



PHARMAGEST

WELCOOP SOLUTION

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PRESS RELEASE

Q1 2014 turnover down slightly: -3.5 %

€ millions	2014	2013	Change
Q1 2014 turnover (unaudited)	28.82	29.87	-3.5%

Group consolidated turnover as at 31 March 2014 totalled €28.82m, a slight drop of 3.5% compared to 31 March 2013.

Business line update:

- Turnover for the **Pharmacy France business** totalled €22.86m, almost identical to the figure for the same period in 2013 (-0.9%). Following a 2013 year end marked by a decrease in pharmacists' investments, the orders taken at the start of the year have yet to be converted into turnover as at 31 March 2014. Additionally, Q1 2014 has been impacted by a particularly low level of renewals for configurations which are about to expire. The cumulative result of these two effects is that configuration sales have seen an unusual drop of 4.3%. Recurring revenues have risen by 5.5%, and licence and developed product sales have remained stable.
The Pharmacy France business accounted for 79.3% of the PHARMAGEST Group's overall turnover during Q1 2014.
- The **Pharmacy business in Belgium and Luxembourg (SABCO)** generated an impressive level of growth, with turnover totalling €0.97m - up 8.2% compared to Q1 2013. Implementation of the business model tested in France demonstrated its success, with recurring revenues up 17.3%. Configuration sales grew by 9.6%. Only licence and developed product sales were down, falling by 34.3%, although these only represent slightly more than 6% of the business's overall turnover.
As at 31 March 2014, this business line accounted for 3.4% of overall Group turnover.
- As announced at the end of Q4 2013, **the Laboratories business** was directly impacted by regulatory changes, and recorded turnover of €3.51m as at 31 March 2014 – a fall of 28%. This regulatory impact was especially felt at the level of low-margin communication services, which fell by 29.7 % compared to the same period in 2013.
As a result of the exceptional performance in Q1 2013 (+31.2%), results from the traditional Laboratories business are down 10.6% as at 31 March 2014.
The Laboratories business accounted for 12.2% of overall Group turnover for Q1 2014.
- The performance of the **Retirement Homes business (MALTA INFORMATIQUE)** was excellent during Q1 2014, with turnover totalling €1.41m - up 45.6%. Commercial impetus and the strong level of organic growth were reflected in licence sales, which increased by 59.6%. Recurring revenues increased by 27.1%.
This business line accounted for 4.9% of Group turnover as at 31 March 2014.
- The **e-Health business**, still in an investment phase, has yet to make any significant contribution to PHARMAGEST Group turnover.

Outlook:

- The orders secured for the Pharmacy France business allow us to envisage a return to growth during Q2 2014.
- Turnover created by the communication services division of the Laboratories business will continue to fall, but it should be noted that the low level of margin on this activity will have a positive effect on results.
- The other lines of business are confident of being able to maintain a consistent level of growth with the development of their respective markets.
- As a result from increasing margins, the PHARMAGEST Group expects a positive trend of its profitability as well in HY1 as FY 2014.

Financial calendar:

- Annual Ordinary and Extraordinary General Meeting on 27 June 2014 at 5:00pm at Company Headquarters in Villers-lès-Nancy. The company wishes to reiterate that it will propose payment of a dividend of €2.50 per share in respect of the 2013 financial year to shareholders at the annual Ordinary General Meeting - an increase of 19% on the previous financial year.
- Publication of Q2 turnover on 7 August 2014
- Publication of half-yearly results on 23 September 2014

About the PHARMAGEST Group:

The PHARMAGEST Group is the French leader in computer systems for pharmacies, with a 43.5% share of the market, 9,800 clients and more than 750 employees. Since September 2007, the PHARMAGEST Group has also been present in Northern Europe with a 12% market share in Belgium and Luxembourg through its subsidiary SABCO.

As a privileged partner to pharmacists for almost 30 years now, the PHARMAGEST Group designs innovative computer solutions for pharmacies and is developing a high-potential E-Business E-Media activity intended for laboratories.

The PHARMAGEST Group is also developing innovative new solutions for Retirement Homes (Care Comes and day centres for the elderly) through its subsidiary MALTA INFORMATIQUE.

The first Logiciel de Gestion à Portail Intégré (Integrated Portal Management Software - LGPI Global Services®), creator of value for the patient, pharmacist and laboratory, dynamises sales, optimises purchases and enriches advice to the patient. It is also the first permanent-impact medium for pharmacies, supplying laboratories with direct communication towards the pharmacist and his or her patients.

Operating at the heart of the digital revolution that is gradually establishing itself in the daily life of healthcare professionals and patients alike, at the beginning of 2012 the PHARMAGEST Group created an e-Health business, bringing together subsidiaries DIATELIC (telemedicine and e-health solutions) and DOMEDIC EUROPE (DO-Pill SecuR™ intelligent pill dispenser).

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