



Acquisition
PULSE
Systems, Inc

July 28, 2010



**Global
technology
and services company
specialized healthcare**

**Global
leader in a
dynamic
environment**

Customers

Pharmaceutical
and
Life-Sciences
companies
worldwide

Doctors,
pharmacists
and paramedics
in Europe

Healthcare
insurance
in France

Key figures

as of 31/12/2009

2009 revenue

€874M

+4.3%

Recurring business

65%

Market capitalization

€805M

Headcount

8,600

CGM
LISTED
NYSE
EURONEXT

S&P
BB+

HEALTHCARE PROFESSIONALS #2

CLIENTS

Doctors, paramedics

Pharmacists

2009 REVENUE



31%

€271M

CRM & STRATEGIC DATA #1

CLIENTS

CRM

- Pharma companies

Strategic Data

- Pharma companies
- Government
- University

2009 REVENUE



56%

€487M

INSURANCE & SERVICES #3

CLIENTS

Insurers and health mutuals

2009 REVENUE



13%

€116M



Physicians

+120,000

- France, UK, Spain, Italy, Belgium and USA
- EMR: Diagnostic, e-prescription, CPOE, Electronic transmission of claims



Pharmacists

16,000

- France & UK
- Complete pharmacy management: sales, stocks, e-transmission



Paramedics

11,000

- France
- Product management software

France



#1 for GPs

#2 for Pharmacists

UK



#2 for GPs

#1 for Pharmacists

Belgium



#2

Italy



#1

Spain



#1

for GPs

USA



Pulse system inc

- ▶ Founded in 1997
- ▶ Leading healthcare software and services supplier
 - EHR, PMS, e-Prescribing, Revenue Cycle Management services...
 - Iphone, Windows mobiles plateform
 - Modular offer
 - Easy implementation

- ▶ 95% customer renewal rate
- ▶ More than 20,000 workstations installed across the US in 35 specialties.
- ▶ 58% of 2010 recurrent revenue

- ▶ Based in Wichita, Kansas,
- ▶ Offices in Dallas, Texas, Kansas City, Missouri and Boston, Massachusetts
- ▶ More than 100 employees

- ▶ Cegedim is one of the EHR leader in Europe
- ▶ Cegedim does not have EHR presence in US

- ▶ Pulse offers Cegedim immediate presence in the EHR market in the US
- ▶ Pulse products provide platform for Cegedim to launch new product in the US

- ▶ Huge opportunity in the US market
 - HITECH Act incentives for Meaningful use of HER (2011-2015)
 - Healthcare reform: numerous new government payers, programs, and patients (2010-2018)

➡ **US market opportunity**

➔ **< 17%**

Approximately 17% EHR physicians penetration

➔ **~\$30B**

~\$30Billion in Federal Funding

➔ **70%**

70% of funding will be spent in first 3 years

- ▶ Huge incentive, dependant decreasing over time

Adopt in	2011	2012	2013	2014	2015
2011	\$18K	-	-	-	-
2012	\$ 12K	\$18K	-	-	-
2013	\$ 8K	\$ 12K	\$ 15K	-	-
2014	\$ 4K	\$ 8K	\$ 12K	\$ 12K	-
2015	\$ 2K	\$ 4K	\$ 8K	\$ 8K	\$ 0
2016	\$ 0	\$ 2K	\$ 4K	\$ 4K	\$ 0
2017	\$ 0	\$ 0	\$ 0	\$ 0K	\$ 0
Total	\$ 44K	\$ 44K	\$ 39K	\$ 24K	\$ 0

- ▶ Then starting in 2015, the not-equipped physician will be penalty
- ▶ The EHR must be certified (CCHIT 2011), include e-prescription
- ▶ The EHR must be used in a Meaningful way

Practice size	Total # of practices	EHR Penetration (09)
1-3 Physicians	163,000	~10%
4-9 Physicians	27,000	~ 20%
10-25 Physicians	8,000	~ 25%
26+ Physicians	2,000	~ 140%
Total	200,000	~ 12%

▪ Source: SK&A

- ▶ 800,000 physicians in US
- ▶ 17% EHR penetration rate in 2010

- ▶ Huge potential from Pulse users
- ▶ Huge potential from the market

- **The time is Now**
- **The choice is Pulse**

Pulse system inc

- ▶ Leading healthcare software and services supplier
 - EHR, PM, e-Prescribing, Revenue Cycle Management services...
 - Iphone, Windows mobiles platform
 - Modular offer
 - Easy implementation

- ▶ Fully certified
 - Top PMS/EHR validated by 3rd party – AC Group
 - 2011 CCHIT Fully certified
 - SURESCRIPTS certified for e-prescription

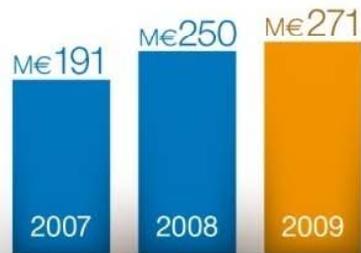
Measuring Standard								
CCHIT 2011	Fully Certified	Fully Certified	No	No	No	No	Pre-Market	No
Customer Satisfaction	Excellent	Fair	Fair	Fair	Fair	Good	Excellent	Good
Modular Licensing	Yes	No	No	No	No	No	No	No
Integrated EDI Offering	Yes	No	Yes	No	No	No	No	Yes
AC Group 5-Star PM Rating	4.81*	4.76	4.54	4.56	Did Not Rank	4.72	4.63	4.54
AC Group 5-Star EHR Rating	5.00*	4.87	3.50	4.41	Did Not Rank	4.91	4.00	4.46

*#1 PM and #1 EHR.

- ▶ In line with the Group external growth policy
- ▶ The €300 million bond issue of 27 July 2010 only for refinancing existing bank debt.
- ▶ Pulse's estimated annual revenues of around \$16 million in 2010
- ▶ The company is profitable
- ▶ Revenues are expected to more than four-fold by 2014.

- ▶ To allow Pulse Systems to continue its R&D efforts and bolster its sales and marketing actions, Cegedim will inject \$13.5 million into Pulse.
- ▶ The total amount of the acquisition will not exceed \$58 million.
 - Excluding capital increase and including earn-out based on growth and profitability over 2 years

- ▶ The deal was finalized on 27 July 2010
- ▶ Internal financing
- ▶ Cegedim respect all its debt covenants.



Revenue

31% Group 2009 Revenue

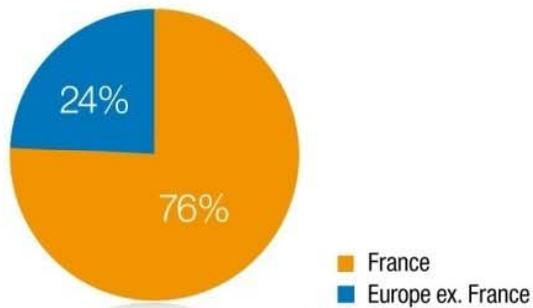


Profit from recurring operations

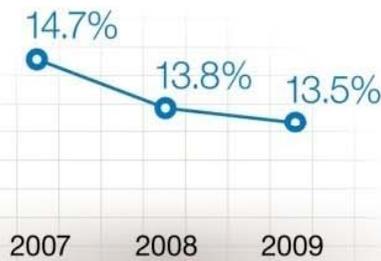
33% Group 2009 EBIT

**Global player
European Leader**

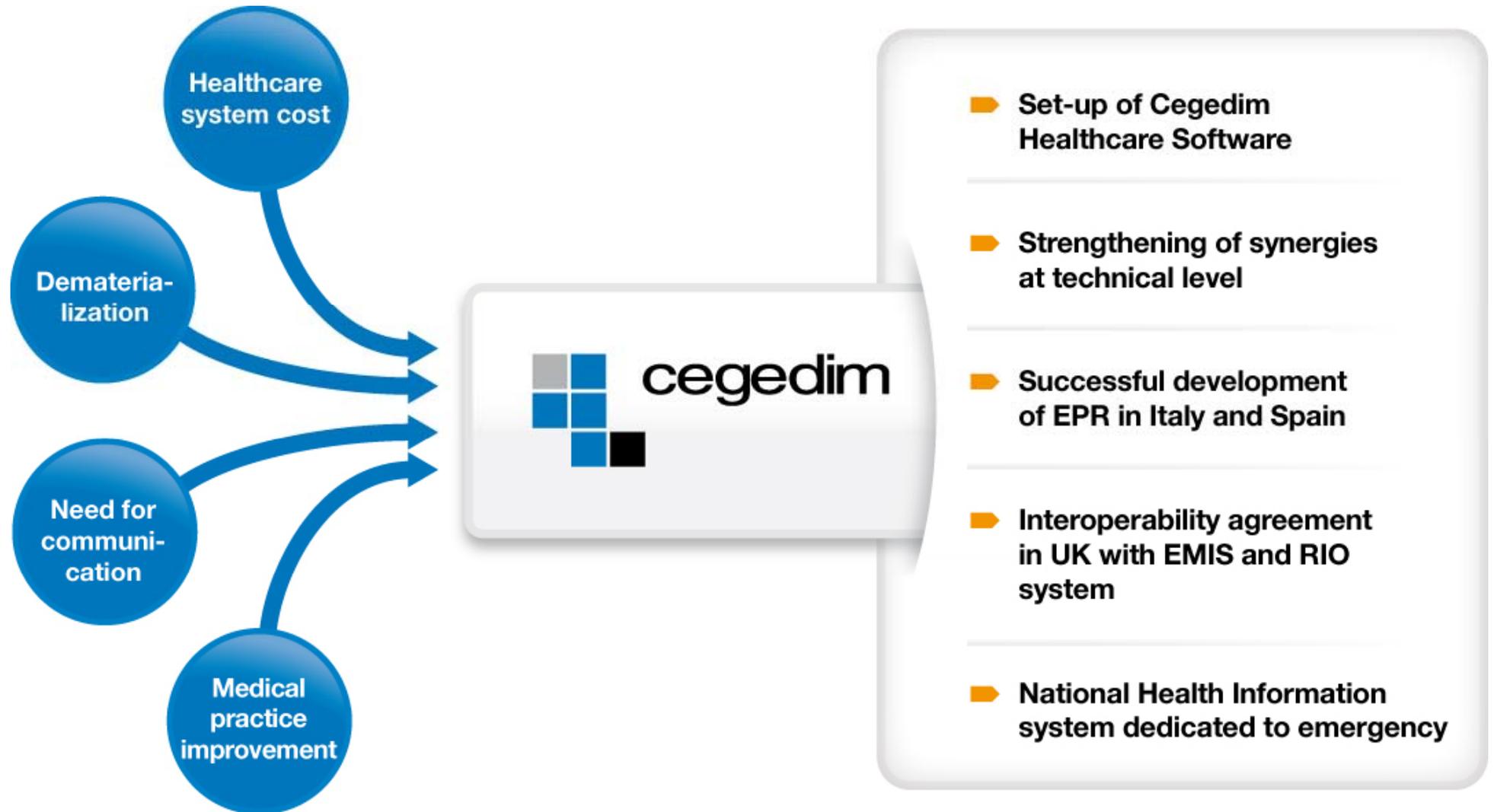
Clients: Doctors
Paramedics
Pharmacists



2009 Geographical breakdown



Margin





Practice management Software (PMS)

- ▶ The move gives Cegedim access to the US market for the computerization of healthcare professionals in a very critical time for Electronic Health Records (EHR) and Practice Management (PM) software market.

Electronic Health Record (EHR)

- ▶ health information system that allows storage, retrieval and manipulation of patients health history

E-prescription

- ▶ a prescriber's ability to electronically send an accurate, error-free and understandable prescription directly to a pharmacy from the point-of-care

➡ Q&A