

Quarterly Financial Information as of September 30, 2010  
IFRS – Regulated information – not Audited

## Cegedim: Third-quarter revenues up 6.6% and up 4.4% within the first nine months

### The Group reiterates its outlook for FY 2010

Paris, November 15, 2010 – [Cegedim](#), a global technology and services company specializing in the healthcare field, generated consolidated third-quarter 2010 revenues of €211 million, a 6.6% improvement on a reported basis and a slight 0.8% drop like for like\*.

The third quarter was marked by promising acquisitions and a still very strong level of activity in the *Insurance and services* sector, offsetting the expected slowdown at Cegelease, the wait and see attitude of UK physicians in their investment decisions, and continued deferrals in the implementation of CRM projects.

The Group expects fourth-quarter reported growth on a par with that of the third quarter. Thanks to the combination of numerous commercial successes, renewed growth at the physicians' software business in the UK, the continuation of positive trends at the *strategic data* activity and recent acquisitions, the Group expects 5% growth in 2010 on a reported basis. As a reminder, fourth-quarter revenues are typically 10% to 15% higher than the Group's quarterly average.

Over the first nine months of 2010, revenue growth was 4.4% on a reported basis and stable like for like (L-f-L)\*.

- The change in revenues per sector of activity for the 3rd quarter is as follows

€ thousands	3d quarter 2010	3rd quarter 2009	Change Q3 2010/2009	
			Reported	L-f-L*
CRM and strategic data	122,532	113,429	+8.0%	0.0%
Healthcare professionals	57,822	58,780	-1.6%	-6.3%
Insurance and services	30,802	25,810	+19.3%	+8.1%
<b>Group</b>	<b>211,157</b>	<b>198,019</b>	<b>+6.6%</b>	<b>-0.8%</b>

Q3 2010 like-for-like\* revenues fell 0.8% compared with the year-earlier period. Currencies and acquisitions boosted revenues by 3.4% and 4.0% respectively.

- The change in revenues per sector of activity for the nine first months is as follows

€ thousands	9M 2010	9M 2009	Change 2010/2009	
			Reported	L-f-L*
CRM and strategic data	371,639	354,175	+4.9%	-1.0%
Healthcare professionals	196,560	196,438	+0.1%	-2.0%
Insurance and services	91,793	81,311	+12.9%	+9.3%
<b>Group</b>	<b>659,992</b>	<b>631,924</b>	<b>+4.4%</b>	<b>0.0%</b>

\* at constant scope and exchange rates

Over the first nine months of 2010, like-for-like\* growth was stable compared with the same period in 2009. Currencies and acquisitions boosted revenues by 1.9% and 2.5% respectively.

The acquisitions made over the first nine months are right in line with the external growth strategy that the Group presented at the time of its December 2009 capital increase. They will not prevent the Group from fully respecting its covenants. As a reminder, the €300 million bond issue of July 27, 2010, was intended solely to refinance existing bank debt.

#### Analysis of business trends by sector

- **CRM and strategic data**

Over the first nine months of 2010 sector revenues amounted to €371.6 million, up 4.9% on a reported basis. Currencies and acquisitions boosted revenues by 3.0% and 2.9% respectively. Like-for-like\* revenues fell 1.0% over the period.

The third quarter was marked by hesitancy among German clients due to the imposition over the summer of a 10% tax on pharmaceutical companies.

Strong sales momentum continues in the emerging countries, among other markets. The Group won several new contracts, for example in Brazil and Mexico, countries where Cegedim is now experiencing very impressive growth. Furthermore, the Group continues to reinforce its positions in new activities, such as Compliance, with for example the signature of a significant contract in the US.

The spirit of innovation at Cegedim, number one worldwide in CRM for the pharmaceutical industry, was yet again recognized with new contract wins, including a new contract in the for *Mobile Intelligence* on iPad.

Lastly, Cegedim is fully benefiting from the successful operational and commercial integration of SK&A, which has allowed the Group to enhance and strengthen its OneKey offering in the US.

The *strategic data* business, one of the principal market research companies specializing in the pharmaceutical industry and present worldwide, continues to post a strong recovery. The Group expects this trend to continue in the fourth quarter, which as a reminder is typically the most robust of the year in terms of activity.

- **Healthcare professionals**

Over the first nine months of 2010, sector revenues came to €196.6 million, stable on a reported basis. Currencies and acquisitions boosted revenues by 0.7% and 1.3% respectively. Like-for-like\* revenues were down by 2.0% over the period.

Like-for-like\* sector revenues fell by 6.3% in the third quarter. This was principally attributable to:

- A tangible decline in Cegelease's business, as expected, following an exceptional year 2009 ;
- Against our expectations, UK physicians remain on the sidelines. Early announcements regarding the reorganization of the UK healthcare system indicate that one outcome will be to give physicians more autonomy in choosing prescriptions, which will create opportunities for the software offerings of the Cegedim subsidiary specializing in the computerization of UK physicians. With an eye on these future developments, the company has already created a 50/50 joint venture with its principal competitor, EMIS, to facilitate patient data sharing among physicians

The Group has seen very good performances from its businesses specializing in physician computerization in France, Belgium and Spain (particularly in the Madrid region), physical therapist computerization, and pharmacist computerization in France and the UK.

Lastly, the acquisition of Pulse, a company specializing in electronic healthcare records (EHR) management in the US, will enable Cegedim Healthcare Software, a European leader in the field, to become a global player and capitalize fully on the considerable new opportunities in the US market.

- **Insurance and services**

Over the first nine months of 2010 sector revenues came to €91.8 million, an 12.9% increase on a reported basis. Acquisitions boosted revenues by 3.6%. Like-for-like\* revenues rose 9.3% over nine months.

Cegedim Activ is number one in software and services for the personal insurance industry. It continues to deliver numerous commercial successes and top-notch operating performances, thereby demonstrating that its software and services offerings are well suited to a changing health insurance market in which differentiation and productivity gains are indispensable. For example, its new multi-plan platform, ACTIV'RO, is already recognized as the industry standard.

In addition, Cegedim Active is currently creating an IT system for the *Assurance Maladie Obligatoire* (AMO) and *Régime d'Assistance Médicale* (RAMED) public health insurance schemes in the Republic of Mali.

It is also worth noting the continued strong sales momentum at Cegedim SRH, the specialist in outsourced payroll and HR management services.

#### Financial resources

During the period, to the best of the company's knowledge, there were no events or changes of the sort to significantly alter the Group's financial situation. The Group is in full compliance with all of its covenants.

#### 3rd quarter highlights

- **Extension of the average maturity of the debt**

As part of its policy of diversifying and extending the average maturity of its debt, Cegedim (BB+S&P), completed on July 27 issuance of a €300 million bond maturing in 2015, with a fixed annual coupon of 7.00% payable every six months. The strong demand generated by the operation, finalized in just half a day, the quality of the interested parties, and geographic diversity of the investors – of which 70% were located outside of France - enabled Cegedim to raise the €300 million under favorable conditions. At the same time, the debt issue demonstrates Cegedim's ability to tap financial markets.

- **External growth**

On July 27 Cegedim finalized the acquisition of Pulse Systems, Inc., a leading US healthcare software and services supplier. The move gives Cegedim access to the US market for the computerization of healthcare professionals at a very critical time for the Electronic Health Records (EHR) and Practice Management (PM) software markets.

Founded in 1997, Pulse Systems has developed an extremely sophisticated and scalable ambulatory healthcare IT solution - Pulse Patient Relationship Management. This solution includes EHR, PM, e-Prescribing, Revenue Cycle Management services, etc.

The company is based in Wichita and has more than 100 employees. Pulse's businesses represent estimated annual revenues of around \$16 million in 2010 and will make a positive contribution to the Group's consolidated results from H2 2010 onwards. Pulse is profitable and

will likely continue to grow in a rapidly expanding sector: it expects to increase its revenues more than four-fold by 2014.

Building on the Target Software acquisition in 2005, the Dendrite acquisition in 2007 and the SK&A acquisition earlier this year, this new addition in the US is squarely in line with the Group's global strategy. It will enable the Group to leverage its complementary activities in North America and transform its European *Cegedim Healthcare Software* division into a global player by utilizing the Pulse solutions to expand its presence in the US market.

Cegedim finalized the acquisition of Deskom a leading French B-to-B invoice dematerialization company, on September 6th. The deal is an opportunity for Cegedim EDI, its professional electronic data management department, to build on its leadership in the field.

The Deskom acquisition allows Cegedim EDI, the healthcare data exchange leader, to move ahead with its strategy of opening its services to all business sectors and becoming Europe's top electronic invoicing network, able to handle any request regardless of invoice volumes, project complexity, or the number of countries involved.

These activities represent annual revenues of around €4 million and is part of the consolidation scope of Cegedim Group for H2 2010.

These two deals were financed by internal financing.

- **New trademark strategy and visual identity for the Group**

In order to strengthen its image, Cegedim Management decided to simplify the brand's visual identity for the Group and its main healthcare Business Units. Each Business Unit's logo and name will reflect a key description of its overall activity. Therefore, Cegedim Dendrite has been renamed Cegedim Relationship Management.

This change is inspired by the Group's desire to present its customers with a more coherent, unified image of all of its businesses and to succinctly convey its commitment to providing them with the most advanced products and services in the industry. It is also a way of expressing the successful integration of Dendrite, as the new visual identity will incorporate some graphic elements from its logo.

These changes are taking place gradually from September 24, 2010. An analysis of the possible accounting consequences of this new trademark strategy is still under way.

As part of its new brand strategy and to simplify and modernize this window on the Group, Cegedim has recently launched its new corporate website: [www.cegedim.com](http://www.cegedim.com) This new, redesigned portal does more to emphasize the Group's various activities and gives users direct access to the sites of its Business Units, while incorporating traditional sections on Recruitment, Press and Finance : [www.cegedim.com/finance](http://www.cegedim.com/finance).

#### Significant post-closing transactions and events

Post closing, to the best of the company's knowledge, there were no events or changes of the sort to significantly alter the Group's financial situation.

#### 2010 outlook

Acquisitions made during the first nine months are in line with the external growth policy the Group presented at the time of the December 2009 capital increase. These acquisitions did not prevent the Group from meeting all of its covenants. We recall that the sole purpose of the bond issue for €300 million on July 27, 2010, was to refinance existing bank debt.

Given its adaptability, good regional mix and business mix of revenues, commercial momentum and half-year performances, the Group confirms its goal to consolidate leadership in the global healthcare market with revenue growth of approximately 5% for 2010

The Group reiterates its target of 2010 operating profit on a par with the 2009 figure.

### Financial calendar

The Group will hold a conference call this evening (November 15) at 6:15 pm in French and 7:00 pm in English at the following number (Paris time):

- +44 (0) 1452 586949

**Access code:** 4636625972

#### **January 11, 2011**

- Investors Day (in Boulogne Billancourt / France)

#### **February 4, 2011** (after the stock market closes)

- 2010 revenues announcement

#### **April 13, 2011** (after the stock market closes)

- 2010 annual results

#### **April 14, 2011**

- SFAF meeting

#### **May 4, 2011** (after the stock market closes)

- 2011 Q1 revenues

#### **Week of July 25 to August 5, 2011** (after the stock market closes)

- 2011 Q2 revenues

#### **September 23, 2011** (after the stock market closes)

- 2011 S1 results

#### **September 26, 2011**

- SFAF meeting

#### **November 9, 2011** (after the stock market closes)

- 2011 Q3 revenues

### Additional information

The Audit Committee met in the presence of the Statutory Auditors on November 10 to review the third-quarter revenue figures.

Complete financial information is available in the half-year financial report, the reference document and on the website [www.cegedim.com/finance](http://www.cegedim.com/finance).

Cegedim's third-quarter revenues presentation is also available on the website.

## Appendices

- Revenues by sector and by quarter<sup>#</sup>:

# Figures rounded to the nearest unit.

**Year 2010**

<i>€ thousands</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total</i>
CRM and strategic data	111,532	137,575	122,532		371,639
Healthcare professionals	64,461	74,278	57,822		196,560
Insurance and services	29,627	31,364	30,802		91,793
<b>Group</b>	<b>205,620</b>	<b>243,217</b>	<b>211,157</b>		<b>659,992</b>

**Year 2009 pro-forma**

For information, Revenues at June 30, 2009 were restated between sectors for an amount of €4.4 million. In order to continue streamlining the Group's structure, certain activities of the *Healthcare professionals* and *Insurance and services* sectors have been linked to entities of the *CRM and strategic data* sector. Pro-forma revenue is mentioned below.

<i>€ thousands</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total</i>
CRM and strategic data	117,523	123,223	113,429	144,110	498,285
Healthcare professionals	65,247	72,411	58,780	67,817	264,254
Insurance and services	25,892	29,609	25,810	30,222	111,533
<b>Group</b>	<b>208,662</b>	<b>225,245</b>	<b>198,018</b>	<b>242,148</b>	<b>874,072</b>

- By sector of activity and currency, the distribution of revenues for the nine first months of 2010 is as follows:

	<i>Euro</i>	<i>USD</i>	<i>GBP</i>	<i>Others</i>
CRM and strategic data	51%	23%	4%	22%
Healthcare professionals	77%	1%	22%	0%
Insurance and services	99%	-	-	1%
<b>Group</b>	<b>65%</b>	<b>13%</b>	<b>9%</b>	<b>13%</b>

- By sector of activity and geographic zone, the distribution of revenues for the nine first months of 2010 is as follows:

	<i>France</i>	<i>EMEA ex France</i>	<i>Americas</i>	<i>APAC</i>
CRM and strategic data	31%	34%	26%	9%
Healthcare professionals	75%	24%	1%	-
Insurance and services	99%	1%	-	-
<b>Group</b>	<b>54%</b>	<b>27%</b>	<b>15%</b>	<b>5%</b>

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*About Cegedim:*

Founded in 1969, Cegedim is a global technology and services company specializing in the healthcare field. Cegedim supplies services, technological 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 world leader in life sciences CRM, Cegedim is also one of the leading suppliers of strategic healthcare industry data. Cegedim employs 8,600 people in more than 80 countries and generated revenue of €874 million in 2009. Cegedim SA is listed in Paris (EURONEXT: CGM). To learn more, please visit: [www.cegedim.com](http://www.cegedim.com)

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