

Quarterly Financial Information as of March 31, 2016  
IFRS - Regulated Information - Not Audited

## Cegedim: Revenues up in the first quarter of 2016, but margin impacted by the transition to an SaaS model and to BPO

- Revenues up 5.7% on a reported basis
- Robust investment plan still in place in 2016
- Interest expense expected to fall considerably from Q2 onward
- EBITDA expected to be stable in 2016

*Disclaimer: pursuant to IAS 17 as it applies to Cegelease's activities, leases are now classified as financial leases, resulting in an adjustment to the first quarter 2015 figures published in 2015. Readers should refer to the last annex of this press release for full details of the adjustments. All of the figures in this press release reflect the adjustments.*

**Boulogne-Billancourt, May 26, 2016** – [Cegedim](#), an innovative technology and services company, generated first quarter 2016 consolidated revenues from continuing activities of €106.2 million, up 5.7% on a reported basis and 4.8% like for like compared with the same period in 2015. Despite the ongoing migration of clients over to SaaS / cloud-based models, the [Health Insurance, HR and e-services](#) division posted significant growth, and the [Healthcare professionals](#) division saw its growth recover modestly.

First-quarter 2016 EBITDA came to €11.1 million, down 24.6% year on year. EBITDA declined at all of the Group's divisions as a result of the investments being made in human resources and innovation in order to speed up the transition of software products to cloud-based models and swiftly roll out the Group's new BPO (Business Process Outsourcing) offerings.

The innovations the Group brought to market in 2015 helped boost first-quarter 2016 revenues despite the ongoing transition to a cloud model.

This revenue trend fully validates the decision management made in mid-2015 to speed up the shift to cloud-based software offerings and rapidly roll out [Cegedim's](#) new BPO range. During the transitional period, profitability has naturally taken a hit. For 2016, [Cegedim](#) expects at least stable revenue from continuing activities and stability at the EBITDA level.

Further out, [Cegedim](#) will enjoy greater customer loyalty, closer client relationships, simpler operating processes, more robust offerings and stronger geographic positions. These changes will also boost the share of recurring revenues, improve sales growth and predictability, and enhance the Group's profitability.

In the first quarter of 2016, [Cegedim](#) exercised its call option on the entire 6.75% 2020 bond at a price of 105.0625%, or a premium of €18.0 million. The company then cancelled these securities. The transaction was financed by drawing a portion of the RCF obtained in January 2016 and using the proceeds of the sale to IMS Health. This move will reduce interest expense by around 9 times over the final nine months of 2016 compared with the same period in 2015.

- **Simplified income statement**

	Q1 2016		Q1 2015		Chg. %
	In €m	in %	in €m	in %	
<b>Revenue</b>	<b>106.2</b>	<b>100%</b>	<b>100.5</b>	<b>100%</b>	<b>+5.7%</b>
EBITDA	11.1	10.4%	14.7	14.6%	(24.6)%
Depreciation	(8.1)	-	(7.3)	-	+10.7%
<b>EBIT before special items</b>	<b>3.0</b>	<b>2.8%</b>	<b>7.4</b>	<b>7.4%</b>	<b>(59.4)%</b>
Special items	(1.1)	-	(2.9)	-	(62.0)%
<b>EBIT</b>	<b>1.9</b>	<b>1.8%</b>	<b>4.6</b>	<b>4.5%</b>	<b>(57.9)%</b>
Cost of net financial debt	(23.2)	-	(6.9)	-	+236.3%
Tax expenses	(0.3)	-	(0.7)	-	(58.9)%
<b>Consolidated profit from continuing activities</b>	<b>(21.0)</b>	<b>(19.8)%</b>	<b>(2.6)</b>	<b>(2.6)%</b>	<b>n.m.</b>
Net earnings from activities held for sale	(0.4)	-	1.1	-	n.m.
Profit attributable to the owners of the parent	(21.4)	(20.2)%	(1.5)	(1.5)%	n.s.
EPS	(1.4)	-	0.0	-	n.m.

In first quarter 2016, *Cegedim* posted consolidated revenues from continuing activities of €106.2 million, up 5.7% on a reported basis. Excluding an unfavorable currency translation effect of 0.5% and a 1.3% boost from acquisitions, revenues rose 4.8%.

In like-for-like terms the *Health Insurance, HR and e-services* and *Healthcare professionals* divisions' revenues rose by respectively 8.7% and 0.5%, whereas the *Activities not allocated* division's revenues fell by 3.8%.

EBITDA fell €3.6 million year on year, or 24.6%, to €11.1 million. The margin declined from 14.6% in Q1 2015 to 10.4% in Q1 2016. EBITDA declined at all of the Group's divisions as a result of the investments being made in human resources and innovation in order to speed up the transition of software products to cloud-based formats and swiftly roll out the Group's new BPO offerings.

Depreciation charges rose €0.8 million, from €7.3 million in Q1 2015 to €8.1 million in Q1 2016. Special items amounted to a €1.1 million charge in the first quarter compared with a €2.8 million charge a year earlier. The drop was chiefly due to the booking in 2015 of fees related to the sale of the CRM and strategic data division to IMS Health.

EBIT before special items fell €4.4 million in the first quarter of 2016, or 59.4%, to €3.0 million. The margin declined from 7.4% in Q1 2015 to 2.8% in Q1 2016.

The net cost of financial debt increased by €16.3 million or 236.3%, from €6.9 million on March 31, 2015, to €23.2 million at March 31, 2016. This increase reflects the early redemption premium paid of €18 million on the 2020 bond, which was partly offset by a decrease in interest payments attributable to the bond debt restructuring in 2015.

Tax fell from a charge of €0.7 million at March 31, 2015, to a charge of €0.3 million at March 31, 2016, mainly due to the drop in taxable income.

Thus, the consolidated net result from continuing activities came to a loss of €21.0 million at end-March 2016, compared with a loss of €2.6 million in the year-earlier period. The Group's consolidated net result was a loss of €21.4 million at end-March 2016 compared with a €1.5 million loss at end-March 2015. Net result per share was a €1.5 loss in the first quarter of 2016, compared with a €0.1 loss a year earlier.

## Analysis of business trends by division

### • Key figures by division

In €m	Revenue		EBIT before special items		EBITDA	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Health insurance, HR and e-services	59.7	53.7	3.5	4.6	7.1	8.5
Healthcare professionals	45.7	45.92	1.8	3.5	5.0	6.4
Activities not allocated	0.8	0.8	(2.2)	(0.7)	(1.0)	(0.2)
<b>Cegedim</b>	<b>106.2</b>	<b>100.5</b>	<b>3.0</b>	<b>7.4</b>	<b>11.1</b>	<b>14.7</b>

### • Health insurance, HR and e-services

The division's Q1 2016 revenues came to €59.7 million, up 11.2% on a reported basis. The July 2015 acquisition of *Activus* in the UK made a positive contribution of 2.5%. Currencies had virtually no impact. Like-for-like revenues rose 8.7% over the period.

The *Health insurance, HR and e-services* division represented 56.2% of consolidated revenues from continuing activities, compared with 53.5% over the same period a year earlier.

This significant Q1 2016 revenue growth was chiefly attributable to:

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

EBITDA fell €1.4 million year on year, or 16.7%, to €7.1 million. The EBITDA margin came to 11.8%, vs. 15.8% a year earlier.

The drop in EBITDA was mainly due to:

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

This was partly offset by the good performances of:

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

### • Healthcare professionals

The division's Q1 2016 revenues came to €45.7 million, down 0.5% on a reported basis. Currency effects made a negative contribution of 1.0%. There was no impact from acquisitions or divestments. Like-for-like revenues rose 0.5% over the period.

The *Healthcare professionals* division represented 43.0% of consolidated revenues from continuing activities, compared with 45.7% over the same period a year earlier.

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

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

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

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

EBITDA came to €5.0 million in the first quarter of 2016, down €1.4 million or 22% compared with the same period in 2015. As a result, the margin came to 10.9% vs 13.8% a year earlier.

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

- **Activities not allocated**

The division's Q1 2016 revenues came to €0.8 million, down 3.8% both on a reported basis and like for like. There were no currency effects and no acquisitions or divestments.

The *Activities not allocated* division represented 0.7% of consolidated revenues from continuing activities, compared with 0.8% over the same period a year earlier.

EBITDA deteriorated by €0.8 million to a loss of €1.0 million, compared with a year-earlier loss of €0.2 million.

This EBITDA weakness partly reflects the costs needed to develop IT infrastructure.

## Financial resources

At March 31, 2016, *Cegedim's* total balance sheet amounted to €666.7 million.

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

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

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

Net financial debt amounted to €209.4 million at end-March 2016, up €41.7 million compared with end-December 2015. It represented 104.7% of Group shareholders' equity at March 31, 2016.

Before the net cost of financial debt and taxes, cash flow was €13.3 million at March 31, 2016, compared with €19.2 million at March 31, 2015.

## Highlights

- **New credit facility**

In January 2016, the Group took out a new five-year revolving credit facility (RCF) of €200 million. The applicable interest rate for this credit facility is Euribor plus a margin. The Euribor rate can be the 1-, 3- or 6-month rate; if Euribor is below zero, it will be deemed to be equal to zero. The margin can range from 0.70% to 1.40% depending on the leverage ratio calculated semi-annually in June and December (*Refer to point 2.1.1.1 on page 14 of the Q1-2016 Quarterly Financial Report*).

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

## Significant post-closing transactions and events

- **Exercise of the call option on the entire 2020 bond**

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

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

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

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

## Outlook

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

The Group does not expect any significant acquisitions in 2016 and does not disclose profit projections or estimates.

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

### Financial calendar

The Group will hold a conference call in English today, May 26, 2016, at 6:15 pm (Paris time). The call will be hosted by [Jan Eryk Umiastowski, Cegedim Chief Investment Officer and Head of Investor Relations](#).

A presentation of Cegedim's Q1 2016 Results will also be available on the website: <http://www.cegedim.com/finance/documentation/Pages/presentations.aspx>

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**No access code required**

<b>July 26, 2016</b> after market closing	Q2 2016 revenues
<b>September 15, 2016</b> after market closing	H1 2016 results
<b>September 16, 2016</b> at 10:00 am	Analyst meeting (SFAF)
<b>November 29, 2016</b> after market closing	Q3 2016 results

### Additional information

The Audit Committee met on May 24, 2016, and the Board of Directors met on May 25, 2016, to review the 2016 first quarter consolidated financial statements.

The interim financial report for the first quarter of 2016 is available in French and in English in the Finance section of Cegedim's website:

- French: <http://www.cegedim.fr/finance/documentation/Pages/rapports.aspx>
- English: <http://www.cegedim.com/finance/documentation/Pages/reports.aspx>

This information is also available on Cegedim IR, the Group's financial communications app for smartphones and iOS and Android tablets. To download the app, visit: <http://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx>.

**Appendices**

- Balance sheet as March 31, 2016

**Assets**

<i>In thousands of euros</i>	<i>31.03.2016</i>	<i>31.12.2015<sup>(1)</sup></i>
<b>Goodwill on acquisition</b>	<b>185,777</b>	<b>188,548</b>
Development costs	17,944	16,923
Other intangible fixed assets	106,961	108,166
<b>Intangible fixed assets</b>	<b>124,906</b>	<b>125,089</b>
Property	459	459
Buildings	4,940	5,021
Other tangible fixed assets	18,509	16,574
Construction work in progress	878	51
<b>Tangible fixed assets</b>	<b>24,786</b>	<b>22,107</b>
Equity investments	1,098	1,098
Loans	3,145	3,146
Other long-term investments	6,547	5,730
<b>Long-term investments - excluding equity shares in equity method companies</b>	<b>10,791</b>	<b>9,973</b>
Equity shares in equity method companies	9,681	10,105
Government - Deferred tax	28,544	28,722
Accounts receivable: Long-term portion	26,491	26,544
Other receivables: Long-term portion	1,075	1,132
<b>Non-current assets</b>	<b>412,050</b>	<b>412,219</b>
Services in progress	0	0
Goods	8,958	8,978
Advances and deposits received on orders	490	218
Accounts receivable: Short-term portion	166,044	161,923
Other receivables: Short-term portion	39,526	32,209
Cash equivalents	8,001	153,001
Cash	12,228	78,298
Prepaid expenses	18,036	16,666
<b>Current assets</b>	<b>253,283</b>	<b>451,293</b>
<b>ASSETS OF ACTIVITIES HELD FOR SALE</b>	<b>1,356</b>	<b>768</b>
<b>Total assets</b>	<b>666,689</b>	<b>864,280</b>

(1) Restated see note "Correction of the accounting treatment of the finance lease business in the group consolidated financial statement".

**Liabilities as of December 31, 2016**

<i>In thousands of euros</i>	<i>31.03.2016</i>	<i>31.12.2015<sup>(1)</sup></i>
Share capital	13,337	13,337
Group reserves	205,822	139,287
Group exchange gains/losses	2,186	8,469
Group earnings	(21,443)	66,957
<b>Shareholders' equity, Group share</b>	<b>199,902</b>	<b>228,051</b>
Minority interests (reserves)	85	39
Minority interests (earnings)	1	41
<b>Minority interests</b>	<b>86</b>	<b>79</b>
<b>Shareholders' equity</b>	<b>199,988</b>	<b>228,130</b>
Long-term financial liabilities	227,781	51,723
Long-term financial instruments	3,511	3,877
Deferred tax liabilities	6,484	6,731
Non-current provisions	19,724	19,307
Other non-current liabilities	14,486	14,376
<b>Non-current liabilities</b>	<b>271,987</b>	<b>96,014</b>
Short-term financial liabilities	1,813	347,213
Short-term financial instruments	5	5
Accounts payable and related accounts	51,131	54,470
Tax and social liabilities	67,394	70,632
Provisions	2,184	2,333
Other current liabilities	71,673	61,657
<b>Current liabilities</b>	<b>194,199</b>	<b>536,311</b>
<b>LIABILITIES OF ACTIVITIES HELD FOR SALE</b>	<b>515</b>	<b>3,823</b>
<b>Total Liabilities</b>	<b>666,689</b>	<b>864,280</b>

(1) Restated see note "Correction of the accounting treatment of the finance lease business in the group consolidated financial statement".



## • Income statements as of March 31, 2016

<i>In thousands of euros</i>	<b>31.03.2016</b>	<b>31.03.2015<sup>(1)(2)</sup></b>
<b>Revenue</b>	<b>106,208</b>	<b>100,468</b>
Other operating activities revenue	-	-
Purchases used	(9,196)	(8,875)
External expenses	(30,912)	(26,978)
Taxes	(2,896)	(3,844)
Payroll costs	(51,458)	(46,059)
Allocations to and reversals of provisions	(1,033)	(590)
Change in inventories of products in progress and finished products	-	-
Other operating income and expenses	366	581
<b>EBITDA</b>	<b>11,079</b>	<b>14,704</b>
Depreciation expenses	(8,076)	(7,299)
<b>Operating income from recurring operations</b>	<b>3,003</b>	<b>7,405</b>
Depreciation of goodwill	-	-
Non-recurrent income and expenses	(1,085)	(2,851)
<b>Other exceptional operating income and expenses</b>	<b>(1,085)</b>	<b>(2,851)</b>
<b>Operating income</b>	<b>1,918</b>	<b>4,554</b>
Income from cash and cash equivalents	879	983
Gross cost of financial debt	(23,820)	(10,054)
Other financial income and expenses	(231)	2,180
<b>Cost of net financial debt</b>	<b>(23,172)</b>	<b>(6,891)</b>
Income taxes	(434)	(883)
Deferred taxes	132	148
<b>Total taxes</b>	<b>(302)</b>	<b>(735)</b>
Share of profit (loss) for the period of equity method companies	511	442
Profit (loss) for the period from continuing activities	(21,044)	(2,629)
Profit (loss) for the period discontinued activities	(398)	1,149
Consolidated profit (loss) for the period	(21,442)	(1,481)
<b>GROUP SHARE</b>	<b>(21,443)</b>	<b>(1,474)</b>
Minority interests	1	(7)
Average number of shares excluding treasury stock	13,953,944	13,965,725
<b>Current Earnings Per Share (in euros)</b>	<b>(1,4)</b>	<b>0,0</b>
<b>Earnings Per Share (in euros)</b>	<b>(1,5)</b>	<b>(0,1)</b>
Dilutive instruments	Néant	Néant
<b>Earning for recurring operation per share (in euros)</b>	<b>(1,5)</b>	<b>(0,1)</b>

(1) Restated see note "Correction of the accounting treatment of the finance lease business in the group consolidated financial statement"

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

## • Consolidated cash flow statement as of March 31, 2016

<i>In thousands of euros</i>	<b>31.03.2016</b>	<b>31.12.2015</b>	<b>31.03.2015<sup>(1)(2)</sup></b>
Consolidated profit (loss) for the period	(21,442)	66,998	(1,481)
Share of earnings from equity method companies	(511)	(1,348)	(485)
Depreciation and provisions	11,525	31,546	8,144
Capital gains or losses on disposals	200	(46,857)	372
<b>Cash flow after cost of net financial debt and taxes</b>	<b>(10,228)</b>	<b>50,339</b>	<b>6,551</b>
Cost of net financial debt	23,176	40,120	8,224
Tax expenses	306	(14,431)	4,444
<b>Operating cash flow before cost of net financial debt and taxes</b>	<b>13,253</b>	<b>76,028</b>	<b>19,219</b>
Tax paid	(1,292)	(12,127)	(6,605)
Change in working capital requirements for operations: requirement	(11,648)	(24,072)	-
Change in working capital requirements for operations: surplus	-	-	18,412
<b>Cash flow generated from operating activities after tax paid and change in working capital requirements (A)</b>	<b>313</b>	<b>39,829</b>	<b>31,026</b>
Of which net cash flows from operating activities of held for sales	57	6,419	9,019
Acquisitions of intangible assets	(9,595)	(51,229)	(14,215)
Acquisitions of tangible assets	(4,977)	(10,231)	(6,409)
Acquisitions of long-term investments	-	-	(262)
Disposals of tangible and intangible assets	355	1,416	173
Disposals of long-term investments	(17)	927	-
Impact of changes in consolidation scope	-	336,347	-
Dividends received from equity method companies	-	81	12
<b>Net cash flows generated by investment operations (B)</b>	<b>(14,235)</b>	<b>277,311</b>	<b>(20,701)</b>
Of which net cash flows connected to investment operations of activities held for sales	0	(7,482)	(5,018)
Dividends paid to parent company shareholders	-	-	-
Dividends paid to the minority interests of consolidated companies	-	(69)	-
Capital increase through cash contribution	-	-	-
Loans issued	176,000	-	-
Loans repaid	(340,139)	(147,563)	(64)
Interest paid on loans	(29,369)	(42,681)	(17,524)
Other financial income and expenses paid or received	675	(1,130)	726
<b>Net cash flows generated by financing operations (C)</b>	<b>(192,833)</b>	<b>(191,443)</b>	<b>(16,862)</b>
Of which net cash flows related to financing operations of activities held for sales	(4)	(852)	(842)
<b>Change In Cash without impact of change in foreign currency exchange rates (A + B + C)</b>	<b>(206,755)</b>	<b>125,698</b>	<b>(6,537)</b>
Impact of changes in foreign currency exchange rates	(557)	2,707	2,984
<b>Change in cash</b>	<b>(207,312)</b>	<b>128,405</b>	<b>(3,553)</b>
Opening cash	228,120	99,715	99,715
Closing cash	20,807	228,120	96,162

(1) Restated see note "Correction of the accounting treatment of the finance lease business in the group consolidated financial statement"

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

- **Correction of the accounting treatment of the finance lease business in the group consolidated financial statement**

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

Initially, these solutions were aimed at serving the pharmacists, who preferred leasing instead of paying up-front, the pharmacies management system software that they bought from the Cegedim group.

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

After the sale of its *CRM and strategic data* business to IMS Health, Cegedim investigated in depth these activities and found that they had to be reclassified pursuant to IAS 17 on March 23, 2016 when the 2015 accounts were published.

All the impacts on previous accounts are indicated in the 2015 Registration Document filled with the AMF on March 31, 2016 in Chapter 4.4 point 1.3 on page 89 to 94.

Impacts on Q1 2015 consolidated financial statements are described below:

- **Q1 2015 Profit and Loss Statement**

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

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

## • Q1 2015 Cash Flows Statement

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

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

## • Q1 2015 Revenue per division

In € million	31.03.2015 reported	IFRS 5 impact from Cegedim Kadrigé	Correction of leases	Division aggregation	31.03.2015 restated
		(1)	(2)	(3)	
Health Insurance H.R. & e-services	54.0	(0.3)	-	-	53.7
Healthcare Professionals	37.2	-	-	8.7	45.9
Cegelease	29.3	-	(20.5)	(8.7)	-
Activities not allocated	0.8	-	-	-	0.8
<b>Group Cegedim</b>	<b>121.3</b>	<b>(0.3)</b>	<b>(20.5)</b>	<b>0</b>	<b>100.4</b>

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

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

(3) The finance lease business accounts for less than 10% of the consolidated revenue or EBITDA, and as such is not isolated anymore within the Group internal reporting. These activities are reported into the « Healthcare professionals » division, where they already belonged until the 2014 annual closing.

- **Glossary**

**Activities not allocated:** this division encompasses the activities the Group performs as the parent company of a listed entity, as well as the support it provides to the three operating divisions.

**EPS:** 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.

**Operating expenses:** defined as purchases used, external expenses and payroll costs.

**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.

**Life-for-like data:** at constant scope and exchange rates.

**Internal growth:** 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.

**External growth:** 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.

**EBIT: Earnings Before Interest and Taxes.** EBIT corresponds to 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.

**EBIT before special items:** this 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 recurring operations 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). EBITDA is 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 recurring operations for the Cegedim Group.

**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.

**Free cash flow:** 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.

**EBIT margin:** defined as the ratio of EBIT/revenue.

**EBIT margin before special items:** defined as the ratio of EBIT before special items/revenue.

**Net cash:** defined as cash and cash equivalent minus overdraft.

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*A propos de Cegedim :* Founded in 1969, Cegedim is an innovative technology and services company in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals. Cegedim employs more than 3,600 people in 11 countries and generated revenue of €426 million in 2015. Cegedim SA is listed in Paris (EURONEXT: CGM).  
To learn more, please visit: [www.cegedim.com](http://www.cegedim.com)  
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