACT

As indicated in note 20 of the consolidated financial statements, FCB re-invoiced its head office expenses, in the amount of 2.5 million euros.

16.3 INFORMATION REGARDING THE AUDIT COMMITTEE, THE COMPENSATION COMMITTEE, THE APPOINTMENTS COMMITTEE AND THE STRATEGY COMMITTEE

The meetings of the Audit Committee were held on February 3, 2011, April 11, 2011, May 3, 2011 and September 22, 2011.

The Compensation Committee met on April 13, 2011 and June 21, 2011.

The Strategy Committee met on February 4, 2011 and September 23, 2011.

The Appointments Committee met on April 13, 2011.

16.4 COMPLIANCE WITH THE CORPORATE GOVERNANCE SYSTEM IN EFFECT IN FRANCE

Cegedim applies the AFEP-Medef governance recommendations as presented in chapter 14.3 (see page 87). In addition, Cegedim complies with all the provisions of French Corporate law and the Code of Commerce governing the operation and organization of its administrative and management bodies. The Company thus considers that all legal provisions and the application of the AFEP-Medef recommendations on governance provide fully adequate and suitable guarantees for preventing the abusive exercise of control.

17

EMPLOYEES

17.1 CEGEDIM GROUP WORKFORCE ON THE CLOSING DATE

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

	12/31/2011	12/31/2010	12/31/2009
CRM and strategic data	5,530	5,804	6,404
Healthcare professionals	1,697	1,753	1,554
Insurance and services	1,010	913	784
TOTAL	**8,237**	**8,470**	**8,742**

17.2 CORPORATE OFFICERS' INVESTMENTS IN EQUITY AND STOCK OPTIONS

As of December 31, 2011:

- Jean-Claude Labrune, Chairman & CEO of Cegedim does not hold any registered shares of Cegedim;
- Pierre Marucchi, Deputy Managing Director of Cegedim, holds 1,304 registered shares in Cegedim, 16 of which entitle him to double voting rights, representing an insignificant portion of equity and voting rights;
- Jean-Claude Labrune, Chairman of FCB, indirectly holds 52.57% of equity and 64.91% of voting rights;
- Laurent Labrune holds 1,601 registered shares in Cegedim, one of which entitles him to double voting rights, representing an insignificant portion of equity and voting rights;
- Aude Labrune Marysse holds one registered share in Cegedim with double voting rights, representing an insignificant portion of equity and voting rights;
- Jean-Louis Mery holds ten registered shares in Cegedim, none of which entitle him to double voting rights, representing an insignificant portion of the equity and the voting rights.

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

Cf. also item 18.1 of this Registration Document.

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

17.3 AGREEMENT PROVIDING FOR CEGEDIM EMPLOYEE EQUITY PARTICIPATION PLANS

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

As of December 31, 2011, the Corporate Mutual Fund consisted of 87,174 Cegedim shares, representing 0.62% of equity.

18

MAIN SHAREHOLDERS

18.1 SHAREHOLDERS

As of December 31, 2011, Shareholders' equity and voting rights were broken down as follows:

Shareholders	Number of shares held	% interest	Number of single votes	Number of double votes		Total votes	% voting rights
				Shares	Votes		
FCB	7,358,629	52.57%	2,492,792	4,865,837	9,731,674	12,224,466	64.91%
FSI	2,102,061	15.02%	2,102,061	0	0	2,102,061	11.17%
Public*	4,496,357	32.12%	4,487,237	9,120	18,240	4,505,477	23.92%
Cegedim	40,126	0.29%	0	0	0	0	0.00%
TOTAL	**13,997,173**	**100.00%**	**9,082,090**	**4,874,957**	**9,749,914**	**18,832,004**	**100.00%**

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

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

- FCB is a Simplified Joint-Stock Company (SAS) with capital of 475,560 euros (Trade and Companies Register of Nanterre 340 651 132), the majority of which are held by Jean-Claude Labrune. It is a lead holding company;
- FSI is a Business Corporation (SA) that is 51% owned by the Caisse des Dépôts and 49% owned by the French government. FSI is an informed investor which enhances equity by becoming a minority investor in French companies involved in industrial projects that create value and competitiveness for the economy;
- Alliance Healthcare France is a public limited company with capital of 22,107,536.00 euros (Trade and Companies Register of Nanterre 025 420 068), the majority of which are held by the Alliance Boots group (ex. Alliance Unichem) (pharmaceutical distributor).

As of December 31, 2011, FCB and FSI together hold 67.59% of the Cegedim Group's shares and 76.08% of the voting rights.

The latest declared threshold crossings are as follows:

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

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

As of December 31, 2010, equity and voting rights were broken down as follows:

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

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

18.2 SPECIAL VOTING RIGHTS

See item 18.1 of this Registration Document.

18.3 CONTROL OF CEGEDIM

Cegedim is controlled by FCB and Jean-Claude Labrune, as indicated in the Registration Document. In accordance with the memorandum of understanding between FCB, the FSI and Jean-Claude Labrune, the Group has amended its governance regulations. See item 14 of this Registration Document.

18.4 AGREEMENT THAT MAY RESULT IN A CHANGE IN CONTROL AT A LATER DATE

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

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

19

RELATED PARTY TRANSACTIONS

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

Note 25 of the annex to the 2011 consolidated financial statements appearing in item 20.1 of this Registration Document also provides detailed figures for related party transactions.

No new convention has been allowed to date.

FINANCIAL INFORMATION

20

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

20.1 HISTORICAL FINANCIAL INFORMATION – CONSOLIDATED FINANCIAL STATEMENTS

20.1.1 CONSOLIDATED ACCOUNTS

Balance Sheet Assets

In thousands of euros		12/31/2011	12/31/2010*	12/31/2009*
		Net	**Net**	**Net**
GOODWILL ON ACQUISITION (NOTE 7)		**725,058**	**711,089**	**613,342**
Development costs		24,446	48,093	57,644
Trademarks				104,810
Other intangible assets		167,002	121,932	63,192
INTANGIBLE ASSETS (NOTE 3)		**191,448**	**170,025**	**225,646**
Property		409	430	417
Buildings		5,147	5,540	6,225
Other tangible assets	A	35,958	36,929	38,346
Construction work in progress		2,594	261	234
TANGIBLE ASSETS (NOTE 4)		**44,108**	**43,160**	**45,221**
Equity investments		443	299	302
Loans		1,400	1,004	551
Other long-term investments		9,637	8,017	8,030
LONG-TERM INVESTMENTS – EXCLUDING EQUITY SHARES IN EQUITY METHOD COMPANIES (NOTE 5)		**11,480**	**9,320**	**8,883**
Equity shares in equity method companies (note 6)		7,645	7,276	7,173
Government – Deferred tax (note 19)		48,093	49,317	33,350
Accounts Receivable (note 9)		14,498	16,685	15,282
Other Receivables (note 10)		651	722	983
NON-CURRENT ASSETS		**1,042,982**	**1,007,594**	**949,881**
Services in progress (note 8)		305	298	200
Goods (note 8)		10,274	10,428	10,956
Advances and deposits received on orders		1,151	1,250	1,172
Accounts Receivable (note 9)		222,350	233,446	210,502
Other Receivables (note 10)		25,778	25,702	18,413
Cash equivalents		14,041	13,238	30,630
Cash		59,087	65,916	90,739
Prepaid expenses		17,347	19,151	15,847
CURRENT ASSETS		**350,334**	**369,429**	**378,461**
TOTAL ASSETS		**1,393,316**	**1,377,023**	**1,328,341**

* *The comparative financial statements presented at 12/31/2010 and 12/31/2009 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

Reclassifications		12/31/2009
A	**Technical facilities reported**	24,377
	■ Reclassification of technical facilities under Other tangible assets	(24,377)
		0
	Other tangible assets reported	13,969
	■ Reclassification of technical facilities under Other tangible assets	24,377
		38,346

Balance Sheet Liabilities

In thousands of euros	12/31/2011	12/31/2010*	12/31/2009*
Share Capital	13,337	13,337	13,337
Issue premium	185,562	185,562	185,562
Group reserves	263,439	291,153	249,697
Group exchange reserves	(238)	(238)	(238)
Group exchange gains/losses	21,058	6,356	(37,844)
Group Earnings	32,580	(16,349)	54,754
SHAREHOLDERS' EQUITY, GROUP SHARE	**515,737**	**479,820**	**465,267**
Minority interests (reserves)	407	384	609
Minority interests (earnings)	90	102	114
MINORITY INTERESTS	**497**	**486**	**724**
SHAREHOLDERS' EQUITY	**516,234**	**480,306**	**465,991**
Financial liabilities (note 14)	483,744	489,280	391,408
Financial instruments	14,094	13,334	16,517
Deferred tax liabilities (note 19)	12,862	13,466	51,394
Provisions (note 12)	25,154	26,481	21,517
Other liabilities (note 16)	7,142	29,890	9,550
NON-CURRENT LIABILITIES	**542,996**	**572,451**	**490,386**
Financial liabilities (note 14)	51,871	60,667	133,621
Financial instruments	27		
Accounts payable and related accounts	92,079	74,789	73,604
Tax and social liabilities	119,517	125,780	113,705
Provisions (note 12)	5,075	6,066	7,133
Other liabilities (note 16)	65,516	56,963	43,902
CURRENT LIABILITIES	**334,085**	**324,266**	**371,965**
TOTAL LIABILITIES	**1,393,316**	**1,377,023**	**1,328,341**

* *The comparative financial statements presented at 12/31/2010 and 12/31/2009 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

Consolidated Income Statement

In thousands of euros	12/31/2011	12/31/2010*	12/31/2009*
REVENUE	**911,463**	**926,674**	**874,072**
Other operating income			
Capitalized production	47,137	40,188	32,631
Purchases used	(105,648)	(110,887)	(104,565)
External expenses (note 17)	(240,184)	(225,586)	(208,642)
Taxes	(15,101)	(14,660)	(12,561)
Payroll costs (note 28)	(442,231)	(435,579)	(401,496)
Allocations to and reversals of provisions	(3,886)	(4,088)	(1,353)
Change in inventories of products in progress and finished products	101	94	(900)
Other operating income and expenses	(1,224)	(1,371)	726
EBITDA	**150,428**	**174,786**	**177,911**
Depreciation expenses	(66,523)	(66,807)	(66,328)
OPERATING INCOME FROM CONTINUING OPERATIONS	**83,905**	**107,979**	**111,583**
Neutralization of the Dendrite brand		(104,009)	
Non-recurrent income and expenses	(7,983)	(10,792)	(11,697)
OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS (NOTE 18)	**(7,983)**	**(114,801)**	**(11,697)**
OPERATING INCOME	**75,922**	**(6,822)**	**99,886**
Income from cash & cash equivalents	5,487	961	1,429
Cost of gross financial debt	(36,433)	(30,450)	(34,705)
Other financial income and expenses	(6,723)	(4,793)	(7,033)
COST OF NET FINANCIAL DEBT (NOTE 15)	**(37,669)**	**(34,282)**	**(40,309)**
Income taxes	(21,216)	(20,189)	(9,950)
Deferred taxes	14,642	44,186	4,884
TOTAL TAXES (NOTE 19)	**(6,574)**	**23,997**	**(5,066)**
Share of profit (loss) for the period of equity method companies	991	860	357
Profit (loss) for the period before earnings from activities that have been discontinued or are being sold	32,670	(16,247)	54,869
Profit (loss) for the period net of income tax from activities that have been discontinued or are being sold			
Consolidated profit (loss) for the period	32,670	(16,247)	54,869
ATTRIBUTABLE TO OWNERS OF THE PARENT	**32,580**	**(16,349)**	**54,754**
Minority interests	90	102	114
Average number of shares excluding treasury stock	13,955,940	13,965,092	9,480,237
CURRENT EARNINGS PER SHARE *(IN EUROS)*	**2.8**	**4.1**	**6.9**
EARNINGS PER SHARE *(IN EUROS)* **(NOTE 22)**	**2.3**	**(1.2)**	**5.8**
Diluting instruments	none	none	none
DILUTED EARNINGS PER SHARE *(IN EUROS)* **(NOTE 23)**	**2.3**	**(1.2)**	**5.8**

* *The comparative financial statements presented at 12/31/2010 and 12/31/2009 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

Statement of Consolidated Earnings

In thousands of euros	12/31/2011	12/31/2010 *	12/31/2009*
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	32,670	(16,247)	54,869
Other items included in total earnings:			
Unrealized exchange gains/losses	11,241	52,143	(8,145)
Free shares award plan	445	67	477
Hedging financial instruments (net of income tax)	3,064	1,276	3,224
Hedging of net investments	3,454	(7,944)	
Actuarial differences relating to provisions for pensions	(656)	(511)	(35)
ITEMS RECOGNIZED AS SHAREHOLDERS' EQUITY NET OF INCOME TAX	17,548	45,031	(4,479)
Total earnings	50,225	28,784	50,389
Minority interests' share	83	102	114
ATTRIBUTABLE TO OWNERS OF THE PARENT	**50,135**	**28,682**	**50,275**

* *The comparative financial statements presented at 12/31/2010 and 12/31/2009 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

Statement of changes in consolidated shareholders' equity at December 31, 2011

In thousands of euros	Capital	Reserves tied to capital	Conso. reserves and earnings	Unrealized exchange gains/losses	Total Group share	Minority interests	Total
Balance at 01/01/2009	8,891	14,981	247,232	(29,936)	241,168	882	242,050
Earnings for the fiscal year			54,754		54,754	114	54,868
Earnings recorded directly as shareholders' equity:							
■ Transactions on shares			477		477		477
■ Hedging of financial instruments			3,224		3,224		3,224
■ Unrealized exchange gains/losses				(8,145)	(8,145)		(8,145)
■ Actuarial differences relating to pension provisions (2)			(35)		(35)		(35)
TOTAL EARNINGS FOR THE FISCAL YEAR			58,420	(8,145)	50,275	114	50,389
Total transactions with shareholders:							
■ Capital transactions	4,446	170,580			175,026		175,026
■ Distribution of dividends(1)					0	(230)	(230)
■ Treasury shares			(1,234)		(1,234)		(1,234)
TOTAL TRANSACTIONS WITH SHAREHOLDERS	4,446	170,580	(1,234)	0	173,792	(230)	173,562
Other changes			33		33		33
Change in consolidation scope						(42)	(42)
Balance at 12/31/2009	13,337	185,561	304,451	(38,081)	465,268	724	465,992
Earnings for the fiscal year			(16,349)		(16,349)	102	(16,247)
Earnings recorded directly as shareholders' equity:							
■ Transactions on shares			67		67		67
■ Hedging of financial instruments			1,276		1,276		1,276
■ Hedging of net investments				(7,944)	(7,944)		(7,944)
■ Unrealized exchange gains/losses				52,143	52,143		52,143
■ Actuarial differences relating to provisions for pensions (2)			(511)		(511)		(511)
TOTAL EARNINGS FOR THE FISCAL YEAR			(15,517)	44,199	28,682	102	28,785
Total transactions with shareholders:							
■ Capital transactions					0		0
■ Distribution of dividends(1)			(13,959)		(13,959)	(75)	(14,033)
■ Treasury shares			(129)		(129)		(129)
TOTAL TRANSACTIONS WITH SHAREHOLDERS			(14,087)	0	(14,087)	(75)	(14,162)
Other changes			(43)		(43)		(43)
Change in consolidation scope						(265)	(265)
Balance at 12/31/2010	13,337	185,561	274,804	6,118	479,820	486	480,306
Earnings for the fiscal year			32,580		32,580	90	32,670
Earnings recorded directly as shareholders' equity:							
■ Transactions on shares			445		445		445
■ Hedging of financial instruments			3,064		3,064		3,064
■ Hedging of net investments				3,454	3,454		3,454
■ Unrealized exchange gains/losses				11,248	11,248	(6)	11,241
■ Actuarial differences relating to provisions for pensions(2)			(656)		(656)		(656)
TOTAL EARNINGS FOR THE FISCAL YEAR			35,433	14,702	50,135	83	50,218
Total transactions with shareholders:							
■ Capital transactions					0		0
■ Distribution of dividends(1)			(13,953)		(13,953)	(72)	(14,025)
■ Treasury shares			(277)		(277)		(277)
TOTAL TRANSACTIONS WITH SHAREHOLDERS			(14,230)	0	(14,230)	(72)	(14,302)
Other changes			12		12	7	19
Change in consolidation scope						(7)	(7)
BALANCE AT 12/31/2011	**13,337**	**185,561**	**296,019**	**20,820**	**515,737**	**497**	**516,234**

(1) The total amount of dividends is distributed to common shares. There are no other classes of shares. There were no issues, repurchases or redemptions of equity securities during 2009, 2010 and 2011 except for the shares acquired under the free share award plan.

(2) The comparative financial statements presented at 12/31/2010 and 12/31/2009 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.

Statement of changes in the consolidation scope

Companies involved	% owned during the year	% owned during the year previous	Consolidation method this fiscal year	Consolidation method the previous fiscal year	Comments
Companies entering the consolidation scope					
Next Plus[(1)]	49.00%		I.G.		Created in January 2011
Pharmec Healthcare Software SRL	100.00%		I.G.		Acquisition in April 2011
Companies leaving the consolidation scope					
Cegedim Activ Maroc	100.00%	100.00%	I.G.	I.G.	Merger of Cegedim Maroc in January 2011
Hosta Maroc	100.00%	100.00%	I.G.	I.G.	Merger of Cegedim Maroc in January 2011
Cegedim Holding CIS		100.00%		I.G.	TUP of Cegedim Holding CIS into Cegedim SA January 2011
Apsys Net		100.00%		I.G.	TUP of APSYS NET into Cegedim SA in January 2011
Cegers		100.00%		I.G.	TUP of Cegers into Cegedim SA in January 2011
Data Conseil		100.00%		I.G.	TUP of Data Conseil into Alliadis in January 2011
Synavant UK Holding		100.00%		I.G.	Liquidation in February 2011
Dendrite Turkey	100.00%	100.00%	I.G.	I.G.	Liquidation in May 2011
Dendrite Netherlands Finance	100.00%	100.00%	I.G.	I.G.	Liquidation in June 2011
Dendrite SP Zoo	100.00%	100.00%	I.G.	I.G.	Liquidation in June 2011
Deskom	100.00%	100.00%	I.G.	I.G.	TUP of *Deskom* into Cegedim SA in July 2011
Global Pharma Consult SRL	100.00%	100.00%	I.G.	I.G.	Liquidation in December 2011

(1) The company NEXT PLUS, held at 49%, is consolidated using the full consolidation method as the Group has exclusive control; the stewardship being exercised by Cegedim Tunisia.

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Cash flow statement from earnings of consolidated companies

In thousands of euros	12/31/2011	12/31/2010 *	12/31/2009*
Consolidated profit (loss) for the period	32,670	(16,247)	54,868
Share of earnings from equity method companies	(991)	(860)	(357)
■ Depreciation and provisions(1)	63,733	167,894	70,137
■ Capital gains or losses on disposals	415	(437)	996
OPERATING CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAXES	**95,827**	**150,350**	**125,644**
■ Cost of net financial debt	37,669	34,282	40,309
■ Tax expenses	6,574	(23,997)	5,066
OPERATING CASH FLOW BEFORE COST OF NET FINANCIAL DEBT AND TAXES	**140,070**	**160,635**	**171,019**
■ Tax paid	(19,776)	(15,264)	(4,305
■ Change in working capital requirements for operations(2)	21,249	(11,503)	(199)
CASH FLOW GENERATED FROM OPERATING ACTIVITIES AFTER TAX PAID AND CHANGE IN WORKING CAPITAL REQUIREMENTS (A)	**141,543**	**133,868**	**166,515**
Acquisitions of intangible assets	(50,538)	(45,511)	(37,744)
Acquisitions of tangible assets	(29,644)	(27,783)	(26,382)
Acquisitions of long-term investments	(2,084)	0	(2,917)
Disposals of tangible and intangible assets	2,083	4,155	4,809
Disposals of long-term investments	0	683	75
Impact of changes in consolidation scope	(1,422)	(56,291)	(11,989
Dividends received from equity method companies	662	759	486
NET CASH FLOWS GENERATED BY INVESTMENT OPERATIONS (B)	**(80,943)**	**(123,988)**	**(73,662)**
Dividends paid to parent company shareholders	(13,953)	(13,959)	0
Dividends paid to the minority interests of consolidated companies	(72)	(75)	(231)
Capital increase through cash contribution	0	0	174,700
Loans issued	200,000	303,147	3,761
Loans repaid	(222,558)	(303,704)	(201,998)
Interest paid on loans	(32,300)	(18,734)	(31,460)
Other financial income and expenses paid or received	1,050	(6,310)	(5,748)
NET CASH FLOWS GENERATED BY FINANCING OPERATIONS (C)	**(67,833)**	**(39,635)**	**(60,976)**
CHANGE IN CASH EXCLUDING CURRENCY EFFECT (A + B + C)	**(7,233)**	**(29,755)**	**31,877**
Impact of changes in foreign currency exchange rates	931	5,449	207
CHANGE IN CASH	**(6,302)**	**(24,306)**	**32,084**
Opening net cash	78,032	102,338	70,254
Closing net cash (note 14)	71,730	78,032	102,338

* *The comparative financial statements presented at 12/31/2010 and 12/31/2009 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*
(1) *In 2010 includes the neutralization of the Dendrite brand for 104,009 thousand euros.*
(2) *The (-) sign indicates a requirement and a (+) sign indicates a surplus.*

Segment Information as at December 31, 2011

INCOME STATEMENT ITEMS

		Breakdown by Business Sector				Geographic Breakdown	
In thousands of euros		CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total rest of world
	Sector income						
A	Outside Group sales	510,631	259,795	141,037	911,463	469,587	441,876
B	Sales to other Group sectors	32,051	7,861	11,014	50,925	48,521	2,405
C = A + B	**Total sector revenue**	**542,682**	**267,656**	**152,051**	**962,389**	**518,108**	**444,281**
	Sector earnings						
D	**Operating income from continuing operations**	**33,627**	**29,299**	**20,979**	**83,905**		
E	**EBITDA from continuing operations**	**60,340**	**58,735**	**31,352**	**150,428**		
	Operating margin from continuing operations						
D/A	Operating marging from continuing operations outside Group	6.6%	11.3%	14.9%	9.2%		
E/A	EBITDA margin from ordinary activities outside Group	11.8%	22.6%	22.2%	16.5%		
	Depreciation expenses by sector	26,713	29,437	10,373	66,523		

GEOGRAPHICAL BREAKDOWN OF 2011 CONSOLIDATED REVENUE

Consolidated Revenue 2011	**France**	**Euro zone outside France**	**Pound sterling zone**	**US dollar zone**	**Rest of world**	**Total**
Geographic Breakdown	469,587	127,868	78,868	106,676	128,464	911,463
%	52%	14%	9%	12%	14%	100%

BALANCE SHEET ITEMS

	Breakdown by Business Sector				Geographic Breakdown	
In thousands of euros	CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total rest of world
Sector assets (net values)						
Goodwill on acquisition (note 7)	568,844	106,042	50,172	725,058	107,971	617,087
Intangible assets (note 3)	108,624	37,684	45,140	191,448	165,325	26,123
Tangible assets (note 4)	28,699	10,201	5,208	44,108	26,071	18,037
Shares accounted for under the equity method (note 6)	-	7,593	52	7,645	47	7,598
NET TOTAL	**706,167**	**161,520**	**100,572**	**968,259**	**299,414**	**668,845**
Investments for the year (gross values)						
Goodwill on acquisition	46	1,355	-	1,401	-	1,401
Intangible assets (note 3)	29,609	9,334	11,596	50,538	44,416	6,123
Tangible assets (note 4)	10,408	17,000	2,242	29,650	23,198	6,452
Equity shares accounted for using the equity method	-	-	-	0	-	-
GROSS TOTAL	**40,063**	**27,689**	**13,837**	**81,589**	**67,614**	**13,975**
Sector liabilities						
Non-current liabilities						
Provisions (note 12)	13,711	6,035	5,408	25,154	18,554	6,600
Other liabilities (note 16)	3,443	914	2,785	7,142	3,100	4,042
Current liabilities						
Accounts payable and related accounts	64,524	16,311	11,244	92,079	46,278	45,801
Tax and social liabilities	74,168	22,443	22,906	119,517	75,121	44,396
Provisions (note 12)	3,991	742	342	5,075	1,316	3,759
Other liabilities (note 16)	29,916	21,293	14,307	65,516	34,500	31,015

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

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

Segment Information as at December 31, 2010

INCOME STATEMENT ITEMS

		Breakdown by Business Sector				Geographic Breakdown	
	In thousands of euros	CRM and strategic data	Healthcare professionals	Insurance and services	Total	Total France	Total rest of world
	Sector income						
A	Outside Group sales	526,513	271,002	129,159	926,674	477,590	449,085
B	Sales to other Group sectors	30,623	7,938	7,220	45,781	44,429	1,352
C=A+B	**Total sector revenue**	**557,136**	**278,940**	**136,379**	**972,455**	**522,019**	**450,437**
	Sector earnings						
D	**Operating income from continuing operations restated***	**51,263**	**36,795**	**19,921**	**107,979**		
E	**EBITDA from continuing operations restated***	**76,437**	**69,046**	**29,303**	**174,786**		
	Operating margin from continuing operations *(in%)*						
D/A	Operating margin from continuing operations outside Group	9.7%	13.6%	15.4%	11.7%		
E/A	EBITDA margin from continuing operations outside Group	14.5%	25.5%	22.7%	18.9%		
	Depreciation expenses by sector	25,174	32,251	9,381	66,807		

* *Modifications were made to the presentation of the IFRS financial statements closed on 12/31/2010, which were initially published on 04/21/2011. These modifications are explained by a change in the equity method of accounting for actuarial differences relating to pension provisions and similar obligations (see note 13 of the appendix).*

GEOGRAPHICAL BREAKDOWN OF 2010 CONSOLIDATED REVENUE

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

BALANCE SHEET ITEMS

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

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

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

20.1.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF THE NOTES

20.1.2.1 HIGHLIGHTS OF THE 2011 FISCAL YEAR

Over the period, there were no events or changes with a significant effect on the Group's financial position other than the one mentioned below:.

Acquisition

On April 15, 2011, Cegedim seized the opportunity to develop a strategic activity in the market for the computerization of pharmacies and doctors in Romania by acquiring Pharmec, which holds over than one third of the pharmacy computerization market in that country with annual revenues of approximately 1 million euros. Moreover, this acquisition also strengthens Cegedim's data offering for pharmaceutical laboratories in Romania.

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

This transaction was internally funded. According to the agreements signed by the parties, the other terms and conditions of this transaction are confidential.

Refinancing of bank loans underwritten at the time Dendrite was acquired in May 2007

Cegedim successfully established a five-year credit agreement for 280 million euros (term loan and revolving loan) on June 10, 2011.

This refinancing was used to repay the bank loan established in May 2007. The "Security Package" for the initial credit facility was fully closed. Syndication was launched in the amount of 250 million euros and was over-subscribed. The facility was thus raised to 280 million euros and all the bank loans were significantly reduced.

This facility breaks down into a medium term amortizable loan of 200 million euros and a revolving loan of 80 million euros.

Two-year extension of the maturity of the subordinated loan

FCB (a company wholly owned by the Labrune family and main shareholder of Cegedim with 52% of the capital) granted a 50 million euro loan to Cegedim SA in May 2007. FCB underwrote the December 2009 capital increase in part by extinguishing its debt. Its loan was thus brought to 45.1 million euros. This loan is set to mature in May 2014.

On September 21, 2011, an agreement between FCB and Cegedim was signed, under the same financial conditions, to extend the loan until June 10, 2016.

The Group complies with all its covenants.

20.1.2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting standards

Pursuant to European Regulation no. 1606/2002 of July 19, 2002 on the application of international accounting standards, amended by EC Regulation no. 297/2008 of March 11, 2008 and subsequent European Regulations on IAS/IFRS standards, the consolidated financial statements of the Cegedim Group were closed on December 31, 2011 in accordance with international accounting standards. The international accounting standards include the IFRS ("International Financial Reporting Standards"), the IAS ("International Accounting Standards") and their mandatory application interpretations on the closing date.

The consolidated financial statements were accepted by the Board of Directors of Cegedim SA during their meeting held on 4/2/2012, and will be submitted to the General Meeting for approval.

From January 1, 2011, the Cegedim Group decided to apply the option under IAS 19 as adjusted, which allows the actuarial differences relating to provisions for pensions and similar obligations to be accounted for directly in equity.

The comparative financial statements presented for 2010 and 2009 were restated by retrospectively applying this change in method.

The new IFRS standards, interpretations and modifications, as adopted by the European Union for the fiscal years started on or after January 1, 2011, were applied by the Company and did not result in any significant changes in the assessment methods for assets, liabilities, income and expenses.

The new mandatory standards, modifications and interpretations that are applicable for the 2011 annual financial statements are the following:

- Amendments to IAS 32 – Classification of rights issues;
- Amendment to IAS 24 as adjusted – Related party disclosures;
- Annual Improvements 2010 to IFRS (May 2010);
- Amendment to IFRIC 14 – Prepayments of a minimum funding requirement;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments.

Some standards and interpretations adopted by the IASB or the IFRIC (International Financial Reporting Interpretations Committee) and whose mandatory application is subsequent to January 1, 2011, have not resulted in an early application by the Group. This mainly concerns the following standards:

- Amendments to IAS 1 – Presentation of other comprehensive income;
- Revised IAS 19 - Employee benefits
- IAS 12 – Recovery of underlying assets;
- IAS 28 as amended – Investments in associates and joint ventures;
- Amendments to IFRS 7 – Disclosures about transfers of financial assets;
- IFRS 9 – Financial instruments;
- IFRS 10 – Consolidated financial statements;
- IFRS 11 – Partnerships;
- IFRS 12 – Disclosure of interests in other entities;
- IFRS 13 – Fair value measurement.

Valuation bases

GENERAL PRINCIPLE

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

Use of estimates and assumptions

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

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

The assumptions and estimates primarily concern:

- the valuation of the recoverable value of assets (assumptions described in the § "Impairment of Assets" and in note 7);
- the valuation of retirement obligations (assumptions described in note 13).

Consolidation methods

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

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

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

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

Equity investments over which the Group exercises significant influence are consolidated using the equity method. Significant influence is presumed if the Group holds a percentage of voting rights greater than or equal to 20%. According to this method, the Group records the "share of the profit (loss) for the period of the companies consolidated using the equity method" on a specific line of the consolidated income statement.

The list of consolidated companies is set out in note 1. Some companies, insignificant from the Group's perspective, are not consolidated.

Business combinations (IFRS 3)

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

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

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

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

Goodwill on acquisition is not depreciated and is subject, in accordance with revised standard IAS 36, to impairment testing when an impairment indicator is identified and at least once a year (see

§ "Impairment of Assets"). If necessary, impairments are recorded as "Other non-recurring income and expenses from operations".

Goodwill on acquisition

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

Intangible assets (IAS 38)

INTANGIBLE ASSETS ACQUIRED SEPARATELY OR IN CONNECTION WITH A BUSINESS COMBINATION

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

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

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

RESEARCH AND DEVELOPMENT COSTS/INTERNALLY DEVELOPED SOFTWARE

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

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

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

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

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

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

Project typology depends on life cycle and is set out as follows:

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

TRADEMARKS

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

Tangible assets (IAS 16)

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

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

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

Description	Average length	Mode
Computer hardware		
Microcomputers for office use	3-4 years	Straight-line
Server systems	5-15 years	Straight-line
Industrial equipment		
Printing equipment	8-10 years	Straight-line
Industrial equipment and machinery	5-8 years	Straight-line
Fixtures and facilities	8-15 years	Straight-line
Transportation equipment	4 years	Straight-line
Office equipment	4 years	Straight-line
Moveable property	8 years	Straight-line

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

The useful lives of tangible assets are reviewed periodically and may be modified in the long term, depending on the circumstances.

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

Finance leases (IAS 17)

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

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

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

Impairment of assets (IAS 36)

CASH GENERATING UNITS (CGU)

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

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

Sectors of Activity and CGUs

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

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

DISCOUNT RATE

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

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

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

In compliance with IAS 36, impairment tests are carried out using a pre-tax discount rate that includes a target debt-equity ratio applicable to Cegedim's activity sector and an industry risk coefficient that is also re-indebted. This pre-tax rate amounted to 11.55% at December 31, 2011. It is applicable to operating cash flows before income taxes. On 12/31/2010, Cegedim used a discount rate of 11.20%, corresponding to the cost of capital with zero indebtedness, applicable to cash flow after income taxes.

VALUATIONS OF RECOVERABLE VALUE AND IMPAIRMENT TESTS

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

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

Amortized Intangible Assets (software, databases)

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

Unamortized Intangible Assets (trademarks, goodwill on acquisition)

Once a year, the Group performs impairment tests to assess the possible loss of value for these assets.

Business plans are set for each CGU from which the net present value of expected future cash flows for the CGU using the DCF (Discounted Cash Flow) method is calculated. The length used for business plans is 5 years.

The discount rate is determined as explained above.

The indefinite growth rate chosen is based on economic data that is weighted so as to reflect the specificities of the Cegedim Group. Since 2008, an independent firm of experts has been mandated to calculate this rate, which is 2% (unchanged since 2008).

In addition, sensitivity tests are conducted on various parameters, namely by varying the assumptions used for the discount rate, the indefinite growth rate, and EBIT and Free Cash Flow growth.

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

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

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

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

Long-term investments (IAS 32/IAS 39)

Equity investments in non-consolidated companies are classified as securities available for sale. They are initially recorded at the purchase cost, and then subsequently valued at their fair value if this fair value can be determined reliably.

Changes in fair value are accounted for in a separate item of shareholders' equity until the securities are effectively sold, at which time the transaction is recognized in the income statement.

Additionally, if an identified loss in value is considered permanent in view of the circumstances, it is accounted for as financial earnings.

Loans granted are accounted for at their amortized cost and are impaired if there is an objective indication they may be impaired. Long-term financial receivables are discounted if the effect of discounting is deemed significant.

Deferred taxes (IAS 12)

Deferred taxes are calculated using the variable tax rate method for all temporal differences between the book value entered in the consolidated financial statements and the tax basis of the Group's assets and liabilities. Deferred tax assets and liabilities are valued at the tax rate expected to be applied for the fiscal year during which the asset will be realized or the liability paid, based on the tax rates approved on the closing date.

Deferred tax assets on deductible temporal differences and on unused tax losses carried forward are recognized to the extent that it is likely that future taxable profits will be offset by as yet unused tax losses.

Deferred tax assets and liabilities are not discounted. They are offset when (1) the entity has a legally enforceable right to offset tax assets and liabilities, (2) they relate to income taxes levied by the same taxation authority on the same taxable entity.

Inventories of goods and services in progress (IAS 2)

INVENTORIES OF GOODS

Inventories of goods are valued using the weighted average cost method. The gross value of goods and supplies includes the purchase price and ancillary expenses.

Impairment is recorded if the book value is less than the inventory value (net realizable value).

SERVICES IN PROGRESS

The inventory value consists solely of the direct costs recorded on contracts being performed. An impairment is recorded when future billings for work in progress will not cover the corresponding direct costs.

Accounts receivable and other operating receivables

ACCOUNTS RECEIVABLE

Accounts receivable are initially valued at fair value then at amortized cost and are individually monitored. An impairment is established when the inventory value is less than the recorded value based on the probability of recovery.

Receivables transferred to third parties (factoring contract) are derecognized from the Group assets when the risks and advantages associated with them are substantially transferred to the said third parties and if the factoring company accepts, in particular, the credit risk, the rate risk and the recovery deadline.

Credit risk corresponds to the risk of not recovering the receivable. In the case of deconsolidating contracts for Group entities, the credit risk is borne by the factoring company, which means that the Group is no longer exposed to the debt recovery risk and consequently the disposal is deemed without recourse.

The rate risk and recovery deadline correspond to the transfer of the financial risk associated with the extension of the period for recovering receivables and the related carrying cost. For contracts to deconsolidate entities from the Group, the commission rate for a given disposal is only adjusted according to the EURIBOR and the repayment deadline for the previous disposal. The financing commission is also paid at the start of the period and is not modified thereafter.

Technical dilution risk is associated with the non-payment of the receivable due to noted shortcomings with regard to services rendered or commercial disputes. For each deconsolidating contract signed by Group entities, the contingency reserve does not cover general risks or payment deadline risk; the fund guarantee covers technical dilution debits (credits, etc.).

OTHER RECEIVABLES

Receivables are accounted for at their discounted amount if they are payable in more than one year and if the effects of discounting are significant.

Cash and cash equivalents

Cash equivalents are valued at their market value on the closing date. Differences in value are recorded as financial earnings.

Treasury shares (IAS 32)

In accordance with IAS 32, treasury shares are accounted for at their purchase cost and are recorded against consolidated shareholders' equity.

Gains (losses) arising from sales of treasury shares are added to (deducted from) consolidated reserves at their amount net of tax effects.

Sales of treasury shares are accounted for using the FIFO method.

Provisions and contingent liabilities (IAS 37)

A provision is recorded if the Group has a probable obligation resulting from past events, whose redemption should correspond to an outflow without any equivalent compensation and whose amount can be reasonably measured. The provision is maintained as long as the due date and the amount of the outflow of resources have not been precisely determined.

If the loss or the liability is not probable or cannot be measured reliably, but remains possible, the Group records a contingent liability in commitments.

Provisions are estimated on a case by case basis or based on statistics and discounted when they are due in more than one year.

Cegedim Group's main commitments (excluding retirement compensation) are intended to cover employee, client and supplier litigation.

Retirement benefits (IAS 19)

DEFINED-CONTRIBUTION PLANS

Defined-contribution plans are post-employment benefit plans under which an entity makes defined contributions to a separate entity (a fund) and shall have no legal or implied obligation to pay additional contributions if the fund has insufficient assets to provide all the benefits corresponding to the services rendered by employees during current and prior periods. These contributions are recorded as expenses for the period in which they are due with no liability recognized in the balance sheet.

DEFINED-BENEFIT PLANS

The defined-benefit plans designate post-employment benefits other than defined-contribution plans.

These primarily involve retirement obligations. If these obligations are assumed directly by the Group's companies, the corresponding actuarial liabilities are covered by a provision in the balance sheet; the change in this obligation is accounted for in the underlying earnings for the fiscal year, including the effect of financial discounting.

From January 1, 2011, the Cegedim Group decided to apply the option under IAS 19 as amended, which allows the actuarial gains and losses relating to changes in assumptions occurring in calculating liabilities to be accounted for directly in equity.

Actuarial liabilities are calculated using the projected credit units method and are based on valuations specific to each country and to each company of the group; these valuations include assumptions concerning wage increases, inflation, life expectancy, employee turnover. The discount rate applied to retirement obligations is determined using the closing benchmark market rate based on first-class bonds. In countries where this type of market is not active, the Group uses the closing rate of government bonds.

Additionally, the impact of changes to the collective bargaining agreements on the valuation of the provision for retirement is spread over the residual length of the employees' working life.

Finally, if this obligation is partially or completely covered by funds paid by the companies of the Group to financial agencies, the amounts of these dedicated investments are deducted from the liability on the balance sheet.

Financial liabilities (IAS 32/IAS 39)

Share premiums and issue costs impact the value at the recognition, and are included in the calculation of the EIR (Effective Interest Rate) in compliance with IAS 32 and 39. Loans and other financial liabilities which carry interest are valued according to the depreciated cost method using the effective interest rate for the loan. The costs are thus spread out over the loan's life cycle via the EIR.

In the event of financial liabilities arising from financial leases, the financial liability recorded to offset the tangible asset is initially recorded at the fair value of the leased asset or, if this is lower, at the present value of the minimum lease payments.

Derivatives and hedging instruments

Financial instruments are recognized at fair value and subsequent changes in fair value of the instrument are recognized according to whether or not the instrument is a hedging instrument and if so, the nature of the item hedged.

The Group's use of derivatives, such as interest rate swaps, caps or other equivalent term contracts, is intended to hedge risks associated with fluctuations in interest rates.

These derivative instruments are recorded in the balance sheet at market value. Changes in market value are recognized in the income statement excluding transactions that qualify as cash flow hedges (flows related to a variable interest rate debt) for which changes in value are recorded under equity.

From the outset of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and hedging policy.

The financial elements covered by derivatives follow hedging accounting principles which are of two types:

- fair value hedges;
- cash flow hedges.

For fair value hedges, the underlying financial liability of the derivative is revalued in the balance sheet under the risk hedged (risk relating to interest rate fluctuations). Changes in value are recorded in the income statement (as financial expenses) and offset changes in the value of the derivative allocated to the underlying for the hedged portion.

For cash flow hedges, the financial liability is recorded in the balance sheet at amortized cost. Changes in the value of the derivative are recorded in equity. As the financial expenses or income of the hedged element impact on the income statement for a given period, the financial expenses or income recorded under equity in relation to the derivative for the same period are transferred to the income statement.

When a derivative does not qualify under hedge accounting principles, changes in fair value are recognized in the income statement (other operating profits/losses).

Revenue recognition (IAS 18)

Cegedim Group's revenues consist primarily of services, software sales and, to a lesser extent, hardware sales.

SERVICES

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

- access to the Group's databases is generally realized by subscription with periodic billing (monthly or yearly); sales revenues are then recorded on a prorated basis according to elapsed time;
- standard and specific studies supplied by the Group are recorded when they are delivered to clients;
- data processing performed for clients is recorded when the service is provided;
- support services (assistance, maintenance, etc.) are covered by a contract (generally annual), calculated on a lump sum basis in relation to the costs and resources committed by the Group to provide these services. Income from these contracts is recorded on a prorated basis over the duration of the contract and results in the recognition of deferred income.

SOFTWARE AND HARDWARE SALES

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

Methods for translating items into foreign currencies (IAS 21)

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the exchange rate applicable on the date the transactions are recorded. On the closing date, accounts payable or receivable denominated in foreign currencies are converted into euro at the closing exchange rate.

Translation differences for transactions in foreign currencies are recorded as financial earnings. Such transactions are very limited in number. Therefore, there is no specific management of the exchange risk. The Group is also not covered for amortization of liabilities in dollars, given the Group's revenues in that currency.

FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The currency used to prepare consolidated financial statements is the euro.

The financial statements of foreign entities using a different functional currency are converted into euro using:

- the official closing rate for assets and liabilities;
- the average rate for the fiscal year ended for items of the income statement and the cash flow statement;
- the historic cost for shareholders' equity.

Translation gains or losses resulting from this treatment and those resulting from the translation of the shareholders' equity of subsidiaries at the beginning of the fiscal year based on the closing rates are included as "Group translation gains and losses" under consolidated shareholders' equity.

Translation gains or losses on intra-group loans are neutralized via the Group translation gains or losses (in reserves) in order to smooth out fluctuations in exchange rates because these loans are long term and may be, if applicable, transformed into increases in capital.

Finally, the translation gains or losses corresponding to the subsidiaries in the euro zone were entered in "Group exchange reserves" in consolidated shareholders' equity.

Cash flow statement (IAS 7)

In accordance with IAS 7 (Cash flow statement), a detailed cash flow statement is prepared using the indirect method, which presents the reconciliation of profit (loss) for the period with the net cash flow generated by the operations during the fiscal year. The opening and closing cash positions include cash and cash equivalents which are made up of investment instruments less overdrafts and outstanding bank loans.

Segment reporting (IFRS 8)

Segment reporting is prepared according to the accounting methods used for the preparation and presentation of consolidated financial statements.

In application of the provisions in IFRS 8, the segment reporting presents operating segments that are comparable to the activity sectors previously identified according to IAS 14.

The segment reporting corresponds to the organization of the Group's internal reporting, which leads to the development of the management tools used by the Group's management. This is also the main line used for financial communication.

The Group's activities are divided into three activity sectors:

- CRM and strategic data, which includes all activities dedicated to pharmaceutical companies (optimizing marketing and sales strategies, namely through tools and databases for managing sales forces, returns on investment, market or prescriber studies, etc.);
- Healthcare professionals, which includes activities for medical professionals such as doctors and pharmacists (software publishing with availability of promotional information);
- Insurance and services, which brings together the know-how needed to develop services for insurance companies, mutuals and other organizations involved in the processing of healthcare flows (software publishing and management of healthcare reimbursement flows).

The Group continues to publish information by geographic area, which shows the France/outside France dichotomy. This analysis is refined for consolidated revenue in order to show the Group's exposure to the different currencies, to the extent this information is significant.

Intra-group transfer prices are relative to standard agreements signed under normal terms.

Risk management

The Group's activities remain subject to the usual risks inherent in its industries, political and geopolitical risks arising from its international presence for most activities, and unexpected instances of force majeure. The main identified risks are as follows:

INTEREST RATES RISK

To limit the effects of rising interest rates on its financial expenses, the Group decided to implement a risk hedging policy to protect maximum annual finance rates for the term of loans. Only Cegedim SA has hedged borrowing as necessary. The notional amount hedged is 136,959 thousand euros as of 12/31/2011. The amount of loans exposed to exchange rate risk is 108,135 thousand euros of euro debt as of 12/31/2011.

EXCHANGE RATE RISK

The foreign currencies representing a significant percentage of consolidated revenues are the pound sterling (9%) and the dollar (around 12%). The Group has not established a policy for exchange rate hedging. This leaves the Group potentially exposed to a more or less significant exchange rate risk from year to year.

The table below shows the impact of exchange rate risk on the balance sheet.

In thousands of euros	GBP	USD
Balance sheet total	(619)	(6,241)
Off-balance sheet positions	0	0
Net position after management	**(619)**	(6,241)

This table allows the loss risk on the net global foreign currency position to be calculated on the assumption of an unfavorable and consistent change of 1% in the currency used to prepare financial statements in comparison to the total amount of foreign currencies involved. For informational purposes, the impact of an unfavorable and consistent change of 1% in the euro-dollar exchange rate on subsidiaries' financial statements whose operating currency for financial statements is USD would have a negative impact of 2.2 million euros on the Group's shareholders' equity.

Should the revenue/costs structure remain similar, any appreciation in the euro against the pound sterling would bring about a reduction in earnings expressed in euro. On the basis of the 2010 fiscal year, with all other currencies remaining at the same level against the pound sterling, a theoretical 1% appreciation in the euro against the pound sterling would have a negative impact of 781 thousand euros on Cegedim's revenue and 107 thousand euros on its operating income.

Should the revenue/costs structure remain similar, any appreciation in the euro against the US dollar would bring about a reduction in earnings expressed in euros. On the basis of the 2011 fiscal year, with all other currencies remaining at the same level against the US dollar, a theoretical 1% appreciation in the euro against the US dollar would have a negative impact of 1,056 thousand euros on Cegedim's revenue and 88 thousand euros on its operating income.

Exchange rate effects had a negative impact of 5.2 million euros on 2011 revenue. The dollar had a negative impact of 5.4 million and the pound sterling had a negative impact of 0.9 million euros. The amount of exchange gains or losses on revenue is determined by recalculating the 2010 revenue based on the 2011 exchange rate. The currency exchange rates used are the average rates over the fiscal year.

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20.1.2.3 NOTES AND ADDITIONAL TABLES

NOTE 1 List of consolidated companies (France)

Companies	Main place of business		SIREN	% of control	% owned	Method
Fully consolidated companies (France)						
Cegedim	127 -137, rue d'Aguesseau	Boulogne	350 422 622	100.00%	100.00%	F.C.
Alliance Software	Le Crystal Palace – 369/371, promenade des Anglais	Nice	407 702 208	100.00%	100.00%	F.C.
Alliadis	3, impasse des Chênes	Niort	342 280 609	100.00%	100.00%	F.C.
Amix	Le Gros Moulin – Amilly	Montargis	339 137 895	100.00%	100.00%	F.C.
CDS – Centre de Services	137, rue d'Aguesseau	Boulogne	344 480 066	100.00%	100.00%	F.C.
Cegedim Activ	Imm. le Pyrénéen-ZAC de la Grande Borde – Voie n° 6	Labege	400 891 586	100.00%	100.00%	F.C.
Cegedim Ingénierie	326, rue du Gros Moulin – Amilly	Montargis	402 338 719	99.63%	99.00%	F.C.
Cegedim Logiciels Médicaux (ex. BKL Consultants)	122, rue d'Aguesseau	Boulogne	353 754 088	100.00%	100.00%	F.C.
Cegedim Prestation Conseil Outsourcing	15, rue Paul Dautier	Velizy	303 529 184	100.00%	100.00%	F.C.
Cegedim SRH	17, rue de l'Ancienne Mairie	Boulogne	332 665 371	100.00%	100.00%	F.C.
CSD France (Cegedim Strategic Data France)	90-92, route de la Reine	Boulogne	318 024 338	100.00%	100.00%	F.C.
Cegelease	Rue de la Zamin	Capinghem	622 018 091	100.00%	100.00%	F.C.
Cetip	122, rue d'Aguesseau	Boulogne	410 489 165	99.81%	99.81%	F.C.
Decision Research Europe	90-92, route de la Reine	Boulogne	322 548 371	100.00%	100.00%	F.C.
Eurofarmat	Rue de la Zamin – Immeuble Guilaur	Capinghem	489 278 978	100.00%	100.00%	F.C.
GERS	137, rue d'Aguesseau	Boulogne	521 625 582	100.00%	100.00%	F.C.
Hospitalis	137, rue d'Aguesseau	Boulogne	452 121 320	100.00%	100.00%	F.C.
Icomed	137, rue d'Aguesseau	Boulogne	333 046 274	100.00%	100.00%	F.C.
iGestion (ex. Hosta)	114, rue d'Aguesseau	Boulogne	440 367 357	100.00%	100.00%	F.C.
Incams	114-116, rue d'Aguesseau	Boulogne	429 216 351	100.00%	100.00%	F.C.
iSanté	137, rue d'Aguesseau	Boulogne	433 937 729	100.00%	99.81%	F.C.
MedExact	137, rue d'Aguesseau	Boulogne	432 451 912	100.00%	100.00%	F.C.
Midiway	ZAC de la Grande Borde – voie 6 Immeuble le Pyrénéen	Labege	415 394 030	74.48%	74.48%	F.C.
Pharmacie Gestion Informatique	ZA de Kerangueven	Hanvec	391 865 847	100.00%	100.00%	F.C.
Pharmapost	573, av. d'Antibes	Montargis	322 769 308	100.00%	100.00%	F.C.
Pharmastock	326, rue du Gros Moulin – Amilly	Montargis	403 286 446	100.00%	100.00%	F.C.
Proval SA	137, rue d'Aguesseau	Boulogne	383 118 684	99.36%	99.36%	F.C.
Qualipharma	Imm. Guilaur rue de la Zamin	Capinghem	432 078 707	100.00%	100.00%	F.C.
Reportive	114, rue d'Aguesseau	Boulogne	388 447 179	100.00%	100.00%	F.C.
Resip	56, rue Ferdinand Buisson	Boulogne S/ Mer	332 087 964	100.00%	100.00%	F.C.
RM Ingénierie	av. de la Gineste	Rodez	327 755 393	100.00%	100.00%	F.C.
RNP	15, rue de l'Ancienne Mairie	Boulogne	602 006 306	100.00%	100.00%	F.C.
Rosenwald	137, rue d'Aguesseau	Boulogne	582 151 486	100.00%	100.00%	F.C.
SCI Montargis 2000	573, av. d'Antibes	Montargis	324 215 128	68.83%	68.83%	F.C.
Services Premium Santé (SPS)	100, rue des Fougères	Lyon	513 188 771	40.00%	40.00%	F.C.
Sofiloca	137, rue d'Aguesseau	Boulogne	348 940 255	100.00%	100.00%	F.C.
Companies consolidated using the equity method (France)						
Edipharm	137, rue d'Aguesseau	Boulogne	381 819 309	20.00%	20.00%	E.M.
Infodisk	Immeuble CPL – Californie 2	Le Lamentin	490 029 774	34.00%	34.00%	E.M.

Companies	Main place of business		% of control	% owned	Method
Fully consolidated companies (International)					
Alliadis Europe Ltd	Great Britain	London	100.00%	100.00%	F.C.
Camm Eastern Europe	Poland	Warsaw	100.00%	100.00%	F.C.
Cegedim Algérie	Algeria	Algiers	100.00%	100.00%	F.C.
Cegedim Asia Pacific PTE Ltd	Singapore	Singapore	100.00%	100.00%	F.C.
Cegedim Australia Pty. Ltd	Australia	Pymble	100.00%	100.00%	F.C.
Cegedim Belgium	Belgium	Drogenbos	99.97%	99.97%	F.C.
Cegedim Bilisim AS	Turkey	Istanbul	100.00%	100.00%	F.C.
Cegedim Canada Ltd	Canada	Scarborough	100.00%	100.00%	F.C.
Cegedim Centroamerica y el Caraibe	Guatemala	Guatemala	100.00%	99.97%	F.C.
Cegedim China	China	Shanghai	100.00%	100.00%	F.C.
Cegedim Colombia LtdA	Colombia	Bogota	100.00%	99.97%	F.C.
Cegedim Computer Technics Development and Trading Co. Ltd	Hungary	Budapest	100.00%	100.00%	F.C.
Cegedim CZ SRO	Czech Republic	Prague	100.00%	100.00%	F.C.
Cegedim Data Services Limited	Great Britain	Preston	100.00%	100.00%	F.C.
Cegedim Denmark AS	Denmark	Soborg	100.00%	99.97%	F.C.
Cegedim Deutschland GmbH	Germany	Bensheim	100.00%	100.00%	F.C.
Cegedim do Brasil	Brazil	Sao Paulo	100.00%	100.00%	F.C.
Cegedim Ecuador	Ecuador	Quito	100.00%	99.97%	F.C.
Cegedim Finland	Finland	Espoo	100.00%	100.00%	F.C.
Cegedim GmbH	Austria	Vienna	100.00%	100.00%	F.C.
Cegedim Group Poland	Poland	Warsaw	100.00%	100.00%	F.C.
Cegedim Hellas	Greece	Athens	99.99%	99.99%	F.C.
Cegedim Hispania	Spain	Madrid	100.00%	100.00%	F.C.
Cegedim Holding GmbH	Germany	Bensheim	100.00%	100.00%	F.C.
Cegedim India Private Limited	India	Mumbai	100.00%	100.00%	F.C.
Cegedim Italia	Italy	Milan	100.00%	100.00%	F.C.
Cegedim KK	Japan	Osaka	100.00%	100.00%	F.C.
Cegedim Korea Ltd	South Korea	Seoul	100.00%	100.00%	F.C.
Cegedim LLC	Russia	Moscow	100.00%	100.00%	F.C.
Cegedim Malaysia SDN	Malaysia	Kuala Lumpur	100.00%	100.00%	F.C.
Cegedim Maroc	Morocco	Casablanca	100.00%	100.00%	F.C.
Cegedim Mexico	Mexico	Mexico	100.00%	99.97%	F.C.
Cegedim Netherland	Netherlands	Naarden	100.00%	99.97%	F.C.
Cegedim New Zealand Ltd	New Zealand	Auckland	100.00%	100.00%	F.C.
Cegedim Norway AS	Norway	Oslo	100.00%	99.97%	F.C.
Cegedim Portugal	Portugal	Porto Salvo	100.00%	100.00%	F.C.
Cegedim Romania SRL	Romania	Bucharest	100.00%	100.00%	F.C.
Cegedim Rx Limited	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
Cegedim SK SRO	Slovakia	Bratislava	100.00%	100.00%	F.C.
Cegedim SRH Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
Cegedim Software India Private Limited	India	Bangalore	100.00%	100.00%	F.C.
Cegedim Strategic Data (China) Co., Ltd	China	Shanghai	100.00%	100.00%	F.C.
Cegedim Strategic Data Argentina	Argentina	Buenos Aires	100.00%	100.00%	F.C.
Cegedim Strategic Data Australia Pty Ltd	Australia	Chippendale	100.00%	100.00%	F.C.

Companies	Main place of business		% of control	% owned	Method
Cegedim Strategic Data Belgium	Belgium	Drogenbos	100.00%	100.00%	F.C.
Cegedim Strategic Data Canada Ltd	Canada	Montreal	100.00%	100.00%	F.C.
Cegedim Strategic Data Espana	Spain	Madrid	100.00%	100.00%	F.C.
Cegedim Strategic Data GmbH	Germany	Bensheim	100.00%	100.00%	F.C.
Cegedim Strategic Data Italia	Italy	Milan	100.00%	100.00%	F.C.
Cegedim Strategic Data KK	Japan	Osaka	100.00%	100.00%	F.C.
Cegedim Strategic Data Korea	South Korea	Seoul	100.00%	100.00%	F.C.
Cegedim Strategic Data Medical Research Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
Cegedim Strategic Data Medical Research SRL	Italy	Milan	100.00%	100.00%	F.C.
Cegedim Strategic Data UK Limited	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
Cegedim Strategic Data USA LLC	USA	Jersey City	100.00%	100.00%	F.C.
Cegedim Sweden AB	Sweden	Stockholm	100.00%	99.97%	F.C.
Cegedim Switzerland	Switzerland	Zurich	100.00%	100.00%	F.C.
Cegedim Taiwan Co. Ltd	Taiwan	Taipei	100.00%	100.00%	F.C.
Cegedim Trends LLC	Egypt	Cairo	100.00%	100.00%	F.C.
Cegedim Tunisie	Tunisia	Tunis	100.00%	100.00%	F.C.
Cegedim UK Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
Cegedim Ukraine LLC	Ukraine	Kiev	100.00%	100.00%	F.C.
Cegedim USA	USA	Bedminster	100.00%	100.00%	F.C.
Cegedim Venezuela	Venezuela	Caracas	100.00%	100.00%	F.C.
Cegedim World Int. Services Ltd	Ireland	Dublin	100.00%	100.00%	F.C.
Compufile Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
Croissance 2006	Belgium	Forest	100.00%	100.00%	F.C.
Cegedim Inc. (ex. Dendrite International Inc.)	USA	Bedminster	100.00%	100.00%	F.C.
GERS Maghreb	Tunisia	Tunis	100.00%	100.00%	F.C.
Health Data Management Partners	Belgium	Drogenbos	100.00%	100.00%	F.C.
Hospital Marketing Services Ltd	Great Britain	Eastleigh	100.00%	100.00%	F.C.
Icomed Belgium	Belgium	Drogenbos	100.00%	99.97%	F.C.
InPractice Systems	Great Britain	London	100.00%	100.00%	F.C.
Infopharm Ltd	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
InPratice Entreprise Solution Ltd	Great Britain	Dundee	100.00%	100.00%	F.C.
Intercam Ltd Ireland	Ireland	Dublin	100.00%	100.00%	F.C.
Medimed GmbH	Germany	Bensheim	100.00%	100.00%	F.C.
MS Centroamerica y el Caribe, SA	Costa Rica	Heredia	100.00%	99.97%	F.C.
Next Plus	Tunisia	Tunis	49.00%	49.00%	F.C.
Next Software	Tunisia	Tunis	100.00%	100.00%	F.C.
NOMI Medicin	Sweden	Stockholm	100.00%	99.97%	F.C.
NOMI Sweden	Sweden	Stockholm	100.00%	99.97%	F.C.
OEPO	Belgium	Drogenbos	100.00%	99.97%	F.C.
Pharmec Healthcare Software	Romania	Bucharest	100.00%	100.00%	F.C.
Pulse System Inc.	USA	Wichita	100.00%	100.00%	F.C.
Resip Drug Database UK Limited	Great Britain	Loughborough	100.00%	100.00%	F.C.
Schwarzeck Verlag GmbH	Germany	Munich	100.00%	100.00%	F.C.

Companies	Main place of business		% of control	% owned	Method
SGBTIF	Luxembourg	Luxembourg	100.00%	99.97%	F.C.
SK&A Information System	USA	Irvine	100.00%	100.00%	F.C.
Stacks Consulting e Ingeniera de Software	Spain	Barcelona	100.00%	100.00%	F.C.
Stacks Servicios Tecnologicos SL	Spain	Barcelona	100.00%	100.00%	F.C.
Stacks Servicios Tecnologicos SL Chile Ltda	Chile	Providencia	100.00%	100.00%	F.C.
Thin	Great Britain	Chertsey Surrey	100.00%	100.00%	F.C.
Companies consolidated using the equity method (International)					
Millennium	Italy	Florence	49.22%	49.22%	E.M.

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

The company NEXT PLUS, held at 49%, is consolidated using the full consolidation method as the Group has exclusive control; the stewardship being exercised by Cegedim Tunisia.

NOTE 2 Impact of changes in consolidation scope

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

In thousands of euros	Consolidated before change at 12/31/2011	Change 2011	Consolidated after change at 12/31/2011
Goodwill on acquisition	723,722	1,336	725,058
Other non-recurring assets (excluding goodwill on acquisition)	317,882	42	317,924
Current assets	349,922	412	350,334
BALANCE SHEET TOTAL	**1,391,526**	**1,790**	**1,393,316**

Figures used were not the consolidation entry values but the figures from the financial statements as of 12/31/2011.

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

- on assets: 481 thousand euros;
- on liabilities: 332 thousand euros.

2) On earnings (at the closing date)

In thousands of euros	Consolidated before change at 12/31/2011	Change 2011	Consolidated after change at 12/31/2011
Revenue	910,552	912	911,463
Operating income	75,926	(4)	75,922
Consolidated profit (loss) for the period	32,687	(17)	32,670

The figures mentioned refer to the creation and acquisition of companies starting on the date of their entry into the Group and is therefore not representative of the impact for a full year.

3) Company acquisition financing

The acquisition of Pharmec Healthcare Software in 2011 was fully self-financed and amounted to 1,509 thousand euros.

NOTE 3 Tangible Assets

In thousands of euros	Balance	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance
	12/31/2010		Acquisitions	Change in scope			12/31/2011
Development costs	48,093	(39,176)[3]	16,178		(649)		24,446
Brand[1]	103,278				(106,654)	3,376	0
Internal software[2]	140,845	39,176[3]	31,056		(50)	577	211,604
External software	87,370		3,304		(2,957)	223	87,940
TOTAL GROSS VALUE	**379,586**	**0**	**50,538**	**0**	**(110,310)**	**4,176**	**323,990**

In thousands of euros	Balance	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance
	12/31/2010		Allowances	Change in scope			12/31/2011
Brand neutralization[1]	103,278				(106,654)	3,376	0
Amortization of software	106,283		28,956		(3,054)	357	132,542
TOTAL DEPRECIATION & IMPAIRMENT	**209,561**	**0**	**28,956**	**0**	**(109,708)**	**3,733**	**132,542**
NET VALUE	**170,025**						**191,448**

(1) Dendrite brand.
(2) The projects that stem from internal development and currently underway have an average amortization period of five years, except for three structuring projects amortized over 20 or 15 years.
(3) Reclassification of internal development costs for software once the software is in use.

NOTE 4 Tangible Assets

In thousands of euros	Balance 12/31/2010	Opening reclassification and correction	Acquisitions	Increase Change in scope	Decrease	Change in rate	Balance 12/31/2011
Land[1]	477					2	479
Buildings[1]	8,769		255		(165)	80	8,939
Other tangible assets	141,710	229	26,837	48	(20,785)	1,090	149,129
Construction work in progress	261	(229)	2,558			4	2,594
TOTAL GROSS VALUE	**151,217**	**0**	**29,650**	**48**	**(20,950)**	**1,176**	**161,141**

In thousands of euros	Balance 12/31/2010	Opening reclassification and correction	Allowances	Increase Change in scope	Decrease	Change in rate	Balance 12/31/2011
Depreciation of land	47		21			2	70
Depreciation of buildings	3,229		656		(134)	41	3,792
Depreciation of other tangible assets [2]	104,781		37,173	29	(29,790)	978	113,171
TOTAL DEPRECIATION	**108,057**	**0**	**37,850**	**29**	**(29,924)**	**1,021**	**117,033**
NET VALUE	**43,160**						**44,108**

(1) Including lease (see Note 21).
(2) Reclassification of "Technical facilities" and "Other tangible assets" and corresponding lines of depreciation.

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

In thousands of euros	Balance 12/31/2010	Reclassification	Acquisitions/ provisions	Increase Change in scope	Reductions/ reversals	Change in rate	Balance 12/31/2011
Equity investments*	947		100		(18)		1,029
Loans	1,039		505		(110)	(1)	1,433
Security deposits	7,704		1,645	1	(331)	104	9,123
Other long-term investments	584					19	603
TOTAL GROSS VALUE	10,274	0	2,250	1	(459)	122	12,188
Provisions for equity investments	648				(62)		586
Provisions on loans	35					(2)	33
Provisions for other long-term investments	271				(177)	(5)	89
TOTAL PROVISIONS	954	0	0	0	(239)	(7)	708
TOTAL NET VALUE	**9,320**	**0**	**2,250**	**1**	**(220)**	**129**	**11,480**

* *Including Netfective for K€899.*

NOTE 6 Shares in companies accounted for by the equity method

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

In thousands of euros	% owned 2010	Shareholders' equity as of 12/31/2010	Group-share of total net shareholders' equity 2010	Goodwill on acquisition	Provision for risks	Net value of shares in companies accounted for by the equity method as of 12/31/2010
Edipharm	20.00%	242	48			48
Infodisk	34.00%	24	8			8
Millenium	49.22%	8,860	4,361	2,859		7,220
		9,126	**4,417**	**2,859**	**0**	**7,276**

In thousands of euros	% owned 12/2011	Profit (loss) 12/2011	Group share of profit (loss) 12/2011	Shareholders' equity as of 12/31/2011	Group share of total net shareholders' equity as of 12/31/2011	Goodwill on acquisition	Provision for risks	Net value of shares in companies accounted for by the equity method as of 12/31/2011
Edipharm	20.00%	175	35	261	52			52
Infodisk	34.00%	(40)	(13)	(15)	(5)			(5)
Millenium	49.22%	1,970	970	9,629	4,740	2,859		7,598
		2,105	**991**	**9,875**	**4,787**	**2,859**	**0**	**7,645**

B) Change in value of shares in companies accounted for by the equity method

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

Shares accounted for using the equity method at January 1, 2010	7,276
Distribution of dividends	(622)
Capital increase	0
Group share of profit (loss) December 2011	991
SHARES ACCOUNTED FOR USING THE EQUITY METHOD AT DECEMBER 31, 2011	**7,645**

NOTE 7 Goodwill on acquisition

In accordance with IAS 36, intangible assets with indefinite useful lives and goodwill on acquisition are not depreciated, but are subject to an impairment test either annually or when events indicate a risk of loss of value.

These impairment tests are intended to ensure that the book value of operating assets and liabilities allocated to each of the cash generating units (including goodwill on acquisition) is not greater than the recoverable value.

The recoverable value of an asset or cash generating unit (CGU) is the higher of its fair value less selling costs and value in use.

The value in use of each CGU is determined by discounting future cash flows. These flows are based on the five-year business plans established for each CGU by management, revised by top management and reviewed by the Audit Committee and the Board of Directors for approval of the financial statements as of December 31, 2011. Flows expected beyond the five-year business plan are dealt with via a terminal value determined from the five-year plan's last standardized flow.

The discount rate is a pre-tax rate that includes a target debt-equity ratio applicable to Cegedim's business sector and an industry risk coefficient that is also re-indebted. The Group retains a single rate for all CGUs. The skills center and databases used to support all these Group services are centralized, and only the distribution is local. In addition, Cegedim's customers in its core business are worldwide groups. Cegedim's business activities in northern and southern Europe are at the same level.

The main assumptions underlying the impairment tests are:

- The average growth rate of revenue over the duration of the business plan
- A strict framework for costs, particularly personnel costs
- A discount rate of 11.55% as at December 31, 2011 compared with 11.2% as at December 31, 2010
- A perpetuity growth rate of 2% (identical to last year).

The revenue growth assumptions used in the Group's first business sector (CRM and strategic data), which includes three CGUs (America, Europe and Asia), are at an average of 3.7% per year over five years; this average growth ranging from 2.5% to 6.3% depending on the geographical area. This increase is the result of the mix of mature activities, launching of new product lines and high-growth regions.

The average annual growth over five years in the other sectors of the Group: healthcare professionals, and insurance and services, is 3.0% and 2.9% respectively.

Strict control of operating expenses is exercised in the context of a Performance Improvement Plan, used in all geographical areas. It aims to leverage potential synergies between the activities of the Group's first business sector: productivity improvements, enhanced process efficiency, cost sharing, space optimization, etc. Coupled with the effects of revenue growth, this cost control will result in a sharp increase in operating income over the business plan period 2013-2016.

The difficult economic climate faced by the Group in 2011 has been integrated into these assumptions and the business plans.

The Group's management stresses that there are no grounds for a sustainable or structural impact on forecasts for the CRM and strategic data sector. Since the end of 2011, the Group has recorded a promising business recovery, including in the United States, with a significant increase in its orders, CRM activities, and the cessation of erosion, during the last six months, of the number of users of the Group's solutions worldwide, which occurred following decreases in headcount or mergers in pharmaceutical laboratories.

In addition, the Group has launched some innovative new products in its three business sectors, and intends to continue in the future its approach of strict control of operating expenses. The assumption is that these factors will have a positive impact on consolidated profit (loss) for the period as from the second half of 2012.

Given the assumptions mentioned above, no impairment has been identified.

The sensitivity of impairment tests was measured by varying jointly the assumptions used for the discount rate and the perpetuity growth rate by + or - 0.5 points. Making more severe assumptions would not have resulted in an impairment cost.

The impairment tests show that the carrying value of assets tested is covered at more than 131% overall. The CGUs for which the percentage of cover is lower than this average are those of the Group's first business sector, CRM and strategic data (with between 111% and 114% coverage). The recoverable value of these CGUs would be equal to their carrying value if:

- the final year EBIT margin decreased by 1.2 points in the CGU where this parameter causes the most concern (Asia) and by 2.7 points in the sector where it causes the least concern (America)
- the discount rate increased by 0.94 points in the CGU where this parameter causes the most concern (Europe) and by 1.29 points in the sector where it causes the least concern (Asia)

Segment Presentation of CGUs	Balance 12/31/2010	Scope	Impairment	Translation gains or losses and other changes	Balance 12/31/2011
CRM and strategic data	552,701	46		16,096	568,843
Healthcare professionals	108,216	(3,516)		1,343	106,043
Insurance and services	50,172				50,172
TOTAL	**711,089**	**(3,470)**	**0**	**17,439**	**725,058**

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NOTE 8 Inventory and work in progress

In thousands of euros	Gross values as of 12/31/2011	Gross value	Net values as of 12/31/2011	Net values as of 12/31/2010
Services in progress	305		305	298
Inventories of goods	11,145	871	10,274	10,428
TOTAL	**11,450**	**871**	**10,579**	**10,726**

NOTE 9 Accounts receivable

In thousands of euros	Customers Current	Customers Non-current	Balance 12/31/2011	Balance 12/31/2010
French companies	123,712	14,498*	138,210	147,128
Foreign companies	104,325		104,325	108,969
TOTAL GROSS VALUE	**228,037**	**14,498**	**242,535**	**256,097**
Provisions	5,687		5,687	5,965
TOTAL NET VALUE	**222,350**	**14,498**	**236,848**	**250,131**

* *Receivables corresponding to financial leases granted by Cegelease and due for payment in more than one year.*

Receivables are valued at their face value.

A provision for impairment is recognized if the inventory value, based on the probability of collection, is less than the recorded value. Thus, 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), was 53 million euros at December 31, 2011.

Aging balance 2011

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	18,788	7,880	4,984	2,053	1,227	2,644
Foreign companies	34,593	16,417	5,922	3,529	2,479	6,247
TOTAL	**53,381**	**24,296**	**10,906**	**5,582**	**3,706**	**8,891**

RECEIVABLES TRANSFERRED WITH TRANSFER OF CREDIT RISK

The contractual conditions of factoring contracts (concluded in 2011) enable the transfer of the main risks and advantages related to transferred receivables and therefore their removal from the balance sheet.

According to IAS 39, receivables transferred to third parties (factoring contract) are derecognized from the Group assets when the risks and advantages associated with them are substantially transferred to the said third parties and if the factoring company accepts, in particular, the credit risk, the interest risk and the recovery deadline (see Accounting Policies – accounts receivable).

Total receivables transferred with transfer of credit risk thus deconsolidated under IAS 39 in the context of factoring contracts at December 31, 2011 amounts to 13 million euros.

There is no available cash at December 31, 2011 within the context of these contracts.

NOTE 10 Other receivables

In thousands of euros	Company debtors	Tax debtors	Other receivables	Balance 12/31/2011	Balance 12/31/2010
Current receivables					
French companies	524	9,328	6,582	16,434	15,056
Foreign companies	2,362	5,414	1,589	9,366	10,661
TOTAL GROSS VALUES	**2,886**	**14,742**	**8,171**	**25,800**	**25,717**
Provisions			22	22	16
TOTAL CURRENT RECEIVABLES (NET VALUES)	**2,886**	**14,742**	**8,149**	**25,778**	**25,702**
Non-current receivables					
French companies				0	0
Foreign companies		515	136	651	722
TOTAL GROSS VALUES	**0**	**515**	**136**	**651**	**722**
Provisions				0	0
TOTAL NON-CURRENT RECEIVABLES (NET VALUES)	**0**	**515**	**136**	**651**	**722**

NOTE 11 Shareholder base

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

Shareholders	No. of treasury shares	% held	No. of single votes	No. of double votes shares	No. of double votes votes	Total votes	% voting rights
FCB	7,358,629	52.57%	2,492,792	4,865,837	9,731,674	12,224,466	64.91%
FSI	2,102,061	15.02%	2,102,061	0	0	2,102,061	11.16%
PUBLIC*	4,496,357	32.12%	4,487,237	9,120	18,240	4,505,477	23.92%
Cegedim	40,126	0.29%	0	0	0	0	0
TOTAL	**13,997,173**	**100%**	**9,082,090**	**4,874,957**	**9,749,914**	**18,832,004**	**100%**

* *Including the Alliance Healthcare equity investment.*

NOTE 12 Current and non-current provisions

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

In thousands of euros	Balance 12/31/2010	Reclassifi-cation	Change in consolidation scope	Allowances Additional provisions	Allowances New provisions	Reversals Provisions used	Reversals Provisions not used	Change in rate	Balance 12/31/2011
Current provisions									
Provision for litigation with employees	904				783	324	47		1,316
Other provisions*	123	43					143	(1)	23
Provisions for restructuring	4,242	2,832			41	3,973	351	32	2,822
Other provisions for expenses	796				175	57			914
	6,066	2,874	-	-	998	4,354	541	31	5,075
Non-current provisions									
Provisions for restructuring	7,785	(2,832)			502			67	5,524
Employee-related provisions	43							(1)	42
Provisions for retirement	13,141				3,800	958	137	(41)	15,806
Provisions for litigation	122					31	20	(2)	70
Provisions for guarantees	-								-
Other provisions for risks	4,037				482	1,899	429	(9)	2,182
Other provisions for expenses	1,352				460	10	272		1,530
	26,481	(2,832)	-	-	5,245	2,898	858	15	25,154
TOTAL	**32,547**	**43**	**-**	**-**	**6,243**	**7,252**	**1,398**	**46**	**30,229**

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

NOTE 13 Retirement commitments

1) Retirement: French companies

In thousands of euros	Through an insurance fund	Through cost of past	Through a provision for expenses
Retirement obligation covered	1,986	3,780	15,145

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

An actuarial valuation plan has been set up to fund the obligations resulting from this compensation. The total obligation comes to 20,910 thousand euros including 1,986 thousand euros paid to an insurance company.

The amount of retirement contributions provisioned as expenses during the fiscal year amounts to 2,617 thousand euros.

The Cegedim Group decided to apply the option under IAS 19 as amended, which allows the actuarial gains and losses relating to changes in assumptions occurring in calculating liabilities to be accounted for directly in equity.

The actuarial assumptions used are as follows:

		2011	2010	2009
Economic assumptions	Net interest rate:	4.3%	4.7%	5.0%
	Expected asset yield rate:	3.2%	3.2%	3.8%
	Wage increases (including inflation):	1.7%	1.7%	2%

The discount rate applied for 2011 is 4.3% (Iboxx corporate rate + ten years restated for the downgrades carried out on January 2) compared with 4.7% in 2010.

Demographic assumptions	mortality:			Insee 2007-2009 Table
	mobility:			5% per year up to the age of 35
				3% up to the age of 45
				1.5% up to the age of 50
				0% 51 years old and older
Retirement age				Voluntary retirement at 65 years of age
Sensitivity of discount rate		4.05%	4.3%	4.55%
Commitment		21,719	20,910	20,140

The Group's collective bargaining agreements are the following:

- national collective bargaining agreement for the publishing industry;
- national collective bargaining agreement for road salesmen, representatives, ushers;
- national collective bargaining agreement for the advertising industry;
- national collective bargaining agreement for the pharmaceutical industry;
- Syntec national collective bargaining agreement;
- French Labor Code.

2) Retirement: foreign companies

Retirement commitments covered by a provision for 661 thousand euros.

The amount of retirement contributions provisioned as expenses during the fiscal year amounts to 43 thousand euros.

The amount of retirement contributions reported as expenses and paid during the fiscal year amounts to 3,675 thousand euros.

3) Comparison of Actuarial Commitments and Hedge Assets

	2011	2010	2009
Actuarial commitments	21,572	19,118	16,203
Hedge Assets	(1,986)	(1,926)	(1,855)
Unrecognized prior service cost	(3,780)	(4,051)	(4,328)
RECOGNIZED LIABILITIES	**15,806**	**13,141**	**10,020**

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

In thousands of euros			12/31/2011			
			Hedged commitment	**Unhedged commitment**	**Foreign companies**	**Total**
OPENING ACTUARIAL LIABILITIES	**(1)**		**7,198**	**11,230**	**690**	**19,117**
Cost of services rendered during the fiscal year		(a)	641	947	28	1,616
Financial cost for the fiscal year		(a)	335	484	15	834
Unrecognized prior service cost		(a)				-
COSTS FOR THE FISCAL YEAR	**(2)**	**(A)**	**976**	**1,431**	**43**	**2,450**
Benefits paid out	(3)		(130)	(812)	(32)	(974)
Actuarial losses (gains) generated during the fiscal year for the obligation	(4)		754	264		1,018
Newly consolidated companies	(5)		-	-		-
Companies no longer consolidated	(6)		-	-		-
Reclassification	(7)		69	(69)		-
Change in exchange rate	(8)				(40)	(40)
CLOSING ACTUARIAL LIABILITIES	**(A) = (1) + (2) + (3) + (4) + (5) - (6) + (7) + (8)**		**8,866**	**12,044**	**661**	**21,571**
Value of the hedge assets						
Opening fair value of the hedge assets		(4)	1,926			1,926
Expected return on assets		(b)	62			62
Contributions		(b)				-
Benefits paid out		(b)				-
Actuarial gains (losses) for the fiscal year generated on assets		(b)	(2)			(2)
Newly consolidated companies						-
Companies no longer consolidated						
CLOSING FAIR VALUE OF THE HEDGE ASSETS	**(B) = (B) + (4)**		1,986			**1,986**

AMOUNTS RECORDED IN THE BALANCE SHEET AND IN THE INCOME STATEMENT

In thousands of euros				12/31/2011
	Hedged commitment	**Unhedged commitment**	**Foreign companies**	**Total**
Cost of services rendered at the closing date	8,866	12,044	661	21,572
Fair value of the hedge assets	(1,986)			(1,986)
	6,881	12,044	661	19,586
Unrecognized prior service cost	(1,454)	(2,326)		(3,780)
LIABILITIES RECOGNIZED ON THE BALANCE SHEET	**5,427**	**9,718**	**661**	**15,806**
Cost of services rendered during the fiscal year	641	947	28	1,616
Financial cost for the fiscal year	335	484	15	834
Return on assets	(62)	-	-	- 62
Recognized prior service cost – vested rights	97	175		272
Effect of plan reduction or liquidation	-	-		-
EXPENSES RECOGNIZED IN THE INCOME STATEMENT	**1,011**	**1,606**	**43**	**2,660**

Impact of the adoption of the option under IAS 19 as amended relating to actuarial gains and losses

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2010

	Consolidated Balance Sheet at 12/31/2010			Consolidated Balance Sheet at 12/31/2009		
ASSETS *(in thousands of euros)*	**12/31/2010 restated**	**IAS 19 Option – actuarial gains and losses**	**12/31/2010 Reported**	**12/31/2009 restated**	**IAS 19 Option – actuarial gains and losses**	**12/31/2009 Reported**
	Net	**Net**	**Net**	**Net**	**Net**	**Net**
GOODWILL ON ACQUISITION	**711,089**	**0**	**711,089**	**613,342**	**0**	**613,342**
Development costs	48,093		48,093	57,644		57,644
Trademarks				104,810		104,810
Other intangible assets	121,932		121,932	63,192		63,192
INTANGIBLE ASSETS	**170,025**	**0**	**170,025**	**225,646**	**0**	**225,646**
Property	430		430	417		417
Buildings	5,540		5,540	6,225		6,225
Other tangible assets	36,929		36,929	38,346		38,346
Construction work in progress	261		261	234		234
TANGIBLE ASSETS	**43,160**	**0**	**43,160**	**45,221**	**0**	**45,221**
Equity investments	299		299	302		302
Loans	1,004		1,004	551		551
Other long-term investments	8,017		8,017	8,030		8,030
LONG-TERM INVESTMENTS – EXCLUDING EQUITY SHARES IN EQUITY METHOD COMPANIES	**9,320**	**0**	**9,320**	**8,883**	**0**	**8,883**
Equity shares in equity method companies	7,276	0	7,276	7,173	0	7,173
Government – Deferred tax	49,317	0	49,317	33,350	0	33,350
Accounts receivable	16,685	0	16,685	15,282	0	15,282
Other receivables	722	0	722	983	0	983
NON-CURRENT ASSETS	**1,007,594**	**0**	**1,007,594**	**949,880**	**0**	**949,880**
Services in progress	298		298	200		200
Goods	10,428		10,428	10,956		10,956
Advances and deposits received on orders	1,250		1,250	1,172		1,172
Accounts receivable	233,446		233,446	210,502		210,502
Other receivables	25,702		25,702	18,413		18,413
Cash equivalents	13,238		13,238	30,630		30,630
Cash	65,916		65,916	90,739		90,739
Prepaid expenses	19,151		19,151	15,847		15,847
CURRENT ASSETS	**369,429**	**0**	**369,429**	**378,461**	**0**	**378,461**
GRAND TOTAL	**1,377,023**	**0**	**1,377,023**	**1,328,341**	**0**	**1,328,341**

LIABILITIES *(in thousands of euros)*	Consolidated Balance Sheet at 12/31/2010			Consolidated Balance Sheet at 12/31/2009		
	12/31/2010 Reported	IAS 19 Option – actuarial gains and losses	12/31/2010 restated	12/31/2009 Reported	IAS 19 Option – actuarial gains and losses	12/31/2009 restated
Share Capital	13,337		13,337	13,337		13,337
Issue premium	185,562		185,562	185,562		185,562
Group reserves	291,664	(511)	291,153	249,732	(35)	249,697
Group exchange reserves	(238)		(238)	(238)		(238)
Group exchange gains/losses	6,356		6,356	(37,844)		(37,844)
GROUP EARNINGS	**(16,860)**	**511**	**(16,349)**	**54,719**	**35**	**54,754**
SHAREHOLDERS' EQUITY, GROUP SHARE	**479,820**	**0**	**479,820**	**465,267**	**0**	**465,267**
Minority interests (reserves)	384		384	609		609
Minority interests (earnings)	102		102	114		114
MINORITY INTERESTS	**486**	**0**	**486**	**724**	**0**	**724**
SHAREHOLDERS' EQUITY	**480,306**	**0**	**480,306**	**465,991**	**0**	**465,991**
NON-CURRENT LIABILITIES	**572,451**	**0**	**572,451**	**490,386**	**0**	**490,386**
CURRENT LIABILITIES	**324,266**	**0**	**324,266**	**371,965**	**0**	**371,965**
GRAND TOTAL	**1,377,023**	**0**	**1,377,023**	**1,328,341**	**0**	**1,328,341**

CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2010

In thousands of euros	Consolidated Balance Sheet at 12/31/2010			Consolidated Balance Sheet at 12/31/2009		
	12/31/2010 Reported	IAS 19 Option – actuarial gains and losses	12/31/2010 restated	12/31/2009 Reported	IAS 19 Option – actuarial gains and losses	12/31/2009 restated
Revenue	**926,674**	**0**	**926,674**	**874,072**	**0**	**874,072**
OTHER OPERATING INCOME						
Capitalized production	40,188		40,188	32,631		32,631
Purchases used	(110,887)		(110,887)	(104,565)		(104,565)
External expenses	(225,586)		(225,586)	(208,642)		(208,642)
TAXES	**(14,660)**		**(14,660)**	**(12,561)**		**(12,561)**
Payroll costs	(435,579)		(435,579)	(401,496)		(401,496)
Allocations to and reversals of provisions	(4,859)	772	(4,087)	(1,406)	53	(1,353)
Change in inventories of products in progress and finished products	94		94	(900)		(900)
Other operating income and expenses	(1,371)		(1,371)	726		726
EBITDA:	**174,014**	**772**	**174,786**	**177,858**	**53**	**177,911**
Depreciation expenses	(66,807)		(66,807)	(66,328)		(66,328)
OPERATING INCOME FROM CONTINUING OPERATIONS	107,207	772	107,979	111,530	53	111,583
Neutralization of the Dendrite brand	(104,009)		(104,009)			
NON-RECURRENT INCOME AND EXPENSES	**(10,792)**		**(10,792)**	**(11,697)**		**(11,697)**
OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS	(114,801)	0	(114,801)	(11,697)	0	(11,697)
OPERATING INCOME	(7,594)	772	(6,822)	99,833	53	99,886
COST OF NET FINANCIAL DEBT	**(34,282)**	**0**	**(34,282)**	**(40,309)**	**0**	**(40,309)**
Income taxes	(20,189)		(20,189)	(9,950)		(9,950)
Deferred taxes	44,447	(261)	44,186	4,901	(18)	4,884
TOTAL TAXES	24,259	(261)	23,997	(5,048)	(18)	(5,066)
SHARE OF PROFIT (LOSS) FOR THE PERIOD OF EQUITY METHOD COMPANIES	860		860	357		357
PROFIT (LOSS) FOR THE PERIOD BEFORE EARNINGS FROM ACTIVITIES THAT HAVE BEEN DISCONTINUED OR ARE BEING SOLD	**(16,758)**	**511**	**(16,247)**	**54,833**	**35**	**54,868**
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(16,758)**	**511**	**(16,247)**	**54,833**	**35**	**54,868**
ATTRIBUTABLE TO OWNERS OF THE PARENT	**(16,860)**	**511**	**(16,349)**	**54,719**	**35**	**54,754**
MINORITY INTERESTS	**102**		**102**	**114**		**114**

CHANGE IN NET LIABILITIES RECORDED IN THE BALANCE SHEET

	12/31/2011			
In thousands of euros	Hedged commitment	Unhedged commitment	Foreign companies	Total
OPENING NET LIABILITIES	**3,722**	**8,729**	**690**	**13,142**
Actuarial losses (gains)	754	264		1,018
Reclassification of recognized prior service cost – vested rights				-
Expenses recognized in the income statement	1,011	1,606	43	2,660
Benefits paid out	(130)	(812)	(32)	(974)
Contributions paid	-	-	-	-
Newly consolidated companies	-	-	-	-
Companies no longer consolidated	-	-	-	-
Reclassification	69	(69)	-	-
Change in exchange rate	-	-	(40)	(40)
CLOSING NET LIABILITIES	**5,426**	**9,718**	**661**	**15,805**

NOTE 14 Net financial debt

In thousands of euros	Financial	Misc.*	12/31/2011	12/31/2010
Medium- and long-term financial borrowing and liabilities (> 1 year, < 5 years)	476,481	7,265	483,745	489,280
Short-term financial borrowing and liabilities (> 6 months < 1 year)	20,036	1,921	21,957	26,291
Short-term financial borrowing and liabilities (> 1 month, < 6 months)	20,030	0	20,030	24,163
Short-term financial borrowing and liabilities (< 1 month)	8,485	0	8,485	9,091
Current bank loans	1,399	0	1,399	1,122
TOTAL FINANCIAL LIABILITIES	**526,430**	**9,185**	**535,615**	**549,947**
Positive cash	**73,128**		**73,128**	**79,154**
NET FINANCIAL DEBT	**453,302**	**9,185**	**462,487**	**470,793**

* *The account mainly includes equity investments of K€9,150.*

A) Net Cash

In thousands of euros	Financial	12/31/2011	12/31/2010
Current bank loans	1,399	1,399	1,122
Positive cash	73,128	73,128	79,154
NET CASH	**71,730**	**71,730**	**78,032**

B) Statement of changes in net debt

	12/31/2011	12/31/2010
NET DEBT AT THE BEGINNING OF THE FISCAL YEAR (A)	**470,793**	**403,660**
Operating cash flow before cost of net debt and taxes	140,070	160,635
Tax paid	(19,776)	(15,264)
Change in working capital requirement(1)	21,249	(11,503)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**141,543**	**133,868**
Change resulting from investment operations	(80,183)	(68,456)
Impact of changes in consolidation scope(2)	(1,422)	(56,291)
Dividends	(13,363)	(13,275)
Increase in cash capital	0	0
Impact of changes in foreign currency exchange rates	931	5,449
Interest paid on loans	(27,577)	(18,734)
Other financial income and expenses paid or received	(3,673)	(6,310)
Other changes	(7,950)	(43,384)
TOTAL NET CHANGE FOR THE YEAR (B)	**8,306**	**(67,133)**
NET DEBT AT THE END OF THE FISCAL YEAR (A-B)	**462,487**	**470,793**

(1) The change in working capital requirements of K€21,249 comprises a change in inventories and work in progress of K€184, a change in accounts receivable and other receivables of K€12,858, and a change in accounts payable and other payables of K€8,207.
(2) The impact of changes in consolidation scope of -K€1,422 mainly comprises the acquisition of Pharmec Healthcare Software.

The bank loans have the following terms:

	< 1 month	> 1 month, < 6 months	> 6 months, < 1 year	> 1 year
Fixed rate	8,437	30	36	276,115
1-month Euribor rate	48	20,000	20,000	200,365
	8,485	**20,030**	**20,036**	**476,481**

The main bank loans taken out are accompanied by terms involving the consolidated financial statements and related more particularly to net debt compared with the Group's consolidated gross operating margin (or the EBITDA). These ratios, satisfied at the close of the fiscal year, were the subject of an attestation by the Statutory Auditors.

RATE HEDGING

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2011	6/29/2012	45,652,645	4.58			(1,051)						0.50
6/29/2012	12/31/2012	40,425,749	4.58			(946)						1.02
12/31/2012	6/28/2013	35,198,853	4.58				(802)					1.51
6/28/2013	12/31/2013	20,000,000	4.58				(468)					2.03
12/31/2013	6/30/2014	20,000,000	4.58					(461)				2.53
6/30/2014	12/29/2017	20,000,000	4.58					(468)	(929)	(931)	(924)	6.08
PAYER PORTION			**4.58**			**(1,998)**	**(1,270)**	**(929)**	**(929)**	**(931)**	**(924)**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2011	6/29/2012	45,652,645		EUR1M	1.0240	235						0.50
6/29/2012	12/31/2012	40,425,749		EUR1M	1.0240	212						1.02
12/31/2012	6/28/2013	35,198,853		EUR1M	1.0240		179					1.51
6/28/2013	12/31/2013	20,000,000		EUR1M	1.0240		105					2.03
12/31/2013	6/30/2014	20,000,000		EUR1M	1.0240			103				2.53
6/30/2014	12/29/2017	20,000,000		EUR1M	1.0240			105	208	208	207	6.08
RECEIVER PORTION					**1.024**	**447**	**284**	**208**	**208**	**208**	**207**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2011	6/29/2012	45,652,645	4.57			(1,049)						0.50
6/29/2012	12/31/2012	40,425,749	4.57			(944)						1.02
12/31/2012	6/28/2013	35,198,853	4.57				(800)					1.51
6/28/2013	12/31/2013	20,000,000	4.57				(467)					2.03
12/31/2013	6/30/2014	20,000,000	4.57					(460)				2.53
6/30/2014	12/29/2017	20,000,000	4.57					(467)	(927)	(929)	(922)	6.08
PAYER PORTION			**4.57**			**(1,993)**	**(1,267)**	**(927)**	**(927)**	**(929)**	**(922)**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2011	6/29/2012	45,652,645		EUR1M	1.0240	235						0.50
6/29/2012	12/31/2012	40,425,749		EUR1M	1.0240	212						1.02
12/31/2012	6/28/2013	35,198,853		EUR1M	1.0240		179					1.51
6/28/2013	12/31/2013	20,000,000		EUR1M	1.0240		105					2.03
12/31/2013	6/30/2014	20,000,000		EUR1M	1.0240			103				2.53
6/30/2014	12/29/2017	20,000,000		EUR1M	1.0240			105	208	208	207	6.08
RECEIVER PORTION					**1.024**	**447**	**284**	**208**	**208**	**208**	**207**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2011	6/29/2012	45,652,645	4.565			(1,048)						0.50
6/29/2012	12/31/2012	40,425,749	4.565			(943)						1.02
12/31/2012	6/28/2013	35,198,853	4.565				(799)					1.51
6/28/2013	12/31/2013	20,000,000	4.565				(467)					2.03
12/31/2013	6/30/2014	20,000,000	4.565					(459)				2.53
6/30/2014	12/29/2017	20,000,000	4.565					(467)	(926)	(928)	(921)	6.08
PAYER PORTION			**4.57**			**(1,991)**	**(1,266)**	**(926)**	**(926)**	**(928)**	**(921)**	

In thousands of euros

Starting date	Ending date	Nominal value	Rate paid	Rate rec'd	Variable rate	2012 annual flow	2013 annual flow	2014 annual flow	2015 annual flow	2016 annual flow	2017 annual flow	Duration
12/31/2011	6/29/2012	45,652,645		EUR1M	1.0240	235						0.50
6/29/2012	12/31/2012	40,425,749		EUR1M	1.0240	212						1.02
12/31/2012	6/28/2013	35,198,853		EUR1M	1.0240		179					1.51
6/28/2013	12/31/2013	20,000,000		EUR1M	1.0240		105					2.03
12/31/2013	6/30/2014	20,000,000		EUR1M	1.0240			103				2.53
6/30/2014	12/29/2017	20,000,000		EUR1M	1.0240			105	208	208	207	6.08
RECEIVER PORTION					**1.024**	**447**	**284**	**208**	**208**	**208**	**207**	

C) Financing

Financing was implemented on May 9, 2007 to purchase Dendrite and to reconsolidate the existing debt. Part of this was refinanced on July 27, 2010 through a five-year bond issue for 300,000 thousand euros and the balance on June 10, 2011 through the implementation of a five-year bank loan made up of a depreciable term loan for 200 million euros and revolver credit of 80 million euros.

FCB (a company wholly owned by the Labrune family and main shareholder of Cegedim with 52% of the capital) granted a 50 million euro loan to Cegedim SA in May 2007. FCB underwrote the December 2009 capital increase in part by extinguishing its debt. Its loan was thus brought to 45.1 million euros. This loan is set to mature in May 2014.

On September 21, 2011, an agreement between FCB and Cegedim was signed, under the same financial conditions, to extend the loan until June 10, 2016.

Following the amortization of 20 million euros of the term loan at December 31, 2011 and the dynamic management of the bond debt, at December 31, 2011, the financing breaks down as follows:

- 280 million euros bond issue maturing on July 27, 2015, at a fixed rate of 7% payable twice yearly;
- 180 million euros loan depreciable until 2016 at a variable interest rate;
- 80 million euros a revolving, variable interest loan facility renewable at one, three or six months, at Cegedim's choice. At December 31, 2011, the total amount used was 20 million euros;
- 45.1 million euros shareholder loan depreciable until 2016 at a variable interest rate.

The exposure of debt to changes in euro rates is partially hedged by a hedging of euro rates.

At December 31, 2011, the debt hedged to variations in euro rates was composed of three no-premium, one-month, pre-set, Euribor-receiver swaps, with a fixed-rate payer, which are defined as follows:

- rate of 4.565% on a notional hedged amount of 45,653 thousand euros, amortizable until maturity at December 29, 2017;
- rate of 4.57% on a notional hedged amount of 45,653 thousand euros, amortizable until maturity at December 29, 2017;
- rate of 4.58% on a notional hedged amount of 45,653 thousand euros, amortizable until maturity at December 29, 2017.

The total notional amount hedged was 136,958 thousand euros at December 31, 2011.

The change in fair value of these derivatives was recognized under equity for the effective part of those qualified as cash flow hedges (4,374 thousand euros) and in the income statement for their ineffective part and for those not qualified as hedges under IFRS standards (-5,160 thousand euros).

Interest charges on bank loans, bonds, charges and commissions totaled 32,300 thousand euros at December 31, 2011. The interest resulting from this loan for 2011 amounts to 1,962 thousand euros.

D) Liquidity risk

Contractual cash flows are not discounted.

For variable rate instruments, the rate used for calculation is the spot rate on December 30, 2011.

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

CASH FLOW

In thousands of euros	Cash flow < 1 month	Cash flow (> 1 month, < 6 months)	Cash flow (> 6 months, < 1 year)	Cash flow (> 1 year, < 5 years)	Cash flow (> 5 years)
Bank loans and interest	10,777	31,359	33,415	542,542	0
Hedging instruments	0	2,443	2,199	9,431	2,146
Current bank loans	1,399	0	0	0	0
Finance lease	0	0	0	0	0
Equity Investments	0	0	1,921	7,230	0
Miscellaneous including deposits and bonds	0	0	0	35	0

FINANCIAL INSTRUMENTS

Assumption: variable rates 12/30/2011	
EUR1M	1.0240

FORECASTED CASH FLOWS – FINANCIAL INSTRUMENTS

In thousands of euros	RATE	2012	2013	2014	2015	2016	2017	TOTAL
Swaps borrowers EUR								
Fixed paid	4.58	(1,998)	(1,270)	(929)	(929)	(931)	(924)	(6,980)
Var. rec'd	1.0240	447	284	208	208	208	207	1,561
LT SWAPS		**(1,551)**	**(986)**	**(721)**	**(721)**	**(723)**	**(717)**	**(5,419)**
Swaps borrowers EUR								
Fixed paid	4.57	(1,993)	(1,267)	(927)	(927)	(929)	(922)	(6,964)
Var. rec'd	1.0240	447	284	208	208	208	207	1,561
LT SWAPS		**(1,547)**	**(983)**	**(719)**	**(719)**	**(721)**	**(715)**	**(5,404)**
Swaps borrowers EUR								
Fixed paid	4.565	(1,991)	(1,266)	(926)	(926)	(928)	(921)	(6,957)
Var. rec'd	1.0240	447	284	208	208	208	207	1,561
LT SWAPS		**(1,544)**	**(982)**	**(718)**	**(718)**	**(720)**	**(714)**	**(5,396)**
TOTAL LT SWAPS		**(4,642)**	**(2,951)**	**(2,158)**	**(2,158)**	**(2,164)**	**(2,146)**	**(16,219)**

NOTE 15 Cost of net debt

In thousands of euros	12/31/2011	12/31/2010 *	12/31/2010
Income or cash equivalent	5,487	961	961
■ Interest paid on loans, bank charges and commissions	(32,300)	(15,945)	(18,734)
■ Interest paid on loans	606	(9,033)	(9,033)
Interest on financial liabilities	(31,694)	(24,978)	(27,767)
■ Other financial interest and expenses[1]	(4,739)	(5,472)	(2,683)
Cost of gross financial debt	(36,433)	(30,450)	(30,450)
■ Net exchange differences	305	(3,762)	(3,762)
■ Valuation of financial instruments	(8,066)	(762)	(762)
■ Other non-cash income and expenses from operations	1,038	(269)	(269)
Other financial income and expenses	(6,723)	(4,793)	(4,793)
COST OF NET FINANCIAL DEBT	**(37,669)**	**(34,282)**	**(34,282)**
[1] *Including Financière Cegedim interest*	*1,962*	*1,433*	
interest on IXIS debt.	*478*	*1,356*	
	2,440	*2,789*	

[1] *The comparative financial statements presented at 12/31/2010 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

NOTE 16 Other liabilities

	Current		Non-current		Total	
In thousands of euros	Balance 12/31/2011	Balance 12/31/2010	Balance 12/31/2011	Balance 12/31/2010	Balance 12/31/2011	Balance 12/31/2010
Advances and payments on account	**4,971**	**4,395**	**-**	**-**	**4,971**	**4,395**
Clients – Credits to be established	874	1,065	-	-	874	1,065
Expenses payable	61	72	-	-	61	72
Miscellaneous payables	15,067	13,299	3,677	9,180	18,744	22,479
Other liabilities	**16,002**	**14,436**	**3,677**	**9,180**	**19,679**	**23,616**
Debts on acquisition of assets	**9,384**	**3**	**3,465**	**20,710**	**12,849**	**20,713**
Dividends payable					**-**	**-**
Deferred income	**35,159**	**38,129**	**-**	**-**	**35,159**	**38,129**
TOTAL	**65,516**	**56,963**	**7,142**	**29,890**	**72,658**	**86,853**

NOTE 17 External expenses

In thousands of euros	12/31/2011	12/31/2010
Purchases of studies & services and purchases of unstocked goods	68,408	57,698
External services (leasing, maintenance, insurance)	67,672	64,585
Other: advertising, seconded personnel, entertainment expenses, postal expenses, etc.	104,105	103,304
TOTAL EXTERNAL EXPENSES	**240,184**	**225,587**

NOTE 18 Other non-recurring income and expenses from operations

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

In thousands of euros	12/31/2011	12/31/2010 *	12/31/2010
OPERATING INCOME FROM CONTINUING OPERATIONS	83,905	107,979	107,207
Capital gains or losses on disposals	-	-	(4)
Withdrawal of the Dendrite brand	-	(104,009)	(104,009)
Restructuring costs	(4,901)	(6,993)	-
Other non-recurring income and expenses	(3,082)	(3,799)	(10,788)
OPERATING INCOME	**75,922**	**(6,822)**	**(7,594)**

* *The comparative financial statements presented at 12/31/2010 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

NOTE 19 Deferred tax

1) Tax breakdown

The tax income recognized in the income statement during the fiscal year amounts to 6,574 thousand euros compared with a tax expense of 23,997 thousand euros in December 2009. This comprised:

In thousands of euros	12/31/2011	12/31/2010 *	12/31/2010
Tax paid			
France	10,569	10,598	10,598
Abroad	10,647	9,591	9,591
TOTAL TAX PAID	21,217	20,189	20,189
Deferred taxes			
France	(9,871)	(3,208)	(3,469)
Abroad	(4,771)	(40,978)	(40,978)
TOTAL DEFERRED TAX	(14,643)	(44,186)	(44,447)
TOTAL TAX EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**6,574**	**(23,997)**	**(24,258)**

* *The comparative financial statements presented at 12/31/2010 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

2) Theoretical tax expense and recognized tax expense

The reconciliation between the theoretical tax expense for the Group and the tax expense effectively recognized is presented in the following table:

In thousands of euros	12/31/2011	12/31/2010 *	12/31/2010
Profit (loss) for the period	32,670	(16,247)	(16,758)
Group share of EM companies	(991)	(860)	(860)
Income taxes	6,574	(23,997)	(24,259)
Earnings before tax for consolidated companies (a)	38,252	(41,105)	(41,877)
of which French consolidated companies	*(2,348)*	*17,970*	*17,198*
of which foreign consolidated companies	*40,601*	*(59,075)*	*(59,075)*
Normal tax rate in France (b)	36.10%	34.45%	34.45%
THEORETICAL TAX EXPENSE (C) = (A) X (B)	**13,809**	**(14,161)**	**(14,426)**
impact of permanent differences	547	1,997	1,997
Impact of differences in tax rates on profits	(3,041)	(5,449)	(5,446)
Impact of differences in tax rates on capitalized losses	-	-	-
Uncapitalized tax on losses	4,677	2,837	2,837
Reversal of capitalization on prior losses	-	3,190	3,190
Impact of differences in tax rates on withdrawal of Dendrite brand	-	(5,724)	(5,724)
Impact of tax credit	(9,418)	(6,687)	(6,687)
TAX EXPENSES RECOGNIZED IN THE INCOME STATEMENT	**6,574**	**(23,997)**	**(24,259)**
Effective tax rate	17.19%	0.00%	0.00%

* *The comparative financial statements presented at 12/31/2010 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

3) Recognized deferred tax assets and liabilities

Analysis by category of the temporal difference for the net deferred tax position recognized in the balance sheet (before compensation by fiscal entities for deferred tax assets and liabilities).

In thousands of euros	Total 12/31/2010	Reclassifi-cation	Earnings	Change in consolidation scope	Other changes in equity	Change in exchange rate	Total 12/31/2011
Deferred tax assets							
Tax loss carryforwards and tax credits	30,104	(20,388)	6,292			549	16,558
Pension plan commitments	3,871		893		373		5,137
Non-deductible provisions	1,673	9,676	2,955		(7,311)	(43)	6,950
Updating to fair value of financial instruments	4,594		1,814		(1,310)		5,098
Cancellation of margin on inventory	39		(4)				35
Cancellation of internal capital gain	6,561		62				6,623
Restatement of R&D margin	1,511		688				2,199
Restatement of allowance for the assignment of intangible assets	280		160				440
Updating to fair value of financial instruments	0	(63)	182				119
Other	2,507	8,875	(2,856)			138	8,664
TOTAL	**51,140**	**(1,900)**	**10,186**	**0**	**(8,249)**	**644**	**51,821**
Deferred tax liabilities							
Translation adjustments	2,802		4,657		(7,396)	(63)	0
Cancellation of accelerated depreciation	(6,723)		172				(1,665)
Cegelease unrealized capital gain	(2,279)		949				(1,330)
Cancellation of depreciation on goodwill	(1,562)		(706)				(2,268)
Cancellation of depreciation internal capital gains	(271)		(89)				(360)
Finance lease	(137)		(6)				(143)
R&D capitalization	(4,320)		(734)				(5,054)
Restatement of the allowance for the R&D margin	(141)		(180)				(321)
Updating to fair value of financial instruments	(63)	63					0
Assets from business combinations	(6,865)		436			(191)	(4,783)
Other	(617)	1,837	(41)		(8)		(666)
TOTAL	**(15,290)**	**1,900**	**4,458**	**0**	**(7,404)**	**(254)**	**(16,590)**
NET DEFFERED TAX	**35,850**	**0**	**14,644**	**0**	**(15,652)**	**390**	**35,231**

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

In thousands of euros	Assets	Liabilities	Net
At December 31, 2010	49,317	(13,466)	35,851
Impact on earnings for the period	10,186	4,458	14,644
Impact on shareholders' equity	(7,605)	(7,658)	(15,263)
Impact of net presentation by fiscal entity	(3,805)	3,804	(1)
At December 31, 2011	48,093	(12,862)	35,231

The amount of uncapitalized tax as of December 31, 2011 amounts to 28,793 thousand euros.

NOTE 20 Lease commitments

Financial leases – Cegedim Group lessor

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

Schedule of payments to be received and present value

These leases are financial leases for 24 to 60 months for computer hardware and 36 to 84 months for capital goods.

In thousands of euros	Lease payments receivable	Present value of payments
within one year	14,776	14,051
between 1 and 5 years	17,800	14,316
more than 5 years	306	182
TOTAL (A)	**32,882**	**28,549**
FINANCIAL INCOME NOT ACQUIRED (B)	**-**	**4,332**
MINIMUM PAYMENTS (A) + (B)	**32,882**	**32,882**

Operating leases – Cegedim Group lessee

The Group lists different types of operating leases in the Group:

- real estate;
- computer equipment;
- vehicle leases;
- photocopiers.

The expense resulting from these leases amounts to 44,185 thousand euros for 2011.

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

The Group signs standard leasing agreements.

The discount rate applied is 11.55%.

Payment schedule and present value

In thousands of euros	Lease payments due	Present value of payments
within one year	26,411	-
between 1 and 5 years	31,954	-
more than 5 years	3,877	-
TOTAL	**62,242**	**52,461**

NOTE 21 Restatement of finance leases

Commitments on Cegedim lessee financial lease contracts

In thousands of euros	Depreciation period	Gross value	Accumulated depreciation	Net book value
Property		46		46
Buildings	15 - 40 years	1,006	644	362
TOTAL ASSETS HELD UNDER FINANCIAL LEASES		**1,052**	**644**	**408**

Payment schedule and present value

In thousands of euros	Lease payments due	Present value of payments
within one year	-	-
- > 1 year and < 5 years	-	-
more than 5 years	-	-
TOTAL (A)	0	0
Financial expenses (B)	-	-
PRESENT VALUE OF PAYMENTS (A)-(B)	**0**	**0**

Lease payments are not indexed.

The option exercise dates falling in 2011 relate to virtually nil residual values.

NOTE 22 Earnings per share

Earnings per share are calculated by dividing Group earnings by the number of shares making up the capital, excluding treasury shares. The number of shares must be the weighted average number of outstanding ordinary shares during the fiscal year (thus 13,955,940 shares as of December 31, 2011 and 13,965,092 shares as of December 31, 2010).

Current earnings per share amounted to 2.8 euros for the 2011 fiscal year.

Earnings per share amounted to 2.3 euros for the 2011 fiscal year.

	12/31/2011	12/31/2010
Weighted average number of outstanding ordinary Cegedim SA shares	13,997,173	13,997,173
Less average number of treasury shares held	(41,233)	(32,081)
Number of shares for the earnings per share calculation	13,955,940	13,965,092

NOTE 23 Diluted earnings per share

IAS 33 – Diluted earnings per share are calculated by dividing the profit (loss) for the period for the fiscal year attributable to the ordinary shareholders (profit (loss) for the fiscal period after deducting preferred dividends) by the weighted average number of common shares outstanding during the fiscal year. On December 31, 2011, the diluted earnings per share were identical to the earnings per share due to the lack of instruments that would dilute the capital.

NOTE 24 Off-balance sheet commitments

There are no commitments for earn-outs to be paid.

There are no stock repurchases from minority interests.

Guarantees given by Cegedim to its subsidiaries

CEGEDIM USA INC. SUBSIDIARY

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

INCAMS

- 2,465 thousand euro security for VSS to pay the purchase price of 246,500 capital shares of iGestion (ex. HOSTA).

Moreover, Cegedim has made itself guarantor on first demand to guarantee the payment of sums from which the payment lies with Incams, which is itself the guarantor of its subsidiary iGestion, to reimburse the loan granted by Incams, AXA Assurances Vie Mutuelle and Mutuelle Mieux Etre (co-owner of VSS).

ALL SUBSIDIARIES

- One-year authorization for all subsidiaries to grant securities, endorsements, and other guarantees for a total of 5 million euros provided no single commitment exceeds 2 million euros (authorized by the Board of Directors on April 13, 2011).

Subsidiary shares pledged

For signing an amendment to the financing agreement for the acquisition of Dendrite, shares of the following companies were pledged in 2008: Icomed, RNP, Sofiloca, Resip, Pharmastock, Pharmapost, MedExact, Hospitalis, Cegedim Activ, Cegelease, PCO Cegedim, Alliance Software, Alliadis, Cegedim Belgium, Cegedim Italia. Subsidiary shares pledges at December 31, 2007 are still in force. (InPractice Systems, Alliadis Europe, CSD Medical Research Ltd (ex. Epic), Cegedim Rx, Cegedim USA, Cegedim USA Inc.)

Subsidiary securities

PHARMASTOCK SUBSIDIARY

- Security in favor of France PAQUETS for 200 thousand euros.

CEGEDIM ACTIV SUBSIDIARY

- Security in favor of Caisse Nationale de Sécurité Sociale de Casablanca for 133 thousand euros;
- Security in favor of CNOPS for 187 thousand euros;
- Security in favor of Caisse Marocaine de Retraite for MAD250 thousand;
- Security in favor of ANAM Maroc for MAD20 thousand and ANAM for 8 thousand euros.

I GESTION SUBSIDIARY

- Security in favor of La Poste for 80 thousand euros.

CEGEDIM PORTUGAL AND CEGEDIM INC. USA

- Securities in the amount of 269 thousand euros and 2,250 thousand dollars respectively granted by banks to lessors of offices.

Other securities have been granted by Cegedim and its subsidiaries for a total amount of 105 thousand euros.

NOTE 25 Related parties

The object of the present note is to present the transactions that exist between the Group and its related parties.

The remuneration of key management personnel is presented in note 26.

Identity of Cegedim's parent company: FCB

Limited company (SA) held primarily by Mr. Jean-Claude Labrune, Chairman and Chief Executive Officer of Cegedim SA, his family and by certain members of the Board of Directors of Cegedim SA.

Figures pertaining to the related parties

Certain transactions were carried out with companies who share a Cegedim SA Director.

The main subsidiaries (companies consolidated with the fully consolidated method) are listed in note 1. Only the significant transactions are described below:

FCB:

- The FCB reinvoiced leases to Cegedim SA, PCO Cegedim and Cegedim Activ for 5,702 thousand euros, as well as associated taxes for 544 thousand euros.
- FCB reinvoiced head office costs for 2,520 thousand euros;
- FCB granted a loan to Cegedim SA for 50,000 thousand euros in May 2007. When Cegedim increased its capital, FCB subscribed for an amount of 4,906 thousand euros by a redemption of debt that resulted in a decrease in the debt from 50,000 thousand euros to 45,094 thousand euros. The interest resulting from this loan for 2011 amounts to 1,962 thousand euros;
- FCB acted as a guarantor for the securitization contract between Cegelease and IXIS CIB for 2,175 thousand euros.

	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
In thousands of euros	**Companies under joint control or significant influence**	**Companies under joint control or significant influence**	**FCB**	**FCB**	**Family companies**	**Family companies**
Income	none	none	221	212		
Expenses	none	none	10,727	11,061	1,100	794
Loans	none	none	45,094	45,094		
Security deposits	none	none	1,858	1,842	269	271
Receivables	none	none	13	9		
Provisions for receivables	none	none	none	none	none	none
Liabilities	none	none	4,083	2,161		
Commitments given	none	none				
Commitments received	none	none	2,175	2,175		

NOTE 26 Directors' compensation

Directors' fees paid to Board members came to 138 thousand euros at December 31, 2011, and are recorded in the "Other external purchases and expenses" item of the income statement.

In compliance with IAS 24, Cegedim's "key managers" are the people on the Board of Directors with the authority and responsibility of planning, managing and controlling Cegedim's activities as well as any of the Group's companies, directly or indirectly.

In accordance with IAS 24.17, in-kind benefits are taken into account in the "Short-term benefits" item.

In thousands of euros	12/31/2011	12/31/2010
	Gross amount	Gross amount
Short-term benefits (wages, bonuses, etc.)	1,810	1,766
Post-employment benefits	none	none
Severance pay	none	none
Other long-term benefits	none	none
BENEFITS RECOGNIZED	**1,810**	**1,766**
Termination benefits	none	none
BENEFITS NOT RECOGNIZED	**NONE**	**NONE**

The short term benefits include the variable and fixed portions of the managers' compensation.

NOTE 27 Employees

	12/31/2011	12/31/2010
France	3,338	3,364
International	4,899	5,106
TOTAL	**8,237**	**8,470**

NOTE 28 Payroll costs

In thousands of euros	12/31/2011	12/31/2010
Wages	(436,270)	(430,101)
Profit-sharing	(5,515)	(5,411)
Free shares award plan	(445)	(67)
PAYROLL COSTS	**(442,231)**	**(435,579)**

NOTE 29 Dividends

A dividend of 13,997 thousand euros (equivalent to one euro per share) in respect of 2010 was approved at the Ordinary General Meeting held on June 8, 2011 and paid in July 2011 for a net amount of 13,953 thousand euros.

NOTE 30 Equity

As of December 31, 2011, equity was made up of 13,997,173 shares (including 40,126 treasury shares) each with a nominal value of 0.9528 euros, i.e. total share capital of 13,336,506 euros.

NOTE 31 Treasury shares

An outflow transaction relating to 7,090 treasury shares linked to the maturing of part of the plan dated November 5, 2009 was recorded for 2011 for 223 thousand euros.

Allocation of free shares:

Following a resolution of the Extraordinary Shareholders' Meeting of June 8, 2011, the Board of Directors, in its meeting of June 29, 2011, was authorized to award a total number of free shares not to exceed 10% of the total number of shares making up the share capital to the managers and employees of the Cegedim group.

Following a resolution of the Extraordinary Shareholders' Meeting of February 22, 2008, the Board of Directors, in its meetings of March 21, 2008, November 5, 2009 and June 8, 2010, was authorized to award a total number of free shares not to exceed 10% of the total number of shares making up the share capital to the managers and employees of the Cegedim group.

The main features are as follows:

- the free shares awarded will grant the right to dividends. Their distribution will be determined as of the award date.

  The plan dated March 21, 2008 authorized a maximum allocation of 43,410 free shares.

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

  The plan dated June 8, 2010 authorized a maximum allocation of 32,540 free shares.

  The plan dated June 29, 2011 authorized a maximum allocation of 41,640 free shares;
- the allocation of said shares to their beneficiaries will become final at the end of a vesting period of two years for beneficiaries whose residence for tax purposes is in France as of the allocation date and four years for beneficiaries whose residence for tax purposes is not in France as of the allocation date;
- the shares will be permanently awarded to their beneficiaries on a single condition: no resignation, dismissal or redundancy.
- starting from the final award date, beneficiaries whose residence for tax purposes is in France as of the award date must keep their shares for a term of two years starting from the final award date.

In application of standard IFRS 2, the expense measuring "the benefit" offered to employees is spread out on a linear basis over the vesting period. The amount reported as expenses for the 2011 fiscal year amounted to 445 thousand euros.

The main features of the plan are as follows:

	Plan dated 3/21/2008	Plan dated 11/5/2009	Plan dated 6/8/2010	Plan dated 6/29/2011
Date of the General Meeting	February 22, 2008	February 22, 2008	February 22, 2008	June 8, 2011
Date of the Board of Directors' meeting	March 21, 2008	November 5, 2009	June 8, 2010	June 29, 2011
Date of plan opening	March 21, 2008	November 5, 2009	June 8, 2010	June 29, 2011
Total number of shares than can be allocated	43,410 shares	28,750 shares	32,540 shares	41,640 shares
Initial subscription price	€52.00	€65.00	€55.00	€39.12
Date of free disposal of free shares				
France	March 20, 2010	November 4, 2011	June 7, 2012	June 28, 2013
Abroad	March 20, 2012 *	November 4, 2013	June 7, 2014	June 28, 2015

* *Of which 640 shares will mature 09/16/2012.*

Position of plans as of December 31, 2011

Total number of shares allocated	4,740 shares	13,320 shares	27,728 shares	38,980 shares
Total number of shares left to be acquired after recorded exercising of options and canceled options	-	-	20,120 shares	38,980 shares
Adjusted acquisition price of free share allotments				
France	€48.77	€61.36	€51.45	€36.04
Abroad	€41.24	€52.11	€43.40	€29.95

NOTE 32 Assignment of receivables

Cegelease concluded a flow exchange transaction with Natixis, according to the terms of which Natixis must pay forecasted amounts for lease receivables to Cegelease, and Cegelease must pay the actual amounts for these same receivables to Natixis.

FCB has granted Natixis its guarantee to cover the risks of this flow exchange transaction.

To pay for the service provided by FCB, Cegelease paid the latter a bonus of 1.2 million euros in 2007. This is a one-time, firm and final bonus for the duration of the transaction.

As the flow exchange transaction guarantees Cegelease's future receivables, Natixis has granted the latter a cash collateral that is repaid as the receivables are collected.

As a guarantee of its obligations to repay the cash collateral, Cegelease must transfer full ownership of certain receivables resulting from its goods leasing activity to Natixis. The financial interest (478 thousand euros for 2011) is calculated on the cash collateral.

The cash collateral, which is the discounted outstanding leases yet to be collected from customers on behalf of Natixis, amounted to slightly less than 4 million euros at December 31, 2011. The 2011 repayments, initially estimated at 14 million euros, were revised downwards in 2011, which means that the IXIS debt was not entirely paid off during the fiscal year.

The 2012 repayments are estimated at approximately 4 million euro, which should allow the Company to pay off the IXIS debt in full in 2012.

On December 9, 2011, Cegedim SA concluded a deconsolidation transaction with Eurofactor relating to the assignment of receivables for 13 million euros.

NOTE 33 Auditors' fees

In thousands of euros	2011				2010			
	Mazars	%	Grant Thornton	%	Mazars	%	Grant Thornton	%
Audit								
Auditing, certification, review of individual and consolidated financial statements								
Cegedim SA	*260*	*54.97%*	*260*	*47.85%*	*330*	*41.35%*	*330*	*55.00%*
Fully consolidated subsidiaries	*213*	*45.03%*	*283*	*52.15%*	*468*	*58.65%*	*270*	*45.00%*
Other work and services directly linked to the Auditors' assignment								
Cegedim SA	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*
Fully consolidated subsidiaries	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*	*-*	*0.00%*
SUB-TOTAL	**473**	**100.00%**	**543**	**100.00%**	**798**	**100.00%**	**600**	**100.00%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, fiscal, social	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SUB-TOTAL	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**
TOTAL	**473**	**100.00%**	**543**	**100.00%**	**798**	**100.00%**	**600**	**100.00%**

NOTE 34 Events occurring after the closing date

To the best of the Company's knowledge, no events or changes with a significant effect on the Group's financial position have taken place since the closing date.

20.1.3 STATUTORY AUDITORS’ REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your annual meeting , we hereby report to you for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of CEGEDIM;
- the justification of our assessments;
- the specific verification required by law.

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

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures,using sampling technics or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.. An audit also includes assessing the accounting principles used, the significant estimates made by management, and the overall financial statements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion..

In our opinion, the consolidated financial statements for the year give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of entities in accordance with IFRS as adopted by the European Union.

Without modifying the opinion expressed above, we draw your attention to:

- the Accounting policies, paragraph "Retirement benefits" as well as note 13 "Retirement commitment" which disclose the change in accounting method which occurred during the fiscal year pertaining to the application of the option offered by IAS 19 as amended,
- note 7 relating to the "Goodwill on acquisition" which stipulates that the difficult economic environment which the Group faced in 2011 was included in the assumptions and the business plans underlying the impairment tests for Goodwill on acquisition. The Group's top management also emphasized that there is no reason to believe that this environment had a long-term and structural impact on the CRM sector's forecast and its strategic positions.

II - Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code relating to the justification our assessments, we bring to your attention the following matters:

CAPITALIZATION OF DEVELOPMENT COSTS

In the context of our assessment of the accounting principles applied by your company, we reviewed the conditions for capitalization of development costs, the amortization method used and the manner in which their recoverable amount was validated and we ensured that the “Accounting policies - Intangible assets and Asset impairment” paragraphs of the consolidated financial statements provided appropriate disclosures.

IMPAIRMENT TESTS

As mentioned in the first part of this report, note 7 of the consolidated financial statements describes the economic environment which the group faced in 2011. It was taken into consideration in the assumptions and business plans underlying the impairment tests for Goodwill on acquisition.

At each balance sheet date, the company performs impairment tests of goodwill and assets with indefinite useful lives and it also assesses whether any indications of impairment of long-term assets exist, in accordance with the methodology described in the “Accounting principles – Asset impairment” paragraph of the consolidated financial statements. We reviewed the manner in which this impairment test was implemented and the cash flow forecasts and assumptions used and verified that the “Accounting principles – Asset impairment” paragraph as well as note 7 to the consolidated financial statements provided appropriate disclosures.

RETIREMENT BENEFIT OBLIGATIONS

As mentioned in the first part of this report, note 13 of the appendix describes the change in accounting method which took place during the fiscal year relating to applying the option offered by IAS 19 as amended.

The "Accounting policies – Retirement benefits" paragraph describes the valuation methods used for retirement benefit obligations. Our work involved reviewing the figures used, assessing the assumptions retained and verifying that note 13 to the financial statements provided appropriate disclosures.

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

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III – Specific verification

In accordance with the professional standards applicable in France, We have also performed the specific verifications required by law of the information relating to the group as given in the management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris and Courbevoie on April 5, 2012

Statutory Auditors

Grant Thornton
French Member Of Grant Thornton International

Michel COHEN

Mazars

Jean-Paul STEVENARD

Jérôme DE PASTORS

20.2 HISTORICAL FINANCIAL INFORMATION – STATUTORY FINANCIAL STATEMENTS

20.2.1 STATUTORY FINANCIAL STATEMENTS AT SATURDAY, DECEMBER 31, 2011 – CEGEDIM SA

Balance sheet assets

In thousands of euros	Amount Gross	Depreciation and provision	Net amount 12/31/2011	Net amount 12/31/2010	Net amount 12/31/2009
Intangible assets					
Development costs	11,841		11,841	15,133	9,526
Concessions, patents, and similar rights	495	336	159	172	184
Goodwill	5,540	174	5,365	0	0
Other intangible assets	133,983	31,962	102,022	79,411	66,038
Tangible assets					
Buildings	3,197	798	2,398	2,665	3,450
Technical facilities, tooling	29,015	21,519	7,496	6,409	4,971
Other tangible assets	1,900	1,754	146	139	160
Construction work in progress	1,256		1,256	232	3
Long-term investments					
Other equity investments	871,885	61,809	810,076	821,077	798,418
Minority interest related receivables	186		186	0	740
Loans	46,117	4,828	41,289	39,851	22,343
Other long-term investments	4,366		4,366	3,011	3,166
FIXED ASSETS	**1,109,780**	**123,180**	**986,600**	**968,100**	**909,000**
Inventory and work in progress					
Inventory of goods and raw materials	19		19	17	20
Production of services in progress	0		0	97	0
Goods	0		0	5	0
Advances and deposits made on orders	451		451	474	463
Accounts receivable and associated accounts	67,416	541	66,875	55,924	57,016
Other receivables	35,473		35,473	26,899	12,597
Subscribed and called capital not paid					
Marketable securities	4,407	222	4,185	5,368	31,416
Cash and cash equivalents	69		69	269	6,492
Accruals					
Prepaid expenses	5,842		5,842	6,067	3,563
CURRENT ASSETS	**113,678**	**762**	**112,916**	**95,121**	**111,568**
Deferred loan issuing costs	6,748		6,748	5,615	5,223
Unrealized exchange losses	1,076		1,076	4,044	264
TOTAL ASSETS	**1,231,281**	**123,942**	**1,107,339**	**1,072,880**	**1,026,055**

Balance sheet liabilites

In thousands of euros	12/31/2011	12/31/2010	12/31/2009
Share capital	13,337	13,337	13,337
Share premiums, merger share premiums	244,313	244,313	244,313
Legal reserves	1,334	1,334	889
Regulated reserves	1,140	1,363	1,879
Other reserves	106,127	99,139	51,217
Retained earnings	188	143	104
Profit (loss) for the period	23,244	20,762	61,849
Regulated Provisions	1,838	1,669	1,385
SHAREHOLDERS' EQUITY	**391,520**	**382,060**	**374,972**
Provisions for risks	2,979	10,203	4,058
Provisions for expenses	5,696	4,065	3,156
PROVISIONS FOR RISKS AND EXPENSES	**8,675**	**14,268**	**7,214**
Financial Liabilites			
Other bonds	280,000	300,000	0
Loans and liabilities from financial institutions	221,429	203,284	476,941
Miscellaneous loans and financial liabilities	46,910	47,119	58,148
Advances & payments on account received on orders in progress	103	52	105
Operating Liabilities			
Accounts payable and related accounts	50,644	43,536	68,160
Tax and social liabilities	25,861	27,533	22,357
Miscellaneous Liabilities			
Payables on fixed assets and associated accounts			
Other liabilities	48,392	28,801	1,091
Deferred income	889	86	127
LIABILITIES	**674,228**	**650,411**	**626,929**
Unrealized exchange gains	32,916	26,141	16,939
TOTAL LIABILITIES	**1,107,339**	**1,072,880**	**1,026,055**

Income statement (part 1)

In thousands of euros	12/31/2011	12/31/2010	12/31/2009
Sale of goods France	0	2	4
Sale of goods outside France	5	0	33
Production of goods sold France	8	35	26
Production of services sold France	123,895	130,082	128,585
Production of services sold outside France	53,375	40,044	27,239
NET REVENUE	**177,284**	**170,162**	**155,887**
Stocked production	0	97	0
Capitalized production	27,667	25,884	19,534
Write-back s on depreciation, provisions and transferred expenses	4,178	4,240	1,357
Other income	549	710	448
OPERATING INCOME	**209,678**	**201,093**	**177,225**
Purchase of goods	0	7	37
Variations in inventories of goods and raw materials	3	(2)	41
Purchase of raw materials and supplies	6	0	0
Other external purchases and expenses	111,751	103,515	86,681
Taxes, duties, and similar payments	4,630	4,389	4,087
Wages and salaries	51,519	49,314	46,540
Payroll taxes	24,062	22,751	21,846
Depreciation of fixed assets	15,926	12,272	10,186
Provisions for current assets	290	306	572
Provisions for risks and expenses	2,068	1,417	1,595
Other expenses	650	1,383	158
OPERATING EXPENSES	**210,905**	**195,353**	**171,742**
OPERATING EARNINGS	**(1,228)**	**5,741**	**5,483**

Income statement (part 2)

In thousands of euros	12/31/2011	12/31/2010	12/31/2009
Financial income from equity interests	46,925	36,676	73,485
Other interest and related income	24,734	20,039	21,195
Writebacks on provisions and transferred expenses	22,197	14,455	15,304
Foreign exchange gains	3,464	5,752	3,869
Net gain on disposal of short-term investments	30	209	299
FINANCIAL INCOME	97,348	77,131	114,152
Financial depreciation and provisions	19,403	17,011	7,231
Interest and related expenses	55,363	45,006	54,931
Foreign exchange losses	816	4,699	4,414
FINANCIAL EXPENSES	75,582	66,716	66,575
Financial earnings	**21,766**	**10,415**	**47,577**
Current earnings before tax	**20,539**	**16,156**	**53,060**
Non-recurring income on management operations	0	0	0
Non-recurring income on capital transactions	451	835	107
Writebacks on provisions and transferred expenses	723	632	481
NON-RECURRING INCOME	1,173	1,467	588
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions	1,290	866	72
Non-recurring expenses from depreciation and provisions	892	916	542
NON-RECURRING EXPENSES	2,182	1,782	613
Non-recurring earnings	**(1,008)**	**(315)**	**(26)**
Employee profit-sharing	451	288	316
Income taxes	(4,165)	(5,209)	(9,130)
TOTAL INCOME	**308,199**	**279,691**	**291,964**
TOTAL EXPENSES	**284,955**	**258,930**	**230,116**
PROFIT (LOSS) FOR THE PERIOD	**23,244**	**20,762**	**61,849**
NET EARNINGS PER SHARE (in euros)	**1.66**	**1.48**	**4.42**
EARNINGS PER SHARE BEFORE TAX (in euros)	**1.36**	**1.11**	**3.77**
CURRENT EARNINGS PER SHARE (in euros)	**1.47**	**1.15**	**3.79**

TABLE OF SUBSIDIARIES AND EQUITY INVESTMENTS

Subsidiaries held at over 50%	Share capital(1)	Shareholders' equity other than share capital(1)	% of control	Book value of shares owned Gross value	Provision for depreciation on shares
Amix	160	(129)	100.00%	8	0
Alliadis	1,244	1,192	100.00%	44,224	0
Alliance Software	1,563	3,192	100.00%	8,962	0
Cegedim Logiciels Médicaux	1,000	1,730	100.00%	30,567	20,493
CDS	10,008	(12,957)	100.00%	12,518	12,482
Cegelease	10,000	3,445	100.00%	10,219	0
Cegedim Activ	13,323	16,006	100.00%	30,000	0
Cegedim Prestation Conseil Outsourcing	2,500	(449)	100.00%	5,553	3,502
Cegedim SRH	7,000	(3,874)	100.00%	12,446	8,656
Cetip	749	2,050	99.66%	1,179	0
CSD France	398	(9,069)	76.64%	1,797	0
GERS SAS	50	1,596	100.00%	50	0
Hospitalis	37	(26)	100.00%	37	0
Icomed	3,087	1,973	100.00%	189	0
Incams	38	(87)	100.00%	2,626	793
MedExact	37	3,431	100.00%	655	0
Pharmapost	2,302	(183)	100.00%	5,366	3,003
Pharmastock	576	493	100.00%	576	0
Reportive SA	8,002	(2,618)	100.00%	2,448	0
Resip	159	1,663	100.00%	20,435	0
RNP	495	2,859	100.00%	2,430	0
Rosenwald	43	(343)	100.00%	1,484	1,032
Sofiloca	15	441	100.00%	15	0
SCI 2000	4	449	68.83%	847	0
Cegedim USA	298,464	17,229	100.00%	302,632	0
Cegedim do Brazil	716	(6,277)	100.00%	716	716
Cegedim Holding GmbH	11,559	(1,398)	100.00%	12,600	7,533
Cegedim GmbH (Austria)	130	490	100.00%	130	0
Cegedim UK Ltd	5,172	(1,438)	100.00%	5,220	1,485
In Practice Systems (England)	19,845	4,676	100.00%	0	0
THIN (England)	2	(736)	100.00%	188	188
Cegedim World Int.Services Ltd	60,000	3,074	100.00%	60,000	0
Cegedim Computer Technics (Hungary)	90	(3)	100.00%	89	3
Cegedim Hellas	358	739	99.99%	360	0
Cegedim Romania SRL	2	1,670	100.00%	1,031	0
Cegedim SK (Slovakia)	12	596	100.00%	8	0
Croissance 2006 (Belgium)	1,378	6,371	100.00%	6,243	0
Cegedim Belgium	269,075	(2,692)	99.97%	268,985	0
Cegedim Tunisia	198	(146)	50.00%	1,419	1,246
Cegedim Algeria	85	5	100.00%	85	0
Cegedim LLC (Russia)	200	2,267	99.99%	2,096	0
Cegedim CZ Czech Republic	29	958	100.00%	1,171	0

Book value of shares owned	Loans and advances granted not reimbursed		Provision Risk	Revenue excl. tax[(2)]	Profit (loss) for the period[(2)]	Dividends received
	Gross value	Gross value				
8				2,920	(19)	
44,224				47,255	(935)	4,492
8,962				20,771	1,237	
10,074				19,880	1,756	
36	27,903			0	295	
10,219	10,000			99,780	2,719	4,754
30,000				73,788	7,275	1,451
2,051				7,773	318	
3,791				23,019	468	
1,179	1,200			13,567	486	620
1,797				29,159	181	
50				26,941	1,591	1,037
37				2,140	329	
189				17,245	893	
1,832				3,034	38	
655				5,971	1,590	991
2,363				6,725	(244)	244
576				2,947	252	
2,448				3,371	1,209	
20,435				5,302	1,425	1,028
2,430				24,831	2,657	3,442
452	800			472	(67)	
15				2,860	431	375
847				244	176	156
302,632				0	(1)	
0	4,827	4,828	734	7,372	(902)	
5,067				1,135	227	6,300
130				1,924	59	
3,735				15,604	938	
0				36,928	2,539	5,794
0			734	1,165	(3)	
60,000				83	2,587	3,000
87				694	(47)	
360				6,761	815	1,098
1,031				5,469	418	1,892
8				1,195	160	36
6,243				0	286	
268,985				8,272	(2,700)	679
174				153	383	
85	235			696	(35=	
2,096				12,257	869	
1,171				4,842	550	800

Subsidiaries held at over 50%	Share capital[(1)]	Shareholders' equity other than share capital[(1)]	% of control	Book value of shares owned Gross value	Provision for depreciation on shares
Cegedim Italy	10,000	5,547	100.00%	10,025	0
Cegedim Trends (Egypt)	14	675	70.00%	434	0
Cegedim Spain	810	2,239	100.00%	1,656	0
Next Software (Tunisia)	187	(189)	94.51%	177	0
TOTAL – SUBSIDIARIES HELD AT OVER 50%				**869,898**	**61,133**

Total – subsidiary held at less than 50%	Share capital	Shareholders' equity other than share capital	% of control	Book value of shares owned	Provision for depreciation on shares
				Gross value	
Edipharm	15	246	20.00%	3	0
iGestion	4,000	(6,297)	0.00%	0	0
Netfective Technology	461	4,159	7.11%	899	570
NEX & COM	500	1,679	20.00%	13	0
CSD Belgium (e.g.: BKL Pharma consulting)	62	(333)	0.02%	0	0
Cegedim Portugal	560	4,179	8.93%	535	103
Cegedim AS Turkey	485	1,004	26.41%	497	0
GERS Maghreb (Tunisia)	547	31	6.42%	40	2
TOTAL – SUBSIDIARIES HELD AT LESS THAN 50%				**1,987**	**676**
TOTAL				**871,885**	**61,809**

(1) Capital and shareholders' equity of subsidiaries that are not in the euro zone are given at their exchange value in thousands of euros on the historical dates.
(2) Revenue and net earnings for subsidiaries that are not in the euro zone are given in thousands of euros at the annual average exchange rate for the 2011 fiscal year.

Book value of shares owned	Loans and advances granted not reimbursed		Provision Risk	Revenue excl. tax[2]	Profit (loss) for the period[2]	Dividends received
	Gross value	Gross value				
10,025				19,031	1,513	5,500
434				1,651	165	571
1,656				14,577	976	2,400
177				102	(95)	
808,765	**44,965**	**4,828**	**1,468**	**579,905**	**32,760**	**46,659**

Book value of shares owned	Loans and advances granted not reimbursed		Provision Risk	Revenue excl. tax	Profit (loss) for the period	Dividends received
Net book value	Gross value	Gross value				
3	275			5,798	175	31
0				9,258	(1,053)	
328				5,568	762	39
13				4,420	300	
0				1,333	(83)	
431				10,280	495	89
497				4,269	466	106
38	288			680	168	
1,311	**563**	**0**	**0**	**41,607**	**1,230**	**265**
810,076	**45,528**	**4,828**	**1,468**	**621,512**	**33,991**	**46,925**

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20.2.2 NOTES TO THE STATUTORY FINANCIAL STATEMENTS – CEGEDIM SA

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 Characteristics of the 2011 fiscal year

A) Loan "Refinancing of June 2011 bank loan"

On June 10, 2011, in the framework of its policy to extend the maturity of its bank debt, Cegedim SA took out a variable-rate loan of 200 million euros maturing in 2016 and payable twice yearly.

The entire loan was used to repay the old bank loan of 123,319 thousand euros (term A1) and 87,705 thousand dollars (term A2).

This new loan allowed to pay off the dollar debt and thus to post a definitive foreign exchange gain of 1,681 thousand euros and release the pledges relating to the old bank loan.

Loan features:

Amount: 200,000,000 euros

Date of payment: Friday, June 10, 2011

Half-yearly amortization of 20,000 thousand euros every six months.

Final payment: June 10, 2016

Variable rate

B) Capitalization of development costs

Development costs for software developed by Cegedim and its subsidiaries (consisting of payroll expenses and cost of external services) were capitalized as intangible assets totaling 27,168 thousand euros, since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

C) Free share awards

On June 29, 2011, the Board of Directors was authorized by the Extraordinary General Shareholders' Meeting of June 8, 2011, to award a maximum of 41,640 free shares to the Directors and employees of the Cegedim Group (see note 28).

D) Complete Transfer of Assets and Liabilities

Cegedim SA took over Apsys Net, Cegedim Holding CIS, Cegers and *Deskom*. The complete transfer of *Deskom*'s assets and liabilities took place on January 3, 2011 and July 1, 2011. Consequently, the balance sheet of Cegedim SA at December 31, 2011 is made up of the Company's assets and liabilities and of the assets and liabilities of companies acquired. Merger losses resulted from these acquisitions, corresponding to the difference in the proportionate share of the net assets received of the companies acquired and the net book value of Cegedim SA shares. For Apsys Net, Cegedim Holding CIS and Cegers, the merger losses amounted to "real" losses. In compliance with the Accounting Plan, these losses, which amount to 3,173 thousand euros, are recorded under financial earnings. For *Deskom,* the merger loss corresponds to a technical loss recorded under goodwill for 5,365 thousand euros.

NOTE 2 Accounting Rules and Methods

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

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

- operational continuity;
- consistency of accounting methods from one fiscal year to another;
- independence of fiscal years.

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

The main rules and methods used are as follows:

A) Intangible Assets

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

RESEARCH AND DEVELOPMENT COSTS

Cegedim incurs costs in connection with project development operations.

Development costs for new projects are capitalized as long as the following criteria are fully satisfied (CRC regulation No. 2004-06):

- the technical feasibility necessary to complete the intangible asset in order to use it or sell it;

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

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

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

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

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

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

Cegedim SA capitalized 110,480 thousand euros including 27,168 thousand euros for the 2011 fiscal year in Research and Development, this latter amount only relating to software developed by Cegedim and its subsidiaires.

Economically, the two main projects involve the "CRM and strategic data" sector for a total amount of 63,212 thousand euros. These projects have an average depreciation duration of 19 years. The other miscellaneous projects, concerning all of Cegedim SA's activity sectors for a total of 47,268 thousand euros, depreciate over an average of five years.

ACQUIRED ASSETS

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

B) Tangible assets

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

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

The depreciation periods and methods used are generally the following:

COMPUTER HARDWARE

- Microcomputers intended for office use: between three and four years; straight-line method.
- Server systems: straight-line depreciation; between five and 15 years.

FIXTURES AND FACILITIES

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

C) Equity investments and other investments

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

Equity investments are subject to a provision for impairment as necessary. The objective of this method is to compare the amount of equity investments to the subsidiary's net consolidated book value.

The difficult economic environment facing the Group in 2011 was taken into account in the assumptions and business plans underlying the valuation of equity investments. The Group's top management also emphasized that there is no reason to believe that this environment had a long-term and structural impact on the CRM sector's forecast and its strategic positions.

D) Treasury shares

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

However, the existing treasury shares on December 31, 2011 involve all of the treasury shares intended for the Cegedim Group's managers and employees (see note 28), therefore they are recorded as investment securities and there no impairment is recorded.

E) Accounts receivable

Receivables are valued at their face value.

A provision for impairment is recognized if the inventory value, based on the probability of collection, is less than the recorded value. Thus, customers undergoing reassessment or judicial liquidation are routinely impaired at 100% and receivables outstanding for more than six months are monitored on a case-by-case basis and, if necessary, impaired in the amount of the estimated risk of non-collection. Pursuant to a factoring contract signed on December 9, 2011, Cegedim SA assigned receivables representing 13,093 thousand euros at December 31, 2011. The receivables assigned to the Factor correspond mainly to the security deposit of 1,309 thousand euros, representing 10% of the receivables sold, and to the Eurofactor current account, the balance of which has been paid in full.

F) Retirement benefit obligations

Retirement obligations are recorded as a provision for expenses. Cegedim SA effectively applies the provisions of CNC recommendation No.2003-R-01 of April 1, 2003, related to the rules for recording and measuring retirement obligations and similar benefits and therefore the preferred method.

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

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

G) Revenue recognition

Cegedim SA's revenue consists primarily of services, and if necessary, any sales of software and hardware.

SERVICES

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

- access to Cegedim databases is generally subject to subscription with periodic billing (monthly or annually); sales revenue is then recorded on a prorated basis according to elapsed time;
- standard and specific studies supplied by Cegedim are recorded upon delivery to clients;
- data processing performed for clients is recorded when the service is provided;
- support services (assistance, maintenance, etc.) are covered by a contract (generally annual) calculated on a lump sum basis in relation to the costs and resources committed by Cegedim to provide these services. Income from these contracts is recorded on a prorated basis over the duration of the contract and results in the recognition of deferred income.

SOFTWARE AND HARDWARE SALES

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

H) Transactions in foreign currencies

Expenses and income in foreign currencies are recorded at their exchange value in euros on the date of the transaction.

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

I) Deferred charges/loan issue costs

This represents the deferment of loan issue costs over the duration of the loans (i.e. five years for the bank loan and five years for the bond issue). The total amount for the past fiscal year amounts to 1,771 thousand euros.

In 2011, loan issue costs in the amount of 2,904 thousand euros, which allowed for the refinancing of existing debt, were appropriated over the duration of the loan in accordance with the loan's terms of reimbursement (five years).

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

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

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

J) Statutory Auditors' fees (decree No.2008-1487 dated December 30, 2008)

The information pertaining to the Statutory Auditors' fees is not provided because it is listed in the Notes to Cegedim SA's consolidated financial statements.

NOTE 3 Tangible assets

In thousands of euros	Balance on 12/31/2010	Reclassification peer-to-peer	TUP[(1)]	Acquisitions Contributions	Disposals Withdrawals	Balance on 12/31/2011
Establishment and development Costs	15,133	(11,462)	289	7,880		11,841
Other intangible assets	79,305	31,723	7,577	1,868	385	120,089
Other intangible assets in progress	20,238	(20,262)	292	19,716	55	19,930
INTANGIBLE ASSETS	**114,676**	**0**	**8,158**	**29,464**	**440**	**151,859**
Buildings on un-owned land	0					0
General buildings & facilities	3,197					3,197
Technical facilities, tooling	25,871	212	54	3,640	762	29,015
Office and IT equipment and furniture	2,019		148	38	305	1,900
Tangible assets under construction	232	(212)		1,237		1,256
TOTAL TANGIBLE ASSETS	**31,318**	**0**	**202**	**4,915**	**1,067**	**35,368**
Other equity investments	878,883		2,096	388[(2)]	9,296[(2)]	872,071
Loans and other long-term investments	47,023		77	39,125[(3)]	35,742[(3)]	50,482[(3)]
TOTAL LONG-TERM INVESTMENTS	**925,906**	**0**	**2,173**	**39,513**	**45,038**	**922,553**
GRAND TOTAL	**1,071,900**	**0**	**10,533**	**73,892**	**46,545**	**1,109,780**

(1) Contributions of acquired companies (Apsys Net, Cegers and Cegedim Holding CIS) to Cegedim at January 3, 2011;
Contribution of acquired company (Deskom) to Cegedim at July 1, 2011.
(2) The increase in equity investment value:
- Cegedim Tunisia subsidiary: capital increase through cash contribution;
- Next Software Tunisia subsidiary: capital increase by incorporation into the current account.
The decrease in equity investment value:
- Cegers subsidiary: TUP in Cegedim at 1/3/2011;
- APSYS NET subsidiary: TUP in Cegedim at 1/3/2011;
- Cegedim Holding CIS subsidiary: TUP in Cegedim at 1/3/2011;
- Deskom subsidiary: TUP in Cegedim at 7/1/2011;
- Qualipharma subsidiary: Disposal of securities;
- iSanté subsidiary: Disposal of securities.
(3) The account "Loans, other long term investments" is made up of security deposits in the amount of 4,365 thousand euros, 45,528 thousand euros in loans to subsidiaries, and 589 thousand euros in loans for construction efforts.
The main loans granted to subsidiaries during the fiscal year were as follows: Cegelease for 15,000 thousand euros, CLM for 9,500 thousand euros and Cegedim do Brazil for 3,188 thousand euros.
The main loan reimbursements to subsidiaries obtained during the fiscal year were as follows: Cegelease for 5,000 thousand euros, CLM for 9,500 thousand euros, CSD France for 3,700 thousand euros and foreign companies (Cegedim Norway, Cegedim Finland, Cegedim Sweden and Cegedim Denmark) for 6,856 thousand euros.

The typical features of loans granted to subsidiaries are:

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

NOTE 4 Amortization

Positions and changes: fiscal year

In thousands of euros	Balance on 12/31/2010	TUP	Allowances	Reversals	Balance on 12/31/2011
Establishment and development Costs	0		0	0	0
Other intangible assets	19,961	1,487	11,058	34	32,472
Other intangible assets in progress	0		0	0	0
INTANGIBLE ASSETS	**19,961**	**1,487**	**11,058**	**34**	**32,472**
Buildings on un-owned land	0		0	0	0
General buildings & facilities	532		266	0	798
Technical facilities, tooling	19,462	30	2,790	763	21,519
Office and computer equipment	1,880	139	40	305	1,754
TOTAL TANGIBLE ASSETS	**21,873**	**169**	**3,097**	**1,069**	**24,071**
GRAND TOTAL	**41,834**	**1,656**	**14,155**	**1,102**	**56,543**

	Breakdown of depreciation			Accelerated	
In thousands of euros	Straight-line	TUP	Declining balance	Allowances	Reversals
Establishment and development Costs	0				
Other intangible assets	11,058	1,487			
Other intangible assets in progress	0				
INTANGIBLE ASSETS	**11,058**	**1,487**			
Buildings on un-owned land	0				
General buildings & facilities	266				
Technical facilities, tooling	2,790	30		892	723
Office and computer equipment	40	139			
TOTAL TANGIBLE ASSETS	**3,097**	**169**	**0**	**892**	**723**
GRAND TOTAL	**14,155**	**1,656**	**0**	**892**	**723**

NOTE 5 Provisions

In thousands of euros	Balance on 12/31/2010	TUP	Allowances	Reversals Used	Reversals Not used	Balance on 12/31/2011
Accelerated depreciation	1,669		892		723	1,838
TOTAL REGULATED PROVISIONS	**1,669**	**0**	**892**		**723**	**1,838**
Provisions for litigation	0					0
Provision for exchange losses	4,044		1,076		4,044	1,076
Provisions for pensions and similar obligations	3,319	78	1,504	130	0	4,771
Provisions for shares allocated to employees	746		364	185	0	926
Other provisions for risks and expenses	415		200	125	55	435
Provisions for risks on equity investments	5,743		380		4,655	1,468
TOTAL PROVISIONS FOR RISKS AND EXPENSES	**14,268**	**78**	**3,523**	**439**	**8,754**	**8,675**
Equity investments	57,806	442	14,285		10,723	61,809
Other long-term investments	4,161		3,441		2,774	4,828
Provisions for impairment of accounts receivable	590	38	290	184	195	541
Other provisions for impairment	0		222		0	222
TOTAL PROVISIONS FOR IMPAIRMENT	**62,557**	**480**	**18,238**	**184**	**13,692**	**67,399**
GRAND TOTAL	**78,493**	**558**	**22,654**	**623**	**23,169**	**77,913**
Operating depreciation and reversals			2,358	623	250	
Financial depreciation and reversals			19,403	0	22,197	
Non-recurring depreciation and reversals			892	0	723	

NOTE 6 Due dates for receivables and liabilities

Statement of receivables

In thousands of euros	Gross amount	At one year or less	At more than one year
Minority interest-related receivables	186	186	0
Loans	46,117	0	46,117
Other long-term investments	4,366	1,309	3,056
Doubtful or litigious customer receivables	1,669	1,669	
Other customer receivables	65,747	65,747	
Employees and related obligations	159	159	
Social security and other social agencies	1	1	
Statement: Corporate tax	0	0	
Statement: Value added tax	2,098	2,098	
Statement: Miscellaneous receivables	125	125	
Group and associates	32,790	32,790	
Miscellaneous debtors	300	300	
Prepaid expenses	5,842	5,842	
GRAND TOTAL	**159,399**	**110,226**	**49,173**
Loans granted during the fiscal year	37,763		
Repayments received during the fiscal year	35,658		

Statement of debts

	Gross amount	At one year or less	More than one year, five or more years	At more than five years
Other bonds	280,000	0	280,000	
Loans initially due in under one year maximum	42,635	42,635		
Loans initially due in more than one year*	208,478	48,478	160,000	
Miscellaneous loans and financial liabilities	46,910	501	46,409	
Accounts payable	50,644	50,644		
Employees and related obligations	9,493	9,493		
Social security and other social agencies	4,943	4,943		
Statement: Corporate tax	2,184	2,184		
Statement: Value added tax	7,847	7,847		
Statement: Other income tax, and other related taxes	1,393	1,393		
Payables on fixed assets and associated accounts	0	0		
Group and associates	33,663	33,663		
Other liabilities	14,729	14,729		
Deferred income	889	889		
GRAND TOTAL	**703,810**	**217,400**	**486,409**	**0**
Loans taken out during the fiscal year*	229,064			
Loans reimbursed during the fiscal year*	243,836			

* *Issuance of a 200 million euro loan with a 2015 due date allowing for a portion of the existing bank debt to be reimbursed. Early repayment of all loans under the credit agreement entered into on May 3, 2007 for 189 million euros.*

NOTE 7 Retirement

	Through an insurance fund	Through a provision for expenses
Retirement obligation covered	1,516 thousand euros	4,770 thousand euros

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

An actuarial valuation plan has been set up to fund the obligations tied to this compensation. The total obligation amounts to 7,514,732 euros, of which 1,516,232 euros paid to an insurance company.

The actuarial assumptions used are as follows:

Economic assumptions	Net interest rate:	4.3%
	Wage increases:	1.7% inflation included
Demographic assumptions	Mortality:	The mortality tables used are the INSEE 2007-2009 tables.
	Mobility:	5.0% per year up to the age of 35
		3.0% up to the age of 45
		1.5% up to the age of 50 and 0% thereafter
Retirement age		Retirement at age 65 for non-management personnel
Retirement age		Retirement at age 65 for management personnel

Collective bargaining agreement:

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

NOTE 8 Tax consolidation scope

Cegedim SA is the parent company and head of the Group.

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

- Alliadis, Alliance Software, Amix, CLM, CDS, Cegedim Activ, Cegedim Ingénierie, Cegedim SRH, Cegelease, Cetip, Euroformat, GERS SAS, Hospitalis, Icomed, Incams, iSanté, MedExact, Cegedim Prestation Conseil Outsourcing, PG Informatique, Pharmastock, Pharmapost, Qualipharma, Resip, RNP, RMI, Rosenwald, Sofiloca, Proval SA;
- tax expenses are borne by the consolidated companies as if there were no tax consolidation;
- the tax savings of unprofitable subsidiaries are recorded as an immediate gain in the parent company and amount to 4,726 thousand euros for 2011 (5,148 thousand euros for 2010);
- the deficits of the companies included in the consolidated tax group scope flowed to the parent company;
- the companies that would become beneficiaries generated an additional tax expense evaluated at 14,014 thousand euros at December 31, 2011 for Cegedim SA;
- Cegedim SA's reportable deficit amounts to 106,626 thousand euros at December 31, 2011.

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

In thousands of euros	Consolidated companies	Equity Investments	Related companies
Fixed assets			
Equity Investments	870,973	912	
Loans	45,528		
Current assets			
Accounts receivable and associated accounts	30,861	0	5
Other receivables	32,790		
Liabilities			
Financial liabilities			45,094
Trade payables and related accounts	35,681		3,687
Other liabilities	33,663		
Investments			
Financial expenses	17,237		1,962
Financial income	19,984		
Operations			
Management fees			2,520
Rent			4,703

NOTE 10 Advances paid to management

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

NOTE 11 Breakdown of income receivable

In thousands of euros	12/31/2011
Clients – Invoices to be prepared	20,924
ACCOUNTS RECEIVABLE	**20,924**
Suppliers, accrued credits	285
Miscellaneous accrued receivables	125
Receivables from employees	17
OTHER RECEIVABLES	**427**
Banks, accrued interest receivable	0
TOTAL	**21,351**

NOTE 12 Breakdown of expenses to be paid

In thousands of euros	12/31/2011
Accrued interest payable on loans	8,478
Accrued interest payable on equity investments	66
Accrued interest payable on overdrafts	1
BORROWINGS AND FINANCIAL LIABILITIES	**8,546**
Suppliers, accrued invoices	20,288
ACCOUNTS PAYABLE AND RELATED ACCOUNTS	**20,288**
Provision for paid holidays	6,169
Reduced work time provision	1,216
CET holidays provision	121
Other personnel expenses payable	1,481
Government, expenses payable	stet
Group – Consolidated tax	725
TAX AND SOCIAL LIABILITIES	**10,362**
Clients – Credits to be established	631
TOTAL	**39,827**

NOTE 13 Breakdown of deferred revenus and accrued expenses

In thousands of euros	12/31/2011
Purchase of files	52
Custom work	115
Transpac IT lines	97
Water, EDF, heating, & Consumables	0
Rent	1,308
Rental of computer hardware & Miscellaneous	11
Software royalties	87
Maintenance premises and facilities	19
Maintenance of computer hardware	289
Maintenance software	1,307
Maintenance machinery and equipment	4
Insurance	28
Subscriptions & documentation	14
Professional training and seminars	52
Temporary contract	150
Fees	19
Advertising, stock market fees and trade shows	24
Travel & entertainment expenses	19
Telephone	2
Contributions	1
Recruiting costs	2
Training	15
Income taxes	14
Financial expenses	2,211
TOTAL ACCRUED EXPENSES	**5,842**
Service revenue	889
TOTAL DEFERRED INCOME	**889**

NOTE 14 Breakdown of expenses to be shared

Type	Balance on 12/31/2010	Increase	Allowances	Balance on 12/31/2011
Loan issue costs	5,615	2,904	1,771	6,748

Costs for the 2010 bond issue were distributed over the entire term of the loan – five years – using the straight-line method.

In 2011, loan issue costs in the amount of 2,904 thousand euros, which allowed for the refinancing of existing debt, were appropriated over the duration of the loan in accordance with the loan's terms of reimbursement (five years). The balance of the original loan issue costs to enable the acquisition of the Dendrite group on May 9, 2007 for 2,979 thousand euros were distributed over the term of the new loan – five years.

NOTE 15 Share capital details

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

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

Shareholders	No. of treasury shares	% interest	No. of single votes	No. of double votes		Total votes	% voting rights
				Shares	Votes		
FCB	7,358,629	52.57%	2,492,792	4,865,837	9,731,674	12,224,466	64.91%
FSI	2,102,061	15.02%	2,102,061	0	0	2,102,061	11.16%
Public*	4,496,357	32.12%	4,487,237	9,120	18,240	4,505,477	23.92%
Cegedim	40,126	0.29%	0	0	0	0	0
TOTAL	**13,997,173**	**100.00%**	**9,082,090**	**4,874,957**	**9,749,914**	**18,832,004**	**100.00%**

* *Including the Alliance Healthcare equity investment.*

NOTE 16 Identity of Cegedim's parent company: FCB

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

NOTE 17 Statement of changes in consolidated shareholders' equity

In thousands of euros	Capital	Premiums	Legal reserves	Regulated reserves	Other reserves	Retained earnings	Profit (loss) for the period	Regulated Provisions	Total
Capital increase	4,446	176,118							180,564
Decrease in capital		(5,537)							(5,537)
2008 earnings					(22,699)		22,699		0
Dividends									0
Retained earnings									0
Restated reserves				(1,047)	1,047				0
Regulated Provisions								62	62
2009 earnings							61,849		61,849
At 12/31/2009*	**13,337**	**244,313**	**889**	**1,879**	**51,217**	**104**	**61,849**	**1,385**	**374,972**
Capital increase	0								0
Decrease in capital									0
2009 earnings			445		61,365	39	(61,849)		0
Dividends					(13,958)				(13,958)
Retained earnings									0
Restated reserves				(515)	515				0
Regulated Provisions								284	284
2010 earnings							20,762		20,762
At 31/12/2010*	**13,337**	**244,313**	**1,334**	**1,363**	**99,139**	**143**	**20,762**	**1,669**	**382,060**
Capital increase									0
Decrease in capital									0
2010 earnings					20,717	44	(20,762)		0
Dividends					(13,953)				(13,953)
Retained earnings									0
Restated reserves				(223)	223				0
Regulated Provisions								169	169
2011 earnings							23,244		23,244
At 12/31/2011*	**13,337**	**244,313**	**1,334**	**1,140**	**106,127**	**188**	**23,244**	**1,838**	**391,520**

* *Shareholders' equity before distribution.*

NOTE 18 Breakdown of revenue

In thousands of euros	France	Outside France	Total
Sales of goods	0	5	5
Production of goods	8	0	8
Production of services	123,895	53,375	177,271
TOTAL	**123,903**	**53,381**	**177,284**

NOTE 19 Share of earnings on joint operations

In thousands of euros	Total earnings	Transferred earnings
Edipharm	175	35
TOTAL	**175**	**35**

NOTE 20 Non-recurring expenses and income

Description of expense

In thousands of euros	12/31/2011
Book value of intangible assets sold	406
Book value of tangible assets sold	(1)
Book value of long-term investments sold	885
Accelerated amortization and depreciation	892
TOTAL	**2,182**

Type of Income

In thousands of euros	12/31/2011
Gain on the disposal of intangible assets	376
Gain on the disposal of tangible assets	57
Gain on the disposal of long term investments	18
Writeback of accelerated depreciation	723
TOTAL	**1,173**

NOTE 21 Breakdown of corporate tax

Breakdown

In thousands of euros	Earnings before tax	Tax due	Net earnings after tax
Income from continuing operations	20,539	(431)	20,970
Corporate tax savings on deficits/consolidated companies		(4,726)	4,726
CT refunds consolidated companies		1,772	(1,772)
Neutralization of CT tax consolidation		(781)	781
Short term non-recurring earnings	(1,008)	0	(1,008)
Employee profit-sharing	(451)	0	(451)
Tax on transferred companies		0	0
Source withholding		0	0
ACCOUNTING EARNINGS	**19,079**	**(4,165)**	**23,244**

NOTE 22 Deferred and latent tax situation

Deferred taxation is as follows:

- organic: 312 thousand euros;
- holding: 451 thousand euros;
- retirement provision: 1,504 thousand euros;
- provision for exchange losses: 1,076 thousand euros;
- non-deductible provisions: 20 thousand euros.

The corresponding deferred tax amounts to 1,158 thousand euros.

NOTE 23 Compensation of administration and management bodies

Directors' fees paid to Board members came to 120 thousand euros in 2011 and are recorded as "Other expenses" in the income statement.

In thousands of euros	12/31/2011	12/31/2010
Short-term benefits (wages, bonuses, etc.)	334	213
Post-employment benefits	*none*	*none*
Severance pay	*none*	*none*
BENEFITS RECOGNIZED	**334**	**213**
Termination benefits	*none*	*none*
BENEFITS NOT RECOGNIZED	***NONE***	***NONE***

NOTE 24 Average number of employees at December 31, 2011

Employees	Salaried employees
Management	613
Non-management	452
Trainees	12
TOTAL	**1,077**

NOTE 25 Net financial debt

In thousands of euros	12/31/2011	12/31/2010
Long-term financial borrowing and liabilities (> five years)	0	0
Medium- and long-term financial borrowing and liabilities (> one year, < five years)	486,409	492,211
Short-term financial borrowing and liabilities (< one year)	48,980	57,950
Current bank loans	12,950	242
Total financial liabilities(1)	548,339	550,403
Total positive cash flow(2)	4,255	5,637
Net financial debt	544,084	544,766
Operating cash flow	38,871	35,592

(1) As of 2010, cash pooling is recorded under "Other debts"
(2) Including 3,267 thousand euros for Investment Securities and shares amounting to 1,140 thousand euros allocated to employees.

Financing was implemented on May 9, 2007 to purchase Dendrite and to re-consolidate the existing debt. A portion was refinanced on July 27, 2010 through a five-year bond issue for 300,000 thousand euros, and the balance on June 10, 2011 through the implementation of a five-year bank loan made up of an amortizable term loan of 200,000 thousand euros and revolver credit of 80 million euros.

Following the repayment of 20 million euros on the term loan at December 31, 2011 and dynamic management of the bond debt, the financing at December 31, 2011 was distributed as follows:

Terms for main loans:	Residual Value
Year 2012	**20,000**
revolving credit facilities at a variable rate renewable every month. (amount used of a total available credit facility of 80,000 thousand euros),	
Year 2015	**280,000**
As a bond issue reimbursable in fine on 7/27/2015 at a 7% fixed rate payable half-yearly.	
Year 2016	
200,000 thousand euro loan	180,000
As an amortizable loan with a variable rate.	
The debt's exposure to variations in the euro rate is partially hedged. through a euro rate hedge.	
At December 31, 2011, the debt hedged to variations in euro rates was composed of three no-premium, one-month, pre-set, Euribor-receiver swaps, with a fixed-rate payer, which are defined as follows: - 4.565% rate on a hedged notional value of 45,653 thousand euros; - 4.57% rate on a hedged notional value of 45,653 thousand euros; - 4.58% rate on a hedged notional value of 45,653 thousand euros;	
The total hedged notional value amounts to €K136,959 at 12/31/2011.	

NOTE 26 Off-balance sheet commitments

Guarantees given by Cegedim to its subsidiaries

CEGEDIM USA INC SUBSIDIARY

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

INCAMS SUBSIDIARY

2,465 thousand euro security for VSS to pay the purchase price of 246,500 capital shares of the iGestion company. In addition, Cegedim is the guarantor of the on-demand guarantee on the payment of the sums for which Incams is responsible, which is itself the guarantor of its subsidiary iGestion, for the repayment of the loan granted by Incams, AXA Assurances Vie Mutuelle and Mutuelle Mieux Etre (co-owner of VSS).

ALL SUBSIDIARIES

One-year authorization for all subsidiaries to grant securities, endorsements and other guarantees for a total of 5 million euros provided no single commitment exceeds 2 million euros (authorized by the Board of Directors on April 13, 2011).

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

Subsidiary shares pledged

Releases of pledges relating to the old bank loan were signed on June 10, 2011.

NOTE 27 Treasury shares

Throughout 2011, the Company did not acquire or dispose of treasury shares except for the shares bought or transferred as part of the free share award plan.

NOTE 28 Allocation of free shares

Following a resolution of the Extraordinary Shareholders' Meeting of June 8, 2011, the Board of Directors, in its meeting of June 29, 2011, was authorized to award a total number of free shares, which were not to exceed 10% of the total number of shares making up the capital, to the Directors and employees of the Cegedim Group.

Following a resolution of the Extraordinary Shareholders' Meeting of February 22, 2008, the Board of Directors, in their meetings of March 21, 2008, November 5, 2009 and June 8, 2010, was authorized to award a total number of free shares, which were not to exceed 10% of the total number of shares making up the capital, to the Directors and employees of the Cegedim Group. The main features are as follows:

- the free shares awarded will grant the right to dividends. Their distribution will be determined as of the award date.

  The plan dated March 21, 2008 authorized a maximum allocation of 43,410 free shares.

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

  The plan dated June 8, 2010 authorized a maximum allocation of 32,540 free shares.

  The plan dated June 29, 2011 authorized a maximum allocation of 41,640 free shares.
- the allocation of these shares to the beneficiaries will become final at the end of a lock-in period of two years for beneficiaries whose residence for tax purposes is in France on the award date, and four years for beneficiaries whose residence for tax purposes is not in France on the award date;
- the shares will be permanently awarded to their beneficiaries on a single condition: no resignation, dismissal, or layoff;
- starting from the final award date, beneficiaries whose residence for tax purposes is in France on the award date must keep their shares for a term of two years starting from the final award date.

On the closing date of December 31, 2011, Cegedim SA recorded a provision of 926 thousand euros in its financial statements.

NOTE 29 Related party disclosures

The volume of training hours accumulated by employees corresponding to rights acquired under related party disclosures at December 31, 2011 is 83,940.

20.2.3 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Fiscal year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your annual meeting, we hereby report to you for the year ended December 31, 2011;

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

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

I - Opinion on the annual financial statements

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

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities as of December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matter set out in note 2 «Accounting rules and methods – paragraph C) Equity investments and other investments» in the Annual Financial Statements. These state that the difficult economic environment facing the Cegedim Group in 2011 was taken into account in the assumptions and business plans underlying the valuation of investments. The Cegedim Group's top management also emphasized that there is no reason to believe that this environment had a long-term and structural impact on the CRM sector's forecast and its strategic positions.

II - Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

CAPITALIZATION OF DEVELOPMENT COSTS

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

VALUATION OF INVESTMENTS

As mentioned in the first part of this report, note 2 "Accounting rules and methods – paragraph C) Investments and other securities" of the appendix to the annual financial statements describes the assessment for investments. The objective of this method is to compare the amount of investments to the subsidiary's net consolidated book value. We carried out specific assessments of the items taken into consideration to estimate current values and, as necessary, verified the calculation of the provisions for impairment.

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

RETIREMENT BENEFIT OBLIGATIONS

Note 2 "Accounting rules and methods– paragraph F) Retirement benefits" of the notes to the annual financial statements describes the valuation methods used for retirement benefit obligations.

These commitments were assessed by outside actuaries. Our work involved reviewing the figures used, assessing the assumptions retained and verifying that note 7 to the financial statements provided appropriate disclosures.

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

The assessments were made as part of our audit of the Annual Financial Statements taken as a whole and therefore part of the formation of our audit opinion expressed in the first part of this report.

III - Specific verifications and information

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

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

Regarding the information provided in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (Code de Comerce) relating to the compensation and benefits paid to the Corporate officers concerned and the engagement granted to them, we verified the conformity with the financial statements, or with the data used for the preparation of the financial statements and, when applicable, with the information collected by the Company from the companies which control your Company or controlled by your Company. On the basis of the audit we performed, we attest that this information is true and fair.

Paris and Courbevoie on April 5, 2012

Statutory Auditors

Grant Thornton French Member Of Grant Thornton International	Mazars	
Michel COHEN	Jean-Paul STEVENARD	Jérôme DE PASTORS

20.3 AUDIT OF ANNUAL HISTORICAL FINANCIAL INFORMATION

20.3.1 AUDIT OF ANNUAL HISTORICAL FINANCIAL INFORMATION

The statutory financial statements drawn up as at December 31, 2011 (and their comparative financial statements as at December 31, 2010 and 2009) and the consolidated financial statements drawn up as at December 31, 2011 (and their comparative financial statements drawn up in accordance with IFRS as at December 31, 2010 and 2009) were audited by the independent Auditors. Their reports concerning fiscal year 2011 are presented respectively in items 20.2.3 and 20.1.3 in this Registration Document.

The reports for fiscal year 2010 are presented in the Registration Document filed with the Autorité des Marchés Financiers on April 21, 2011, under the number D.11-0351.

The reports for fiscal year 2009 are presented in the Registration Document filed with the Autorité des Marchés Financiers on April 26, 2010, under the number D.10.0320.

These reports and the statements accompanying them are included by reference in this Registration Document.

20.3.2 OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT THAT WAS AUDITED BY THE STATUTORY AUDITORS

This entire Registration Document and its notes were read by the Auditors who reported their findings in a final letter. Their comments, where relevant, are reproduced in the statement by the person responsible for the Registration Document appearing in point 1.2.

20.3.3 SOURCE OF FINANCIAL INFORMATION

The financial information appearing in this Registration Document was taken from the audited financial statements of Cegedim.

20.4 DATE OF THE LATEST FINANCIAL INFORMATION

On the date of this Registration Document, the latest information audited goes back to December 31, 2011.

20.5 INTERIM FINANCIAL INFORMATION

No interim financial information has been published since December 31, 2011.

20.6 DIVIDEND DISTRIBUTION POLICY

For the prior fiscal years, except for the fiscal year 2008, the dividend distribution policy was to increase the dividend each year in the same proportions as the profit (loss) for the period.

For 2010, each shareholder received a dividend of 1.00 euro per share, a sum representing 31% of the consolidated profit (loss) for the period attributable to the owners of the parent restated to account for the reduction in the Dendrite brand.

For the fiscal year 2011, the elimination of the dividend distribution will be proposed to the General Meeting.

The number of shares remained the same in 2009 and 2011.

In accordance with French law, all dividends that have not been collected within five years of their payment date expire in favor of the Government.

20.7 LEGAL AND ARBITRATION PROCEDURES

See item 4.4 in this Registration Document.

20.8 SIGNIFICANT CHANGES IN THE FINANCIAL OR COMMERCIAL POSITION

The Group’s financial and commercial position has not changed significantly since the end of the 2011 fiscal year.

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ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

The share capital of Cegedim SA is 13,336,506.43 euros.

The following information is given at December 31, 2011.

21.1.1 SUBSCRIBED EQUITY

There are 13,997,173 authorized shares. The shares have a par value of 0.9528 euros.

There is no authorized unissued capital and all issued shares are fully paid up.

The number of shares remains unchanged at December 31, 2011 at 13,997,173.

21.1.2 SHARES NOT REPRESENTING EQUITY

There are no shares not representing equity.

21.1.3 NUMBER, BOOK VALUE AND PAR VALUE OF THE SHARES HELD BY CEGEDIM OR IN ITS OWN NAME

At December 31, 2011, Cegedim holds 40,126 of its own shares.

21.1.4 TOTAL CONVERTIBLE OR EXCHANGEABLE SECURITIES OR SECURITIES ACCOMPANIED BY SUBSCRIPTION NOTES

There are no convertible or exchangeable bonds or bonds redeemable as shares or share subscription notes or any other securities capable of increasing the equity stock.

21.1.5 CONDITIONS GOVERNING ALL ACQUISITION RIGHTS AND ALL OBLIGATIONS ATTACHED TO SUBSCRIBED, UNPAID EQUITY OR ANY UNDERTAKING SEEKING TO INCREASE THE EQUITY STOCK

None.

21.1.6 INFORMATION CONCERNING THE EQUITY OF ANY MEMBER OF THE GROUP SUBJECT TO AN OPTION OR A CONDITIONAL OR UNCONDITIONAL AGREEMENT PLACING IT UNDER OPTION

None.

21.1.7 HISTORY OF THE SHARE CAPITAL

Date	Transaction	Number of shares		Premiums *(in euros)*	Capital *(in euros)*	Par value *(in euros)*
		Created	After transactions			
	Initial number of shares	488,300	-	-	-	15.24
12/1994	Takeover of Cegedim[(1)]	6,594	494,894	3,308,684.72	7,544,610.39	15.24
	Division of the par value by 4	1,484,682	1,979,576	-	7,544,610.39	3.81
	Capital increase	120,000	2,099,576	7,090,892.39[(2)]	8,001,957.45	3.81
04/1998	Division of the par value by 4	6,298,728	8,398,304	-	8,001,957.45	0.9528063
12/2000	Conversion of the capital into euros[(3)]	-	8,398,304	-	8,001,904.05	0.9528
12/2000	Capital increase through in kind contribution	891,112	9,289,416	70,900,927.60[(4)]	8,850,955.56	0.9528
12/2000	Capital increase through cash contribution	42,033	9,331,449	73,910,793.03[(5)]	8,891,004.61	0.9528
12/2009	Capital increase through cash contribution	4,665,724	13,997,173	-	13,336,506.43	0.9528

(1) FCB, which, since it was founded in 1989, has held 98.61% of Cegedim, merged with Cegedim on December 26, 1994, and took over its name (cf. item 5, note 5.1.3). This internal operation was carried out on the basis of the companies' book value.

(2) Cumulative 1994 merger premium, and €3,782,207.67 in issue premium.

(3) When the equity stock was converted into euros, the par value of the share was set at €0.9528. The conversion rounding based on 8,398,304 shares (i.e. €53.40) resulted in an equity reduction allocated to the unavailable reserves.

(4) The cumulative premiums mentioned in (2) are increased by the contribution premium of €63,810,035.21.

(5) The cumulative premiums mentioned in (3) are increased by the issue premium of €3,009,865.44.

21.2 DEED OF INCORPORATION AND BY LAWS

21.2.1 CEGEDIM'S BUSINESS PURPOSE

According to article 2 of the bylaws, the business purpose of the Company is:

- the acquisition of stakes or interests in all companies or enterprises that offer data processing, market research and marketing;
- the provision of various services in various fields;
- economic and social studies of all kinds in various fields, particularly statistical, financial, commercial and legal studies, market research, opinion polls, surveys of all kinds and in all fields, the creation and use of panels, public relations, advertising and calculations of all kinds;
- the organization and management of companies and company information by the most diverse means;
- documentation through all means and in all fields, particularly the scientific, economic, social and statistical fields, etc.;
- marketing, particularly the penetration of various markets with all the business activities such penetration requires;
- all activities involving information and its processing, information technologies and machine processing in all their design and operational aspects in the various fields;
- all administrative, financial, accounting or management services for the Company's subsidiaries or all other companies in which it holds a stake or any other company;
- the acquisition, subscription and management of all securities;
- all industrial, commercial and financial, movable and real property operations that may be directly or indirectly related to the business purpose and all similar or related purposes;
- the acquisition by the Company, by all means, of equity interests in all enterprises or companies created or to be created related to the business purpose, particularly through the creation of new companies, contributions, general partnerships, the subscription or acquisition of shares or corporate rights, mergers, alliances or joint ventures or economic interest groups or lease management.

21.2.2 PROVISIONS CONTAINED IN THE DEED OF INCORPORATION AND BYLAWS CONCERNING THE MEMBERS OF THE ADMINISTRATIVE OR MANAGEMENT BODIES

The provisions of the Cegedim bylaws concerning the members of its administrative and management bodies conform to the laws in effect, with the exception of the following terms and conditions:

- unless the Code of Commerce exempts him from this obligation, each Director is required to own at least one share for his entire term of office;
- no-one over the age of 85 may be named Chairman of the Board of Directors. If the Chairman in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors;
- no one over the age of 85 may be named a Director;
- decisions are made by the majority of members present or represented; each Director has one vote. In case of a tie, the Chairman casts the deciding vote;
- no-one over the age of 85 may be named Managing Director. If the CEO in office exceeds this age, he is assumed to have resigned at the end of the next upcoming meeting of the Board of Directors.

21.2.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO EACH CLASS OF EXISTING SHARES

All the shares making up the Company's share capital are of the same class.

The Extraordinary Shareholder's Meeting held on February 8, 1995, decided that in consideration of the share of the share capital they represent, a double voting right would be allotted to all fully paid-up shares providing proof of registration for at least four years in the name of the same shareholder. This double voting right is reserved for shareholders with French nationality and for shareholders originating from a Member State of the European Union.

Furthermore, in case of a capital increase through incorporation of reserves, profit or issue premium, the double voting right is attached, as of their issuance, to the registered shares allotted free of charge to a shareholder in the amount of the old shares that entitle him to this right.

The double voting right ceases for any share that has been converted into a bearer share or transferred, to the exclusion of any transfer of registered shares through inheritance or family gift.

In accordance with the law, all dividends that have not been collected within five years of their payment date expire in favor of the Government.

Treasury shares give no right to dividends: the pertaining portion is allocated to the retained earnings account.

21.2.4 ACTIONS NECESSARY TO MODIFY SHAREHOLDERS' RIGHTS

There are no stricter conditions than those set forth by law for modifying shareholders' rights.

21.2.5 CONDITIONS UNDER WHICH ANNUAL GENERAL MEETINGS AND EXTRAORDINARY SHAREHOLDER'S MEETINGS ARE CALLED

General Meetings are called and transact business under the conditions set forth by law. They are held at the corporate headquarters or at any other location indicated in the notice of Meeting.

Any shareholder has the right to attend General Meetings and to take part in votes personally or through a proxy regardless of the number of shares he owns, upon simple proof of his status as shareholder at least five days before the Meeting. However, the Board of Directors has the right to reduce this time frame.

All shareholders may vote by mail.

21.2.6 PROVISIONS OF THE DEED OF INCORPORATION AND BYLAWS THAT COULD DELAY, DEFER OR PREVENT A CHANGE IN CONTROL OF THE COMPANY

None.

21.2.7 PROVISIONS OF THE DEED OF INCORPORATION AND BYLAWS SETTING THE THRESHOLD BEYOND WHICH ANY EQUITY INTEREST MUST BE DISCLOSED

The bylaws contain no special provision for declaring threshold crossings.

Only the legal provisions are applicable.

21.2.8 CONDITIONS SET BY THE DEED OF INCORPORATION AND BYLAWS GOVERNING CHANGES IN EQUITY IF THESE CONDITIONS ARE STRICTER THAN THOSE REQUIRED BY LAW

None.

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IMPORTANT CONTRACTS

Significant contracts for the two years preceding the publication of this Registration Document, other than contracts signed in the normal course of business to which Cegedim or any other member of the Group is party, relate to external growth operations. They are systematically subject to confidentiality agreements. If these transactions are concluded and are likely to have a significant impact on the issuer's situation, they are published in a press release that can also be consulted at the Company's Web site (www.cegedim.com).

See item 5.2.1 of this Registration Document for a recap of these operations.

Any contract signed by any member of the Group that contains provisions conferring on any member of the Group a significant obligation or commitment for the entire Group on the date of this Registration Document is mentioned in the off-balance sheet commitments appearing in note 24 to the consolidated financial statements presented in item 20.1 of this Registration Document.

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INFORMATION FROM THIRD PARTIES, DECLARATIONS FILED BY EXPERTS AND DECLARATIONS OF INTEREST

None

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PUBLICLY AVAILABLE DOCUMENTS

The bylaws, deeds of incorporation, all reports, correspondence and other documents, historical financial information of Cegedim SA and of its subsidiaries for each of the two fiscal years prior to the publication of this Registration Document may be consulted, where necessary, at the corporate headquarters of Cegedim SA.

In particular, this Registration Document and financial releases are available on the Company's Website (www.cegedim.com/finance).

Pursuant to article L. 451-1-1 of the French Financial Code and article 221-1-1 of the AMF General Regulations, the table below sets out all information published or made public by Cegedim during the last 12 months to fulfill its legislative or regulatory obligations pertaining to financial instruments, issuers of financial instruments and markets in financial instruments.

Date	Document title	AMF (1)	Registry (2)	Cegedim site (3)
12/28/2011	Directors' declarations	x		
12/27/2011	Directors' declarations	x		
12/26/2011	Directors' declarations	x		
12/21/2011	Directors' declarations	x		
12/15/2011	Directors' declarations	x		
12/13/2011	Directors' declarations	x		
12/12/2011	Directors' declarations	x		
12/8/2011	Directors' declarations	x		
12/5/2011	Directors' declarations	x		
11/30/2011	Directors' declarations	x		
11/29/2011	Directors' declarations	x		
11/22/2011	Directors' declarations	x		
11/9/2011	Presentation of Q3 2011 revenue			x
11/9/2011	Q3 2011 revenue	x		x
9/23/2011	2011 Half-Year Financial Report	x		x
9/23/2011	Presentation of 2011 half-year earnings			x
9/23/2011	2011 half-year consolidated earnings	x		x
8/31/2011	Approval of FY 2010 consolidated and statutory financial statements			x
8/3/2011	Presentation of Q2 2011 revenues			x
8/3/2011	2011 half-year revenues	x		x
11/5/2011	2010 financial statements and legal appendices		x	
6/14/2011	Successful implementation of loan contract			x
7/6/2011	Half-yearly summary of the Cegedim liquidity contract	x		x
5/4/2011	Presentation of Q1 2011 revenue			x
5/4/2011	Q1 2011 revenue	x		x
5/4/2011	Notice of Meeting serving as notice of General Meeting			x
4/22/2011	Announcement of publication of 2010 Registration Document	x		x
4/21/2011	2010 Registration Document	x		x
4/20/2011	Directors' declarations	x		
4/14/2011	Presentation of 2010 profit (loss) for the period			x
4/13/2011	2010 annual consolidated financial statements	x		x
2/4/2011	Presentation of Q4 2010 revenues			x
2/4/2011	2010 annual revenues	x		x
1/27/2011	Directors' declarations	x		
1/5/2011	Declaration of number of shares and voting rights as at December 31, 2010			x
1/3/2011	Half-yearly summary of the Cegedim liquidity contract	x		x

(1) From July 1, 2007 onwards, information posted on the AMF company newsbank (www.amf-france.org) is for AMF internal use only.
(2) Available on www.infogreffe.fr and at the Company's corporate headquarters.
(3) Available on www.cegedim.com (Finance heading) and at the Company's corporate headquarters.

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INFORMATION ON TRADE INVESTMENTS

Cegedim's trade investments are presented in the organizational chart in item 7 of this Registration Document. They are taken into account to prepare the Group's consolidated financial statements in accordance with the methods presented in note 1 of the consolidated financial statements presented in item 20. Specific comments concerning the main subsidiaries (whose individual revenue exceeds 30,000,000 euros) are included in the Corporate Management Report found in item 26.

CORPORATE MANAGEMENT REPORT

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CORPORATE MANAGEMENT REPORT

26.1 MANAGEMENT REPORT ON OPERATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Annual Ordinary General Meeting held on June 8, 2012.

Corporate Management Report on operations for the fiscal year ended December 31, 2011.

Ladies and Gentlemen,

We have called this Annual Ordinary General Meeting pursuant to the bylaws and the provisions of the French *Code de commerce* to report to you on the Company's activity during the fiscal year ended December 31, 2011, the results of this activity and the future outlook and to submit the balance sheet and the annual financial statements for this fiscal year for your approval. These financial statements are appended to this report.

The notices of Meeting required by law were duly sent to you, and all the documents set forth in the regulations in force were made available to you within the required time frames.

26.1.1 CEGEDIM SA CORPORATE MANAGEMENT REPORT

Presentation of the annual financial statements

The annual financial statements for the fiscal year ended December 31, 2011, which we are submitting for your approval, were prepared in accordance with the presentation rules and valuation methods set forth in the regulations in force.

The presentation rules and valuation methods used are identical to those used for the previous fiscal year.

Company situation and operations during the past fiscal year

CEGEDIM SA'S ACTIVITY

Cegedim SA is a subsidiary of FCB, the lead holding company of the Cegedim Group. It has been listed for trading on NYSE Euronext since 1995.

Cegedim provides a range of centralized services for its subsidiaries, such as: accounting, financial, legal, human resources and purchasing management. It also plays an operational role by pooling the Group's resources and IT tools, which it makes available to its French and foreign subsidiaries. This infrastructure is in particular the source of a certain number of product developments that benefit the entire Group.

Cegedim also carries out certain commercial activities associated with information production under its own name, particularly with its statistics (pharmaceutical product sales statistics), file management and processing (professional personal databases), and EDI (electronic data interchange) departments.

HIGHLIGHTS

Loan "Refinancing of bank loan June 2011"

On June 10, 2011, as part of its policy to extend the maturity of its bank debt, Cegedim SA contracted a variable rate loan of 200 million euros, maturing in 2016 and payable every six months. The entire loan was used to repay the old bank loan of 123,319 thousand euros (Term A1) and 87,705 thousand dollars (Term A2). This new loan was used to pay off the debt in dollars and record a final foreign exchange gain of 1,681 thousand euros and to sign the releases for the pledges relating to the old bank loan.

Loan features:

- Amount: 200,000,000 euros
- Date of payment: June 10, 2011
- Half-year amortization of 20,000 thousand euros per half year.
- Final payment: June 10, 2016
- Variable rate

Capitalization of development costs

Development costs for software (consisting of payroll expenses and cost of external services) were capitalized as intangible assets in the amount of 27,168 thousand euros, since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

Free share awards

On June 29, 2011, the Board of Directors was authorized by the Extraordinary General Shareholders' Meeting of June 8, 2011 to award a maximum of 41,640 free shares to the Directors and employees of the Cegedim Group (see Note 28 of the appendix of the accounts).

Complete Transfer of Assets and Liabilities

Cegedim SA took over the companies Apsys Net, Cegedim Holding CIS, Cegers and *Deskom*. The complete transfer of *Deskom*'s assets and liabilities took place on January 3, 2011 and July 1, 2011. Consequently, the Cegedim SA balance sheet at December 31, 2011 comprises both the Company's own asset and liability items and the asset and liability items of the companies acquired in the mergers. Merger losses resulted from these transactions, corresponding to the differences between the share of assets received from the acquired companies and the net book value of the securities at Cegedim SA. For Apsys Net, Cegedim Holding CIS and Cegers, the merger losses are "real" losses. In accordance with the General Chart of Accounts, these losses are recorded in financial earnings for the total amount of 3,173 million euros. For Dendrite, the merger loss is a technical loss recorded in commercial goodwill for 5,365 thousand euros.

CHANGES IN ACTIVITY DURING FISCAL YEAR 2011

Revenue

In 2011, Cegedim SA's business advanced by 4.2%, with revenue increasing from 170.2 million euros to 177.3 million euros.

Cegedim SA's revenue consists primarily of services and, if necessary, any sales of software and hardware. These are relatively mature activities that Cegedim SA has been carrying out for many years. They do not call for any particular comments.

Operating income and expenses

Operating income increased by 4.3%. Operating expenses increased by 8.0%. In particular, the fiscal year saw:

- an increase in capitalized production of 1.8 million euros year-on-year;
- stability of write-backs of depreciation, amortization and provisions for the period;
- an 8.2 million euro, or 8.0%, year-on-year increase in the item "other purchases and external expenses";
- an increase in payroll and benefit-related expenses of 3.5 million euros during fiscal year 2010;
- an increase in allocations to fixed asset depreciation of 3.7 million euros and in allocations to provisions for risks and expenses of 0.7 million euros, while allocations to provisions for current assets stabilized at 0.3 million euros;
- a decrease of 0.7 million euros in other charges.

The impact as an absolute value of the few changes in other operating income and expense items was insignificant.

Operating earnings were -1.2 million euros, down 7.0 million euros year-on-year.

Accounts payable

Cegedim SA accounts payable aging balance, broken down as Group and excluding-Group, is as follows:

In euros	Total accounts payable at 12/31/2011	Total non-expired accounts payable	Total expired accounts payable	Expired debt < 30 days	Expired debt 31 to 60 days	Expired debt > 60 days
Group suppliers	17,662,397.88	17,215,129.70	447,268.18	422,344.18	960.00	23,964.00
Non-Group suppliers	12,217,428.74	11,864,256.86	353,171.88	48,760.32	25,178.06	279,233.50
TOTAL ACCOUNTS PAYABLE	**29,879,826.62**	**29,079,386.56**	**800,440.06**	**471,104.50**	**26,138.06**	**303,197.50**

In euros	Total accounts payable at 12/31/2010	Total non-expired accounts payable	Total expired accounts payable	Expired debt < 30 days	Expired debt 31 to 60 days	Expired debt > 60 days
Group suppliers	20,056,754.24	19,979,566.88	77,187.36	33,271.53	0.00	43,915.83
Non-Group suppliers	5,103,569.79	4,987,230.45	116,339.34	36,687.77	2,808.21	76,843.36
TOTAL ACCOUNTS PAYABLE	**25,160,324.03**	**24,966,797.33**	**193,526.70**	**69,959.30**	**2,808.21**	**120,759.19**

Financial income and expenses

Financial earnings amounted to a profit of 21.8 million euros compared to a profit of 10.4 million euros in 2010.

This includes 75.6 million euros in financial expenses of which 55.4 million euros in related interest and expenses mainly linked to financing the acquisition of the Dendrite Group, foreign exchange losses of 0.8 million euros and financial depreciation and provisions of 19.4 million euros.

Financial proceeds totaled 97.3 million euros in 2011. This includes, in part, 46.9 million euros in dividends received in 2011, 24.7 million euros in other interest and related income, and 22.2 million euros in write-backs on provisions and transferred expenses.

Income from continuing operations before taxes

Income from continuing operations before taxes was markedly up at 20.5 million euros, compared to 16.2 million euros in 2010.

Non-recurring earnings

Non-recurring earnings in 2011 were -1.0 million euros, down 0.7 million euros year-on-year.

Income taxes

Income taxes in 2011 amounted to proceeds of 4.2 million euros.

Profit (loss) for the period

Earnings for the period were a 23.3 million euro profit in 2011 compared to a profit of 20.8 million euros in 2010.

The earnings statement for the last five fiscal years required by Article 148 of the decree of March 23, 1967, is appended to this report.

Balance Sheet

At December 31, 2011, the balance sheet total of Cegedim SA came to 1,107 million euros, compared with 1,073 million euros for the previous fiscal year, i.e. a 3.2% increase.

SUBSIDIARY ACTIVITIES

The activity of subsidiaries is described in the part of the Corporate Management Report dedicated to the consolidated financial statements. The table of subsidiaries and equity investments, appended to the financial statements, also provides the necessary details.

Special commentary on the subsidiaries whose corporate sales revenue exceeded 30 million euros is included is also appended to this report.

Financial structure and debt

Shareholders' equity totaled 391.5 million euros at December 31, 2011, compared with 382.1 million euros at December 31, 2010. This increase stems from a combined increase in earnings for the fiscal year and from other reserves. Other factors remained stable from 2010 to 2011.

Financial liabilities increased substantially to 548.3 million euros from 550.4 million euros for the previous fiscal year.

Taking into consideration the active cash position, the net financial debt remained stable over the period and totaled 544.1 million euros compared to 544.8 million euros at the end of 2010.

Investments

Cegedim SA's investments are associated with its activities and logically involve the IT infrastructure and equity investments. Net intangible and tangible assets advanced by 26.5 million euros in 2011.

ACQUISITION OF DIRECT AND INDIRECT EQUITY INVESTMENTS

Company	% held	Holding	Entry date
Next Plus	49.00%	Indirect holding via its subsidiary Cegedim Tunisia	Created in December 2011
Pharmec Healthcare Software SRL	100.00%	Indirect holding via its subsidiary Cegedim Roumanie of 99.95% of the shares, and via its subsidiary CDS of 0.05%	Acquisition in April 2011

SALES OF EQUITY INTERESTS

There were no sales of Cegedim equity interests during the fiscal year 2011 outside the Group.

Research and development activity

Cegedim SA brings together the pooled development teams assigned to projects using the Group's shared IT infrastructure. Development projects have been capitalized in the statutory financial statements for 27.7 million euros, for all projects combined. This capitalization was carried out in the balance sheet, as the conditions set forth by the General Chart of Accounts were satisfied.

The Company continued and intensified the development of its *Mobile Intelligence* service for the management of pharmaceutical company sales forces, by focusing on the functions enabling the optimization of the solution's deployment and configuration. A major effort was also made in respect of the *OneKey* database offering, the cornerstone of the Group's applications.

As co-coordinator of all the Group's R&D projects, Cegedim continues to favor the extension of solutions identified as the most effective at the regional level to the global market.

Aside from these specific developments, Cegedim handles daily application maintenance for all of the Group's pooled offers based on a budget that is relatively comparable each year.

Analysis of business developments

KEY FINANCIAL PERFORMANCE INDICATORS

The key financial indicators at Cegedim SA are the following:

- revenue achieved within the Group and outside the Group;
- dividends collected;
- investments;
- financial structure.

Detailed comments on these are provided above.

KEY NON-FINANCIAL PERFORMANCE INDICATORS

Cegedim has pooled its IT resources available to its subsidiaries and their clients. It is therefore essential for Cegedim to be on the cutting edge of new technologies, to make sure that these systems are operating optimally, and to handle their maintenance and security (physical security, security of access, information, and administration of systems and developments).

Cegedim considers the training of its teams to be a key factor of success, making it possible to ensure client satisfaction and employee motivation. The general training policy implemented at Cegedim consists primarily of continuously adapting the skills of its research and development teams and assisting its employees in acquiring new skills necessary for their work.

The Cegedim Group's international expansion, particularly through external growth, relies on its ability to incorporate new activities. Here, the measures taken by Cegedim seek to accelerate the incorporation of new activities, control the risks inherent to growth operations, and track their performance.

Risk factors and use of financial instruments

The activities of Cegedim SA remain subject to the usual risks inherent in engaging in its trades as well as the political and geopolitical risks associated with its international presence for most of its activities and also unexpected events of *force majeure*. The main identified risks are as follows:

EXCHANGE RATE RISK

Cegedim SA makes 30% of its revenue through exports, mostly in the euro zone. As such, the Company has relatively limited exposure to an exchange rate risk. The Company thus has not established a policy for exchange rate risk hedging.

INTEREST RATES RISK AND FINANCIAL INSTRUMENTS

To limit the effects of rising interest rates on its financial expenses, and as requested in the credit agreement, Cegedim SA decided to implement a risk hedging policy to protect an annual maximum financing rate for the term of the loans.

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

The amount of loans exposed to exchange rate risk at December 31, 2011 totaled 108,135 thousand euros.

Cf. infra for the significant risk factors at the consolidated level.

CLIENT RISK

The clients of Cegedim SA are mainly pharmaceutical companies, doctors, pharmacists, and healthcare insurance companies and mutuals. They do not present any significant counterparty risks.

Significant events that have occurred since the end of the fiscal year

As far as the Company is aware, no events or modifications which could have had a significant effect on the Company have taken place since the end of the fiscal year.

Cf. infra for events after the end of the fiscal year for the consolidated scope.

Foreseeable trend in the Company's situation and future prospects

Revenue comprising a mix of mature and emerging activities should increase slightly in 2012. Operating income from continuing operations should also increase slightly in 2012.

Non-tax-deductible expenses

In accordance with the provisions of articles 223 quater and 223 quinquies of the General Tax Code, it is worth noting that the financial statements for the past fiscal year take into account the amount of 273,666 euros corresponding to non-tax-deductible expenses.

As a result, the income tax paid due to these costs and expenses amounted to 98,793 euros.

Earnings allocation

We propose that the profit for the fiscal year of 23,244,094.72 euros in total is allocated to the "Other reserves" account.

AMOUNT – PAYMENT – TAX TREATMENT OF THE DIVIDEND

There is no dividend payment.

DIVIDEND AND HOLDING BY THE COMPANY OF ITS OWN SHARES

If, when the dividend is paid, the Company holds some of its own shares, the distributable earnings corresponding to the dividend not paid because the Company holds these shares will be allocated to the retained earnings item.

Overview of dividends distributed

In accordance with the provisions of Article 243 bis of the French General Tax Code, we have presented the amounts distributed as dividends for the three previous fiscal years as follows:

Fiscal year	Number of shares		Deductible income allowance		Non-deductible income allowance
			Dividend	Other income distributed	
		Per share	Total		
2008	9,331,449	€0.00	€0.00	None	None
2009	13,997,173	€1.00	€13,997,173.00 (1)	None	None
2010	13,997,173	€1.00	€13,997,173.00 (2)	None	None

(1) The dividend actually paid for 2009 totaled €13,963,775, because no dividend is payable on treasury shares.
(2) The dividend actually paid for 2010 totaled €13,952,709, because no dividend is payable on treasury shares.

Information on the holding of capital by certain shareholders

In accordance with the provisions of article L. 233-13 of the *Code de commerce*, and given the information and notifications received pursuant to articles L. 233-7 and L. 233-12 of this Code, below we have identified the shareholders (individuals or legal entities) who directly or indirectly hold more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths, or nineteen-twentieths of the share capital or voting rights at December 31, 2011:

Shareholders	Number of shares held	% held	Number of single votes	Number of double votes		Total votes	% voting rights
				Shares	Votes		
FCB	7,358,629	52.57%	2,492,792	4,865,837	9,731,674	12,224,466	64.91%
FSI	2,102,061	15.02%	2,102,061	0	0	2,102,061	11.17%
Public*	4,496,357	32.12%	4,487,237	9,120	18,240	4,505,477	23.92%
Cegedim	40,126	0.29%	0	0	0	0	0.00%
TOTAL	**13,997,173**	**100.00%**	**9,082,090**	**4,874,957**	**9,749,914**	**18,832,004**	**100.00%**

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

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

In 2011, there was no declaration that the threshold had been crossed. In 2010, Financière de l'Echiquier declared to the Company on December 16, 2010 that it fell below the 5% shareholding threshold. Alliance Healthcare France declared to the Company on March 31, 2010 that it fell below the 10% threshold.

At December 31, 2010, equity and voting rights were broken down as follows:

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

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

Aspects that may have an impact in the case of a public offering (art. L. 225-100-3)

In the event of a public offering, there are no specific provisions likely to have an impact on:

- the structure of the Company's capital;
- the statutory restrictions on exercising voting rights and transferring shares;
- direct or indirect stakes in the Company's capital of which it is aware pursuant to articles L. 233-7 and L. 233-12;
- the rules applicable to appointing and replacing members of the Board of Directors and to amending the Company's bylaws;
- the powers of the Board of Directors, particularly with respect to issuing or buying back shares.

Furthermore,

- the Company was not informed of any agreements pursuant to article L. 233-11;
- there are no holders of shares comprising special control rights (except for the double voting rights, the allotment of which is completely independent of the occurrence of a public offering);
- there is no special mechanism set forth in the employee shareholding plan when control rights are not exercised by employees;
- the Company has no knowledge of agreements between shareholders that might result in restrictions on transferring shares and exercising voting rights;
- the agreements signed by the Company, which could be amended or terminated in the event of a change of control of the Company, are relatively few and are confidential in nature; the ability to amend or to terminate agreements is not systematic, and, in such an event, would only have a relatively insignificant impact on the Company;
- there are no agreements providing for compensation for the members of the Board of Directors or employees if they resign, if they are dismissed for just and serious cause, or if their employment ends due to a public offering.

Regarding contracts entered into by the Company that could be amended or end in the event of a change in control of the Company, Cegedim has no policy of engaging in such agreements. However, there are clauses protecting the intellectual property of the Group.

Employee equity participation

In accordance with the provisions of article L. 225-102 of the *Code de commerce*, we would like to report to you on the Company's employee equity participation plan at the end of the period. At December 31, 2011, the Corporate Mutual Fund consisted of 87,174 Cegedim shares, representing 0.62% of the capital.

Comments from the Work Council

Pursuant to the provisions of article L. 432-4 of the French Labor Code, we inform you that the Work Council has not made any comments concerning the Company's economic position and its employment practices.

Auditors' control

In accordance with article L. 225-40 of the *Code de commerce*, we request the Meeting to approve the agreements referred to in article L. 225-38 of this same Code, entered into or continued during the fiscal year, after having been duly authorized by your Board of Directors. The Auditors were duly advised of these agreements, described in their Special Report, which we have made available to you in accordance with the legal and regulatory provisions.

We would also like to inform you that the list and the purpose of the routine agreements entered into during fiscal year 2011 under normal conditions that, due to their purpose or their financial implications, are significant for the parties, were provided to the Directors and to the Auditors and are appended to this report.

Directors' fees

We propose that you approve the total amount of Directors' fees allocated to the Board of Directors for the current fiscal year, which could be set at 114 thousand euros.

Information concerning corporate officers

LIST OF CORPORATE OFFICERS

In accordance with the provisions of article L. 225-102-1, paragraph 3 of the *Code de commerce*, the list of all the positions and duties exercised in all the companies by each of the Company's corporate officers is included in the Appendix.

COMPENSATION OF CORPORATE OFFICERS

In accordance with article L. 225-102-1, paragraph 2 of the *Code de commerce*, we indicate that the amounts of compensation and benefits of all kinds that each corporate officer of the Company received during the past fiscal year from the companies controlled by your Company in accordance with article L. 233-16 of the *Code de commerce* are stated in the list appended below.

Transactions on shares

TREASURY SHARES

Throughout 2011, the Company did not acquire or dispose of any treasury shares.

The Company has set up a liquidity contract with Chevreux SA of 500 thousand euros. At December 31, 2011 the contract included 14,458 Cegedim shares and €32,626.49 in cash.

TRANSACTIONS ON SHARES HELD BY CORPORATE OFFICERS

The table below sets out a summary statement of transactions on the shares of corporate officers, to the Company's knowledge, for the period between January 1, 2009 and December 31, 2011:

	Number of shares purchased	Number of shares sold
Jean-Claude Labrune	-	57,812
FCB	66,395	34,853
Laurent Labrune	-	-
Aude Labrune	35	-
Pierre Marucchi	25,288	100
GIE GERS	-	-
Philippe Alaterre	-	-
Alliance Healthcare France	-	-
Anthony Roberts	-	-
Jean Pierre Cassan	-	-
Jean-Louis Mery	-	-
FSI	-	-
Nicolas Manardo	-	-
Jacques Henri David	-	-
TOTAL	**91,718**	**92,765**

26.1.2 CEGEDIM GROUP CORPORATE MANAGEMENT REPORT

Presentation of the consolidated financial statements

Pursuant to European Regulation no.1606/2002 of July 19, 2002, the consolidated financial statements of the Cegedim Group were prepared as at December 31, 2011, in accordance with the international accounting standards adopted in the European Union. The international accounting standards include the IFRS ("International Financial Reporting Standards"), the IAS ("International Accounting Standards") and their mandatory application interpretations on the closing date.

Group situation and operations during the past fiscal year

GROUP ACTIVITIES

Founded in 1969, Cegedim is a global technology and services company specializing in healthcare. Cegedim supplies services, IT tools, specialized software, data flow management services and databases. Its offerings are targeted notably at healthcare industries, life sciences companies, healthcare professionals and insurance companies.

The Cegedim Group's expertise is broken down into three sectors:

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

The world leader in pharmaceutical CRM (Customer Relationship Management), its historical core business, Cegedim provides the world's largest pharmaceutical companies with vital support for successful CRM and helps to measure the effectiveness of their sales and marketing. The Cegedim Group's CRM tools, with its value-added strategic databases, provide its customers with an informed view of their market and their targets so that they can optimize their strategies and their returns on investments.

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

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

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

HIGHLIGHTS

Acquisitions

On April 15, 2011, Cegedim seized the opportunity to develop a strategic activity in the market for the computerization of pharmacies and doctors in Romania by acquiring Pharmec, which holds over one third of the pharmacy computerization market in that country with annual revenues of approximately 1 million euros. Moreover, this acquisition also strengthens Cegedim's data offering for pharmaceutical laboratories in Romania.

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

This transaction was internally funded. According to the agreements signed by the parties, the other terms and conditions of this transaction are confidential.

Refinancing of bank loans underwritten at the time Dendrite was acquired in May 2007

Cegedim successfully established a five-year credit agreement for 280 million euros (term loan and revolving loan) on June 10, 2011. This refinancing was used to repay the bank loan established in May 2007. The "Security Package" for the initial credit facility was fully closed. Syndication was launched in the amount of 250 million euros and was over subscribed. The facility was thus raised to 280 million euros and all the bank loans were significantly reduced.

This facility breaks down into a medium term amortizable loan of 200 million euros and a revolving loan of 80 million euros.

Two year extension of the maturity of the subordinated loan

FCB (a company wholly owned by the Labrune family and main shareholder of Cegedim with 52% of the capital) granted a 50 million euro loan to Cegedim SA in May 2007. FCB underwrote the December 2009 capital increase in part by extinguishing its debt. Its loan was thus brought to 45.1 million euros. This loan is set to mature in May 2014.

On September 21, 2011, an agreement was signed between FCB and Cegedim in the same financial terms and conditions, to extend this loan until June 10, 2016.

CHANGES IN ACTIVITY DURING FISCAL YEAR 2011

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. It will be gradually rolled out in support of the Group's many applications, starting with software for pharmacists in the UK.

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.

Cegedim generated consolidated revenue of €911.5 million, down 1.6% on a reported basis and 2.8% like for like compared with 2010. Acquisitions boosted revenue by 1.7% and currencies had a negative impact of 0.6%.

Operating income from continuing operations was €83.9 million, down 22.3% compared with 2010. This drop was the result of higher personnel costs in the first half and weaker revenue in the second half. As a result, the operating margin from continuing operations came to 9.2%, versus 11.7% a year earlier. We note that execution of the Performance Improvement Plan helped cut personnel costs by 4% between the first and second half of 2011.

The cost of financial debt rose from €34.3 million to €37.7 million, a 9.9% increase. The effective tax rate came to 17.2%.

The Group's consolidated net profit came to €32.6 million, and EPS amounted to €2.3 compared with a €1.2 loss a year earlier due to the impact of discontinuing the Dendrite brand.

The Group global presence and its diversification of activities allowed it to limit the negative impacts from crises, geopolitical events and natural disasters that occurred throughout the world in 2011.

	Revenue 2011	Revenue 2010	Operating income from continuing operations 2011		Operating income from continuing operations 2010*	
	in K€	*in K€*	*in K€*	*in %*	*in K€*	*in %*
CRM and strategic data	510 631	526 513	33 627	6,6%	51 263	9,7%
Healthcare Professionals	259 795	271 002	29 299	11,3%	36 795	13,6%
Insurance and services	141 037	129 159	20 979	14,9%	19 921	15,4%
TOTAL	**911 463**	**926 674**	**83 905**	**9,2%**	**107 979**	**11,7%**

* *The comparative financial statements presented at 12/31/2010 were drawn up by retrospectively applying the equity method for actuarial differences relating to provisions for pensions and similar obligations.*

CRM AND STRATEGIC DATA

Sector revenue for 2011 was €510.6 million, down 3.0% on a reported basis. Acquisitions boosted revenue by 0.2%, whereas currencies had a negative impact of 0.9%. Like-for-like revenue fell 2.3% over the period.

Sector operating income from continuing operations was €33.6 million, down €17.6 million compared with 2010. As a result, the operating margin from continuing operations was 6.6%, compared with 9.7% a year earlier. But it is important to note that the margin improved tremendously in the second half of 2011: to 10.2% from 2.8% in the first half.

This speedy recovery was made possible by the salutary effects of stabilizing the number of Cegedim solution users worldwide, and by making implementation tools fully reliable.

The sector is also being driven by :

- The growth in emerging country business (14% of revenue);
- The development of compliance solutions in response to the Sunshine Act in the US and similar regulations which extend in Europe;
- The global healthcare professionals database, Cegedim's core CRM offering, OneKey, cleared the threshold of 8 million healthcare professionals in early 2012;
- The new version of the Mobile Intelligence offering for iPad, scheduled for launch in the second half of 2012.

HEALTHCARE PROFESSIONALS

Sector revenue came to €259.8 million in 2011, down 4.1% on a reported basis. Acquisitions (Pulse in the US and Pharmec in Romania) boosted revenue by 2.6%, but currencies had a negative impact of 0.3%. Like-for-like revenue fell 6.5% over the period.

Sector operating income from continuing operations was €29.3 million, down €7.5 million compared with 2010. As a result, the operating margin from continuing operations was 11.3%, down from 13.6% a year earlier.

Most of the drop in Healthcare Professional sector revenue was due to the significant decline in activity at Cegelease and RNP (-12%), in part compensated by the increase at the Cegedim Healthcare Software division (+4%), the margin follows the same path.

Cegedim should benefit from:

- The development of the Performance-based pay policy for doctors around the world;
- The launch in January 2012 of monLogicielMedical.com, the Group's fully web-based medical software;
- Pulse's business increased in the US;
- From the expected recovery of RNP and Cegelease business.

INSURANCE AND SERVICES

Sector 2011 revenue amounted to €141.0 million, up 9.2% on a reported basis. Acquisitions boosted revenue by 6.2%, and currencies had a positive impact of 0.1%. Like-for-like revenue rose 2.9% over the period.

Sector operating income from continuing operations was €21.0 million, up €1.1 million compared with 2010. As a result, the operating margin from continuing operations was 14.9%, versus 15.4% a year earlier.

Strong growth in this sector was driven by the positive trends in online services management in third-party payer platforms.

Future growth is ensured by expanding these offerings to hospitals and dentists, following the success with opticians in 2011.

FINANCIAL RESOURCES

Cegedim's total consolidated balance sheet at December 31, 2011, amounted to €1.393 billion, up slightly compared with the end of 2010. The balance sheet structure is robust; share capital increased by 7.5% and now represents 37% of total assets. This trend is chiefly the result of a €48.9 million increase in consolidated net profit.

Due to EUR/USD currency impacts, acquisition goodwill amounted to €725 million compared with €711 million at end-2010. It is stable at 52% of the total balance sheet.

Cash and equivalents (€73.1 million) exceed the value of short-term financial debt (€49.9 million).

Net financial debt comes to €453.3 million, compared with €461.6 million at end-2010. This €8.3 million decrease is the result of a €14.3 million drop in gross debt, partially offset by a €6 million decrease in cash. At December 31, 2011, the Group complied with all its bank covenants.

Before the cost of net financial debt and taxes, cash flow was €140 million, down 13% compared with end-2010. The level of gearing improved to 0.9 from 1.1 at end-June 2011 and 1.0 at end-December 2010.

Financial structure and debt

Consolidated shareholders' equity totaled 516.2 million euros at December 31, 2011, compared to 480.3 million euros at December 31, 2010, an increase of 35.9 million euros. This increase is explained by the increase of unrealized exchange gains/losses, which increased by 14.7 million euros, combined with a 16.2 million euro positive change in Group earnings in particular following the impact of abandoning the Dendrite brand in September 2010. The share of shareholders' equity attributable to minority interests was 0.5 million euros at December 31, 2011, or 0.1%. Amounts due within a year amounted to 51.9 million euros, and amounts due after a year to 483.7 million euros, representing a total of 535.6 million euros, compared to 549.9 million euros in 2010. This constitutes a 14.3 million euro reduction.

In view of its available cash position, the Group's net financial debt amounted to 462.5 million euros, compared to 470.8 million euros at the end of 2010, down 8.3 million euros. It represents 0.9 times the amount of shareholders' equity, versus 1.0 time in 2010.

The Group's operating cash flow before the cost of net financial debt totaled 140.1 million euros at December 31, 2011, compared to 160.6 million euros at December 31, 2010.

Cegelease concluded a flow exchange transaction with Natixis, according to the terms of which Natixis must pay forecasted amounts for lease receivables to Cegelease, and Cegelease must pay the actual amounts for these same receivables to Natixis. As the flow exchange transaction guarantees Cegelease's future receivables, Natixis has granted the latter a cash collateral that is repaid as the receivables are collected. As a guarantee of its obligations to repay the cash collateral, Cegelease must transfer full ownership of certain receivables resulting from its goods leasing activity to Natixis. The financial interest is calculated on the cash collateral. The cash collateral, which is the discounted outstanding leases yet to be collected from customers on behalf of Natixis, amounted to slightly less than 4 million euros at December 31, 2011. The 2012 repayments are estimated at 4 million euros, allowing the company to totally pay off this debt in 2012.

Investments

The direct equity investments made by Cegedim SA and the indirect equity investments made via the Group's subsidiaries were presented above.

In 2011, net consolidated intangible assets grew by 21.4 million euros, while consolidated net tangible assets grew by 0.9 million euros.

Research and development activity

Research expenses are recorded as expenses for the fiscal year during which they were incurred. Development costs for new internal projects are capitalized if the following criteria are fully satisfied in accordance with IAS 38:

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

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

Once in use, a project whose development is complete is transferred to the balance sheet, under the relevant asset category (generally software), and the related amortization is carried out based on its estimated useful life.

The development costs capitalized in the consolidated accounts in 2011 totaled 47.1 million euros, of which around 25.8 million euros were for Cegedim SA.

Cegedim SA brings together the pooled research and development teams assigned to projects using the Group's shared IT infrastructure. Certain regional R&D centers and some subsidiaries also have their own teams, and conduct their R&D activities under the coordination of the corporate headquarters.

The projects implemented by the Group involve the "CRM and strategic data" sector for a total amount of 27.5 million euros, the "healthcare" sector for 8.9 million euros and the insurance and services sector for 10.7 million euros. The projects under way have an average amortization maturity of five years, except for three structuring projects amortized over 15 or 20 years.

These specific development efforts are complemented by investments in software and hardware. The work of the dedicated IT teams performed routinely within the Group's different subsidiaries provides application maintenance for all of the solutions marketed (the cost is allocated to expenses for the year).

In all, the Cegedim Group dedicates approximately 8% of its consolidated revenue to research and development, without this figure being a target.

Analysis of business developments

KEY FINANCIAL PERFORMANCE INDICATORS

The Cegedim Group's key financial indicators are:

- consolidated sector revenue;
- consolidated operating income from continuing operations;
- investments;
- financial structure.

Detailed comments on these are provided above.

KEY NON-FINANCIAL PERFORMANCE INDICATORS

The key non-financial performance indicators applicable to Cegedim SA are also applicable at the consolidated Group level.

They are rounded out by different indicators specific to the Group's businesses, particularly:

- tracking of the number of users of CRM solutions;
- as well as the qualitative and quantitative content of the databases marketed by the Group.

The Cegedim Group currently claims more than 200,000 users of its products and hopes to offer new services to 400,000 computerized visitors around the world.

Risk factors and use of financial instruments

The Group's activities remain subject to the usual risks inherent in engaging in its trades as well as political and geopolitical risks arising from its international presence for most of its activities and unexpected instances of *force majeure*. The main identified risks are as follows:

INTEREST RATES RISK

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

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

The amount of loans exposed to exchange rate risk at December 31, 2011 totaled 108,135 thousand euros of euro debt. All other debt has been hedged against adverse changes in interest rates.

EXCHANGE RATE RISK

65% of the Group's activities are conducted by subsidiaries in the euro zone, exposing Cegedim to limited exchange rate risk. In fact, 2011 revenue suffered a 0.6% loss due to foreign exchange effects. These effects come mainly from the US dollar (12% of revenue), the Singapore dollar (4% of revenue) and the pound sterling (9% of revenue). The Group thus has not established a policy for exchange rate risk hedging.

LIQUIDITY RISK

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

Borrowing is monitored centrally.

Net financial debt at December 31, 2011 declined slightly by 1.8% compared to December 31, 2010.

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

At June 30, 2011 and December 31, 2011, the Group complied with all its bank and bond debt covenants.

For the banking agreement, aside from the usual covenants in this type of agreement, the Group must respect two ratios (contractual net financial debt over contractual pro forma EBITDA, and contractual pro forma EBITDA over cost of contractual pro forma debt).

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

CLIENT RISK

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

REGULATORY RISK

The Group's Legal Department tracks developments in current legislation and regulations, ensuring that the Group's activities comply with applicable laws and regulations. Changes in regulations could have an impact on the performance of the Group's activities and consequently on profitability.

Although the health sector is highly regulated, the Cegedim Group, as a service provider, is not subject to the same regulations to the exclusion of rules governing the protection and transfer of personal data. In particular, they require that systematic declarations be made to the regulators of the countries in which the Group owns or manages files and databases.

There are no technological ties or dependencies with other companies whose threshold is significant enough to have an appreciable impact on Cegedim. The Group owns all assets needed for its operation.

Moreover, changes to fiscal regulations on income tax rates, transfer prices, dividends, specific tax regimes or tax exemption rules may have an impact on the Group's effective income tax rate and on future results.

LEGAL RISKS

For the Group, the legal risk represents the risk of any litigation for liability resulting from any inaccuracy, negligence, or insufficiency that could be attributed to it for its operations, or for counterfeit arising from intellectual property held and/or exploited by the Group in its activities. To a large extent, the Group's activity depends on the effective protection of its intellectual property rights pertaining to the trademarks used and the software and databases the Group develops.

Despite the fact that the Group continues to insure a portion of its professional civil liability with an external insurance provider, liability insurance is increasingly difficult and costly to obtain, particularly in the United States. Given these insurance conditions, even when the Group is covered by insurance policies, obtaining compensation from insurance companies may not be totally satisfactory.

To the Group's knowledge, there is no litigation not covered by provisions in the financial statements that is likely to have or that has recently had a significant impact on the financial position, the earnings, the activity and the assets of the Company or the Group.

POLITICAL RISK

Political risk refers to risks linked to a political situation or a decision by a political power, for example nationalization without adequate compensation, revolution, exclusion from certain markets, discriminatory taxation, inability to repatriate capital, etc.

Due to its international scope, the Group remains vigilant regarding the political developments in the various countries in which its subsidiaries are located.

INDUSTRIAL AND ENVIRONMENTAL RISKS

The international strategy of the Cegedim Group naturally involves sustainable development with a view to making a contribution to social fairness challenges with respect to its collaborators and local communities in the 80 countries where the Group operates, to environmental protection by minimizing the impact of the Group's activities on its environment, and to economic efficiency. The Cegedim Group's sustainable development program was thus launched in September 2008 on the initiative of the Group's management. Called Cegedim Compact, it is inspired by the United Nations "Global Compact".

Operating in the sector of technologies and services relating to information and databases, the Cegedim Group's priority is to satisfy its clients and partners concerning systems and data security. The Chairman's report on Internal control details the information system security measures implemented within the Cegedim Group.

The industrial risks are also covered by adequate insurance policies.

Given their essentially intangible nature (software, databases and intellectual services), the activities of the Cegedim Group have no significant environmental impact. In accordance with local laws and regulations concerning health, Cegedim has nevertheless put in place global or local initiatives to reduce its environmental impact.

Significant events that have occurred since the end of the fiscal year

As far as the Company is aware, no events or modifications which could have had a significant effect on the Company have taken place since the end of the fiscal year.

Foreseeable trend of the Company's situation and future prospects

In the coming months, Cegedim will enjoy:

- The launch of innovative new products
- Widespread use by doctors, of performance payment policies, particularly in France
- The marketing dynamics used in 2011 in the CRM offerings, Compliance and OneKey
- The revolution in online control of rights for health insurance
- In-house continuation of the Performance Improvement Plan

These factors will positively impact the Group's revenue and consolidated EBITDA as from the second half of 2012.

Employment and environmental information

To satisfy the provisions of article L. 225-102-1 paragraph 4 of the *Code de commerce*, we have provided the required information below.

EMPLOYMENT INFORMATION

We have appended a table of the required information to this report.

ENVIRONMENTAL INFORMATION

Considering their nature, the Cegedim Group's activities do not require any specific comments about the environment.

We ask you, in accordance with article L. 225-100 and L. 233-16 of the *Code de commerce*, to approve the consolidated financial statements presented to you in the appendices.

The Board of Directors

26.2 APPENDICES TO THE CORPORATE MANAGEMENT REPORT

26.2.1 EARNINGS FOR THE LAST FIVE FISCAL YEARS (IN EUROS)

Reporting date	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Length of the fiscal year (months)	**12**	**12**	**12**	**12**	**12**
Capital at end of fiscal year					
Share Capital	13,336,506.43	13,336,506.43	13,336,506.43	8,891,004.63	8,891,004.63
Number of shares					
■ common	13,997,173	13,997,173	13,997,173	9,331,449	9,331,449
■ with a preferred dividend					
Maximum number of shares to be created					
■ through bond conversions					
■ through subscription rights					
Operations and earnings					
Revenue excluding taxes	177,283,816.69	170,162,287.47	155,886,601.54	146,163,676.17	138,039,458.63
Earnings before taxes, profit sharing, depreciation and provisions	34,317,932.87	30,639,150.26	57,003,642.07	(16,925,104.78)	6,730,293.61
Income taxes	(4,165,196.80)	(5,208,993.00)	(9,130,423.50)	(11,300,284.17)	(7,377,518.42)
Employee profit sharing	451,210.94	287,614.98	315,857.59	660,299.39	254,486.00
Depreciation and provisions	14,787,823.01	14,798,565.72	3,969,547.67	16,413,422.34	2,642,031.58
Profit (loss) for the period	23,244,095.72	20,761,962.56	61,848,660.31	(22,698,542.34)	11,211,294.45
Distributed earnings	-	13,997,173.00	13,997,173.00	-	8,398,304.10
Earnings per share					
Earnings after tax, profit sharing, and before allowances, depreciation, and provisions	2.72	2.54	4.70	(0.67)	1.48
Earnings after tax, profit sharing, and depreciation, and provisions	1.66	1.48	4.42	(2.43)	1.20
Dividend allotted	-	1.00	1.00	-	0.90
Employees					
Average number of employees	1,077	1,036	1,005	989	910
Payroll	51,518,673.47	49,314,463.90	46,540,429.98	45,136,048.62	40,295,672.42
Sums paid for employee benefits (social security, welfare institutions, etc.)	24,061,561.93	22,751,129.19	21,845,703.21	20,209,331.56	18,138,984.78

26.2.2 INVENTORY OF SECURITIES AS OF DECEMBER 31, 2011

Companies	Number of shares or units	% owned	Net asset value
I – Equity investments			
1. French companies			
Amix	500	100.00%	7,622
Alliadis	8,161	100.00%	44,224,377
Alliance Software	102,500	100.00%	8,962,245
CDS	500	100.00%	35,915
Cegedim Activ	873,900	100.00%	30,000,000
Cegedim Logiciel Médicaux	1,000	100.00%	10,073,973
Cegedim Srh	9,776,597	100.00%	3,790,507
Cegelease	6,450	100.00%	10,219,374
Cetip	39,311	99.66%	1,178,995
Csd	2,178	76.64%	1,796,673
Edipharm	200	20.00%	3,049
GERS SAS	50	100.00%	50,000
Hospitalis	1,000	100.00%	37,000
Icomed	2,500	100.00%	188,656
Incams	2,500	100.00%	1,832,388
Igestion	1	0.00%	1
MedExact	6,549	100.00%	654,900
Cegedim Prestation Conseil Outsourcing	25,000	100.00%	2,050,859
Pharmapost	1,000	100.00%	2,362,599
Pharmastock	5,000	100.00%	576,225
Reportive SA	80,019,361	100.00%	2,448,150
Resip	1,600	100.00%	20,434,710
Rnp	26,000	100.00%	2,429,694
Rosenwald	1,258	100.00%	452,135
Sofiloca	1,000	100.00%	15,245
SCI 2000	159	68.83%	846,739
Netfective Technology	130,875	7.11%	328,437
NEX & COM	240	20.00%	13,332
2. Foreign companies			
Cegedim USA	10,000	100.00%	302,632,276
Cegedim do Brazil	1,736,825	100.00%	0
Cegedim Holding GmbH	500	100.00%	5,067,084
Cegedim GmbH (Austria)	13,000	100.00%	130,000
Cegedim UK Limited	4,150,000	100.00%	3,734,632
InPS (England)	14,000,000	100.00%	1
Thin (England)	100	100.00%	0
Cegedim World Int. Services Ltd	6,000	100.00%	60,000,000
Cegedim Hungary KFT	100	100.00%	86,534

Companies	Number of shares or units	% owned	Net asset value
Cegedim Turkey	23,355	26.41%	496,911
Cegedim Hellas	11,933	99.98%	360,244
Cegedim Romania SRL	444	100.00%	1,030,533
Cegedim SK SRO (Slovakia)	100	100.00%	8,125
Croissance 2006 (Belgium)	13,781	100.00%	6,242,793
Cegedim Belgium	2,999	99.97%	268,985,409
CSD Belgium (e.g.: BKL Pharma consulting)	1	0.02%	10
GERS Maghreb (Tunisia)	630	6.42%	38,192
Cegedim Tunisia	500	50.00%	173,603
Cegedim Algeria	1,000	100.00%	85,000
Cegedim CZ (Czech Republic)	1,000	100.00%	1,170,796
Cegedim Italy	9,999,882	99.9988%	10,024,736
Cegedim Trends (Egypt)	28	70.00%	434,351
Cegedim Spain	900,000	100.00%	1,656,337
Cegedim Portugal	5,000	8.93%	431,169
Next Software (Tunisia)	34,424	94.51%	177,033
Cegedim LLC (Russia)	100	99.99%	2,096,222
TOTAL EQUITY INVESTMENTS, NET VALUE			**810,075,792**
II – Other long-term securities			
1. French companies			
Listed securities			None
2. Foreign companies			**None**
III – Marketable securities			
Shares allocated to employees			1,139,954
Chevreux cash assets			500,000
CFM savings account			2,767,098
GRAND TOTAL (I+II+III)			**814,482,844**

26.2.3 LIST OF DIRECTORS IN OFFICE, POSITIONS AND COMPENSATION

Prepared prior to the General Meeting held on June 8, 2012.

Mr Jean-Claude Labrune – 114 rue d'Aguesseau, 92100 Boulogne

Position	Companies
Chairman & CEO	Cegedim
Permanent representative	of Cegedim on the Board of Directors of Cegedim srh
Chairman of the Board of Directors	Cetip
SAS Chairman	FCB – GERS – Hospitalis – Pharmapost
Manager	Icomed – JCL – RNP

Fixed compensation: €731,900.
Variable compensation: none.
Directors' fees: €15,700.
Non-cash benefits: €1,358 – company vehicle.
Allocation of free shares: none.

Mr Laurent Labrune – 114 rue d'Aguesseau, 92100 Boulogne

Position	Companies
Director	Cegedim – FCB
Chairman & CEO	Cegedim SRH
Deputy Managing Director of SAS	FCB

Fixed compensation: €250,000.
Variable compensation: €206,175.
Directors' fees: €12,500.
Non-cash benefits: €7,935.60 – company vehicle.
Allocation of free shares: 1,600 free shares under plan no. 1, allocated on March 21, 2008.

Ms. Aude Labrune – 11, rue des Fontenelles, 92310 Sevres

Position	Companies
Director	Cegedim – FCB
Chairman of SAS	Rosenwald
Deputy Managing Director of SAS	FCB

Fixed compensation: €84,994.
Variable compensation: €9,000.
Directors' fees: €12,500.
Non-cash benefits: €10,167.57 – company vehicle.
Allocation of free shares: none.

GERS – 95 rue de Billancourt, 92100 Boulogne

Permanent representative of GERS: Mr Philippe Alaterre – 8 avenue de Berry, 92330 Sceaux

Position	Companies
Representative of GERS on the Board of Directors	Cegedim – GIE Edipharm
Chairman	Dakota Pharm – GIE GERS

Directors' fees: none.
Allocation of free shares: none.

Alliance Healthcare France – 222 Rue Des Caboeufs 92622 Gennevilliers

Permanent representative of Alliance Healthcare France: Mr Anthony Roberts – Flat 11 the Morocco Store, 1 Leather Market Street, London SE1 3HN.

Position	Companies
Permanent representative of	Alliance Healthcare France on the Board of Directors of Cegedim
Representative of	Pharmology.com, Anzag GmbH

Directors' fees: €12,500.
Allocation of free shares: none.

FCB – 137, rue d'Aguesseau, 92100 Boulogne

Permanent representative of FCB: Mr Pierre Marucchi – 19 avenue des Peupliers, 75016 Paris

Position	Companies
Director	Cetip – Cegedim SRH – FCB – Reportive
Permanent representative	of fcb on the Board of Directors of Cegedim
Chairman & CEO	Proval
SAS Chairman	CSD France – CDS –Cegedim Ingénierie – Chebranmic – DRE – Incams Cegedim Logiciels Médicaux France – Marucchi – RM Ingénierie
Managing Director of SAS	FCB
Deputy Managing Director	Cegedim – Cegedim SRH – Reportive
Manager	Amix- IRIS – iSanté – Qualipharma – Resip

Fixed compensation: €300,000.
Variable compensation: €201,560.
Directors' fees: €15,700.
Non-cash benefits: €6,901 – company vehicle.
Allocation of free shares: 1,280 free shares under plan no. 1, allocated on March 21, 2008.

Fonds Stratégique d'Investissement – 56 rue de Lille, 75007 Paris

Permanent representative of FSI: Mr Nicolas Manardo – 66 rue Lecourbe, 75015 Paris.

Position	Companies
Permanent representative of	FSI on the Board of Directors of Cegedim
Director	GEM SAS

Directors' fees: €12,500, paid directly to FSI.
Allocation of free shares: none.

Jean-Louis Mery – 194 avenue de la Forêt, 36330 Le Poinconnet

Position	Company
Director	Cegedim
Chairman (SAS)	Alliance Santé France – Alliance Healthcare Repartition – Sedley Participation France
Chairman and CEO	Alliance Healthcare France
Representative of AHF on the Board of Directors	Alphega
Representative of AHF on the Board of Directors and Director	Ouest Repartition
Member of the Supervisory Committee	Depolabo

Directors' fees: €12,500.
Allocation of free shares: none.

Jacques Henri David – 11 place Vauban, 75007 Paris

Position	Company
Chairman	Acxior Corporate Finance – CCAF (Financial activities control commission) Monaco – Deutsche Bank France
Director	Cegedim – UGC (Paris) – Selene Patrimoine (Luxembourg) - St Gobain Corporation (New York)

Directors' fees: €15,000.
Allocation of free shares: none.

Jean Pierre Cassan – 210 ter boulevard Pereire, 75017 Paris

Position	Company
Director	Cegedim
Manager	Eratos

Directors' fees: €17,500.
Allocation of free shares: none.

26.2.4 EMPLOYMENT INFORMATION

(Article L. 225-102-1 paragraph 4 of the *Code de commerce*)

Employees on 12/31/2011	France	Abroad	Total
Permanent contract	3,246	4,641	7,887
Fixed-term contract	90	260	350
Total employees	3,336	4,901	8,237
"Full-time" employees (1)	3,074	4,643	7,717
"Part-time" employees	262	258	520
Hires			
Permanent contract	291	570	861
Fixed-term contract	79	156	235
Total hires	370	726	1,096
Departures	592	1,292	1,884
Temporary employees *(in person-days)*	66,265	69,065	135,330
Absenteeism (2) *(in person-days)*	34,678	23,631	58,309
Payroll at 12/31/2010 *(in thousands of euros)*	139,156	187,040	326,195
Benefit-related expenses at 12/31/2010 *(in thousands of euros)*	76,209	39,827	116,035
Training *(in thousands of euros)*	2,232	953	3,185

(1) Number of work hours in compliance with the regulations in effect in the various countries.
(2) The absenteeism shown excludes paid holidays (CP) and reduced work time (RTT), both in France and abroad.

26.2.5 DETAILS OF THE ACTIVITY OF THE COMPANIES OF THE CEGEDIM GROUP WHOSE CORPORATE REVENUE EXCEEDS 30 MILLION EUROS

Cegedim Activ

PRESENTATION

Cegedim Activ is now the leader of software and services dedicated to personal insurance (supplementary health schemes, mandatory health plans, contingency plans, life insurance and retirement).

These solutions cover more than 30 million insured people in compulsory, supplemental, and pension plans. The healthcare flow management activity handles more than 250 million transactions. Cegedim Activ's products are intended for all market operators, such as insurance companies, mutual companies, pension institutions, and brokers.

Cegedim Activ designs, integrates, and hosts services connected to its *Activ'Infinite*, *Activ'Pro* and *Activ'Premium* software packages, thus covering healthcare reimbursements for 15 million people.

ACTIVITY DURING THE FISCAL YEAR

Cegedim Activ is recognized as a leading player in the field of healthcare and pension management.

During the year, the activity of Cegedim Activ declined slightly with sales losing 0.6% over the period, recording a stable operating margin.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2011

Income Statement

Operating earnings remained stable during the period at 12,852 thousand euros at December 31, 2011. These earnings are mainly due to the following combined effects:

- a 0.4% increase in operating income to 77,360 thousand euros at December 31, 2011, following an increase in services sold and in capitalized production;
- an increase of 4.2% in wages and social contributions to 32,402 thousand euros;
- an increase in provisions to 1,072 thousand euros.

Cegedim Activ registered a financial loss of 481 thousand euros in 2011, a marked year-on-year drop, due to a strong decline in financial products (-2,530 thousand euros due to the absence of provisions and the transfer of expenses compared to 2010) and a slight decline in financial expenses (-190 thousand euros mainly integrating the decline in interest and related expenses).

Income from continuing operations before taxes amounted to 12,372 thousand euros at December 31, 2011, down 16.1% over the fiscal year, and the profit (loss) for the period totaled 7,275 thousand euros, down 13.4% compared to 2010.

Balance Sheet

On the assets side, the combined amount of intangible, tangible and net financial assets was down slightly over the year at 47,506 thousand euros at December 31, 2011.

Cegedim Activ's accounts receivable totaled 19,738 thousand euros at December 31, 2011 and were stable compared to the previous year.

On the liabilities side, shareholder capital amounted to 31,403 thousand euros at December 31, 2011, up 18.9% compared to 2010, in particular following the strong increase in other reserves.

Loans and debt with financial institutions and miscellaneous financial debt reached 11,396 thousand euros at December 31, 2011, down by 41.9% over the period.

OUTLOOK FOR 2012

The personal insurance market is undergoing rapid change, especially as regards the regulatory environment. Cegedim Activ aims to consolidate its position in 2012, particularly in terms of the “middle market”, and continue to develop its activity.

Alliadis

PRESENTATION

Alliadis is part of Business Unit Cegedim Healthcare Software (CHS) within the “Healthcare professionals” sector of the Cegedim Group. It markets and sells the Alliance Premium software for French pharmacists.

Alliadis works in close synergy with the other companies of the Cegedim Group producing and marketing software intended for French pharmacists (the Alliance Software, Alliadis, and PG Informatique subsidiaries, in particular) and with Cegelease, which offers financial leasing solutions to its clients.

The following comments concern only the legal entity Alliadis, to the exclusion of other subsidiaries.

ACTIVITY DURING THE FISCAL YEAR

During the year, the activity of Alliadis was stable with sales slightly higher by 0.7% over the period.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2011

Income Statement

Operating earnings rose by 5,188 thousand euros, down 23.1% compared to the previous fiscal year, which is explained particularly by the following combined effects:

- a 2.0% increase in operating income that reached 48,276 thousand euros at December 31, 2011;
- a 10.1% decrease in goods purchases that amounted to 11,202 thousand euros;
- a 10.8% increase in other external purchases and expenses of 10,152 thousand euros;
- a 11.0% increase in wages and social contributions of 17,538 thousand euros;
- a 22.5% increase in operating provisions.

The other items in the income statement do not call for any particular comments.

Alliadis recorded a financial loss of 3,921 thousand euros at December 31, 2011, strongly down compared to the previous year, due to a marked increase in financial expenses and related interest and expenses.

Income from continuing operations before taxes was 1,267 thousand euros compared to 6,851 thousand euros in 2010.

Balance Sheet

On the assets side, the combined amount of intangible, tangible and net financial assets declined over the year and totaled 9,787 thousand euros at December 31, 2011, a 4.1% decrease over the period.

Cegedim Activ's accounts receivable totaled 6,563 thousand euros at December 31, 2011, a 2.0% increase compared to the previous year.

Cash and cash equivalents totaled 1,934 thousand euros, a decline of 22.2% over the year.

On the liabilities side, shareholder capital reached 2,436 thousand euros at December 31, 2011, down by 69.0% compared to 2010, in particular following the strong decrease in profit (loss) for the period.

Loans and debt with financial institutions and miscellaneous financial debt reached 4,102 thousand euros at December 31, 2011, up by 82.7% over the period.

Accounts payable were 2,650 thousand euros, up 3.7% over the year.

Tax and employee expenses were 4,876 thousand euros, an increase of 2.8% over the year.

OUTLOOK FOR 2012

In terms of activities and earnings, Alliadis expects a difficult year in 2012.

InPS

PRESENTATION

INPS is the British subsidiary of the Cegedim Group's "physician software" business and contributes to the earnings in the "Healthcare professionals" sector.

Its Vision software is gaining recognition as the benchmark in Windows solutions for Primary Care in the United Kingdom. INPS is a player recognized by the market's main "Local Service Providers" and also has the ability to sell its software directly to doctors according to the "GPSoC" (GP System of Choice). The Company is continuing to develop its solutions in order to comply with the recommendations of the governmental program of the National Health Service.

ACTIVITY DURING THE FISCAL YEAR

In 2011, the Company's activity grew compared to the previous year, with revenue up by 4.1% to 32,053 thousand pounds at December 31, 2011.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2011

Income Statement

Operating earnings amounted to 5,556 thousand pounds at December 31, 2011, down 0.9% compared to the previous year. This slight decline is due mainly to a combination of the following:

- a 4.1% increase in revenue over the year reaching 32,053 thousand pounds;
- a 5.9% increase in goods purchases and change in inventory that reached 10,294 thousand pounds;
- stable external services;
- a 3.3% increase in staff charges to 12,060 thousand pounds.

INPS registered a financial loss of 1,876 thousand pounds in 2011, a decline of 84.7%, combining financial income of 165 thousand pounds and interest charges of 2,041 thousand pounds.

Income from continuing operations before taxes amounted to 3,680 thousand pounds at December 31, 2011, up by 10,325 pounds over the fiscal year, and the profit (loss) for the period totaled 2,204 thousand pounds, up by 10,469 pounds compared to 2010.

Balance Sheet

The shareholders' equity was 20,438 thousand pounds at December 31, 2011, a decrease of 12.0% over the year. The current account amount was 32,852 thousand pounds, for an increase of 5.2% over the period.

OUTLOOK FOR 2012

Despite a difficult environment, InPS' activities and earnings should grow slightly in 2012.

Cegelease

PRESENTATION

Cegelease is a financial leasing company that offers financing options for pharmacies, primarily for their computer equipment (software packages, hardware, and maintenance). Since 2005, the financing solutions have also covered pharmacy fixtures (sign, cross, automatic devices, furniture) with the Pharmalease brand and since 2006 the financing solutions have spread to other medical sectors under the Médilease brand.

ACTIVITY DURING THE FISCAL YEAR

Cegelease faced increasing competition form the banks in 2011. Revenue thus declined 12.5% to 99,563 thousand euros at December 31, 2011.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2011

Income Statement

Operating earnings amounted to 4,610 thousand euros, a decrease of 43.3%, resulting mainly from a combination of the following items:

- a strong decrease in revenue, -12.5% over the period, due to increasingly aggressive competition from banks;
- a 34.1% increase in other external purchases and expenses, amounting to 6,195 thousand euros;
- a decrease of 6.5% in goods purchases, to 67,653 thousand euros;
- a 22.5% decrease in allocations to depreciation.

Cegelease registered a financial loss of 481 thousand euros in 2011, compared to a loss of 1,193 thousand euros in 2010, with financial income of 221 thousand euros and financial expenses of 703 thousand euros.

Income from continuing operations before taxes amounted to 4,128 thousand euros, down by 40.5% over the fiscal year, and the net profit (loss) for the period totaled 2,719 thousand euros, down by 40.2% compared to 2010.

Balance Sheet

On the assets side, tangible assets at December 31, 2011 were 28,641 thousand euros, a decrease of 21.4% over the year.

Inventories of goods increased by 14.2% over the period to reach 3,084 thousand euros.

Accounts receivable totaled 6,683 thousand euros at December 31, 2011, a 32.3% decrease compared to the previous year.

Cegelease's cash position stood at 2,120 thousand euros at the end of 2011, an increase of 1,458 thousand euros compared to the previous fiscal year.

On the liabilities side, shareholder capital reached 13,445 thousand euros at December 31, 2011, down by 13.1% compared to 2010, in particular following the strong decrease in earnings in the period.

Loans and debt with financial institutions and miscellaneous financial debts reached 4,055 thousand euros at December 31, 2011, down by 67.2% over the period.

Other debt was 13,848 thousand euros at December 31, 2011, down by 4.8% over the year.

OUTLOOK FOR 2012

In 2012, Cegelease plans to build on its existing financial leasing brands used in the computerization of pharmacists and doctors to find stability in a difficult environment.

Cegedim Inc.

PRESENTATION

Cegedim Inc. is part of the "CRM and strategic data" sector of the Cegedim Group. It is a major leader for supplying solutions to the pharmaceutical and life science industry in the fields of sales, marketing and conformance studies, and represents the Group's bridgehead in the United States.

ACTIVITY DURING THE FISCAL YEAR

In 2011, the Company's activity contracted, with revenue reaching 141,134 thousand dollars at December 31, 2011, compared to 156,382 thousand dollars at December 31, 2011.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2011

Income Statement

Operating earnings amounted to 10,469 thousand dollars, an increase of 140,981 thousand dollars resulting mainly from a combination of the following items:

- a 9.8% decrease in revenue over the year amounting to 141,134 thousand dollars;
- a 21.0% increase in goods purchases and change in inventory that reached 9,358 thousand dollars;
- a decrease of 17.2% in external services that amounted to 41,852 thousand dollars;
- a 5.4% decrease in staff charges to 79,622 thousand dollars;
- a very strong decline in operating provisions, following the exceptional provision on intangible assets in 2010, from 148,729 thousand dollars to 6,166 thousand dollars at December 31, 2011.

Cegedim Inc registered a financial loss of 24,061 thousand dollars, stable over the period. Financial income and reversals amounted to 22,123 thousand dollars for the period, while financial expenses and provisions, mainly interest expenses, amounted to 46,184 thousand dollars.

Non-recurring earnings at December 31, 2011 were 3,252 thousand dollars. The profit (loss) for the period was therefore -737 thousand dollars.

Balance Sheet

At December 31, 2011, the main items comprising the assets, in net value, were commercial goodwill for 515,508 thousand dollars, equity investments for 87,896 thousand dollars, accounts receivable for 53,896 thousand dollars, group current accounts for 33,223 thousand dollars, and cash and cash equivalents for 36,897 thousand dollars.

On the liabilities side, at December 31, 2011, shareholders' equity amounted to 340,195 thousand dollars, provisions for risks and expenses totaled 10,347 thousand dollars, accounts payable 69,521 thousand dollars, and current accounts 330,585 thousand dollars.

OUTLOOK FOR 2012

The complementary nature of Cegedim Inc. with the other entities in Cegedim Group's "CRM and strategic data" sector should continue and allow Cegedim Inc. to retain its strong position in the United States.

Cegedim Asia Pacific

PRESENTATION

Cegedim Asia Pacific is the regional headquarters, based in Singapore, of all the Cegedim Group's "CRM activities and strategic data" in Asia. This holding company provides logistical and administrative support to the rest of the Group, and centralizes client relations for the region.

ACTIVITY DURING THE FISCAL YEAR

The company's business activities stabilized in 2011, with revenue of 58,577 thousand Singapore dollars at December 31, 2011, slightly down by 0.7% compared to 2010.

STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2011

Income Statement

Cegedim Asia Pacific recorded an operating loss of 8,024 thousand Singapore dollars, down 6,130 thousand dollars, resulting mainly from a combination of the following items:

- a slight drop in revenue of 0.7% over the year to 58,577 thousand Singapore dollars;
- a 4.1% increase in goods purchases and change in inventory that reached 49,815 thousand Singapore dollars;
- an increase of 17.8% in external services that amounted to 4,963 thousand Singapore dollars;
- a 13.3% increase in staff charges to 6,142 thousand Singapore dollars;
- a very strong increase in other operating expenses to 2,736 thousand Singapore dollars at December 31, 2011.

Financial earnings at December 31, 2011 were 4,430 thousand Singapore dollars, up over the period. Financial income was 4,446 thousand Singapore dollars over the period, while financial charges and provisions were -16 thousand Singapore dollars.

Net profit (loss) amounted to -3,795 thousand Singapore dollars.

Balance Sheet

At December 31, 2011 the main items comprising the assets, in net value, were equity investments for 9,154 thousand Singapore dollars, accounts receivable for 16,938 thousand Singapore dollars, and cash and cash equivalents for 2,028 thousand Singapore dollars.

In liabilities, shareholders' equity at December 31, 2011 amounted to 14,169 thousand Singapore dollars, accounts payable were 10,171 thousand Singapore dollars, tax liabilities 1,081 thousand Singapore dollars, social liabilities 815 thousand Singapore dollars, and deferred income 3,098 thousand Singapore dollars.

OUTLOOK FOR 2012

In 2012, Cegedim Asia Pacific plans to maintain a strong position in Asia and positive growth of its activity.

26.2.6. REPORT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS CONCERNING THE CONDITIONS FOR PREPARING AND ORGANIZING THE BOARD'S WORK, AS WELL AS THE INTERNAL CONTROL PROCEDURES SET UP BY THE COMPANY

(Article L. 225-37 of the *Code de commerce*)

Introduction

In accordance with the provisions of article L. 225-37 of the *Code de commerce*, as amended by the financial security law no. 2003-706 of August 1, 2003, the purpose of this report is to detail:

- conditions for preparing and organizing the work of the Board of Directors;
- any limitations made by the Board of Directors to the powers of the Managing Director and the Deputy Managing Director;
- the Internal control procedures established within the Cegedim Group.

This report was prepared on the basis of reports and meetings led by the Top Management with all of the bodies involved in the Group's Internal control mentioned in the remainder of this document.

Corporate governance and operation of the Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS

We remind you that your Board of Directors consisted of ten members as of December 31, 2011.

On November 5, 2009, the Company adhered to the agreement signed on October 28, 2009, between Mr Jean-Claude Labrune, FCB and the FSI which was sent to the AMF. This agreement provides for changes to be made to the Company's governance.

The list of Directors of Cegedim SA including the offices held in other companies is appended to the Corporate Management Report.

FREQUENCY OF MEETINGS

Article 13 of the bylaws of Cegedim SA states that the Board of Directors meets as often as the Company's interests dictate.

Thus, during the past fiscal year, your Board of Directors met six times.

The schedule of meetings of the Board of Directors was as follows:

2011 schedule of meetings	
2/4/2011	■ Approval of the minutes of the Board of Directors meeting of November 15, 2010; ■ Examination of Q4 2010 revenue and the draft press release of February 4, 2011 after the stock market closes; ■ Proposed renegotiation of the bank loan; ■ Miscellaneous business.
4/13/2011	■ Approval of the minutes of the Board of Directors meeting of February 4, 2011; ■ Approval of the financial statements for the fiscal year ended December 31, 2010; ■ Approval of the consolidated financial statements for the fiscal year ended December 31, 2010; ■ Proposed capital increase through cash contribution; ■ Proposed capital increase by in-kind contribution; ■ Authorization of a capital increase reserved for employees; ■ Proposed renewal of the free share allocation for Directors and/or employees of the Cegedim Group; ■ Share buyback program; ■ Proposed amendment to the bylaws: Article 12 – Board of Directors; ■ Decisions to be made for the preparation and scheduling of the joint Annual Ordinary and Extraordinary General Meeting; ■ Authorization of securities, endorsements and other guarantees; ■ Proposed amendment of the rules of procedure of the Board: Article 1.1 Composition of the Board; ■ Approval of the provisional financial statements; ■ Approval of the 2011 draft budget; ■ Miscellaneous business.
5/27/2011	■ Approval of the minutes of the meeting of the Board of Directors of April 13, 2011; ■ Examination and approval, in accordance with article L. 225-38 of the Code de commerce, of the Company's signature of a rider entitled "Amendment Agreement" to the credit agreement of May 3, 2007; ■ Examination and approval of refinancing loans.
6/29/2011	■ Approval of the minutes of the meeting of the Board of Directors of May 27, 2011; ■ Approval of the amended rules of procedure of the Board of Directors of March 22, 2010; ■ Allocation of free shares in fulfillment of the free share authorization given by the Extraordinary General Meeting of June 8, 2011: determination of beneficiaries of the allocation of shares for the year 2011; ■ Approval of the 2011 draft budget.
9/22/2011	■ Approval of the minutes of the Board of Directors meeting of June 29, 2011; ■ Approval of the financial statements for the first half of 2011; ■ Examination of the provisional accounts for the second half of 2011; ■ Miscellaneous business.
11/9/2011	■ Approval of the minutes of the meeting of September 22, 2011; ■ Review of the procedures of the Board of Directors; ■ Schedule of Board meetings for 2012; ■ Review of financial communication; ■ Miscellaneous business.

CONVENING OF DIRECTORS

The Directors were convened by fax and e-mail in compliance with Article 13 of the bylaws of Cegedim SA.

In accordance with article L. 225-238 of the *Code de commerce*, the Auditors were convened to the Board of Directors' meetings during which the annual and interim financial statements were examined and approved.

INFORMATION PROVIDED TO DIRECTORS

All documents and information necessary for the Directors to perform their duties were sent to them prior to each meeting of the Board of Directors.

At any time of the year, the Board of Directors may perform the checks and audits it deems advisable. In this respect, each Director may request the documents necessary to perform his duties from the Chairman of the Board of Directors.

MEETING LOCATION

Meetings of the Board of Directors are held at the Company's corporate headquarters.

MEETING MINUTES

Minutes of meetings of the Board of Directors are drawn up at the end of each meeting, sent to the Directors and validated by them at the next meeting.

DIRECTORS' COMPENSATION

The compensation paid to Directors is stipulated in the list of Directors of Cegedim SA appended to the Corporate Management Report. The Remuneration Committee proposes the remuneration criteria for the Company's corporate officers to the Board. It examines the policies for allocations of free shares and all proposals for increases in the Company's capital in the form of an offer reserved for employees.

LIMITATION OF THE POWERS OF THE CHAIRMAN & CEO AND OF THE DEPUTY MANAGING DIRECTOR

We inform you that the Board of Directors has not imposed any limitations on the powers of Mr Jean-Claude Labrune, your Chairman & CEO or on those of Mr Pierre Marucchi, the Deputy Managing Director.

THE COMPANY'S COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE

See chapter 14.3.

Internal control procedures

PURPOSE OF THE INTERNAL CONTROL PROCEDURES WITHIN THE CEGEDIM GROUP

The purpose of Internal control is to provide a reasonable assurance that the Company's priorities will be adhered to and that the published figures are reliable. Its effectiveness relies on the conduct of the employees responsible for it, without any systematic guarantee that all these objectives will be met. On the one hand, it ensures that management actions or the performance of operations and also employee conduct are consistent with the framework defined by the applicable laws and regulations as well as the values described in the charter of ethical business practice and the Company's standards and internal rules. On the other hand, it ensures that the accounting and financial information complies with the standards in force.

Coordination of its activities

Cegedim's growth relies particularly on its ability to anticipate its clients' needs and to satisfy them by combining a large number of "industry" skills.

From the standpoint of Internal control, the success of this model requires the harmonization of management actions and employee behavior. It means that these actions and this behavior must be consistent with the directions given to the Group's activities by its corporate bodies, by the laws and regulations in force, and by the Group's internal standards.

Control and transparency of its accounting and financial information

The Internal control procedures govern the development and communication of the Group's accounting and financial information. This information is established in order to guarantee its availability, integrity, conformity, and auditability.

Support for its growth

The Cegedim Group's international expansion, particularly through external growth, relies on its ability to identify the external growth relays. Here, the measures taken by Cegedim seek to accelerate the incorporation of new activities, control the risks inherent to growth operations, and track their performance.

The acquisition of Dendrite International Inc. in May 2007 enabled Cegedim to double its size in its core business activities. This major step in the Group's development required at that time the spending of considerable effort to make the integration of the new activities successful. Conscious of what was at stake, in early 2008, the Group's Top Management created an "Operational Excellence" unit (Opex) in charge of optimizing the organization and information circuits as well as reinforcing the Group's customer-oriented culture in order to generate savings through synergy, rationalization of procedures and tools, and optimization of team productivity. Chaired by an employee with more than 15 years of experience within the Group, particularly in the role of Director of Human Resources, then Director of International CRM Activities, Opex is able to propose improvements to Internal control and financial control, by placing systematic emphasis on the business activity component.

Security of its information processing operations

Leader in the sector of technologies and services relating to medical information, the Cegedim Group's priority is to provide its clients and partners with complete satisfaction concerning data security. The Cegedim Group applies the data and private life protection law in all of the countries where it operates. The Group is Safe Harbor certified since 2010.

Acquisition of cutting edge skills

The Cegedim Group considers the training of its teams to be a key factor of success, making it possible to ensure client satisfaction and employee motivation. In 2004, Cegedim was one of the first companies to implement the individual right to training.

The general training policy implemented at Cegedim consists primarily of continuously adapting the skills of its research and development teams and assisting its employees in acquiring new skills necessary for their work.

ORGANIZATION OF THE MANAGEMENT BODIES THAT PLAY A ROLE IN INTERNAL CONTROL

Cegedim's Internal control system is characterized by a high level of interaction between the Board of Directors, the Top Management and the Activity Divisions thus encouraging the transparency of the strategies, risks and actions implemented within the Group.

Cegedim's Top Management has central management and control bodies that include the Financial Division, the Accounting Division, the Management Control Division, the Human Resources Division, the Legal Division, the General Secretariat, the IT Division, the Communication Division, and the Operational Excellence unit.

Consistently since 2006, the Group has desired to strengthen its teams dedicated to controlling and coordinating international operations. Reporting to the Top Management, their main duty is to formalize then establish procedures that are common to the Group's subsidiaries, guaranteeing the uniformity of work methods.

The network of financial controllers, by country or region, continues to be reinforced, particularly in 2007 with the consolidation of the Dendrite teams. They are responsible for applying Headquarter policies at local level and ensuring local financial control of operations as part of routine management or during the operational revamping processes decided on by Headquarters.

In their respective fields, the mission of these management and control bodies is to regulate the Group's operation and, at the same time, put their specialized skills to use in carrying out operations.

KEY ELEMENTS OF INTERNAL CONTROL RELATING TO THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

In 2011, the Group continued its work to harmonize and optimize its information and Internal control procedures in compliance with the financial security law.

PREPARATION OF THE GROUP'S FINANCIAL STATEMENTS

Centralized accounting of the companies of the Cegedim Group

The Cegedim Accounting Division prepares the statutory financial statements for the subsidiaries in the French sector of the Group and oversees the process for the preparation of the consolidated financial statements. For the newly-acquired companies and foreign subsidiaries, the Accounting Department established a standard reporting procedure so as to produce consolidation documents. At the same time, the Management Control Division reports key financial and operational data on a monthly basis. The two Divisions together routinely check the consistency of their data.

The creation in 2005 of a department dedicated specifically to international consolidation allowed the Company to help make the financial information coming from foreign subsidiaries reliable while at the same time adapting to the new accounting regulations. Furthermore, this centralized consolidation process made it possible to considerably reduce the time necessary to report international information.

Control and enhancement of financial and accounting information by Management Control

The data supplied by the Accounting Department is systematically reconciled with the work done by the Management Control Department, whether this involves regular analytical monitoring of the activities, budgetary control or inspection reports.

This information forms the basis for the operating reports prepared by Management Control, allowing for regular tracking of key indicators.

IT tools used to prepare financial and accounting information

Cegedim implements a policy aimed at upgrading its IT tools to ensure optimum availability, integrity, conformity and auditability of its financial and accounting data.

In order to ensure the necessary internal consistency and meet the Group's guidance needs, new tools were implemented in 2008 under the direct responsibility of the Managing Director, assisted by a project manager ensuring the interface with the Accounting Department and the Management Control Department.

KEY ELEMENTS OF THE LEGAL AND OPERATIONAL CONTROL EXERCISED BY THE PARENT COMPANY OVER THE SUBSIDIARIES

Control of commitments

The General Secretariat of the Group's Legal Department handles the central supervision of authorizations and delegations and makes sure, when they are created, that they are limited in accordance with the Group's internal rules regarding commitments.

Control of the Group's legal activity

The Cegedim Group's procedures require that the Legal Department be consulted prior to signing contracts with third parties, depending on their purpose and the declarations and the commitments they contain and, where relevant, the transnational nature of the operations they govern. The Legal Department also centralizes information related to certain key contracts.

Control of internal security

Cegedim has a governance structure for security. This means that the security of all the Company's activities is taken into account and that all appropriate protection measures are implemented.

A Compliance Department reports directly to the management. It includes the Head of Information Systems Security and defines the Group's security policy using risk analysis, as well as ensuring that the policy is applied consistently to the security requirements identified by the management through regular internal audits.

The Director of Information Systems ensures that the decisions to roll out IT systems, and in particular, procedures relating to data security, take into account Cegedim's strategic priorities.

The IT Operations Manager, the Information Security Manager and the Physical Security Manager implement the Company's strategy. They are responsible for putting security procedures in place.

The Operations Director ensures that all activities provide the level of security appropriate to Cegedim's strategic decisions, through daily monitoring.

The internal security policy for the information system is actively facilitated by the Top Management, and covers, in particular:

- employee security (reducing the risks of human error, theft, fraud or abusive use of infrastructures);
- physical security (controlling access, damage and disruptions relating to the Group's assets);
- IT access security (controlling access to information);
- information security (ensuring an appropriate level of information protection);
- systems administration and network security (ensuring that the information processing infrastructures operate correctly and reliably);
- the security of IT developments (incorporating security in the developments and ensuring the secure execution of support activities);
- crisis prevention, detection, and management;
- compliance with legislation.

The major pharmaceutical companies that are customers of the Cegedim Group apply recognized international standards, adopting the most stringent requirements in terms of the auditing and control of their information systems.

Cegedim refers to international standards such as ISO 27001 and 27002 for its information security, and has created its own process standards, integrating the recently-introduced ISO 20000/ITIL standard for IT service management, ISO 9001 for quality management and CMMI for project management and software development.

Control of operations management

Control of the Group's operations management covers four areas:

- the annual budget preparation process;
- monthly "management" reporting and presentation of annual forecasts;
- quarterly "business" reporting;
- the ad hoc inspection assignments performed at the Group's departments and subsidiaries.

These procedures concern all of the Group's departments and subsidiaries. Furthermore, when new acquisitions are made, a standardized integration process ensures that the operational synergies and information reporting necessary for management and Management Control in accordance with the current standards are implemented as quickly as possible.

The annual budget preparation process

Each year, the Activity Directors present to the Top Management the annual budget for the activities placed under their responsibility. To prepare these budgets, Management Control is responsible for providing all assistance necessary to the operational managers and for guiding their work in order to ensure overall consistency and to record the key assumptions in order to track them during the year.

Monthly "management" reporting and presentation of annual forecasts

Management Control is responsible for preparing the monthly reporting for all of the Group's subsidiaries, including their annual forecasts and their budget tracking. Routinely presented to the Group's Top Management, this reporting makes it possible to identify the basic performance trends for each entity and to chart any corrective measures to be taken.

Quarterly "business" reporting

Every quarter, each Activities Director is responsible for providing the Top Management with information concerning the management activities relative to the scope of activities for which he is responsible. This reporting concerns the commercial activity, products and services, personnel, organization, and investments. Its essential purpose is to identify the risks that could affect the Group's earnings in each of these areas. The cross-company nature of this "business" reporting helps identify market risks and the status of competition, identify growth opportunities (external growth, strategic directions of growth), and strengthen synergies within the Group.

Ad hoc inspections

Inspections decided by the Top Management are conducted routinely. Other control bodies help to determine the selection and content of these inspections and are generally involved in facilitating their execution. The scope of these inspections covers all areas relating to Internal control.

2012 Objectives

- Optimize reporting after having implemented integrated and uniform financial management tools within the Group, ensuring a secure, systematic, and consistent flow of information to serve both management needs and statutory or consolidated accounting needs.
- Following the expected long-term changes in the promotion activity of pharmaceutical laboratories, pursue implementation of the Performance Improvement Plan begun in November 2011, which aims to optimize the cost structure of the CRM Division.

Drawn up in Boulogne-Billancourt on March 30, 2012.

Jean-Claude Labrune
Chairman & CEO

Cegedim SA

26.3 AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR EMPLOYEES WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

Cegedim SA – Extraordinary General Shareholders' Meeting of June 8, 2012 (10th resolution)

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

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in performance of the assignment provided for by articles L 225-135 et seq. of the French Commercial Code *(Code de Commerce)*, we present you with our report on the proposed capital increase with cancellation of preferential subscription rights for a nominal amount not exceeding 3% of capital, an operation on which you are requested to vote.

This capital increase is subject to your approval pursuant to the provisions of article L. 225-129-6 of the French Commercial Code *(Code de Commerce)* and articles L. 3332-18 to L. 3332-24 of the French Labor Code *(Code du travail)*.

Your Board of Directors proposes that, on the basis of its report, you authorize it, for a period of 26 months, to set the terms and conditions of this operation and proposes cancelling your preferential subscription right to the shares to be issued.

The Board of Directors is required to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code *(Code de Commerce)*. We are responsible for providing our opinion on the reliability of the figures drawn from the accounts, the proposed cancellation of the preferential subscription right, and certain other information regarding the issue, as given in this report.

We carried out the tests that we deemed necessary pursuant to the professional doctrine of the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* regarding this assignment. These tests consisted of verifying the content of the Board of Directors' report regarding this operation and its terms and conditions for setting the issue price of the shares to be issued.

The Board of Director's report requires from us the following observation:

The methods for determining the issue price are not given in this report.

In addition, since definitive conditions on the capital increase are not yet determined, we cannot provide our opinion on these conditions and, consequently, the cancellation of the preferential subscription right proposed to you.

Pursuant to Article R. 225-116 of the French Commercial Code *(Code de Commerce)*, we will prepare an additional report when your Board of Directors carries out the capital increase.

Paris and Courbevoie on April 5, 2012

Statutory Auditors

Grant Thornton French Member Of Grant Thornton International	Mazars	
Michel COHEN	Jean-Paul STEVENARD	Jérôme DE PASTORS

STATUTORY AUDITORS' SPECIAL REPORT ON THE ALLOTMENT OF BONUS SHARES, EXISTING OR TO BE ISSUED, TO MANAGERS OR MEMBERS OF THE PERSONNEL.

Cegedim SA – Extraordinary General Shareholders' Meeting of June 8, 2012 (7^{th} resolution)

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company and in the execution of our mission, as provided for by Article L. 225-197-1 of the French Commercial Code *(Code de Commerce)*, we are presenting this report on the allotment of free shares, either existing or to be issued, to the salaried personnel and/or corporate officers of the company and the companies which are affiliated to it as defined by Article L. 225-197-2 of the French Commercial Code *(Code de Commerce)*, an operation on which you are requested to vote.

Your Board of Directors proposes that, based on its report, you authorize for a period of 18 months to carry out the allotment of free shares, either existing or to be issued.

The Board is required to draw up a report on the transactions it wishes to conduct. We are required to provide you, where necessary, with our observations on the information you are given with regard to planned transactions.

We carried out the tests that we deemed necessary pursuant to the professional standards of the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* regarding this assignment. This due diligence involved, notably, ensuring that the new modalities put forward and presented in the report of the Board of Directors adhere to the terms stipulated by law.

We have no observations to make based on the information presented in the Board of Directors' report on the planned authorization of a free shares allotment plan.

Paris and Courbevoie on April 5, 2012

Statutory Auditors

Grant Thornton French Member Of Grant Thornton International	Mazars	
Michel COHEN	Jean-Paul STEVENARD	Jérôme DE PASTORS

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STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND SECURITIES WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

Cegedim SA – Extraordinary General Shareholders' Meeting of June 8, 2012 (8th and 9th resolutions)

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your company and in accordance with Article L.225-135 of the Code of Commerce, we would like to present our report on the proposal to authorize the Board of Directors to decide on a capital increase through the issue of shares and/or securities with preferential subscription rights, for a maximum nominal amount of €5,000,000 (8th resolution), or without preferential subscription rights for a maximum nominal amount of €2,600,000 (9th resolution) and on which you are called to vote.

Based on its report, your Board of Directors proposes that it be granted, with the ability to sub-delegate, the authority for a period of 26 months (18 months if without preferential subscription rights under the 9th resolution) to decide on the issue of shares, setting, where applicable, the definitive terms and conditions for such issues and canceling your preferential subscription rights to any equity securities to be issued.

The Board of Directors is required to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the French Code of Commerce. We are responsible for providing our opinion on the reliability of the figures drawn from the accounts, the proposed cancellation of the preferential subscription right, and certain other information regarding the issue, as given in this report.

We performed the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)*, as applicable to this task. These procedures involved verifying the content of the Board of Directors' report regarding this operation and its terms and conditions for setting the issue price of the shares to be issued.

The Board of Director's report requires from us the following observation:

The methods for determining the issue price are not given in this report.

In addition, since definitive conditions on the capital increase are not yet determined, we cannot provide our opinion on these conditions and, consequently, the cancellation of the preferential subscription right proposed to you.

In accordance with Article R.225-116 of the Code of Commerce, we will prepare an additional report, where applicable, at such time as your Board of Directors uses this authorization.

Paris and Courbevoie on April 5, 2012

Statutory Auditors

Grant Thornton French Member Of Grant Thornton International	Mazars	
Michel COHEN	Jean-Paul STEVENARD	Jérôme DE PASTORS

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Cegedim SA. Annual Shareholders' Meeting to approve the financial statements for the fiscal year ended December 31, 2011

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report to you on regulated agreements and commitments with related parties.

The terms of our engagement do not require us to identify such agreements or commitments, if any, but to inform you, based on information provided to us, of the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness or appropriateness. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code *(Code de Commerce)*, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

We are also required, as necessary, to communicate to you information required by article R. 225-31 of the French Commercial Code *(Code de Commerce)*, relating to the application of agreements and commitments entered into prior to the fiscal period, as approved by the Shareholders' Meeting.

We have performed our examination in accordance with the professional standards set out by the French national auditors' association *(Compagnie nationale des commissaires aux comptes)* for such a mission. This due care has consisted of verifying the agreement of the information provided to us with the source documents on which it is based.

Agreements and commitments submitted to the Shareholders' Meeting

In accordance with article L. 225-40 of the French Commercial Code *(Code de Commerce)*, we have been advised of the following agreements and commitments that were given prior authorization by the Board of Directors on May 27, 2011.

Directors affected:

Mr. Pierre Marucchi, corporate officer of the companies: Alliadis Europe Ltd, Cegedim Strategic Data Medical Research (formerly the Epic Database Research Company Ltd), In Practice Systems Ltd, Cegedim USA Inc., Cegedim Inc. (formerly Dendrite International Inc.), Cegedim Data Services Ltd (formerly Cegedim RX Ltd), Cegedim UK Ltd (formerly Cegedim Dendrite Ltd),

Mr. Laurent Labrune, corporate officer of the companies: Cegedim UK Ltd (formerly Cegedim Dendrite Ltd) and Cegedim Deutschland Gmbh.

Nature and purpose:

Conclusion of an amendment to the credit agreement which your company entered into on May 3, 2007 entitled "Amendment agreement to the €515 million and $250 million credit agreement".

This amendment enables your company to enter into a refinancing agreement up to a maximum of €280 million entitled "€280 million term and multi--currency revolving credit facilities agreement". Your company requires its current or future affiliates to comply with certain obligations stipulated in the aforementioned contract, whose amounts cannot be determined in advance.

Agreements and commitments already approved by the Shareholders' Meeting

AGREEMENTS AND COMMITMENTS WHICH WERE IMPLEMENTED DURING THE PAST FISCAL

In accordance with article L. 225-30 of the French Commercial (Code de Commerce), we have been informed that the execution of the following agreements and commitments, previously approved by the Shareholders' Meeting, continued during the financial period ending on 31 December 2011.

With SCI MAG

Nature and purpose:

Leasing of premises at 110-112 rue d'Aguesseau, Boulogne-Billancourt

Terms:

Rent paid in 2011 (excluding expenses): €28,100

With FCB

Premises and parking spaces at 131-137 rue d'Aguesseau

Nature and purpose:

Leasing of premises and parking spaces at 131-137 rue d'Aguesseau, Boulogne-Billancourt

Terms:

Rent paid in 2011 (excluding expenses): €2,406,937

Premises and parking spaces at 104-106 rue d'Aguesseau

Nature and purpose:

Leasing of premises and parking spaces at 104-106 rue d'Aguesseau, Boulogne-Billancourt

Terms:

Rent paid in 2011 (excluding expenses): €5,671

Premises and parking spaces at 17 rue de l'Ancienne Mairie

Nature and purpose:

Leasing of premises and parking spaces at 17 rue de l'Ancienne Mairie, Boulogne-Billancourt

Terms:

Rent paid in 2011 (excluding expenses): €1,242,586

Premises and parking spaces at 15 rue de l'Ancienne Mairie

Nature and purpose:

Leasing of premises and parking spaces at 15 rue de l'Ancienne Mairie, Boulogne-Billancourt

Terms:

Rent paid in 2011 (excluding expenses): €147,522

Premises and parking spaces at 8 impasse Latécoère

Nature and purpose:

Leasing of premises and parking spaces at 8 impasse Latécoère, Vélizy-Villacoublay

Terms:

Rent paid in 2011 (excluding expenses): €286,953

Service contracts

Nature and purpose:

Contract for strategic consulting, human resources, marketing, finance, budget, and internal information system services.

Terms:

Services paid for in 2011: €2,520,000

With Ms. Aude Labrune and Mr. Laurent Labrune

Nature and purpose: Temporary assignment to Cegedim S.A. of the usufruct for the shares of the SCI at 114 rue d'Aguesseau Bureau:

- 198 stripped securities belonging in equal parts to Mrs. Aude Labrune-Marysse and Mr. Laurent Labrune;
- Term of the assignment of the usufruct: 18 years beginning October 9, 2006, until October 8, 2024.

With SCI AT 114 RUE D'AGUESSEAU BUREAU

Nature and purpose:

The SCI at 114 rue d'Aguesseau Bureau and your company were appointed on December 23, 2008 to complete the building work relative to the construction of the office building located at 114-116 bis rue d'Aguesseau in Boulogne-Billancourt (Hauts de Seine), which is the subject of a lease upon completion signed between the two parties.

As a modification to the above lease upon future completion, the SCI at 114 rue d'Aguesseau Bureau has granted your Company a commercial lease for the office building situated at 114-116 bis, rue d'Aguesseau, Boulogne-Billancourt (Hauts de Seine) for a duration of twelve years, from January 1, 2009 to December 31, 2020, with a renunciation of the possibility to end the lease at the end of each three-year period.

Terms:

Rent paid in 2011 (excluding expenses): €859,102

With Gers SA

Nature and purpose:

Cegedim is engaged jointly with its subsidiary GERS SAS to guarantee, for an unlimited amount, the payment of all sums of an indemnifying nature (such as penalties, indemnities, interest on late payments, etc.) claimed from GIE GERS by Datapharm with respect to contractual obligations and/or any indemnification arising from the provision by GIE GERS of data provided by Datapharm, for the benefit of the future GERS SAS.

AGREEMENTS AND COMMITMENTS WHICH WERE NOT IMPLEMENTED DURING THE PAST FISCAL YEAR

Your company had entered into an agreement with its subsidiary, Cegelease, authorized by the Board of Directors meeting held April 20, 2007 concerning the signature of a comfort letter in favor of the company IXIS CIB.

As part of the transactions involved in an exchange of fund flows which it had concluded with Cegelease, IXIS CIB, having considered the equity ties between Cegelease and your company, had requested the said comfort letter which committed your company to act in such a way that IXIX CIB would suffer no loss from these transactions.

This letter no longer is in force.

Paris and Courbevoie on April 5, 2012

Statutory Auditors

Grant Thornton
French Member Of Grant Thornton International

Michel COHEN

Mazars

Jean-Paul STEVENARD

Jérôme DE PASTORS

STATUTORY AUDITORS' REPORT PURSUANT TO ARTICLE L. 225 235 OF THE FRENCH CODE OF COMMERCE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CEGEDIM SA

Fiscal year ended December 31, 2011

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

Statutory Auditors' Report prepared pursuant to Article L. 225-235 of the French Commercial Code *(Code de Commerce)* on the report prepared by the Chairman of your Board of Directors in accordance with Article L. 225-37 of the French Commercial Code *(Code de Commerce)* for the fiscal year ended December 31, 2011.

It is the Chairman's responsibility to prepare and submit for approval from the Board of Directors a report on the internal control and risk management procedures put in place within the company and which also provides the additional information required by Article L. 225-37 of the French Commercial Code *(Code de Commerce)*, particularly with regard to the legislation on corporate governance.

It is our responsibility to:

- inform you of any comments that we may have concerning the information contained in the Chairman's report concerning the internal control procedures related to developing and handling accounting and financial information,

and

- certify that the report includes the additional information required by Article L. 225-37 of the French Commercial Code *(Code de Commerce)*, with the understanding that it is not our responsibility to verify the truthfulness of this additional information.

We performed our work in accordance with professional standards applicable in France.

Information regarding the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information

Professional standards require us to take all appropriate measures to assess the reliability of the information concerning the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information contained in the Chairman's report.

In particular, these measures involve:

- examining the internal control procedures relating to the preparation and treatment of accounting and financial information used to provide the information presented in the Chairman's report as well as the existing documentation;

- examining the work done to prepare this information and the existing documentation;

- determining whether any major deficiencies in the internal controls relating to the preparation and treatment of accounting and financial information noted during the course of our audit are appropriately disclosed in the Chairman's report.

Based on this work, we have no comments to make about information pertaining to the company's internal control procedures relating to the preparation and treatment of the accounting and financial information contained in the report by the Chairman of the Board of Directors and prepared in accordance with Article L. 225-37 of the French Commercial Code *(Code de Commerce)*.

Additional information

We certify that the report by the Chairman of the Board of Directors includes the additional information required by Article L. 225-37 of the French Commercial Code *(Code de Commerce)*.

Paris and Courbevoie on April 5, 2012

Statutory Auditors

Grant Thornton
French Member Of Grant Thornton International

Michel COHEN

Mazars

Jean-Paul STEVENARD

Jérôme DE PASTORS

26.4 TEXT OF THE RESOLUTIONS PROPOSED TO THE ANNUAL ORDINARY GENERAL MEETING

TEXT OF THE DRAFT RESOLUTIONS FOR THE COMBINED ANNUAL ORDINARYAND EXTRAORDINARY GENERAL MEETING TO BE HELD ON JUNE 8, 2012

Resolutions under the authority of the Ordinary General Meeting

FIRST RESOLUTION

The General Meeting, after having heard the reading of the Corporate Management Report of the Board of Directors and the Auditors' Report on the annual financial statements, approves the annual financial statements for the fiscal year ended December 31, 2011, as presented, in addition to the transactions reflected in these financial statements or summarized in these reports.

As a result, the General Meeting gives the Directors full and unreserved discharge from the performance of their responsibilities for this fiscal year.

The General Meeting approves the non tax-deductible expenses mentioned in Article 39-4 of the General Tax Code totaling 273,666 euros, as well as the corresponding tax amounting to 98,793.00 euros.

SECOND RESOLUTION

The General Meeting decides to allocate the profit for the fiscal year amounting to 23,244,095.72 euros in full to the Other Reserves item.

The General Meeting notes that the amounts distributed as dividends for the three previous fiscal years were as follows:

Fiscal year	Number of shares	Deductible income allowance		Other income distributed	Non-deductible income allowance
		Dividend			
		Per share	Total		
2008	9,331,449	€0.00	€0.00	None	None
2009	13,997,173	€1.00	€13,997,173.00 (1)	None	None
2010	13,997,173	€1.00	€13,997,173.0 (2)	None	None

(1) The dividend actually paid for 2009 totaled €13,963,775, because no dividend is payable on treasury shares.
(2) The dividend actually paid for 2010 totaled €13,952,709, because no dividend is payable on treasury shares.

THIRD RESOLUTION

The General Meeting, after having heard the Auditors' Report on the consolidated financial statements for the year ended December 31, 2011, approves these financial statements, as well as the transactions reflected in them or summarized in the Management Report included in the Corporate Management Report.

FOURTH RESOLUTION

The Office of the General Meeting then notes that for approval of the agreements falling under the scope of article L. 225-38 et seq. of the *Code de commerce*, the quorum reached by the General Meeting is more than one-fifth of the shares carrying voting rights, it being specified that the shares of persons with an interest in these agreements are excluded from the calculation of the quorum and the majority.

The General Meeting may then vote on the application of these agreements.

FIFTH RESOLUTION

The General Meeting, after having heard the Auditors' Special Report on the agreements coming under articles L. 225-38 et seq. of the *Code de commerce*, approves the findings of this report and the agreements mentioned in it.

SIXTH RESOLUTION

The General Meeting sets the amount of Directors' fees to be distributed among the Directors for the fiscal year in progress at 113,750 euros.

SEVENTH RESOLUTION

The General Meeting, having duly noted the report from the Board of Directors and pursuant to article L. 225-209 et seq. of the *Code de commerce*, authorizes the Board of Directors to purchase Company shares.

The purchase of shares, which cannot represent more than 10% of the Company's share capital, can be carried out at any time and by any means on the market, off-market, over the counter, or by the use of optional mechanisms, possibly by any third party acting on the Company's behalf, including an investment service provider intervening on the Company's shares, under a liquidity contract in compliance with a Code of Ethics recognized by the Autorité des Marchés Financiers, in accordance with the terms of the last paragraph in article L. 225-206 of the *Code de commerce*.

This authorization would permit the allocation of Company shares to salaried employees of the Cegedim Group in accordance with articles L. 225-197-1 to L. 225-197-3 of the *Code de commerce*. In compliance with legal provisions, the Company must have permanent unavailable reserves other than the legal reserve in an amount at least equal to the value of all of the treasury shares that it holds. The maximum unit purchase price is fixed at 100 euros per share.

This authorization has been given for a period of eighteen (18) months and expires on December 8, 2013. It cancels and replaces the authorization given by the Combined General Meeting of Shareholders of June 8, 2011 and expires when there is a public offering.

The General Meeting gives all powers to the Board of Directors, with the option of delegation, to implement this authorization, give any stock market order, sign any agreements, including an AFEI liquidity contract, carry out any formalities and make declarations to all organizations, and, generally, do all that is necessary to execute the decisions it has made within the framework of this authorization.

Resolutions under the authority of the Extraordinary General Meeting

EIGHTH RESOLUTION

The General Meeting, after having heard the reading of the report of the Board of Directors and the Auditors' Report and noted that the capital was fully paid-up, decided to grant the Board of Directors, in accordance with the provisions of article L. 225-129-2 of the *Code de commerce*, all powers necessary to make one or more increases in capital, either immediately or in the future, within a maximum of 26 months from this Meeting, limited to a maximum amount, in nominal value, of 5,000,000 euros, with retention and/or elimination of the shareholders' preferential subscription right:

For this and within these limits, the Board of Directors has full powers to decide on and carry out the capital increase(s) that it deems appropriate and specifically to:

- set the terms for the issuance of new capital shares to be issued immediately or in the future and specifically the subscription price;
- put on record the execution of these increases in capital;
- amend the Company bylaws accordingly.

This delegation of authority also includes, within the framework of a capital increase with retention of the shareholders' preferential subscription rights, the option for the Board of Directors to institute, if necessary, a subscription right on a reducible basis, for new capital shares that were not subscribed on an irreducible basis, which will be allocated to holders of subscription rights who have subscribed to a higher number of shares than they could subscribe on an irreducible basis. This will be applied proportionally to the number of their subscription rights and within the limits of their requests.

Non-subscribed shares can be distributed completely or in part by the Board of Directors to the persons of its choice. They can also be offered to the public.

The Board of Directors may limit the amount of the increase in capital to the amount of subscriptions collected, provided that these subscriptions are for at least three-quarters of the capital increase.

In addition, the General Meeting decides that the number of shares to be issued for any capital increase decided by the Board of Directors under this delegation may be increased within thirty days of the subscription closing date to meet any additional share requests.

This increase in the number of shares to be issued may not, however, exceed 15% of the initial issue. Additional subscriptions will be carried out at the same price as the initial subscriptions.

The Board of Directors may, within the legal limits, delegate the authority granted to it pursuant to this resolution to the Managing Director or, with the latter's agreement, to the Deputy Managing Director.

NINTH RESOLUTION

The General Meeting, after having heard the reading of the report of the Board of Directors and the Auditors' Report, decides that the general delegation of authority granted in the previous resolution includes the authorization for the Board of Directors to decide to retain or eliminate the shareholders' preferential subscription right in any capital increases decided upon by the Board of Directors resulting from said delegation.

If this delegation is used by the Board of Directors and the shareholders' preferential subscription right is eliminated, and in the light of the terms of the Board of Directors' report and the Special Auditor's Report, the issue price for the new securities will be set according to legal provisions. Moreover, where shareholders' preferential subscription rights are withdrawn to the benefit of the persons or categories of persons named, the duration of the general delegation of authority will be reduced from 26 to 18 months and the total nominal amount limited to 2,600,00 euros.

If this delegation is used by the Board of Directors and the shareholders' preferential subscription right is eliminated, the General Meeting authorizes the Board of Directors to institute, if necessary, a priority period for shareholders to subscribe.

A Special Auditors' Report, containing the regulatory disclosures provided for this purpose, will be prepared as soon as the issue of shares with or without preferential subscription right is carried out.

TENTH RESOLUTION

The Extraordinary General Shareholders' Meeting, after having heard the report of the Board of Directors and the Auditors' Report, decides, in application of the provisions of article L. 225-129-6 of the *Code de commerce*, to reserve for Company employees an increase in share capital through cash contribution under the conditions provided for in articles L. 3332-18 to L. 3332-24 of the Labor Code.

If the present resolution is passed, the General Meeting decides:

- that the Board of Directors will have a maximum of 26 months to implement a company savings plan under the conditions provided for in articles L. 3332-18 to L. 3332-24 of the Labor Code;
- to authorize the Board of Directors to proceed, within 26 months effective immediately, with an increase in capital for a nominal amount not exceeding 3% of the capital which will be reserved for employees joining said plan and carried out in compliance with the provisions of articles L. 3332-18 to L. 3332-24, of the Labor Code; consequently, this authorization entails the waiver by the shareholders of their preferential subscription right.

ELEVENTH RESOLUTION

The Extraordinary General Shareholders' Meeting, having duly noted the report of the Board of Directors in accordance with article L. 225147 of the *Code de commerce*:

- delegates to the Board of Directors all powers necessary to issue Company shares, up to a total of 10% of the current share capital, to remunerate contributions in kind granted to the Company and consisting in securities, where the provisions of article L. 225-148 of the *Code de commerce* do not apply;
- decides that shares issued under this delegation of powers will count towards the ceilings outlined in the eighth resolution;
- duly notes that the Company's shareholders will not have preferential rights to subscribe for shares that may be issued under this delegation of powers, as such shares will be used solely for the remuneration of contributions in kind;
- grants powers to the Board of Directors to implement this authorization, to apply to the Commercial Court for the appointment of a specialized Statutory Auditor ("*Commissaire aux apports*"), to approve the value of contributions in kind based on the report of the specialized Statutory Auditor, to allocate the capital increases' expenses to the premiums relating to such capital increases, and to amend the bylaws accordingly.

This delegation of powers is granted for a period of 26 (twenty-six) months from the date of this meeting.

TWELFTH RESOLUTION

In accordance with the provisions of article L. 225-129-2, paragraph 2, of the *Code de commerce*, the general delegations of authority granted in the resolutions above nullify, effective immediately, any previous delegations having the same subject.

THIRTEENTH RESOLUTION

The Board of Directors must answer to the General Meeting for the use it will have made of the delegations it has been granted by preparing a report, in addition to the Annual General Corporate Management Report, giving the information required by current regulations and also a table summarizing delegations which are still valid and which it has at its disposal and any use that was made thereof. This report should accompany the Corporate Management Report or be appended to it.

FOURTEENTH RESOLUTION

The General Meeting, after hearing the report of the Board of Directors, decides to complete its decision made in the Extraordinary part of the Combined General Meeting of June 8, 2011, on the renewal of the authorization granted to the Board of Directors to make distributions of existing free shares in compliance with article L. 225-197-1 of the *Code de commerce*, by making the following precisions:

- concerning beneficiaries without tax residency in France on the date of the allocation, the Company will make a final allocation of free shares at the end of a period of four (4) years starting from their date of allocation by the Board of Directors;
- in the case of the beneficiary's invalidity, corresponding to the classification in the second or third of the categories specified in article L. 341-4 of the Social Security Code, the allocation of shares will become final before the end of the acquisition period.

FIFTEENTH RESOLUTION

The General Meeting gives all powers to the bearer of an original or a copy or excerpt of the minutes of this Meeting to accomplish all necessary formalities.

GLOSSARY

Current EBIT: is EBIT restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the operating income from continuing operations for the Cegedim Group.

Current EBITDA: is EBITDA restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the gross operating earnings from continuing operations for the Cegedim Group.

Current operating margin: defined as the ratio of EBIT/revenue.

EBIT: earnings Before Interest and Taxes. EBIT corresponds to the net revenue minus operating expenses (such as salaries, social charges, materials, energy, research, services, external services, advertising, etc.). It is the operating income for the Cegedim Group.

EBITDA: earnings before interest, taxes, depreciation and amortization. EBITDA is the term used when amortization or depreciation and revaluations are not taken into account. "D" stands for depreciation of tangible assets (such as buildings, machines or vehicles), while "A" stands for amortization of intangible assets (such as patents, licenses and goodwill). It corresponds to the gross operating earnings for the Cegedim Group.

EPS: earnings Per Share. Earnings per share is a specific financial indicator defined by the Group as the net profit (loss) for the period divided by the weighted average of the number of shares in circulation.

External growth: covers acquisitions during the current fiscal year, as well as those which have had a partial impact on the previous fiscal year, net of sales of entities and/or assets.

Free cash flow: is cash generated, net of the cash part of the following items: (i) changes in working capital requirements, (ii) transactions on equity (changes in capital, dividends paid and received), (iii) capital expenditure net of transfers, (iv) net financial interest paid and (v) taxes paid.

Internal growth: covers growth resulting from the development of an existing contract, particularly due to an increase in rates and/or the volumes distributed or processed, new contracts, acquisitions of assets allocated to a contract or a specific project.

Net bank debt: this represents net financial debt less Cegedim's subordinated debt to FCB.

Net Financial Debt: this represents the Company's net debt (non-current and current financial debt, bank loans, debt restated at amortized cost and interest on loans) net of cash and cash equivalents and excluding revaluation of debt derivatives.

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

Revenue at constant exchange rate: when changes in revenue at constant exchange rate are referred to, it means that the impact of exchange rate fluctuations has been excluded. The term, "at constant exchange rate" covers the fluctuation resulting from applying the exchange rates for the preceding period to the current fiscal year, all other factors remaining equal.

Revenue on a like-for-like basis: the effect of changes in scope is corrected by restating the sales for the previous period as follows:

- by removing the portion of sales originating in the entity or the rights acquired for a period identical to the period during which they were held to the current period;
- similarly, when an entity is transferred, the sales for the portion in question in the previous period are eliminated.

CONTACTS

Investors

JAN ERYK UMIASTOWSKI

Chief Investment Officer
and Head of Investor Relations
Tel.: +33 (0)1 49 09 33 36
investor.relations@cegedim.com

Press

AUDE BALLEYDIER

Cegedim Head of Communications
and Press Relations
Tel.: +33 (0)1 49 09 68 81
aude.balleydier@cegedim.com

GUILLAUME DE CHAMISSO

Press Papers Agency
Press agent
Tel.: +33 (0)1 77 35 60 99
guillaume.dechamisso@pressepapiers.fr

FINANCIAL SCHEDULE

May 3, 2012

Q1 2012 REVENUE

Press release Thursday, May 3, 2012 after close of French stock market, followed by a teleconference

August 1, 2012

Q2 2012 REVENUE

Press release Wednesday, August 1, 2012 after close of French stock market, followed by a teleconference

September 19, 2012

2012 HALF-YEAR EARNINGS

Press release Wednesday, September 19, 2012 after close of French stock market, followed by a teleconference

November 8, 2012

Q3 2012 REVENUE

Press release Thursday, November 8, 2012 after close of French stock market, followed by a teleconference

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Corporate head office: 127-137 rue d'Aguesseau 92100 Boulogne-Billancourt - France
Trade and Commercial Register: Nanterre B 350 422 622 - Code NAF: 6311 Z
Phone: +33 (0)1 49 09 22 00
Fax: +33 (0)1 46 03 45 95
E-mail: investor.relations@cegedim.com

http://www.cegedim.com/finance