

2008 Reference Document



At the heart of decision-making and performance



Public limited company
with a capital of €8 891 004.61
127 to 137, rue d'Aguesseau
92641 Boulogne-Billancourt Cedex
350 422 622 Trade and Companies Register of Nanterre
NAF code: 6311 Z
Telephone: + 33 (0) 1 49 09 22 00
Fax: + 33 (0) 1 46 03 45 95
<http://www.cegedim.com>

2008 Reference Document

Hard copies of the Reference Document are available at
Cegedim S.A., 137, rue d'Aguesseau, 92100 Boulogne-Billancourt,
or on the Cegedim S.A. web site: www.cegedim.com



The French language version of this *Document de Référence* (Reference Document) was filed with the *Autorité des Marchés Financiers* (French Financial Markets Authority – AMF) on April 28, 2009 in accordance with the provisions of Article 212-13 of its general regulations.

The French language version of this *Document de Référence* (Reference Document) may be used in support of a financial operation if it is completed by a prospectus approved by the *Autorité des Marchés Financiers*.



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WARNING

Certain information other than historical contained in this Reference 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.

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Cegedim Group

Founded in 1969, Cegedim is a global technology and services company specializing in the healthcare field. Cegedim offers services, IT tools, specialized software, and information flow and database management services. Its offers target industries such as health, pharmaceutical, health professionals and insurance companies.

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

- CRM and strategic data
- Healthcare professionals
- Insurances and services

The world leader for pharmaceutical CRM, its historical core business, Cegedim assists the largest pharmaceutical companies with their CRM (Customer Relationship Management) projects and measures the effectiveness of their marketing and sales activities. The Group's CRM tools, whose value is enhanced by the strategic databases, provide customers with an informed view of their market and their targets so that they can optimize their strategies and their return on investment.

Cegedim has also positioned itself as one of Europe's leading producers 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.

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 clients concerned with issues related to outsourcing and computerized exchanges.

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

- | | | | |
|------|---|------|--|
| 1969 | Jean-Claude Labrune founds Cegedim (for Centre de Gestion, de Documentation, d'Information et de Marketing) with initial vocation to pool pharmaceutical companies IT resources and document research expertise. Launch of first databases. | 2000 | Acquisition of a 10% stake in the Alliance Healthcare France Groupe (ex Alliance Unichem, became Alliance Boots), which, in exchange, contributes to Cegedim its pharmacy computerizing activities and medication databases for both pharmacies and medical practices. |
| 1979 | Launch of CRM activities in France. | 2001 | Establishment in the United States then acquisition of Target Software in 2005, allowing the Cegedim Group to strengthen its presence in the United States. |
| 1990 | International expansion begins. | | |
| 1991 | Launch of the first platform of electronic data interchange. | 2006 | Cegedim revenue exceeds €500 million. |
| 1994 | Start of doctors' computerization in France and promotional activities dedicated to doctors and pharmacists and human resources management activities. | 2007 | Cegedim announces the acquisition of the American company Dendrite International, listed on the Nasdaq, and becomes the world leader in Pharmaceutical CRM. 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. |
| 1995 | Cegedim has been listed on the Paris second market and is now listed on NYSE Euronext Paris, compartment B. | | |
| 1999 | Computerization of health insurance and mutual companies. | 2009 | Cegedim employs 8 239 people in more than 80 countries. International activities represent more than 50% of full-year revenue. The database of choice for healthcare professionals around the world (OneKey) is available in 73 countries. |

Group Activities

At the heart of decision-making and performance

CRM and strategic data

CRM for medical reps

- Cegedim Dendrite
- Mobile Intelligence - TEAMS
- Target - Trends

Business Intelligence

- Reportive

Market research studies

- Cegedim Strategic Data

Sales force optimization

- Itops

Sales statistics for pharmaceutical products

- Cegedim sales statistics
- Cegers
- Infosanté

Prescription analysis

- Cegedim Customer Information
- Icomed - DocScan - Physician Connect

Corporate databases and associated services

- Cegedim Communication Directe

Printing and package inserts

- Pharmapost

Medical sample management

- Pharmastock
- 3S - Tracere

OneKey
& other
associated
databases

Insurances and services

Insurances, electronic payment and health

Computerization of insurers and healthcare mutuals

- Cegedim Activ - Protectia

Healthcare billing and payment flows

- Cetip
- iSanté

Other services

Electronic data interchange

- Cegedim EDI
- Hospitalis
- Qualitrans-Telepharma

Outsourced payroll and human resources management

- Cegedim SRH

Hosting, services and Internet

- Cegedim hosting
- PCO Cegedim

Healthcare professionals

Cegedim Healthcare Software

Software for pharmacists and paramedics

- Alliadis
- RM Ingénierie
- Cegedim Rx

Software for doctors - Healthcare networks - France

- Cegedim Logiciels Médicaux
- AGDF Cegedim RS
- RESIP - Banque Claude Bernard

Software for doctors - International

- In Practice Systems
- HDMP
- Millennium
- Stacks

Intranet and healthcare portal

- Santesurf

Promotional information

- RNP
- MedExact

Customized statistics for pharmacists

- Santestat

Professional databases

- Rosenwald

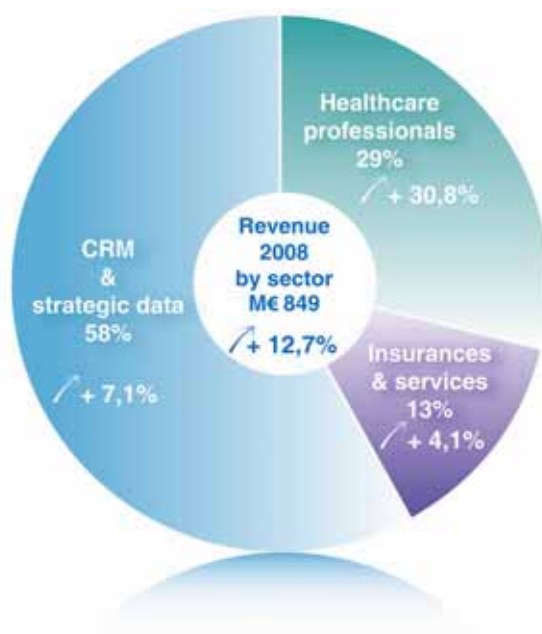
Medical financial leasing

- Cegelease

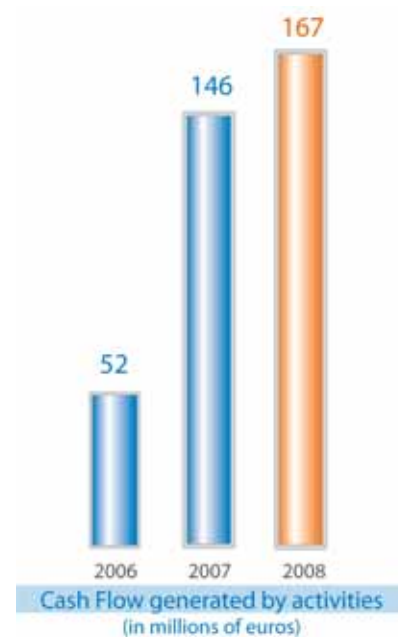
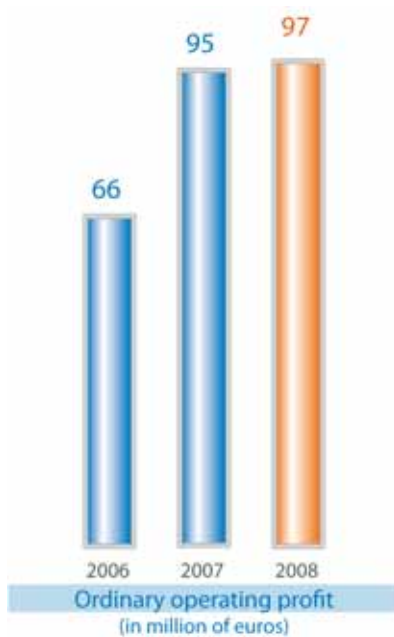
Key figures

At the heart of decision-making and performance

Revenue by sector



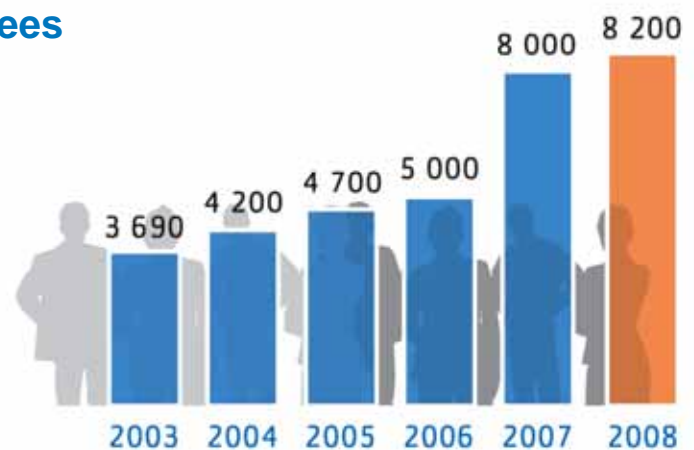
Revenues, Ordinary operating profit and Cash flow generated by activities



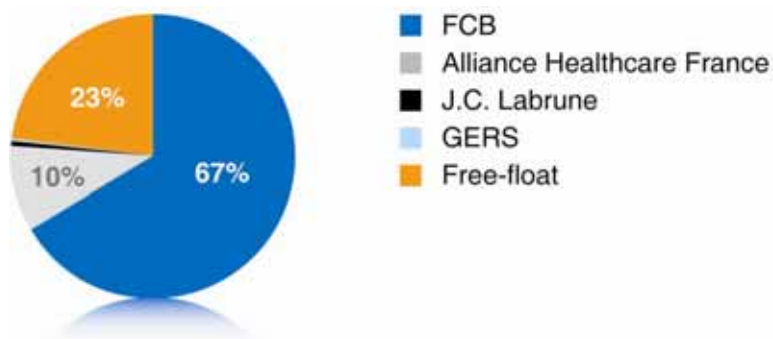
✕ Revenue by geographical zone



✕ Employees



✕ Shareholders



✂ Selected financial information

	12/31/2008	12/31/2007	12/31/2006
Revenue (million €)	849	753	541
Income from operations before non-recurring items (million €)	97	95	66
Net earnings (million €)	33	44	39
Group share net earnings (million €)	34	44	39
Cash flow (million €)	98	84	66
Total balance sheet (million €)	1 297	1 250	619
Goodwill on acquisition (million €)	617	581	204
Net financial debt (million €)	603	621	176
Group share shareholders' equity (million €)	241	207	219
Number of shares outstanding	9 331 449	9 331 449	9 331 449
Number of shares excluding treasury shares	9 331 449	9 331 449	9 290 266
Net profit by share (€)	3.6	4.7	4.2

✂ Revenue and operating profit by sector

(In thousands of euros)	2008 Revenue			Operating profit before non-recurring items and taxes
	France	Abroad	Total	
CRM and strategic data	131 683	360 937	492 620	55 565
Healthcare professionals	182 327	67 887	250 214	34 537
Insurances and services	104 135	1 609	105 743	6 535
Total	418 145	430 432	848 577	96 637

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1 - Persons responsible

1.1 Name and title of the person responsible for the Reference Document

Jean-Claude Labrune
Chairman and CEO
Cegedim S.A.

1.2 Statement of the person responsible for the Reference Document

I certify, after having taken all reasonable steps to this end, that to my knowledge, the information contained in this Reference 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 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 Reference Document and that they had read the entire Reference Document. The Auditors' letter does not contain any comments.

The Auditors' reports concerning the annual financial statements and the consolidated financial statements for fiscal year 2008 (which appear respectively in items 20.1.3 and 20.2.3 of this Reference Document) do not contain any comments.

The Auditors' reports concerning the consolidated financial statements and the statutory financial statements for fiscal year 2007 (which appear in the Reference Document filed with the "Autorité des Marchés Financiers" on April 29, 2008 under the number D.08-0328) and concerning the consolidated financial statements and the annual financial statements for fiscal year 2006 (which appear in the Reference Document filed with the "Autorité des Marchés Financiers" on April 23, 2007 under the number D.06-0640) do not contain any comments.

Drawn up in Boulogne-Billancourt, on April 27, 2009.

Jean-Claude Labrune
Chairman and CEO
Cegedim S.A.

2 - Legal auditors for the period covered by the historical financial information

2.1 Auditors

Cabinet Mazars et Guérard
represented by Mr. Jean-Paul Stevenard
Exaltis, 61 rue Henri Regnault - 92400 Courbevoie
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of 6 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 6 years until the 2013 General Meeting approving the 2012 financial statements.

2.2 Alternate Auditors

M. Thierry Colin
39, rue de Wattignies - 75012 Paris
Renewal during the 2007 General Meeting approving the 2006 financial statements for a term of 6 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 6 years until the 2013 General Meeting approving the 2012 financial statements.

3 - Selected financial information

Consolidated data

	12/31/2008	12/31/2007	12/31/2006	
Revenue (million €)	849	753	541	
Income from operations before non-recurring items (million €)	97	95	66	
Net earnings (million €)	33	44	39	A
Group share net earnings (million €)	34	44	39	
Cash flow	98	84	66	
Total balance sheet (million €)	1 297	1 250	619	
Goodwill on acquisition (million €)	617	581	204	
Net financial debt (million €)	603	621	176	
Group share shareholders' equity (million €)	241	207	219	
Number of shares outstanding	9 331 449	9 331 449	9 331 449	
Number of shares excluding treasury shares	9 331 449	9 331 449	9 290 266	B
Net profit by share (€)	3.6	4.7	4.2	A / B

4 - Risk Factors

The Group's activities remain subject to the usual risks inherent to the exercise of its trades as well as to political and geopolitical risks arising from its international presence in most of its activities and to unexpected instances of force majeure. These risks, as well as others that are unknown at this time or that are considered to be of little significance to date, could adversely affect the Group's business and results. After a review of these risks, the most significant risks the Group believes it is exposed to are presented below in further detail.

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 works and on internal control, both of which are attached to this Reference Document.

4.1 Market Risks

4.1.1 Interest rate risk

The Group's debt structure is presented in section 4.1.3 on Liquidity Risk.

In order to limit the effects of rising interest rates on the level of its financial costs, and as requested in the Credit Agreement, the Group has decided to implement a risk hedging policy to ensure a maximum annual financing for the duration of all loans. Only Cegedim S.A. hedges loans when necessary. Interest rate hedges are monitored centrally so as to measure the Group's overall interest rate risk exposure and ensure that the market instruments used under the hedging strategies in place are perfectly mastered.

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.

Description hedges established by the Group

The entire loan, in the amount of 350 million euros, and 83.3 million euros of the revolver credit facilities, which total 130 million euros, subscribed at a variable interest rate have been hedged by derivatives instruments offering the following rate.

- A plain vanilla swap, convertible to an interest rate collar, no premium, 3.95% / 5.48% over 3-month Euribor

From 06/09/08 to 12/31/08 = 4.49% against the 3-month Euribor

From 12/31/08 to 03/31/09 = 4.64% against the 3-month Euribor

From 03/31/09 to 05/04/13 = 4.79% against the 3-month Euribor

As of 12/31/08, then each quarter, the hedging bank has the option of converting the fixed rate paid by Cegedim to a collar on the 3-month Euribor with a base rate of 3.95% and a cap rate of 5.48%.

- A basis swap, recipient 1-month Euribor +0.14%, payer 3-month Euribor, maturity date 06/30/2009.

The loan of 200 million dollars subscribed at a variable interest rate has been hedged in full with the following derivatives:

- A floating-rate receiver swap, payer fixed rate of 4.26%, maturity date 06/30/2009
- A fixed-rate receiver swap at 3.16%, payer 3-month Libor, USD, maturity date 06/30/2009
- A basis swap, recipient 1-month Libor +0.07%, payer 3-month Libor, USD, maturity date 06/30/2009

The amount of debt exposed to interest rate risk amounts to 46.7 million euros (a fraction of the revolver credit at the 3-month Euribor rate). The subordinated debt in the amount of 50 million euros toward FCB (ex Financière Cegedim) has not been hedged.

Appraisal of interest rate risk

A 1% increase in interest rates applied to the non-hedged portion of the revolver credit of 46.7 million euros would have an impact of around 0.5 million euros on the Group's earnings before income tax.

4.1.2 Exchange rates risk

64% of the Group's activities are conducted by subsidiaries in the Euro zone, exposing Cegedim to relatively limited exchange rate risk.

Foreign currencies that currently represent a significant portion of consolidated turnover are the pound sterling (10%) and the dollar (15%). There is no specific strategy able to hedge changes in these currencies against the euro, thus leaving the Group potentially exposed to a more or less significant exchange rate risk from year to year. In addition, the Group has taken out a loan in the amount of 200 million dollars for which there is no euro/dollar hedge.

Sensitivity of revenue to exchange rate risks

The Group's sensitivity to exchange rate risks is mainly influenced by the net assets of subsidiaries whose book currencies are the dollar and the pound sterling. This sensitivity is reflected in the historical evolution of exchange rate gains and losses allocated to consolidated revenue which, over the past the years, mainly due to the evolution of the dollar and the pound sterling, were as follows:

	euro/dollar	euro/pound sterling
12/31/08	1.47	0.80
12/31/07	1.38	0.69
12/31/06	1.26	0.68

Revenue (euros, in thousands)	Total	Euro	Dollar	Pound Sterling	Other currencies
2008 at exchange rate of 12/31/08	848 577	542 004	124 493	81 730	100 350
2007 at exchange rate of 12/31/07	752 994	481 674	114 534	76 725	80 061

Revenue (euros, in thousands)	Dollar	Pound Sterling
Exchange gain (loss) at 12/31/08	8 380	13 702
Exchange gain (loss) at 12/31/07	10 882	822

4.1.3 Liquidity risk

The Group's non-operational liquidity risk is mainly generated by the maturity date of its bank loans involving the payment of interest and payment flows on financial instruments and on other debt on which no interest is paid.

Borrowing is monitored centrally.

Net financial debt at 31 December 2008 (see note in item 20) decreased by 16.4 million euros compared to 31 December 2007. The change in cash represents merely 37% of the change in debt over the period.

31 December 2007	31 December 2008
610 841 million euros	594 410 million euros

Financing was implemented on 9 May 2007 to purchase Dendrite on the one hand, and consolidate existing debt on the other. This financing can be broken down as follows:

- 350 million euros for a loan depreciable until 2013 at a variable interest rate;
- 200 million euros for a loan depreciable until 2013 at a variable interest rate;
- 165 million euros in revolver credit facilities, renewable every three months until 2012 at a variable interest rate. At 31 December 2008, the Group had only used 130 million.
- 50 million euros for a loan depreciable until 2014 at a variable interest rate; this is a subordinated debt toward FCB (ex Financière Cegedim).

Financial covenants

The credit agreement concluded by the Group requires compliance with financial covenants in the absence of which the use of an additional drawdown of the revolver credit may no longer be available and credit could become payable in advance. For example, the agreement stipulates that gains on any leveraged equity must be allocated to the early repayment of credit, notwithstanding an exemption in the event a specific ratio requirement is met.

At 30 June 2008 and 31 December 2008 the Group complied with all covenants.

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

- Ratio of net financial debt to EBITDA

The proforma ratio of net financial debt to EBITDA at the end of each half calendar year must be less than a given level as indicated in the table below:

Period	Covenants	Cegedim
Establishment	4.5	3.92
31 December 2007	4	3.62
30 June 2008	3.75	3.6
31 December 2008	3.5	3.15
30 June 2009	3.25	-
31 December 2009 and until maturity	3	-

Net financial debt excludes the subordinated loan granted by FCB (ex Financière Cegedim) to Cegedim for profit sharing plans for Cegedim employees. EBITDA is considered restated with regard to all non-recurrent charges as defined in the credit agreement.

- The proforma EBITDA to cost of debt ratio.

The proforma EBITDA to cost of debt ratio must, at the end of each half calendar year, greater than a given level as indicated in the table below:

Period	Covenants	Cegedim
Establishment	3	na
31 December 2007	3	4.11
30 June 2008	3	1.2
31 December 2008	3.75	4.52
30 June 2009	3.75	-
31 December 2009	3.75	-
30 June 2010 and until maturity	4	-

The cost of debt is defined in the Credit Agreement and excludes, among other things, the cost of the subordinated loan granted by FCB (ex Financière Cegedim) to Cegedim.

- Limitation of acquisitions

For acquisitions, the Group is limited to a global, annual envelope of 50 million euros and the aggregate amount of acquisition-related investments must be less than 200 million euros over the term of the credit.

The Group has a capacity for immediate access to credit of 35 million euros from the unused portion of the revolver credit. The unused portion of negative bank balances is not included in this amount.

Furthermore, in 2008, following the operations carried out in 2007, Cegelease has made additional transfer of a part of its receivables to Natixis in exchange of 53.5 million euros. This was made in two transactions: one in the first half for 34.5 million euros, and another in the second half for 19 million euros. Over the same period, Cegelease generated revenue of 86 million euros. Cegelease continues to work towards divesting the majority of its contracts directly to its partner banks.

Restrictions on the use of capital are set out in item 10.4 of this Reference Document.

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 risks.

None of the Group's clients represents more than 3% of the Group's revenue for the year ended 31 December 2008. There is however one exception representing 6% of the revenue for the year ended 31 December 2008. The Group's first five and first ten clients represent, respectively, 16% and 23% of the Group's revenue for the year ended 31 December 2008.

If relations with these clients were to cease, the corresponding revenue 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 can not guarantee that such changes, particularly those affecting the main markets in which it operates, will not adversely affect its business and operating results.

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

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 any specific regulations to the exclusion of rules governing the protection and transfer of personal data (Data Protection Act of 6 August 2004 which transposes the European Directive 95/46/EC of 24 October 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 act in accordance 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 the European Union, the subsidiaries must also make declarations to regulatory authorities in order to comply with the different laws related to data protection.

The Group's Legal Department centralizes and monitors the regulations in effect and ensures that the Group's business activities comply with the various laws that apply.

However, the Group can not exclude a change in legislation or a tightening of regulations governing the collection, protection, processing and transfer of personal data. The Group can not guarantee that such changes, particularly those affecting the main markets in which it operates, will not adversely affect its ability to provide access to its databases 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 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) are monitored centrally by the Group's General Management so as to ensure that protection is adequate, appropriate and up to date. However, the Group could be faced with the complexity and costs arising from action taken to fight the copying or unauthorized use of products, software piracy or the inefficiency, in some parts of the world, of less-extensive national legislation governing the protection of intellectual property rights. In such regions, the Group may be unable to prevent the future misuse or misappropriation of its data, technologies, products and services. In addition, the Group can not guarantee the legal outcome of any complaints filed.

The confidentiality constraints imposed on the Group are directly related to these declarations.

4.3 Industrial and Environmental Risks

In 2008, the Cegedim Group launched its Sustainable development program, Cegedim Compact, with reference to the UN Global Compact. This program aims to address the three concerns of sustainable development so as to contribute to issues of social equity, environmental preservation and economic efficiency.

The Cegedim Compact thus defines twelve commitments made by the Cegedim Group:

- Eliminate all forms of forced or mandatory labor
- Prohibit the employment of children under the age of 15 to the exclusion of training
- Eliminate all discrimination in the areas of employment and professional occupation
- Promote individual success
- Ensure a favorable working environment on all sites
- Promote local employment and respect the laws in effects
- Undertake initiatives to promote greater environmental responsibility
- Act against corruption in all forms
- Ensure the safety of property belonging to the Group and its clients
- Ensure the confidentiality of client information
- Respect the laws in effect governing the protection of personal data worldwide
- Control movements

The implementation of these commitments lies in a three-year action plan across all Group entities. The gradual introduction of simple indicators should also assist in the verification and analysis of results so as to adapt future actions.

4.3.1 Industrial risks

Operating in the sector of technologies and services tied to information and databases, the Cegedim Group's priority is to satisfy its clients and partners concerning systems and data security. Despite all the precautions that are taken to this effect, certain events such as fires, floods or other natural disasters, power outages, computer viruses, sabotage, piracy and other similar events could cause the interruption or the loss of data flows and client access to databases made available by the Group. Such events could affect the Group's ability to provide products and services to its clients. In addition, piracy of computer systems used by the Group could, among other consequences, cause a significant loss of reputation.

However, the distribution of its centers, including three Tier IV centers (in France and the United States), throughout the world allows for system back ups and the implementation of Business Continuity Plans (BCP) with coverage of all time zones.

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.

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, particularly through the virtualization of the data center and the purchase of last generation equipment,
- The purchase of recycled product,
- Optimization of the life cycle of manufactured goods by managing certain products' end of life (paper, cardboard, IT equipment, cartridges, etc.),

- Control of the Group's vehicle fleet,
- Control of movements.

Within the framework of the 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.

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

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

Risks related to the economic situation

The Group can not guarantee that a general, prolonged and acute deterioration of 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 results and its business.

Risks related to competition

Although the Group considers its competitive position in its markets to be sustainable, it is not impossible that one or more competitors 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 results. In addition, if one or more competitors of the Group 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 can not, 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 impact even slightly on the Group (also see item 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 the access or use of this data, or refuse to provide the Group with this data, which could impact on 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 malfunction 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 a loss of revenue, 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 revenue and operating results.

Share Price

The Group's operating income could fail to meet analyst and investor forecasts and the share price could therefore fall. Furthermore, financial markets worldwide experience significant fluctuations in share prices. The price of the Cegedim share could be sensitive to changes 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 of expanding or completing 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 General Management, the Group can not 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 results.

4.4 Legal action and arbitration

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

4.5 Insurance

Cegedim S.A. has taken out a contract from a recognized insurance company covering it and all the companies of the Group against all risks inherent to its professional and operational civil liability. To take into account the nature of the activities of the different subsidiaries, two levels of coverage were established:

- €7 622 450 for Cegedim S.A. companies (CRM activity), Cegedim Activ and Cegedim SRH;
- Each of the Group's foreign subsidiaries (excluding USA) has taken out coverage for €1 000 000 with a local insurer. Beyond this amount, the French coverage takes over;
- €500 000 for other companies and businesses, excluding Group CRM.

Cegedim has also taken out, from this same company, a comprehensive policy covering all tenant risks in the amount of €1 725/m² for all sites it occupies or that are occupied by companies of the Group. This contract also covers the consequences of a failure of the computer system up to an amount of €12 784 102.

For the American subsidiaries, the insurance policies covering all the risks related to civil liability (employee risk, employer risk, automobile risks, all risks relating to land ownership and other risks related to technological activities) were combined with those of Dendrite and renewed during 2008.

Several levels of coverage were established:

- 10 000 thousand dollars for risks associated with technology failures;
- 31 000 thousand dollars for risks tied to the commercial activity
- 29 000 thousand dollars for risks tied to site ownership.

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 Dendrite, Cegedim Dendrite Division TCF, Cegedim Dendrite Santesurf Division, Cegedim Dendrite Pharma CRM Division.

5.1.2 Issuer's place of registration and number

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

5.1.3 Date of incorporation and term of the issuer

Cegedim S.A. was incorporated on August 27, 1969.

On April 18, 1989, Financière Cegedim was incorporated for a term of ninety-nine years.

On December 26, 1994, the holding company at that time merged with Cegedim S.A. 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 head office

Cegedim S.A.

A public limited company with a Board of Directors and capital of € 8 891 004.61.

Corporate headquarters: 127 to 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: Law of July 24, 1966, on public limited companies.

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 offers services, IT tools, specialized software, and information flow and database management services.

The world's 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. These activities are now consolidated into the "CRM and strategic data" sector.

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. 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 "Insurances and services" sector.

Previously organized into four sectors ("CRM and strategic data," "Healthcare professionals", "Healthcare insurance services," and "Technologies and services"), the Cegedim Group's skills are currently divided into three sectors:

- "CRM and strategic data"
- "Healthcare professionals"
- "Insurances and services"

The document processing activities signed over to Tessi in 2007 represented around one third of the activity of the former "Technologies and services" sector. Following this transfer, and in order to mark the refocusing on its primary businesses, the Group decided to simplify the presentation of its sector information by consolidating its activities around its three historical sectors.

The activities of the former "Technologies and services" sector are now divided as follows:

Entity	Activities	New sectors	Comments
Pharmapost Pharmastock Montargest	Direct marketing	CRM and strategic data	Activities carried out primarily with the pharmaceutical companies
Cegelease Eurofarmat	Financial leasing	Healthcare professionals	Activities directed to pharmacists and doctors
Cegedim SRH PCO Cegedim Midway	Outsourcing, computer services, hosting	Insurances and services	Activities complementing the outsourcing and service offering of the sector.

5.1.6 History

1969	Jean-Claude Labrune founds Cegedim (for CEntre de GEstion, de Documentation, d'Informatisation et de Marketing) with initial vocation to pool pharmaceutical companies IT resources and document research expertise. Launch of first databases.
1979	Launch of CRM activities in France.
1990	International expansion begins.
1991	Launch of the first platform of electronic data interchange for healthcare actors.
1994 - 1996	Start of doctors' computerization in France and promotional activities dedicated to doctors and pharmacists. Launch of human resources management activities.
1995	Cegedim has been listed on the Paris second market and is now listed on NYSE Euronext Paris, compartment B.
1999	Computerization of health insurance and mutual companies.
2000	Acquisition of a 10% stake in the Alliance Healthcare France Group (ex Alliance Unichem, became Alliance Boots), which, in exchange, contributes to Cegedim its pharmacy computerizing activities and medication databases for both pharmacies and medical practices.
2001	Establishment in the United States then acquisition of Target Software in 2005, allowing the Cegedim Group to strengthen its presence in the United States.
2006	Cegedim revenue exceeds €500 million.
2007	Cegedim announces the acquisition of the American company Dendrite International, listed on the Nasdaq, and becomes the world leader in Pharmaceutical CRM. 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	Cegedim employs 8 239 people in more than 80 countries. International activities represent more than 50% of full-year revenue. The database of choice for healthcare professionals around the world (OneKey) is available in 73 countries.

5.1.7 Company development

Revenue for the “CRM and strategic data” have more than tripled since 2000 and represent 58% of the Group's revenue at December 31, 2007. This increase was particularly affected by the acquisition of Dendrite in 2007 which enabled the Group to cross a strategic threshold in 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, expanded to the United Kingdom in 1999 and to French pharmacists in 2001. It continued through the acquisition of software for doctors publishing companies in Belgium (2003), in Italy (2006), in Spain (2006) and software for pharmacists publishing companies in the United Kingdom (2004).

The “Insurances 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 again in 2008 with the marketing of the new range of “ACTIV'Insurance Suite” solutions and the acquisition of Protectia, a

French publisher of health software packages aimed at personal insurance, established particularly well on the middle market.

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

Growth operations on a scope of activities earning less than 10 million euros in revenue are generally financed with equity capital. For operations of greater sizes, the Group generally finances itself with borrowed funds. The acquisition price is covered by confidentiality agreements.

The other growth operations (launch of new business activities, opening of a new country, etc.) are financed with the Group's equity capital.

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

<u>Acquisition's year</u>	<u>Total price of acquisitions (in million €)</u>
2006	38.2
2007	565.2
2008	20.9

Moreover, as mentioned in item 20 of this Reference Document, all earn-outs were recorded. There is no minority shareholder buyback commitment.

2006 main capital expenditure

- "CRM and strategic data"

May and July 2006: creation of new subsidiaries in Korea and Mexico in the marketing studies sector (Cegedim Strategic Data) for the pharmaceutical industry.

July 2006: acquisition of the company GERS Maghreb, initiator of drug sales statistics for North Africa

December 2006: creation of a subsidiary in Finland in the CRM field whose activity is intended for pharmaceutical companies. With the acquisition in 2007 of the database of LTK, a major supplier of physician information in Finland, Cegedim reinforces its database and its services in Scandinavia.

- "Healthcare professionals"

February 2006: Cegedim Italia purchased 35% of the company Millennium, the leading publisher of physicians' software in Italy (over 11 000 workstations installed). This stake was raised to 49.2% in December 2006. Former Italian shareholders keep the majority all full power (50.8%). This participation contributes to the Group's earnings through the equity method (no control).

March 2006: acquisition of the company RM Ingénierie, French publisher of medical and paramedical software intended for physiotherapists (No. 1 in France), nurses, speech therapists, midwives, foot care specialists, and chiropractors. This acquisition expands Cegedim's expertise to the paramedical professions some of which recently obtained authorization to prescribe medical devices. 27 000 stations have been installed in France. In 2005, revenue for these activities represent around 6 million euros.

December 2006: acquisition of the company Stacks, specializing in professional software programs for doctors in Spain since 1989 and in Chile since 2004. Stacks develops physicians software and handles integration and maintenance for 12 Regional Health Care Communities in Spain, as well as for numerous private practitioners.

The Spanish leader with more than 30 000 users, Stacks successfully launched its new generation product “Julia” during the last quarter of 2006 in the Madrid community.
For a full year, the activities bring in revenue of over 6 million euros.

2007 main capital expenditure

■ “CRM and strategic data”

May 2007: Acquisition of the American company, Dendrite International Inc., listed on the Nasdaq, by purchasing 100% of its shares for 560 million euros. Cegedim financed this acquisition through bank loans. The combination of the two companies will create a major world leader for supplying solutions to the pharmaceutical industry in the fields of sales and marketing as well as associated research. The groups are complementary both with respect to the range of products and solutions offered and from a geographic standpoint, since Cegedim is well established in Europe and Dendrite in the United States and in the Asia-Pacific area. The new Group is able to answer the worldwide needs of its customers and provide a diversified range of high value-added integrated solutions.

Dendrite is a 100% held subsidiary of Cegedim which has been contributing to the Group’s consolidated earnings since May 9, 2007. In 2006, Dendrite had revenue of 424 million euros.

November 2007: Acquisition of the 3ES company which develops integrated solutions dedicated to the management of clinical studies and online surveys. This transaction enables Cegedim to reinforce its range of products in the medical sector, particularly for hospitals and more specifically for oncology.
For a full year, these activities contribute close to 1 million euros.

■ “Healthcare professionals”

June 2007: Acquisition of Servilog, publisher and distributor of computer software for retail pharmacies in France. This transaction reinforces Cegedim’s position in the French pharmacist computerization market.
In 2006, the revenue from these activities are about 2 million euros.

2008 main capital expenditure up to March 31, 2009

■ “CRM and strategic data”

February 2008: acquisition of Ultima, supplier of CRM solutions in Turkey. The integration of the Ultima database into OneKey allows Cegedim to become a major player in this country.
In 2007, Ultima’s revenue represented more than 1 million euros.

July 2008: acquisition of Reportive, publisher of performance management software, with more than 130 customers, including 16 of the world’s 20 largest pharmaceutical companies. The Reportive platform is an innovative solution for rapid development of reporting, analytical, and SFE (Sales Force Effectiveness) applications. While continuing the marketing of its products, this tool will initially replace the existing solution within Cegedim Strategic Data. It will then become the tool for producing statistics and field activity reports for the CRM division and will be used to complement and enhance the existing solutions.
In 2007, Reportive activities represented revenue of more than 2 million euros.

■ “Healthcare professionnels”

April 2008: acquisition of 01 Santé, publisher of the “MegaBaze” healthcare software. This company has a strong position in the field of oncology with its OncoBaze software, currently used by nearly 70 clinics in France (including the 25 largest). Cegedim is thus confirming its willingness to expand in the oncology sector in France and abroad.
In 2007, revenue from these activities was around 1 million euros.

March 2009: acquisition of Next Software, publisher of management software for pharmacies 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.

- "Insurances and services"

February 2008: acquisition of Protectia, a French publisher of health software packages dedicated to personal insurance, managing nearly 1.5 million people. This transaction enriches Cegedim's range of services in the "middle market" segment with a modern solution based on the latest technology.
In 2007, the acquired activities represented revenue of more than 4 million euros.

5.2.2 Main current investments

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

The Cegedim Group's external growth strategy consists in developing its historical core business: services for players in healthcare and strategic data.

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 and routine search for targets. However, the Group performs constant internal monitoring for potential targets in order to seize the best opportunities when the time comes.

5.2.3 Investments Cegedim intends to make in the future and for which its management bodies have already made firm commitments

At the time this Reference Document was filed, no firm commitment has been given by the Cegedim Group.

6 - Summary of Activities

6.1 Main business activities

6.1.1 Description of the issuer's main operations and products

Founded in 1969, Cegedim is a global technology and services company specializing in the healthcare field. Cegedim offers services, IT tools, specialized software, and information flow and database management services. Its offers target industries such as health, pharmaceutical, health professionals and insurance companies.

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

- "CRM and strategic data"
- "Healthcare professionals"
- "Insurances and services"

The world leader¹ for pharmaceutical CRM, its historical core business, Cegedim assists the largest pharmaceutical companies with their CRM (Customer Relationship Management) projects and measures the effectiveness of their marketing and sales activities. The Group's CRM tools, whose value is enhanced by the strategic databases, provide customers with an informed view of their market and their targets so that they can optimize their strategies and their return on investment.

Cegedim has also positioned itself as one of Europe's leading² producers 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.

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 clients concerned with issues related to outsourcing and computerized exchanges.

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

CRM and strategic data

CRM for medical reps

- Cegedim Dendrite
- Mobile Intelligence - TEAMS*
- Target - Trends*

Business Intelligence

- Reportive

Market research studies

- Cegedim Strategic Data

Sales force optimization

- Itops

Sales statistics for pharmaceutical products

- Cegedim sales statistics
- Cegers
- Infosanté

Prescription analysis

- Cegedim Customer Information
- Icomed - DocScan - Physician Connect*

Corporate databases and associated services

- Cegedim Communication Directe

Printing and package inserts

- Pharmapost

Medical sample management

- Pharmastock
- 3S - Tracere*

OneKey & other associated databases

Healthcare professionals

Cegedim Healthcare Software

Software for pharmacists and paramedics

- Alliadis
- RM Ingénierie
- Cegedim Rx

Software for doctors - Healthcare networks - France

- Cegedim Logiciels Médicaux
- AGDF Cegedim RS
- RESIP - Banque Claude Bernard

Software for doctors - International

- In Practice Systems
- HDMP
- Millennium
- Stacks

Intranet and healthcare portal

- Santesurf

Promotional information

- RNP
- MedExact

Customized statistics for pharmacists

- Santestat

Professional databases

- Rosenwald

Medical financial leasing

- Cegelease

Insurances and services

Insurances, electronic payment and health

Computerization of insurers and healthcare mutuals

- Cegedim Activ - Protectia

Healthcare billing and payment flows

- Cetip
- iSanté

Other services

Electronic data interchange

- Cegedim EDI
- Hospitalis
- Qualitrans-Telepharma

Outsourced payroll and human resources management

- Cegedim SRH

Hosting, services and Internet

- Cegedim hosting
- PCO Cegedim

I. CRM AND STRATEGIC DATA

The "CRM and strategic data" sector brings together Cegedim Group services intended mainly for pharmaceutical companies.

Medicines are prescribed by doctors who are not direct purchasers of goods produced by the pharmaceutical industry. And yet doctors are the audience toward which pharmaceutical companies must direct and target their marketing efforts without having the individual information provided by a traditional client-supplier relationship.

Therefore the main objective of Cegedim is to offer pharmaceutical companies' marketing and sales divisions a better understanding of where drugs are sold, who prescribes them and why. Cegedim develops exclusive databases that respond to these problems, along with the most efficient information tools allowing pharmaceutical companies to optimize their CRM (Customer Relationship Management) approaches. They are thus provided with the best chances of success in persuading prescribing doctors.

Cegedim's solutions combine performance and compliance with the Public Health Code and the personal data protection regulations in force in all the countries concerned.

In particular, Cegedim offers:

- tools for optimizing information resources and sales and marketing investments
- report and analysis tools for office and hospital sales forces
- databases and tools that provide better knowledge of prescribers
- strategic marketing, operational marketing and competition monitoring tools and studies
- performance measurement tools and promotional spending auditing tools
- business intelligence solutions

I.1 CRM for medical representative

OneKey

The OneKey³ world-wide database is the focal point of the Cegedim Group's activities. It now includes more than 6 million healthcare professionals and in a very short time will exceed 8 million with China and India in 2009.

Collaborators present in each country and linked by way of the Group's computer network enrich, validate and monitor the database, in keeping with ISO 9001 certified procedures, on a daily basis. Approximately 550 very experienced collaborators with in-depth knowledge of local healthcare problems carry out more than 7 million updates every year.

Used by medical reps as well as major players in the healthcare world, the OneKey database makes it possible to have specific knowledge of medical information needs in each healthcare professional category and provides different means of contacting them: business addresses, telephone numbers, email, etc.

Each year, 10% of the contact information for healthcare professionals based in cities changes, and the rate goes up to almost 30% for those that are hospital-based. In this context, supplying medical reps with real time up to date information is a high added-value that allows them to optimize their time as well as the quality of their visits.

Around this essential information, Cegedim Dendrite offers specific services that improve knowledge of the environment, needs, influences and habits of healthcare professionals. Cegedim Dendrite integrates an exact representation of the organization of healthcare systems in use in each country, including hierarchical and influential links at institutional and individual levels.

Cegedim Dendrite

With more than 200 000 users and a presence in more than 80 countries, Cegedim Dendrite is the world leader³ in CRM (Customer Relationship Management) for the pharmaceutical industry. By relying on its OneKey database, the database of choice for pharmaceutical professionals world-wide⁴, Cegedim Dendrite offers a complete line of high value-added CRM solutions in the fields of sales, marketing and compliance studies.

The chief objective for the Cegedim Dendrite product line is to provide its clients in the healthcare and life sciences industries with the tools that are optimally adapted to respond to the complex problems in the medical information business.

They are designed to measure and optimize the efficiency of various medical promotional media in a professional world that is constantly changing.

Cegedim Dendrite suggests the only product line capable of managing action histories without being subject to constraints relating to changes in the structure of medical populations.

A complete line of pharmaceutical CRM services

With a regulatory framework that is constantly changing and an environment in which economic pressures are increasingly strong, now more than ever, players in the pharmaceutical industry need marketing and sales tools that allows them to improve their efficiency.

In order to help them respond to these challenges, Cegedim Dendrite offers a complete line of CRM products and services:

- a line of software packages adapted to the needs of large medical rep networks and complex environments
- installation and support services, including local issues
- business intelligence services
- hosting services

Cegedim Dendrite's top priority is the satisfaction of its clients, be they local, regional or world-wide players. Dedicated and highly qualified resources are allocated for each product, service and client, with the best level of service in the industry for each country.

A line of software that is specialized for each country, market and functionality

Asia Pacific solution	Mobile Intelligence
Americas solution	Mobile Intelligence "Compliance" Solutions Integrated Sales & Marketing Solutions Target, available for PDA (Personal Digital Assistant) Mobile Intelligence, also available in SaaS (software as a service) mode
EMEA solution	TEAMS (ASP model) Trends for specific segments, PDA and Web
Global Offers	Mobile Intelligence



These solutions integrate in-depth knowledge of the pharmaceutical industry and its specificities, in particular, the importance of face-to-face contact and the emergence of new promotional channels. With OneKey, all interactions with healthcare professionals are coordinated and optimized.

A world-wide presence

Cegedim Dendrite responds to the regional and world-wide issues and needs of pharmaceutical companies and is supported in particular by:

- world-wide hosting centers and skills centers (Chesapeake, Mexico, Paris, Toulouse, Milan, Cairo, Warsaw, Tokyo, Osaka, Auckland, Bangalore)
- the largest and best pharmaceutical CRM dedicated R&D structure⁵ (gathering more than 800 people), capable of ensuring the continued existence and optimization of its clients' investments.

Cegedim Dendrite is continually innovating as shown by the recent launch of "Compliance" solutions. In the aim of ensuring the best quality of information in compliance with the various federal and national laws in effect, these solutions, intended for life sciences companies, have been very successful, particularly in the United States, and will undergo further development on an international scale in the wake of the proliferation of counterfeit pharmaceutical products.

Think "globally" and act "locally".

Cegedim Dendrite's principal strength is the ability to think globally and act locally by putting solutions in place that are adapted to the structure, issues and legislation specific to each market.

The company's strong commitment towards its clients is reflected in a willingness to involve them in the solutions development process, from the creation of the product strategy to launch schedule.

I.2 Business Intelligence

Reportive

In September 2008, the Cegedim Group acquired Reportive, a French software publisher specializing in Business Intelligence solutions. The company has over 130 clients including 16 of the 20 largest pharmaceutical companies worldwide.

With an innovative solution for the rapid development of reporting, analytical and SFE (Sales Force Effectiveness) solutions, the Reportive V8 platform enables business experts to develop their own applications using a component library and by creating their own composites objects in a "Plug and Play" environment, thus realizing significant productivity gains.

I.3 Market studies

Cegedim Strategic Data

Cegedim Strategic Data (CSD) is a leading⁶ market research company dedicated to the pharmaceutical industry. With over 35 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 data, communication tracking, clinical research).

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

CSD is currently present in 58 countries and has over 50 global and 500 local pharmaceutical companies among its clients. Its international expertise enables it to provide its clients with comparable analyses between different countries.

CSD owns both the INES© software (a tool originally developed for the management of clinical studies) and CSD Advance (Powered by Reportive - Business Intelligence tool), it also benefits from the Onekey physicians database. CSD manages every stage of its research in-house, from the collection of raw data, processing, analyses, interpretation to the presentation of the completed studies to its clients.

Promotion

Each year more than 200 000 healthcare professionals worldwide participate in CSD's panels. The data collected concerning the promotional investment of pharmaceutical companies is updated on a monthly or quarterly basis. This data makes it possible to track the pharmaceutical industry's marketing and promotional activities: marketing mix analysis (detailing, samples, advertising, direct mailings, meetings, clinical trials, Internet and DTC etc), the investment trends concerning different targets (general practitioners, specialists and pharmacists), the impact of medical rep visits, the effectiveness of sales forces and competitive intelligence.

For data reporting, CSD now offers its clients CSD Advance, a highly adaptable tool that provides easy-to-use custom reports.

Patient

CSD has two sources for patient and prescription information:

- CSD has 10 longitudinal patient databases containing anonymised observational data.
- CSD also has a panel of specialists (Patient Diary Study) that ensures constant monitoring of a given market.

The Patient data collected offers a wide range of studies: market trends, product performance tracking particularly during the launch phase, monitoring of patient cohorts, changes in prescribing behaviour concerning a particular therapeutic class, product etc.

Medical Research

CSD reinforced its medical research offer (covering hospitals and oncology), when it merged its Pharmaco-epidemiological activities with 3ES, a CRO (Contract Research Organisation).

With its patient management software installed in doctor's offices (Electronic Medical Records) and its web-based data collection tool (INES©) it is possible for CSD to respond to any pharmaceutical company's medical research needs such as clinical trials, epidemiological studies or observational studies.

Communication

The Communication range provides clients with an in-depth view of market communications. It measures sales force performance, evaluates message recall and analyses the impact of their communication on prescribing behaviour.

CSD has carried out more than 3 000 recall studies over the course of the past ten years. These reports are adapted to the specific needs of each client, and deal with product communication, its evolution over time, allowing for strategic adjustments to communication strategies if necessary.

Primary Market Research

CSD offers a wide range of primary market research studies both qualitative and quantitative, in order to provide customised strategic recommendations to its clients. With valuable international experience, in 2008 CSD conducted over 70 international studies (prescribing behaviour, analyses of rep visits, brand equity, advertising overview, etc.). CSD also conducts multi-local research studies.

With its various sources of data CSD has developed an integrated offer for its clients allowing it to provide an in-depth view of a specific market or product.

I.4 Sales force optimization

Itops

Itops allows its customers to assist them in reorganizing their promotional networks. Its expertise lies mainly in the following areas:

- the strategic analysis of market issues and the definition of a promotional plan (marketing plan, segmentation, targeting, etc)
- the size and structure of the target sales force, definition of an action plan per network, challenging the positioning of products in a portfolio,
- sectorization of sales forces through the optimization of human criteria (distance from the delegate, scale of the sector, etc)
- trades (client retention, new knowledge of the sector, etc) and environmental issues (road density, consistency between the medical sectors created, etc)
- support of the implementation of the new structure, the allocation of visitors, challenging and defining premium plans, custom reporting tools, managing change.

The “Itops Navi” software provides Itops clients with a tool specifically offering a geographical overview that also features physician geocodes and allows visitors, regional managers, sales managers and general managers to conduct a monthly performance analysis for their territory in terms of sales, business and any other indicator associated with an individual (physician, pharmacists, etc.) or a geographical zone in France and in Europe (GAU, sector, region, etc).

I.5 Sales statistics for pharmaceutical products

Cegedim, sales statistics

This department manages the French pharmaceutical products database (CIP codes file) on behalf of the pharmaceutical industry’s CIP Association. It processes and establishes sales statistics for all pharmaceutical products by GAU (Geographic Analysis Units) 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. Since 1999, these statistics have been available online on a weekly basis.

The most recent geographical segmentation which is much more homogeneous in terms of activity volume, allows pharmaceutical companies to develop true micro-marketing strategies (746 geographic units divided into 4 612 Sales Points Aggregates or APV each containing 3 to 8 pharmacies),

France is one of the few countries in the world in which the industry players have joined forces to produce their own statistics and the system has become a benchmark for both industry and public health authorities.

Cegers

Cegers, a subsidiary owned 50% by Cegedim S.A. and 50% by GERS. It develops “customized” studies for pharmaceutical companies and service providers based on sales data from a range of different sources (GERS, IMS, Nielsen, IRI, etc.).

Cegers also provides target management (calculation and monitoring of targets, rankings, bonus calculation) for pharmaceutical companies.

These customized studies are sent on a monthly or weekly basis to the pharmaceutical companies’ sales forces via various media:

- Click-Pharma: micro software that retrieves trend charts and pre-formatted graphs
- Click-Pocket: palm or pocket PC software whose philosophy is identical to Click-Pharma
- TEAMS Vision: EIS (Executive Information System) integrated into the TEAMS package.

InfoSanté

Through its subsidiaries InfoSanté in Romania and in Tunisia, the Cegedim Group provides sales statistics on pharmaceutical products, significantly different from those offered by competing companies. InfoSanté Romania is now the market leader⁷ in regional and national sales data and provides a full range of products and services for the pharmacy and hospital segments.

I.6 Medical prescription analysis

Cegedim Customer Information

Cegedim Customer Information provides pharmaceutical companies with defined nominative information on healthcare professionals. Relying on its OneKey database, the world-wide database reference⁸ for healthcare professionals, Cegedim Customer Information offers its clients three main types of studies.

Icomed (Medimed in Germany)

Icomed measures physicians' preferential attachment to the products that they prescribe while evaluating the size and profile of their clientele. In France, more than 50% of physicians, in 19 areas of specialization, entrust their prescribing habits to Icomed.

This personal prescribing data allows pharmaceutical companies to:

- define physician profiles and adapt their information strategies
- measure the effectiveness of their information
- perform general interest studies on the markets in which they are present or that they wish to develop.

For certain fields of therapy (Cardiology, Rheumatology, and Dermatology) multi-country studies are performed based on the same questionnaire making it possible to consolidate and compare information.

Doc Scan

Doc Scan, more specifically, provides information on the physicians' therapeutic behaviours as well as their promotional preferences. Doc Scan studies may also be performed to meet the specific needs of a given pharmaceutical company. Doc Scan is available in all European countries and in Australia.

Physician Connect

Physician Connect evaluates the existing ties among opinion leaders (KOL: Key Opinion Leaders) and prescribers, and makes it possible to identify local networks of influence amongst physicians treating a specific pathology at the local, regional or national level, for therapeutic management and continuing education purposes. Physician Connect is available in about thirty countries.

For certain pathologies (rheumatology in 2008, oncology in 2009), multi-country studies are carried out in Europe, Canada and the United States.

I.7 Corporate databases, CRM and associated services

Cegedim Communication Directe

Specializing in professional databases and promotional tools throughout the world and backed by its expertise in these areas⁹, Cegedim has developed a specific department for its French activities in the field of direct marketing, Cegedim Communication Directe (CCD), which offers:

Specific databases:

- Business & Management: 314 438 companies, classified by revenue figures, with telephone and fax numbers. More than 530 000 skilled functions.
- 2 911 189 corporate headquarters with details of the main executive, telephone and fax.
- INSEE: 4 944 154 establishments (comprehensive directory of companies).
- Professionals: independent professionals, administrations, elected officials, hotel-restaurants, senior citizens' organizations.

IT processing:

- Database audit, normalization, restructuring, clearing.
- Merge and purge, reconciliation, data consolidation.
- Sirénage (reconciliation with the Siren database).
- Data cleaning and enrichment.
- Maintenance of client data using CCD's in-house updates.
- Analysis of data and client profiles, segmentation, marketing scores.

Online services:

- DataDistri: online counter / extractor that independently feeds postal mailing, telemarketing and faxing campaigns with a history of targeting strategies.
- SirWeb: allowing access to the INSEE's SIRENE repository, enriched with Cegedim information, for the identification and qualification of data contained in client CRMs.
- GlobalDataControl: providing open access for the triggering of automatic data enrichment and reliability processes.

To offer all of these services, CCD relies on programs and tools, a number of which are unique in France, such as the "Source" database (a log of all establishment transfers and changes of domicile since 1993).

Subscription management:

Cegedim Communication Directe provides its clients with the SIGA software package that meets all the requirements in the field of subscription management and client knowledge (press and distance).

I.8 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 2008 it produced 400 million flat, folded or single or double roll pharmaceutical inserts thus placing it among the leading French producers. Pharmapost also prints sales brochures, annual reports, and any type of promotional materials.

I.9 Medical sample management

Pharmastock

Pharmastock is a pharmaceuticals dealer specializing in the management and shipment to physicians and documentation to medical visitors.

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

- Tracers, to meet the needs of medical reps or the specific needs of physicians in terms of samples,
- 3S, for the processing of sample requests submitted by health professionals.

II. HEALTHCARE PROFESSIONALS

With many years of experience dedicated to healthcare professionals, Cegedim has positioned itself as one of the leading¹⁰ European publishers of medical and para-medical professional management software. The Group thus works on a daily basis with para-medical professionals, pharmacists, general practitioners and specialists, whether they work independently or in group practices, in healthcare centers or networks.

Cegedim's software responds to the needs of professionals and to the latest technical and regulatory requirements. This is a main vector for the transfer of scientific, medical and promotional information between health professionals at the place of practice.

II.1 Cegedim Healthcare Software (CHS)

In January 2009, with a significant presence¹¹ in five countries (France, UK, Spain, Italy, Belgium) and more than 115 000 health professionals 15 000 pharmacies users of its solutions, Cegedim structured its "medical software" business activity within a single division, Cegedim Healthcare Software (CHS) so as to coordinate and federate all activities pertaining to software solutions for health professionals. This new division reflects the Group's intentions of structuring its offers and reinforcing the synergies between its business activities in order to leverage on evolution opportunities in Europe.

Cegedim Software Healthcare is structured around three areas:

- Pharmacist (Alliadis and Cegedim Rx) and paramedical professional (RM Ingénierie) software
- Medical and French healthcare network software (CLM, BCB, AGDF Cegedim RS)
- Medical software abroad.

II.1.1 Software for pharmacists and paramedics

Alliadis

Specializing in pharmacy computerization, the Alliadis group (Alliance-Software, Alliadis, Data Conseil and Servilog) has been providing support to pharmacists since that sector began to be computerized more than 20 years ago. It develops and markets comprehensive, integrated software solutions for pharmacists, including the supply of suitable IT equipment.

Alliadis is at the forefront of the latest technological innovations, and is meeting its clients' 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 objectives, product traceability and product codification, and free access, all require the development of IT tools in the short and medium term.

By closely monitoring new developments in the pharmacy industry, the Alliadis Group has succeeded in adapting to economic challenges and offers customized solutions to the different market players:

- independent pharmacists who nevertheless require, for example, communicative solutions offered by the PharmADSL solution
- mutual pharmacies, the main target for the Premium solutions
- 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 and for some of them, exclusively. Some partnerships allow members to use appropriate 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.

With the arrival of over-the-counter drugs, selling area profitability is becoming highly strategic. To assist its clients in the wake of this change in the pharmaceutical industry, in 2008, the Alliadis Group formed a sales network aimed at increasing selling area value and security.

In France, 450 employees, 30 skills centers and 2 help-lines deployed throughout the entire territory provide daily local service whose quality is recognized by clients. With 9 380 clients, the Alliadis Group holds 41% of pharmaceuticals IT market in France.

RM Ingénierie

RM Ingénierie offers a full range of software (+4000 line, BioRescue rehabilitation solutions and Bioval) for para-medical professions: nurses, physiotherapists, speech therapists, orthoptists, chiropodists, podiatrists, midwives. Designer, in 1984, of France's first practice management software for physiotherapists, RM Ingénierie has positioned itself as French leader in management software solutions for para-medical practices with approximately 30 000 users. RM Ingénierie has also developed innovative tools designed for physiotherapists that allow the latter to measure the range of movement and rehabilitate accordingly.

Cegedim Rx

Cegedim Rx is the leading supplier of software solutions and computer services in United Kingdom with nearly 50% of the UK pharmacy market which incorporates in excess of 5 000 pharmacies.

Its product line includes Mediphase, Nexphase and Pharmacy Manager PMR systems it processes over 180 million prescriptions every year in the UK.

Cegedim Rx also offers products for:

- hardware distribution and engineering
- support and training
- the sale of consumables.

II.1.2 Software for physicians and healthcare networks – France

Cegedim Logiciels Médicaux (CLM)

CLM offers solutions for office-based physicians, oncology institutions and healthcare centers:

- For physicians: Crossway, Doc'Ware, Cardiolite, Médiclick, Eglantine, Médigest, Mégabaze, Dia, dBMed and Ordogest software offer simple and efficient management of patient records.
- For oncology institutions: Oncobaze software offers comprehensive management of the traceability of chemotherapies.
- For health centers: Crossway software offers medical center management (coupled with a management solution for direct billing).
- Secure Medical Mail ® and RESIP FSE software, used alone or integrated with medical software, allows, respectively, medical information to be shared through secure e-mail and Electronic Care Sheets to be prepared in compliance with regulations.

The LC 2009 suite incorporates the latest technology and meets all regulatory requirements, particularly those in effect in Europe. It is perfectly in line with coordination and continuity of care projects (Electronic Patient File - DMP, Professional Patient - Pro DM) while meeting the expectations of practitioners in their daily practice.

Interacting with the largest number of medical and para-medical professionals, the Cegedim Group has been selected for several healthcare network projects which have allowed information to be shared through this interoperability under secure and reliable conditions recognized by renowned authorities. Cegedim will continue to support the development of these networks in 2009.

AGDF Cegedim RS

With many years of experience in the field of publishing and the implementation of shared patient file management systems, and with the advantage of a unique position in the healthcare information systems market, AGDF Cegedim RS handles the development, deployment and maintenance of data exchange and sharing systems for healthcare networks, regional tele-healthcare platforms, as well as Electronic Patient Files. This offer is an adequate response to issues surrounding the interoperability of the solutions available to healthcare professionals with the shared healthcare information systems in which they participate. It deliberately places itself in a dynamic synergy strategy through Cegedim Group various product lines for healthcare professionals (physicians and para-medical professionals) and a number of partner offers extending to the hospital field. The offer, whose success was largely demonstrated during the DMP experimentation phase, positions AGDF Cegedim RS as a crucial player in the implementation of shared healthcare network information systems.

Banque Claude Bernard – Société RESIP

RESIP (Research and Professional IT Systems Studies) provides healthcare professionals with a scientific database to assist them in prescribing and issuing medications: the Banque Claude Bernard (BCB), the only electronic database competing with the Vidal database.

The BCB is the first drug database accredited late September 2008 by the French national health authority, Haute Autorité de Santé (HAS), in the context of the certification of prescription assistance software.

The BCB is integrated into the pharmacy management software marketed by the Alliadis network (Alliance-Plus, Premium and Servilog software), representing more than 9 000 subscribing pharmacies. The BCB is also represented in software programs for doctors: more than 11 000 medical practices are equipped. It will be increasingly present on all computerized physicians' workstations owned by the Cegedim Group in France and is also distributed by other medical software publishers.

As the lead player¹² in the Web market, the BCB is integrated into healthcare sites and portals. The BCB's technology makes it easy for hospitals to incorporate the database into their Intranet systems for fast consultation (already more than 500 institutions are using it).

APIs (Application Program Interface) also make it possible to interface with the hospital management software. Around fifty hospitals have integrated the BCB into their prescription or dispensation software.

II.1.3 Software for physicians – International

This cluster brings together the following companies:

- In Practice Systems is strengthening its position as leader¹³ in the Primary Care sector with its Vision product. The reforms undertaken by the "National Health Service" require different levels of interoperability between healthcare professionals, which In Practice System's software continues to meet progressively in order to adapt its IT solutions for General Practitioners.
- HDMP in Belgium with the Health One solution.
- Millennium (49% owned by Cegedim) is Italy's leading medical software publisher¹⁴ with Millewin installed on over 11 000 workstations.
- Stacks, Spain's medical software leader¹⁵ with over 30 000 users of the OMI and Julia solutions, is also present in Chile.

II.2 Intranet and healthcare portal

Santesurf

Santesurf is France's secured IT portal dedicated to healthcare professionals. Whether or not they are equipped with Cegedim systems, doctors can transmit Electronic Care Sheets (FSE) to primary health insurance providers. They also benefit from specialized services (e-mail boxes, company mail boxes) and Internet access. Santesurf is the only free and secure French intranet exclusively for healthcare professionals (doctors, pharmacists).

- 31 000 subscribers use Santesurf.com every day and 9 000 transmit FSEs, making Santesurf the leading private French data concentrator with a market share of close to 17%
- Santesurf, a private operator, has become the benchmark data exchange platform for healthcare professionals and medical sales reps
- Santesurf also serves as a hub for the majority of information flows managed by Cegedim.

II.3 Promotional information

Réseau National de Promotion (RNP)

RNP (National Promotions Network) is the undisputed¹⁶ French benchmark for POS (Point of Sale) advertising in the pharmaceutical and para-pharmaceutical industry.

RNP promoters and merchandisers provide pharmaceutical companies with privileged access to 20 000 pharmacies in France every three weeks.

Services include:

- window dressing - from standard to event-specific
- setting up in-store promotional materials (shelving, counters and displays)
- conducting surveys.

Personnel are equipped with PDAs which allow them to provide follow-up on the results of their work in real time, including digital photos.

Equipped with a PDA, they can relay their activity in real time, accompanied by digital photos. Pharmaceutical companies can monitor their campaigns online in real time. As of 2008, RNP is equipped with cutting-edge technology and is able to realize new-generation window displays and offers pharmacies custom services.

MedExact

MedExact works in synergy with all Cegedim Group companies involved in medical rep promotion, with the exception of doctor calls promotion.

- The ScreenPub solution targets doctors equipped with Cegedim Medical Software interconnected to the Cegedim server. It makes it possible to exchange information and download and circulate advertising campaigns directly onto the computer screen.
- The PharmExact line offers the pharmaceutical industry studies on the delivery of drugs or OTC medications, as well as customer loyalty promotion and information communication tools for pharmacists computerized by Alliadis.
- With its Net-enquête panel of 600 representative pharmacies, PharmExact produces ad hoc studies on prescribing and drug delivery. These surveys provide information on medical prescriptions, the attitude of the pharmacy team and may even offer patient opinions.

II.4 Customized statistics for pharmacists

Santestat

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

At the same time, these statistics enhance GERS' analyses by providing pharmaceutical companies with the data necessary to track pharmacy inventories and get a better understanding of the drug distribution channels.

II.5 Professional databases

Rosenwald

Rosenwald, which specializes in publishing directories of healthcare professionals, offers three directories, the physicians' directory (including a geographic listing of private and hospital practitioners by specialty), the pharmacists' directory (which lists retail and hospital pharmacists) and the hospital directory (providing helpful information on more than 9 700 public and private hospitals). These directories are available in hard copy (except the pharmacists' directory) or may be consulted on line at www.rosenwald.com. In 2008, a new drug guide was published (le Guide des médicaments) in collaboration with Resip that presents more than 3 500 monographs from the Claude Bernard drugs database. With the acquisition of Mail Group, the French leader¹⁷ in medical Bus Mailings, Rosenwald allows advertisers to share the costs of their mailing operations and has confirmed its role as provider of promotional tools dedicated to the healthcare profession.

II.6 Medical financial leasing

Cegelease

Cegelease, with its Cofidata, Pharmalease, Pharmaloc and Médilease brands, is a financial leasing company that offers financing options to retail pharmacies and healthcare professionals.

III. INSURANCES AND SERVICES

Leveraging on its professional software publishing and complex information processing skills, the Cegedim Group brings together offers in the "Insurance and services" sector for major insurance and technological expertise players intended for partners and clients in all sectors.

III.1 Insurance, electronic payment and health

The "Insurance, electronic payment and health" cluster includes all of the Group's products and services for insurers, mutual and contingency companies through its subsidiaries Cegedim Activ, Cetip and iSanté for healthcare billing and payment flows. This cluster regroups synergies along the entire exchange chain ranging from the healthcare professional to the healthcare insurance company.

III.1.1 Computerization of insurers and healthcare mutuals

Cegedim Activ

Managing more than 30 million insured in France, Cegedim Activ is the uncontested leader¹⁸ in the personal insurance market, supplemental health insurance, compulsory insurance, pensions, life insurance and retirement plan markets. Cegedim Activ's products are intended for all market operators: insurance companies, mutual healthcare companies, provident institutions and brokers.

Expert in personal insurance, Cegedim Activ works with its clients to create innovative products and manage their activities in a profitable manner. To accomplish this, Cegedim Activ has a unique combination of expertise: in its collaborators' sector of activity, and in cutting edge technology in optimized solutions and consulting.

Cegedim Activ thus provides a synergy of skills in publishing sector specific software packages, information management solutions and healthcare flow management activity which handles 250 million EDI flows per year (Noemie, Third party payment systems and SESAM-Vitale 1.40).

2008 witnessed a reinforcement of Cegedim Activ's offers with the launch of a new range of solutions, ACTIV'Insurance Suite, organized by market segments:

- ACTIV'Premium (the new name of the software company Protectia which joined Cegedim Group in 2008), a solution for the Middle Market segment chosen by APREVA in 2008.
- ACTIV'Infinite, the new Key Accounts solution which was namely chosen by CCMO Mutuelle as part of its partnership with AGRICA for the evolution of its healthcare offering.
- ACTIV'RO, the new, multi-regime solution for mandatory healthcare scheme managers.

2008 also saw the continuation of several large projects for Cegedim Activ: following the launch of its healthcare services, the Maaf has also implemented contracts and contributions management. Harmonies Mutuelles, within the framework of a major project to converge the healthcare management of all of the group's mutuals, plans to launch the first site in 2009.

Leveraging on the Cegedim Group's hosting infrastructures, which include the new Data Center in Toulouse (Tier IV), Cegedim Activ offers its clients front line trade and technical outsourcing services.

Abroad, Cegedim Activ confirms its growth strategy in Maghreb and Francophone Africa with the establishment of two entities in Morocco, Cegedim Activ Operations Maghreb and Cegedim Activ Development Offshore Maroc.

III.1.2 Flows and direct billing

Cetip

Cetip is the leader¹⁹ in managing direct healthcare billing and payment flows as historical operator of the Santé-Pharma Association since 1991. Cetip's flow receipt and management platform processed, in 2008, close to 95 million direct healthcare billing and payment transactions, 99% of which were transmitted electronically, with the

highest rate of secure electronic claim submissions (Demandes de Remboursement Electroniques or DRE) under standard 1.40 on the market.

Cetip handles all the regulatory and technical changes related to direct billing and payment for its clients (SESAM Vitale 1.40 standard, Common Classification of Medical Acts (CCAM), Electronic Requests for Reimbursement (DRE), care initiative management, etc.). The Cetip information system was produced in cooperation with Cegedim Activ.

More than 220 Supplemental Health Insurance agencies, close to 60 000 healthcare professionals and 12 million beneficiaries through Santé-Pharma have placed their trust in Cetip for over 18 years.

At present, healthcare billing and payment flows has been extended to all healthcare professionals. Cetip works in partnership with the French Federation of Insurance Companies and with APRIAR S.A. for delegated project management.

In 2008, Cetip contributed to the success of two major experiments:

- the receipt, encryption and transmission of anonymous prescription data as part of the Babusiaux experiment – Inédit Santé AXA France,
- the acknowledgment of data of the Duo healthcare insurance card, the accelerated processing of amounts claimed by healthcare professionals and the dissemination of card suspension requests to partners involved in the experiment.

In 2009, the Cetip, in its role of operator, will take part in management projects via new Web services.

iSanté

The health insurance sector is always changing: Social Security reforms, coverage individualization, improved services for the insured and relations with healthcare professionals.

To assist supplemental health insurance agencies, particularly mutual clients who use Cegedim Group IT solutions with these developments, iSanté relies on in-house solutions and expertise to develop new front office services like non-nomenclature management, articulation with healthcare platforms, medicalization of services, real-time management of direct billing payment and benefits processing, etc.

III.2 Other services

III.2.1 Electronic data interchange

Cegedim EDI

Dedicated to Electronic Data Interchange (EDI), Cegedim EDI offers electronic management of all documents circulating between the companies.

Born of a partnership with GIE Edipharm in 1991, which enabled the creation of an EDI system between wholesale distributors and pharmaceutical companies, this activity quickly spread to medical laboratories and the animal health sector before reaching the industry, distribution and services sectors as the offer was adapted to meet the needs of these new markets.

Backed by its experience, Cegedim EDI is now able to offer its clients an industrial solution for paperless exchanges that adapts to their specific requirements and integrates the constraints of their particular trade through standard offers that have proven themselves or custom solutions that rely on the strength of the Cegedim Group's IT infrastructure.

The Edipharm solution, subcontracted to Cegedim EDI, assists clients with the following:

- meeting drug traceability requirements (batch number, expiration date) by triggering a shipping notice message,
- optimizing their supply management through the development of CMI (Collaborative Managed Inventory) messages

- developing the new direct order service for pharmacies through the implementation of the Pharma-ML standard.

In addition, Cegedim EDI offers Global Invoice Services (GIS), the most comprehensive ASP mode computerized invoice platform allowing partners equipped with the compatible systems to connect and share electronic documents with the integration of a full range of value-added services.

GIS is a rich and flexible solution that takes the requirements of the client's trade into account in a secure environment and offers services that are able to process both inflows and outflows and adequately archive them.

A pioneer in that it received the approval of France's General Tax Directorate in 1992 for its tax-compliant computerized invoices, Cegedim EDI holds all the aces²⁰ when it comes to supporting its clients and assisting them with regard to new issues surrounding computerized invoicing and sustainable development.

Hospitalis

Hospitalis is a Web portal that provides information and data exchanges between healthcare institutions and their suppliers that ensures the global computerization of all procurements of drugs, medical equipment and laboratory reagents.

The scope of Hospitalis' offer includes not only purchase orders, but also orders, logistics information and invoices.

Hospitalis contributes to the traceability of exchanges by centralizing all information on its Web portal and also handles interoperability between the different software used by the principals, their suppliers or their service providers.

In 2008, Hospitalis was interfaced with the portal of CAHPP, one of the main principals in the private hospital sector, for which it routes purchase order data flows. In 2009, Hospitalis will also be working with the Centres de Lutte Contre le Cancer, a cancer research institute, to provide a repository of drugs, medical equipment and laboratory products and make available the appropriate infrastructure for the computerization of procurement flows.

Hospitalis is in use at more than 450 major healthcare institutions including 19 hospitals; it transmitted 900 000 orders in 2008.

Qualitrans – Télépharma

Qualitrans-Telepharma is an OCT (technical concentrator) that centralizes the claims for Electronic Care Sheets issued by pharmacies and allocates them to the appropriate Mandatory and Supplementary healthcare insurers.

This is crucial when it comes to the acceptance of direct billing by healthcare professionals.

Qualitrans-Télépharma is on the cutting edge of technology and fully compatible with SESAM-Vitale 1.40 standards and, with a high level of responsiveness, is able to integrate legislative and regulatory changes. It also offers value-added services such as the monitoring of claims and payments via its Web portal.

Qualitrans-Telepharma handles over 70 million Electronic Care Sheets per year for over 3 000 pharmacists. This makes Qualitrans-Telepharma France's number two²¹ technical concentrator.

III.2.2 Outsourced payroll and human resources management

Cegedim SRH

A renowned player²² on the payroll and human resources outsourcing market in France, Cegedim SRH's role is to assist and advise business with their project development in the aim of achieving a more efficient HR system: payroll management and human capital management and development.

After a thorough analysis of the client's needs, Cegedim SRH offers custom services that rely on the following in particular:

- trade and consulting expertise of more than 15 years
- an array of services
- TEAMS^{RH}, an innovative, global and adaptable technological platform.

First and foremost the partner of human resources divisions, Cegedim SRH makes a contractual commitment to its clients with regard to payroll compliance, meeting deadlines and system availability.

TEAMS^{RH}, an outsourced Human Resources Information System (HRIS)

TEAMS^{RH} is the market's first HRIS solution that uses 100% Java technology. With its flexible architecture and process-oriented approach, TEAMS^{RH} provides quality services that are always more efficient and are suited to the outsourcing needs of businesses.

Benefiting from recent technological advances, TEAMS^{RH} is an interactive, real-time solution that optimizes the business' management modes by deploying transversal processes ranging from the collection of information to the control and diffusion of the latter.

This technology platform is integrated in the business' global system and communicates with all of the market's information systems. It interfaces with accounting solutions, HR applications and decision-making solutions.

TEAMS^{RH} offers an extensive set of features and is structured around 5 areas:

- Payroll and personnel administration
- HR Portal
- Corporate steering
- Human Resource Management (HRM) and training
- Business Time Management

Cegedim SRH's service offer also includes hosting of IT resources, system maintenance, data backup, legal and contract watch, training and change consulting.

III.2.2 Hosting, services and internet

Cegedim hosting

Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurance providers and healthcare mutuals and healthcare networks (e.g. Electronic Patient File trials...), as well as in the management of financial flows and paperless documents. All of these activities, given their strategic and sensitive nature, have incited the Group to develop high-availability architectures that meet clients' security requirements and in particular, patient file hosting requirements.

Cegedim facilities management services are located in three different geographical zones:

- America (Chesapeake site in the USA)
- Europe (sites in Boulogne-Billancourt and Toulouse, France)
- Asia-Pacific (in Bangalore, India, and in Singapore).

These sites, of which three are Tier IV level (France and USA), provide the back up and launching of Business Continuity Plans (BCP) due to coverage of all time zones.

Pco Cegedim

Pco Cegedim provides businesses with infrastructure solutions and technological outsourcing services that secure, administrate and oversee the various components of the distributed systems in a simple, integrated and centralized manner.

Its area of competence covers the development of information systems for large corporations, local government agencies and teaching and/or research institutions.

Pco Cegedim's product range covers 2 main operational areas:

- the integration of system administration and network security solutions (audit and consulting, systems, networks, applications, storage, supervision and security)
- the outsourcing of information system management based on ITIL good practices (distribution and rental, on-site technical support, service desk, workstation management, computerization of schools, storage of backup mediums)

Pco Cegedim, along with its publishing and manufacturing partners, provides solutions especially designed to meet the evolving needs of the market.

6.1.2 Notes concerning the Group's main activities

- ¹ Cegedim is the world leader in term of number of users of its CRM solutions for the pharmaceutical industry.
- ² Cegedim is one of Europe's leading producers of medical and para-medical management software in term of number of programs installed.
- ³ The Onekey database is the benchmark in the European pharmaceutical industry in terms of number of countries covered and data entered as well as in terms of number of users.
- ⁴ Cf. note 1.
- ⁵ Cegedim has the largest and best R&D structure dedicated to pharmaceutical CRM in terms of numbers of specialized employees in this sector.
- ⁶ CSD is a leader in market studies intended for the healthcare industry in view of the variety and coverage of the studies offered.
- ⁷ InfoSanté Roumanie is the leader in revenue in the sales data market in Romania.
- ⁸ Cf. note 4.
- ⁹ CCD is the premier supplier of business address lists in France in the healthcare professionals sector in term of number of managed references and users.
- ¹⁰ Cf. note 2.
- ¹¹ Cf. note 2.
- ¹² The BCB is the main tool of the web market in France since this database is deployed on the tools used daily by healthcare professionals (software, intranets, portals, etc.).
- ¹³ In the UK, In Practice Systems is the leader in number of doctor software workstations installed in the Windows environment.
- ¹⁴ Millennium is the first publisher of doctor's software in Italy in number of workstations installed.
- ¹⁵ Stacks is the leader in Spain in number of workstations installed with its doctor's software.
- ¹⁶ Mail Group is the French leader in medical Bus Mailings in terms of the number of folds processed.
- ¹⁷ RNP is the French benchmark in point-of-sale advertising due to the number of pharmacies covered by its display network.
- ¹⁸ Cegedim Activ is the leader with 30 million beneficiaries in France.
- ¹⁹ CETIP is the French leader in terms of number of healthcare billing and payment flows processed per year.
- ²⁰ Cegedim-EDI is the French leader given its market share in dematerializing order/billing flows between pharmaceutical companies and wholesale distributors.
- ²¹ Qualitrans-Télépharma is the N°2 OCT in the market based on number of Electronic Care Sheets processed each year and on the number of healthcare professionals who use it.
- ²² Cegedim SRH is a major player in the payroll outsourcing and Human Resources market according to a study published by Markess in 2008.

6.1.3 Products or services released on the market during the 2008 fiscal year

The Cegedim Group has established an innovative on-going policy to better serve its clients by continuously providing new functionalities for the existing solutions. The main innovations for each product or service were mentioned in the presentation of the business lines in item 6.1.1 and readers may thus refer to that section.

In 2008, in each activity sector, we can emphasize the following developments:

- For CRM: the pursuit of synergies between the offers of Dendrite and Cegedim, including the combination of OneKey databases, the midpoint of the Group's CRM activities and the new global coverage of sales force management software, adapted to the requirements of the different countries and continents. In 2008, the Group also innovated with the launch of the Mobile Intelligence Key Account Management solution designed to optimize relations between pharmaceutical companies and their key accounts, allowing them to integrate all stakeholders. Cegedim is also continuing the development of its "Compliance" solutions.
- For Strategic data: the extension of Cegedim Strategic Data (CSD) offers the development of new lines of study, namely with the acquisition of Reportive whose improved Business Intelligence solution has already replaced the existing one. Also, CSD has launched its 9th longitudinal patient database in Korea and is thus able to offer Korean businesses a broad range of analyses based on data from the longitudinal follow-up of patients collected during epidemiological observatories. This offer allows pharmaceutical companies to define and refine their strategic options, particularly in terms of opportunities related to the management of product life cycles. They can also obtain information such as: market share, co-prescriptions, patient profiles, dynamic segments.
- For healthcare professionals: with its new LC 2008 line (Logiciels Cegedim 2008), Cegedim Logiciels Médicaux guarantees clients using different software published by the group the same level of technological performance and functionality: agenda and coordination of meetings, administrative management and patient file history, typical consultations, management of care pathways, etc. Also, with the acquisition of O1 Santé, the Group has leveraged on a strong position in the area of oncology with its OncoBaze software, currently used by nearly 70 clinics in France (including the 25 largest). Finally, the creation of Cegedim Healthcare Software (CHS) covers the following activities: Cegedim Logiciels Médicaux/Megabaze, Alliadis, RM Ingénierie, RESIP, AGDF Cegedim RS, Stacks, INPS, Cegedim Rx, HDMP and the monitoring of Cegedim involvement in Millennium. Through the creation of this business unit, the software business activity holds a place of its own and represents a major stake for the Group, offering new opportunities for the future.
- For Insurance and services: With the acquisition of Protectia, Cegedim Activ has enhanced its middle-market segment offer with a solution based on the latest technologies and has announced the launch of a new range of solutions, "ACTIV'Insurance Suite" to meet the needs of its market players. In addition, with mid-2008's opening, in France, of a new, state of the art (Tier IV) Data Center on the Toulouse-Labège website, Cegedim Activ has reinforced its outsourcing expertise and has met the most stringent requirements of its clients in terms of hardware and data security. In 2008, Cegedim SRH was granted SOX Type II accreditation under the Statement on Auditing Standards N°70 (SAS 70), known as Sarbanes Oxley, for all its processes, thus validating the company's know-how.

6.2 Main market

2008	Revenue			Operating profit before non-recurring items and taxes
(in thousands of euros)	France	Abroad	Total	
CRM and strategic data	131 683	360 937	492 620	55 565
Healthcare professionals	182 327	67 887	250 214	34 537
Insurances and services	104 135	1 609	105 743	6 535
Total	418 145	430 432	848 577	96 637

2007	Revenue			Operating profit before non-recurring items and taxes
(in thousands of euros)	France	Abroad	Total	
CRM and strategic data	140 073	319 997	460 070	64 901
Healthcare professionals	127 224	64 132	191 356	28 123
Insurances and services	98 952	2 616	101 568	2 240
Total	366 249	386 745	752 994	95 264

6.2.1 CRM and strategic data

Key figures

58% of the Cegedim Group consolidated revenue.

Geographic presence: 80 countries on 5 continents.

Main clients: marketing and sales departments of pharmaceutical companies.

Competition

The services offered by Cegedim are unique for the pharmaceutical industry 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 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 strategy. Data on healthcare professionals are indeed essential information that allows the pharmaceutical companies to direct their sales forces on 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 was present in 60 countries in 2008.

Cegedim's competitors in terms of CRM offers do not have a database offer. In addition, the main competitor in terms of databases does not have a CRM offer.

A recent report by analyst Gartner (Ref. G00162799 - Nov. 2008) recommends Cegedim's CRM to pharmaceutical companies that seek a solution tailored to the requirements of their industry.

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

CRM

- Oracle (Siebel), Microsoft and SAP: These companies are software generalists who, contrary to Cegedim, do not focus exclusively on the healthcare sector. They focus on supplying software, unlike Cegedim, which supplies outsourced solutions combining them with a complete range of services (hosting, maintenance, help-line, fleet management, training, etc.). Oracle finalized the acquisition of Siebel at the end of May 2006, thus becoming the world leader in generalist CRM services.
- Update is an Austrian publisher specializing in CRM that has a dedicated healthcare focus and primarily targets the European market.
- Verticals on Demand, now named Veeva Systems, is a new competitor that appeared in 2007 on the U.S. market. The latter offers a solution that is only available in SaaS (Software as a Service) mode whose analytical capacities are limited;
- There are also a number of local competitors in the different countries.

Strategic data

- IMS is the world leader in the health sector strategic study market in terms of revenue.
- Generalists such as Taylor Nelson Sofres plc, GFK and Harris Interactive also offer ad hoc studies in the medical field.
- Synovate Healthcare, founded in 2003, is very present in South America and Asia;
- There are also a number of local competitors on this market.

Main market trends

Despite pressure from the competition, the development of the generics market and attempts to impose State regulations, the global drug market should grow from 4.5 to 5.5% in 2009 with revenue exceeding \$820 billion (source: IMS).

The year 2009 should confirm the slowdown in growth on mature markets such as the U.S. market, which should only evolve 1 to 2% (with revenue between \$292 and \$302 billion) due to the economic difficulties of the United States and the low level of new product launches in this country (between 25 and 30 next year). Growth should reach 4% for Europe's top 5 (France, Germany, Italy, Spain and Britain), with revenue of between \$162 and \$172 billion dollars. In 2009, growth of the global market will primarily be supported by emerging markets: China, Brazil, India, South Korea, Mexico, Turkey and Russia - whose overall growth is expected to be around +14/15% with revenue of between \$105 and \$115 billion.

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 the studies published by Cegedim Strategic Data (CSD), Cegedim Group, that serve as a pharmaceutical industry reference, almost 89 billion dollars went to promotional spending worldwide in 2008 broken down as follows: 62% related to sales calls, 11% to distributed samples, 8% to DTC (Direct to Consumer) spending and, finally, close to 19% for public relations, press and Internet promotions.

Worldwide pharmaceutical industry trends

The pharmaceutical industry continues to agglomerate, as evidenced by the announcement of the merger between Pfizer and Wyeth on one hand and Merck and Schering Plough on the other. Some experts believe that only ten or so pharmaceutical giants will remain ten years or so from now. In this changing environment, Sanofi Aventis maintains its position as the France's leading group and is a world leader with over 98 000 employees worldwide and 27.6 billion euros in revenue for 2008.

Sales and promotions functions, along with R&D quality, are the main areas of differentiation in the pharmaceutical industry. Also, greater 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 Internet, and the concept of the return on investment (ROI) of promotional tools.

In the United States, advertising for the general public, "Direct To Consumer" or DTC, is also one of this market's main trends. Indeed, the "patient" has become a preferred target for American pharmaceutical companies. In Europe however, legislation currently limits such advertising.

French pharmaceutical industry trends

Since 1995, France has been the European Union's leading drug manufacturer. In 2007, there were 337 companies including 177 biotechnology companies and more than 100 000 employees in France.

(Source: LEEM)

Promotion is the main means for optimizing pharmaceutical company marketing and sales in the pharmaceutical companies. Despite government attempts to regulate the industry, it continues to benefit from considerable resources: over 4 billion dollars in 2008 (compared to 3.5 billion dollars there is two years ago).

For example, the promotional budgets of French pharmaceutical companies breaks down as follows: 62% related to the medical examination, approximately 22% for public relations type promotions, press voice, Internet, just over 15% of DTC expenditure and less than 1% for samples distributed.

(Source: CSD, Groupe Cegedim)

6.2.2 Healthcare professionals

Key figures

30% of the Cegedim Group's consolidated revenue.

Geographic presence: France, Great Britain, Belgium, Spain, Italy and Chile.

Main clients: doctors, pharmacists and para-medical personnel.

Competition

There is currently no global competition in any country covered by Cegedim. The analysis must therefore be segmented according to market and country.

- Physician software in the United Kingdom: Cegedim, with its subsidiary, In Practice Systems, is ranked second in the market in terms of the number of users (with its Vision software), behind EMIS and ahead of iSoft and TPP;
- Physician software in France: Cegedim leads the French market in terms of number of medical practices computerized, ahead of Axilog (a subsidiary of Compugroup) and Imagine Editions (Hellodoc software). RM Ingénierie is France's leader in terms of software for physiotherapists and para-medical professionals in general (nurses, speech therapists, orthoptists, midwives, chiropodists, etc.) before Epsilon;
- Physician software in Belgium: The Belgian market is very fragmented with a large number of publishers. Cegedim is a major player at the forefront;
- Physician software in Spain: Cegedim is the leader in the Spanish market for the number of physicians using its products with its subsidiary, Stacks.
- Pharmacist software in France: The Alliadis Group (Alliance-Conseil, Alliadis, data Conseil and Servilog), and Pharmagest Interactive are co-leaders in the pharmaceutical computerization market in France.
- Pharmacist software 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. Cegedim Rx is the leader in terms of the number of computerized retail pharmacies in Britain.
- For promotions, Cegedim is the French leader both at the point of sale (advertising at the pharmacy) in terms of the number of pharmacies included in its outdoor network and at the point of prescription (given its number of computerized physicians).

Main market trends

Cegedim strives to provide all healthcare professionals with effective tools for managing their day-to-day practice. Doctors and pharmacists are the Group's benchmark clients for this activity sector, particularly in France and the United Kingdom. The number of these professionals gives a good estimate of Cegedim's potential market.

Population France (source : Onekey database, Groupe Cegedim – March 2009)

Médecins :	Total	dont Libéraux
Généralistes	74 442	55 836
Spécialistes	108 783	43 927
Kinésithérapeutes	37 079	34 760
Pharmaciens d'officine :	Total	
Pharmaciens d'officine généraliste	29 573	
Pharmaciens adjoints	19 674	
Pharmacies d'officine	22 668	

Population Royaume-Uni (source : Onekey database, Groupe Cegedim – March 2009)

Médecins :	Total
Généralistes	48 155
Spécialistes hospitaliers	75 101
Pharmaciens :	Total
Pharmaciens dans l'hôpital	7 048
Pharmacies d'officines	14 083

Computerization of doctors in France

A great majority of French medical practices, close to 90% according to the most commonly cited figures, are computerized. However, this computerization essentially concerns electronic care sheet management: only 40 to 60% of computerized doctors use a computerized patient file to record their diagnoses, their prescriptions and to update their patient's profile (pathologies, allergies, family history, test results, etc.). Nevertheless, it is clear that use of the Internet in medical practices is becoming more widespread since a large majority of these practices have Internet access, most often high-speed access.

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 use of the most sophisticated tools.

While waiting for the start-up of the Personal Medical File (DMP), the need for exchanging information between healthcare professionals and the development of wide-spread networks are positive factors that feed the growth in this market.

Computerization of doctors and pharmacists in the United Kingdom

All medical practices are computerized in the United Kingdom. This is encouraged by the National Health Service who are half way through a 10-year programme to introduce wide-ranging reforms of the IT required to improve the provision of healthcare in the United Kingdom. An initial budget, regularly increased, of 6.2 billion pounds sterling for the entire programme, is being devoted to the reform. All suppliers of IT systems and applications to the healthcare market are affected by the changes, including physicians (GPs), pharmacists and hospital staff. This program requires that GP Systems progressively achieve levels of interoperability with new national systems to improve the management and administration of patient records, using a private telecommunications network called N3. The levels are:

Level 0	Compliance with NHS standards (RFA99 with recent amendments)
Level 1	Level 0 + Electronic appointments system from GP Practices to hospital consultants
Level 2	Level 1 + Electronic transmission of prescriptions (ETP) from GPs to pharmacists
Level 3	Level 2 + Electronic transmission of patient files between GPs
Level 4	Level 3 + Centralized hosting of GP IT systems to accredited standards
Level 5	Level 4 + SNOMED clinical coding and Pathology results requesting
Level 6	Level 5 + integration with all national systems.

The reform programme is ambitious and demanding for all of the players in the British market. Cegedim through its subsidiaries In Practice Systems (GP Systems) and Cegedim Rx (Pharmacy Management Systems) meet these expectations favorably. Take-up for the new developments are 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.

Computerization of pharmacists in France

All of the French pharmacies are now computerized: The market for pharmacists 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 billing 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, the substitution objectives, the creation of SEL (professional partnerships), product traceability and coding all require short or medium-term developments of the IT tools.

6.2.3 Insurances and services

Key figures

12% of the Cegedim Group's consolidated revenue.

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

Main clients: insurance companies and healthcare mutuals, companies in all sectors including businesses related to the healthcare universe.

Competition

With 30 million insured people managed, Cegedim Activ is currently the French leader in the personal insurance computerization market. Its main competitors tend to be generalists in fields such as Consulting, Engineering and Integration (CSC, Sopra, Linedata and Accenture).

With its value-added services for the management of direct billing and national healthcare contracts (Cetip and iSanté subsidiaries), the Group is also a leader in this market: 15 million people managed under direct billing, more than 120 million claims paid, and more than 250 million flows handled. There are two competing platforms, Viamedis and Almerys, operated by Orange Business Services.

The "services" activity mainly covers outsourced payroll and human resources management, paperless exchanges and outsourced IT services.

There are a large number of competitors in these different businesses. Cegedim SRH is a major player in France in outsourced payroll and human resources management services (according to CXP). Its main competitor is ADP GSI.

Main insurance market trends

The insurance sector in France saw revenue fall by 6.2% in 2008 as a direct result of the decline in life insurance premiums due to strong competition from short-term savings instruments (source: FFSA). It nevertheless

reached 183.6 billion euros in 2008 compared to 175.9 in 2005 and seems to be holding out well in the wake of the current crisis which, according to the Fédération Française des Sociétés d'Assurances once again, does not challenge the fundamentals of the industry.

In this context, the healthcare market is becoming extremely strategic. The inevitable growth of healthcare spending and the disengagement already underway with certain claims being handled by France's Social Security signal an increase in the market's value which will increase competitiveness.

The concentration of players is very active with the emergence of powerful groups handling several million beneficiaries, such as Harmonie Mutuelles which claims more than 4 million, Médéric-Malakoff in the field of contingency institutions and groups such as Eovi or Adrea.

The players are working to differentiate their offers with the launch of new products but also by reinforcing their service offers. They also seek to play a major role in the quality and cost of care via direct negotiations with healthcare professionals (healthcare contracts, networking, etc), while improving their productivity. The outsourcing of certain functions is widespread.

All of these changes, along with the reforms of France's mandatory healthcare insurance scheme, render the system more complex thus creating new needs. The Internet culture, its potential and facilitated communications are all winning opportunities for healthcare players. Behind this cultural and technical change is the desire for better control of timeframes and costs and the increased reliability of circuits and fully guaranteed confidentiality.

More and more projects are leveraging on the entire chain of healthcare value, from the healthcare professional to the supplementary insurance organization. Cegedim is making an investment by piloting several innovative projects such as: the implementation of Babusiaux recommendations (access to healthcare data by the supplementary insurance organizations), the management of electronic claim cards or the establishment of direct connections (Web services) between the workstations of healthcare professionals and supplementary insurance providers, thus reducing timeframes and increasing reliability.

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

6.3 Exceptional events that influenced the information provided in items 6.1 et 6.2

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

6.4 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 2008 with the first client was 6%, with the first 5 clients, 16%, and with the first 10 clients, 23%. Also, none of the Group's clients represented more than 3% of turnover in 2008.

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

6.5 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 Reference Document are generally cited in the text or explained in the references given below. The topics discussed in the market study in item 6.2 were gathered from web sites, trade publications, Gartner and Eurostat-type market studies and discussions with pharmaceutical industry experts.

7 - Organisational chart

7.1 Cegedim Group and Cegedim's place within the Group

Cegedim S.A. is a subsidiary of FCB (ex Financière Cegedim), 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 S.A. is active in the following fields:

Information technologies: 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. Based on an annual projected operating budget, these expenses are allocated monthly to the Group's subsidiaries according to the allocation key specific to each family of services.

Cegedim S.A. 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 the 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.

EDI: Electronic data interchange; data concentrator for the transmission of orders and bills between pharmaceutical companies, wholesale distributors and hospitals (Edipharm system) and the transmission of subrogatory bills between pharmacies and payer agencies (Télépharma). Hosting of application software developed by the Group and information flows management.

Cegedim Hosting: Cegedim has extensive expertise in facilities management for pharmaceutical companies, insurance providers and health networks (e.g. personalized medical record trials, etc.), as well as in the management of capital flows and paperless documents. Due to their strategic and sensitive nature, 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.

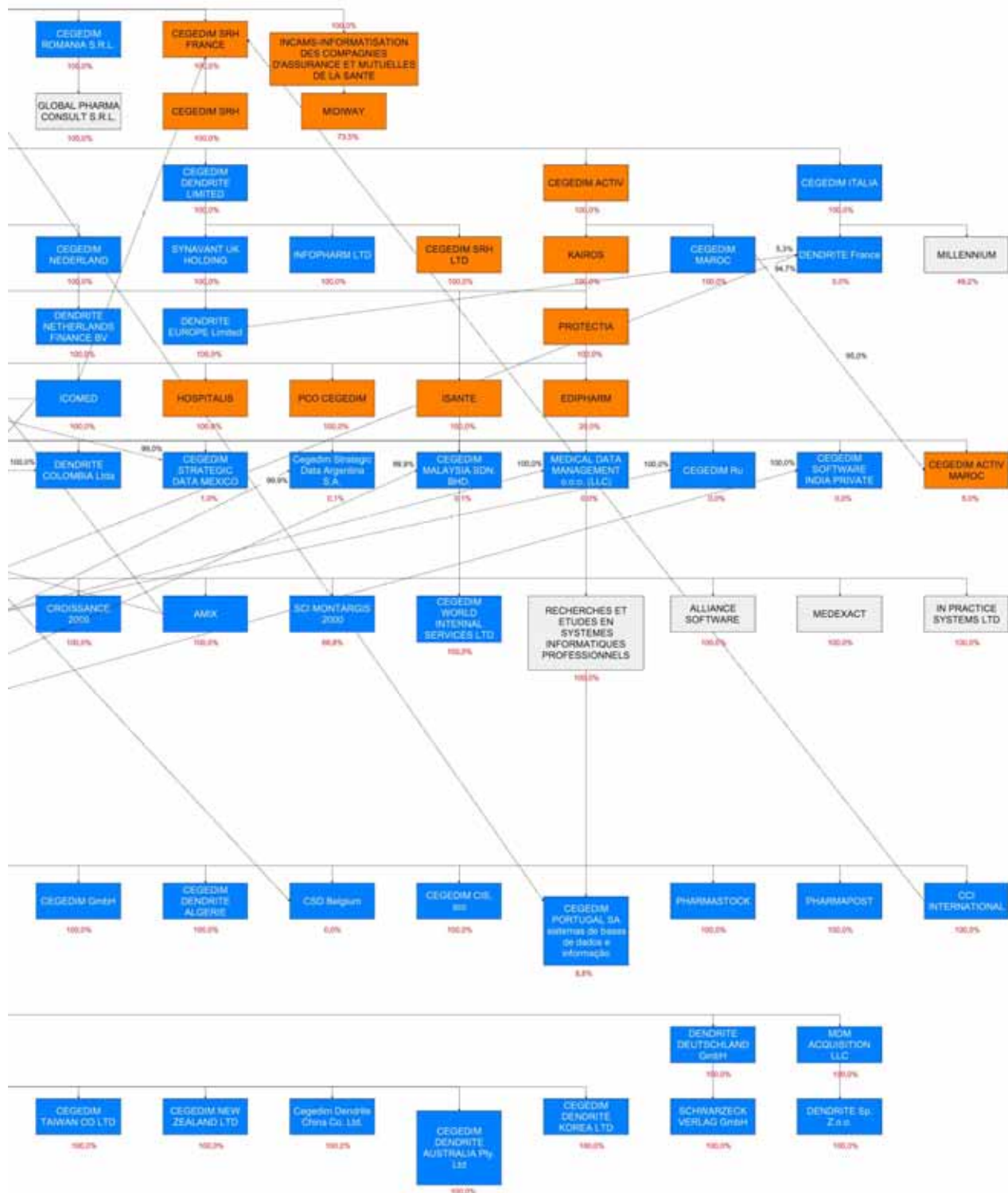
7.2 List of Cegedim subsidiaries

The list of the Group's subsidiaries, their country of origin and the percentage of control held are given in the item 20.1.1 of the consolidated financial statements of this Reference Document.

In addition, more detailed information on the activity of the Group's main subsidiaries appears in item 26.2.5 of this Reference Document.

The Group's organizational chart is presented on next page.





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 17 companies out of the 151 included in the Group's scope of consolidation own buildings or land for a net book value of €4.1 million on 31 December 2008.

In particular, Cegedim S.A. rents all of the facilities it occupies in Boulogne-Billancourt. Some rent amounts are paid to companies (managing holding company FCB (ex Financière Cegedim) or different real estate holding companies) that have common directors with Cegedim S.A., as indicated in the Auditors' Special report reproduced and appended to this Reference Document. The total rent amounts involved (premises and parking) amounted to €5.1 million excluding occupancy expenses for 2008. The rent amounts are established based on market conditions and will remain so.

8.2 Use of tangible assets and the environment

As indicated in item 4.3.2, given their essentially intangible nature, the activities of the Cegedim Group have no significant impact on the environment. The use of tangible assets with respect to the environment thus 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 S.A. gives a description of the financial position of Cegedim S.A. and of the Group. It appears in item 26 of this Reference Document.

9.2 Operating earnings

The Corporate management report prepared by the Board of Directors of Cegedim S.A. (appearing in item 26 of this Reference Document) gives, where relevant, a description:

- of the major players, unusual or infrequent events and new developments having an impact on operating revenue;
- 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 4.3.1, there are no specific governmental, economic, budgetary, monetary or political strategies or factors capable of influencing Cegedim's operations directly or indirectly.

10 - Cash position and Capital

10.1 Cegedim equity capital

Consolidated equity capital amounted to 242.0 million euros at 31 December 2008 compared to 208.0 million euros at 31 December 2007, thus an increase of 10.5 million euros combined with a Group's positive translation adjustment of 23.9 million euros and change in minority interests (0.3 million euros). The portion of equity relating to minority interests is 0.9 million euros at 31 December 2007, or 0.4%

10.2 Borrowing terms and Cegedim financing structure

Current financial debt (less than one year) stands at 109.5 million euros and the non-current portion (more than one year) at 578.4 million euros, representing a total of 687.9 million euros compared to 698.2 million euros in 2007. In consideration of the positive cash position, the Group's net financial debt stands at 594.4 million euros compared to 610.8 million euros at the end of 2007, down 16.4 million euros. This is 2.5 times the amount of equity capital.

The Group's cash from operations before the cost of net financial debt is 154.6 million euros at 31 December 2008, compared to 131.0 million euros at 31 December 2007.

In 2008, the Group reduced drawings on its revolver credit facilities by 10 million euros.

Furthermore, in 2008, following the transaction made in 2007, Cegelease made additional divestitures to Natixis of a portion of its receivables in exchange for a contribution in cash in the amount of 53.5 million euros, in two transactions; a first during the first half for 34.5 million euros and another during the second half for 19.0 million euros.

Given the repayment maturities and the cash flows generated by business activities, the Group expects to return to a net debt ratio of less than 3 times EBITDA during 2009.

10.3 Source and amount of Cegedim cash flows and description of these flows

Closing cash was 70.2 million euros in 2008 compared to 57.8 million in 2007, up 12.4 million euros.

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

- Net cash flow generated by operating activities

166.9 million euros in 2008 compared to 146.1 million euros in 2007 (+20.8 million euros).

The change in working capital requirement amounted to +20.1 million euros in 2008 compared to 20.0 million in 2007, mainly due to the transfer of a part of Cegelease receivables in 2008 to financial partners.

Before the cost of net financial debt and income tax, cash from operations represents 154.6 million euros in 2008, compared to 131.0 million euros in 2007, an increase of 23.6 million euros.

The cost of financial debt is 43.6 million euros for 2008 compared to 28.7 million euros in 2007; this growth of 16 million euros is mainly due to the calendar effect related to the Group's acquisition of Dendrite in May 2007. Acquisition 100% financed by debt.

Cash from operations after net financial debt and income tax stands at 98.0 million euros for 2008 compared to 84.4 million euros in 2007, up 13.5 million euros (+16%). This increase reflects, in particular, the impact of the acquisition of Dendrite.

At the same time, the Group's new combined tax situation has resulted in a slightly lower consolidated income tax rate (27.9% in 2008 and 28.7% in 2007).

- Net flows tied to investment operations:

They amounted to -101.3 million euros in 2008 compared to - 556.5 million euros in 2007 (-455.2 million euros).

This significant reduction is related to the acquisition of the Dendrite group in May 2007.

Acquisitions of intangible assets amounted to 49.4 million euros in 2008 (compared to 24.0 million euros in 2007) include R&D capitalized within the Group for an amount of 32.7 million euros in 2008 (compared to 15.5 million euros in 2007).

Acquisitions of plant, property and equipment amounted to 51.0 million euros in 2008 (compared to 40.2 million euros in 2007) include assets acquired and destined to be leased by Cegelease for an amount of 30.2 million euros in 2008 (compared to 23.6 million euros in 2007).

- Net cash flow resulting from financing transactions

They amounted to -52.8 million euros in 2008 compared to 484.7 million euros in 2007 (-537.6 million euros).

Borrowings repaid over the year, net of issue premiums, amounted to -11.8 million euros in 2008 compared to 520.8 million euros in 2007. The Cegedim Group has reduced drawings on its revolver credit facilities. Financial interest paid (32.3 million euros in 2008 compared to 27.3 million in 2007) has increased due to the fact that loans to finance the acquisition of Dendrite were not contracted until May 2007, resulting in a different reference period.

Dividends paid in 2008 amounted to 8.4 million euros compared to 7.5 million euros in 2007.

10.4 Restriction on the use of capital

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. Also, the agreement requires that the income from any leveraged equity be allocated to the early repayment of the credit, unless the Group is exempted from this obligation in the event that a certain ratio is met.

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

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.

11 - Research and development, patents and licenses

The Corporate management report prepared by the Board of Directors of Cegedim S.A. gives a description of the Cegedim Group's research and development policy. It appears in item 26 of this Reference Document.

Cf. also item 4.2.2, relating to intellectual property.

12 - Information concerning trends

The trends applicable at the beginning of 2009 do not show any major differences with those encountered during the 2008 fiscal year. In fact, since most Cegedim customers work in the area of healthcare, the Group has not experienced any marked repercussions from the decline in the world economic situation that started in 2008 and is continuing into 2009.

■ 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 aging tendency of the population in mature countries or the increase in population with a standard of living which is progressively increasing in emerging countries make for an increase in healthcare spending, which is a favorable indicator for the Group's activities.

For 2009, Cegedim's international growth perspectives are being confirmed for territories such as South America, Asia 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 are relatively unchanged for the beginning of 2009. Cegedim permanently negotiates with its customers to maintain its selling prices in line with the quality of its services and the permanent updating of its products.

■ 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. However, the current financial and economic crisis is causing the Group to follow a salaries policy that is in keeping with the new macroeconomic context. This aside, the Group takes account of the individual performance of its employees.

In 2008, Cegedim continued its integration and restructuring (in particular Dendrite), thus incurring non-recurrent costs that are partly recognized by the IFRS. 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.

■ 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.

13 - Profit projections or estimates

The Group does not disclose profit projections or estimates.

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

The Board of Directors during the 2008 fiscal year was made up of the following members:

- Jean-Claude Labrune, Chairman & CEO and Founder of Cegedim S.A.
- FCB (ex Financière Cegedim) S.A.S., lead holding company represented by Pierre Marucchi, also CEO of Cegedim S.A.
- GERS, an economic interest grouping (EIG) of pharmaceutical companies operating in France, represented by François Blanot
- Alliance Healthcare France, a company held by the pharmaceuticals distributor Alliance Boots (ex Alliance Unichem), represented by Jean-Louis Mery
- Laurent Labrune, Chairman and CEO of Cegedim SRH, a subsidiary of Cegedim S.A.
- Aude Labrune-Marysse, Chairman and CEO of Rosenwald, a subsidiary of Cegedim S.A.

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.

List of offices occupied during the last 5 years excluding the subsidiaries of the Cegedim Group

Director	Company	Office	Start	End
Jean-Claude Labrune	Cegedim	Director CEO Chairman and CEO	04/12/1989 12/20/1989 08/18/1994	
	FCB (ex Financière Cegedim)	Chairman of the Board of Director President (SAS)	07/21/1997 06/24/2005	06/24/2005
	JCL	Managing Director	11/30/1994	
Pierre Marucchi	Cegedim	Representative of FCB (ex Financière Cegedim) on the Board of Directors General Manager	04/12/1989 04/23/2002	
	IRIS	Managing Director	1997	
	Laboratoire Biodim	President (SAS)	06/30/2003	06/23/2006
Laurent Labrune	Cegedim	Director	04/18/2001	
	Brun	co-Managing Director	03/11/2002	12/29/2006
	FCB (ex Financière Cegedim)	Director and Executive General Manager	11/21/2005	
Aude Labrune-Marysse	Cegedim	Director	04/27/2007	
	Brun	co-Managing Director	03/11/2002	12/29/2006
	FCB (ex Financière Cegedim)	Director and Executive General Manager	11/21/2005	
François Blanot	Cegedim	Representative of GERS on the Board of Directors	02/2005	
	GIE GERS	Director President	03/2001 01/2003	12/11/2008

Director	Company	Office	Start	End
Jean-Louis Mery	Alliance Santé France	President (SAS)	06/13/2003	
	Alliance Healthcare France	Director Chairman and CEO	04/30/1997 04/29/2003	04/29/2003
	Alliance Healthcare Répartition	Président (SAS)	1999	
	Alphega Representative of Alliance Healthcare France on the Board of Directors		2001	
	Ouest Répartition Representative of Alliance Healthcare France on the Board of Directors and Director		07/2003	01/31/2008
	Cegedim Representative of Alliance Healthcare France on the Board of Directors		05/2003	
	Sedley Participations France	Président (SAS)	12/12/2007	
	Depolabo Member of the Supervisory Board		12/01/2007	

CEO : Chief Executive Officer
SAS : "public company"

Jean-Claude Labrune and Pierre Marucchi also hold various other offices in the Cegedim Group's French and foreign subsidiaries.

14.1.2 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.

Aude Labrune-Marysse has a Master's in Commercial Law and a DESS in International Taxation. She joined Cegedim in 1999 before assuming the direction of Rosenwald, a Cegedim subsidiary and holding the position of Executive General Manager in charge of legal matters for the lead holding company, FCB (ex Financière Cegedim).

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 Santé Distribution, a subsidiary of one of the main European pharmaceutical distributors Alliance Boots – ex Alliance Unichem, 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.

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 involved in bankruptcy, placed under sequestration undergone liquidation proceedings
- 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.

Each Director must hold at least one share of Cegedim S.A. There are no particular restrictions concerning any potential sale of this share.

Commercial ties exist with the GIE GERS (grouping of pharmaceutical companies) and Alliance Healthcare France with regard to its pharmaceutical distribution business activities.

CEGERS is owned by both Cegedim SA (50%) and the GIE GERS (50%).

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

The total gross compensation for each corporate officer is as follows:

In euros Fiscal year 2008	Total compensation	Fixed portion	Variable portion	Extraor- dinary variable portion	Directors' fees	In-kind benefit Amount	In-kind benefit
Jean- Claude Labrune	728 354	716 854	-	-	11 500	3 804	Executive car
Pierre Marucchi	468 736	288 692	168 544	-	11 500	3 693	Executive car
Laurent Labrune	313 415	213 915	92 000	-	7 500	5 915	Executive car
Aude Labrune- Marysse	93 579	79 829	6 250	-	7 500	1 829	Executive car
François Blanot	7 500	-	-	-	7 500	-	-
Jean-Louis Mery	7 500	-	-	-	7 500	-	-

The variable portion is based on the Group's earnings.

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 within the Cegedim Group.

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

Management fee agreements have been concluded between Cegedim and other companies with corporate officers in common. These are agreements that fall within the scope of Article L.225-38 of the French Commercial Code concerning agreements concluded under normal conditions.

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 Accounting Principles and note 13 (retirement liabilities) of the consolidated financial statements found in item 20.2.2.3 of this Reference Document.

15.3 Allocation of free shares

At the Extraordinary General Meeting of 22 February 2008, Cegedim approved a free share award plan, initially comprised of 43 410 shares of which 28 900 were still assigned at 31 December 2008. The plan involves 48 employees, including two Board members. This instrument was implemented in order to reinforce the motivation of the management.

	Plan No.1
Date of the General Meeting	02/22/08
Date of the Board Meeting	03/21/08
Number of shares that can be allocated initially for free	43 410
Of which Board members	2 880
<i>Pierre Marucchi</i>	1 280
<i>Laurent Labrune</i>	1 600
Number of recipients	48
Award date	03/21/08
Acquisition date	03/21/10* - 03/20/12**
End of lock-in period	03/20/12
Shares permanently acquired at 12/31/08	n/a
Balance of shares awarded at 12/31/08	28 900

* For French and US residents on the date of the allocation

** For non French residents on the date of the allocation

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 (ex Financière Cegedim) , 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 François Blanot since February 2005.

Alliance Santé Distribution, which joined the Board on November 15, 2000, has been represented by Jean-Louis Mery since May 2003.

Laurent Labrune joined the Board of Directors on April 18, 2001.

Aude Labrune-Marysse joined the Board of Directors following the meeting of the Board of Directors on April 27, 2007 for a 6-year term until the General Meeting which will approve the 2012 financial statements.

The terms of the Directors of Cegedim S.A. were renewed on April 28, 2004 for 6 years (or until the Meeting called to approve the financial statements for the fiscal year ending in 2009).

Also refer to the Chairman's report on Internal Control, point 26.2.6 and the Auditors' report, point 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 24 of point 20 of the consolidated financial statements, FCB (ex Financière Cegedim) invoiced its head office expenses, in the amount of 2 019 thousand euros.

16.3 Information concerning the audit committee and the compensation committee

Cegedim does not have an audit committee or a compensation committee.

16.4 Compliance with the corporate governance system in effect in France

Cegedim does not apply the recommendations of the Viénot (1995 and 1999) and Bouton (2002) reports concerning corporate governance.

Cegedim complies with all the provisions of Corporate Law and the Code of Commerce governing the operation and organization of its administrative and management bodies. The Company feels that these legal provisions offer completely satisfactory and suitable guarantees for exercising and controlling the powers of its management bodies.

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 closing dates of the last two fiscal years are given in the following table.

	12/31//2008	12/31//2007	12/31/2006
CRM and strategic data	6015	5 883	2 699
Healthcare professionals	1465	1 437	1 325
Insurances and services	759	712	944
Total	8239	8 032	4 968

17.2 Managers' interests in the capital and stock options

At December 31, 2008,

- Jean-Claude Labrune, Chairman and CEO of Cegedim, holds 38 496 registered shares of Cegedim, representing 0.41% of the capital and 0.47% of the voting rights
- Pierre Marucchi, CEO of Cegedim, among its 3 326 registered shares of Cegedim, holds 16 registered shares entitling him to a double voting right, representing a negligible portion of the capital and voting rights.
- Jean-Claude Labrune, CEO of FCB (ex Financière Cegedim), indirectly owns 66.67% of the share capital and 75.04% of 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 Reference 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 Reference Document).

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.

On December 31, 2008, the Corporate Mutual Fund consisted of 72 000 Cegedim shares, representing 0.77% of the capital.

18 - Main Shareholders

18.1 Shareholders

Share ownership at December 31, 2007

	Number of shares	% Held	# single votes	# double votes		Total votes	% Voting rights
				Shares	Votes		
FCB (ex Financière Cegedim), registered	6 221 044	66.67%	29 000	6 192 044	12 384 088	12 413 088	75.04%
Alliance Healthcare France	933 145	10%	0	933 145	1 866 290	1 866 290	11.28%
Jean-Claude Labrune	38 496	0.41%	0	38 496	76 992	76 992	0.47%
GERS	36 788	0.39%	0	36 788	73 576	73 576	0.44%
Free float	2 101 976	22.53%	2 091 586	10 387	20 774	2 112 360	12.77%
Cegedim S.A.	0	0%	0	0	0	0	0%
Total	9 331 449	100%	2 120 586	7 210 860	14 421 720	16 542 306	100%

Share ownership at December 31, 2008

	Number of shares	% Held	# single votes	# double votes		Total votes	% Voting rights
				Shares	Votes		
FCB (ex Financière Cegedim)	6 221 044	66.67%	29 000	6 192 044	12 384 088	12 413 088	75.04%
Alliance Healthcare France	933 145	10%	0	933 145	1 866 290	1 866 290	11.28%
Jean-Claude Labrune	38 496	0.41%	0	38 496	76 992	76 992	0.47%
GERS	36 788	0.39%	0	36 788	73 576	73 576	0.44%
Free float	2 101 976	22.53%	2 091 588	10 388	20 776	2 112 604	12.77%
Cegedim S.A.	0	0%	0	0	0	0	0%
Total	9 331 449	100%	2 120 588	7 210 861	14 421 722	16 542 550	100%

It is specified that FCB (ex Financière Cegedim) holds 66.67% registered shares of the capital and 75.04% of voting rights. Also, FCB (ex Financière Cegedim) holds 50,511 bearer shares, thus an aggregate of 67.21% of the share capital and 75.34% of voting rights.

It should be noted that Financière de l'Echiquier holds more than 5%, but appears under the Free float entry as it is considered to form part of the free float, given the fact that Financière de l'Echiquier does not have a seat on the Board of Directors.

To the Company's knowledge, on the date this Reference Document was compiled, the shareholders holding more than 5% of the capital and voting rights are the same as in 2007: FCB (ex Financière Cegedim), Alliance Healthcare France and Financière de l'Echiquier.

- FCB (ex Financière Cegedim) is a Simplified Joint-stock Company (S.A.S.) with capital of €479 240 (Trade and Companies Register of Nanterre 340 651 132) mostly held by Jean-Claude Labrune. It is a management holding company.
- Alliance Healthcare France is a Public Limited Company (S.A.) with capital of €22 107 536.00 (RCS Nanterre 025 420 068) mostly held by the Alliance Boots Group (ex Alliance Unichem) (pharmaceutical distributor).
- Financière de l'Echiquier is an independent Portfolio Management company that specializes in stocks and that is wholly owned by its management and its employees. It is now one of the leading private management companies in France.

The latest declared threshold crossings are as follows:

- March 28, 2001: Alliance Healthcare France (10% threshold)
- November 23, 2006: Financière de l'Echiquier (5% threshold)
- July 26, 2007: AB Acquisition Holding (5% and 10% threshold). The threshold crossings result from the acquisition by AB Acquisition Holding Limited of the control of Alliance Boots Capital plc, which holds an indirect interest in Alliance Santé Distribution S.A (France), which itself holds a direct interest in Cegedim.

18.2 Special voting rights

Cf. above in item 18.1 of this Reference Document.

18.3 Control of Cegedim

Cegedim is controlled by FCB (ex Financière Cegedim), cf. above item 18.1.

18.4 Agreement that may result in a change in control

No shareholders' agreement has been declared to the market authorities or made known to the Company. (A shareholders' agreement is an agreement that sets forth preferred conditions for selling or buying shares traded on a regulated market or for which listing is requested and that concerns at least 0.5% of the capital or voting rights of the company that issued these shares).

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

19 - Operations with related parties

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 Reference Document.

Note 24 of the notes to the 2008 consolidated financial statements appearing in item 20 of this Reference Document also provides detailed figures for operations with related parties.

No new convention has been allowed to date.

20 - Financial information concerning the issuer's assets, financial position and earnings

20.1 Historical financial information - Parent company financial statements

20.1.1 Financial statements as at December 31, 2008

ASSETS BALANCE SHEET (in thousands of euros)

Headings	Gross Amount	Depreciation & provision	Euros/Net 12/31/2008	Euros/Net 12/31/2007	Euros/Net 12/31/2006
INTANGIBLE ASSETS					
Development costs	23 431		23 431	17 963	12 976
Concessions, patents, and similar rights	495	249	246	308	371
Goodwill	174	174	0	0	0
Other intangible assets	22 689	7 085	15 604	3 614	1 746
TANGIBLE ASSETS					
Buildings	1 115	546	569	610	661
Technical facilities, tooling	25 586	19 078	6 508	6 993	9 181
Other tangible assets	1 977	1 770	207	194	281
Construction work in progress	2 486		2 486	442	
FINANCIAL ASSETS					
Other equity investments	855 779	64 196	791 584	487 228	191 842
Loans	52 380	6 906	45 474	346 483	97 605
Other financial investments	2 939		2 939	2 669	4 779
FIXED ASSETS	989 052	100 005	889 047	866 502	319 441
INVENTORIES AND WORK IN PROGRESS					
Inventories of goods and raw materials	60		60	64	92
Advances and deposits made on orders	498		498	725	321
RECEIVABLES					
Trade receivables and associated accounts	64 591	1 133	63 458	39 908	47 518
Other receivables	27 599		27 599	12 888	8 859
Subscribed and Called Capital not paid					
Marketable securities	19 458	59	19 399	0	5 913
Cash and cash equivalents	9 071		9 071	8 038	7 456
ACCRUALS					
Prepaid expenses	3 493		3 493	2 406	2 216
CURRENT ASSETS	124 770	1 192	123 578	64 031	72 375
Deferred loan issuing costs	6 781		6 781	8 338	
Unrealized exchange gains	3 615		3 615	23 108	1 704
GRAND TOTAL	1 124 217	101 196	1 023 021	961 979	393 519

LIABILITIES BALANCE SHEET (in thousands of euros)

Headings	12/31/2008 Euros	12/31/2007 Euros	12/31/2006 Euros
Share capital	8 891	8 891	8 891
Merger, contribution issue premium	73 732	73 732	73 732
Legal reserves	889	889	889
Regulated reserves	2 926	2 926	2 926
Other reserves	72 869	70 056	45 031
Retained earnings	104	104	71
EARNINGS FOR THE FISCAL YEAR	-22 699	11 211	32 490
Regulated Provisions	1 323	919	1 249
SHAREHOLDERS' EQUITY	138 035	168 728	165 279
Provisions for risks	6 165	20 710	7 266
Provisions for expenses	1 805	1 418	1 537
PROVISIONS FOR RISKS AND EXPENSES	7 970	22 127	8 803
FINANCIAL LIABILITIES			
Borrowings and liabilities from financial institutions	713 437	664 045	155 099
Miscellaneous borrowings and financial liabilities	52 472	53 066	27 402
Advances and deposits received on orders	33	110	168
OPERATING LIABILITIES			
Trade payables and related accounts	61 658	18 820	14 066
Tax and social liabilities	22 238	20 185	20 652
MISCELLANEOUS LIABILITIES			
Payables on fixed assets and associated accounts			0
Other liabilities	4 095	2 796	1 512
Deferred income	186	159	245
LIABILITIES	854 120	759 181	219 143
Unrealized exchange losses	22 896	11 942	295
GRAND TOTAL	1 023 021	961 979	393 519

INCOME STATEMENT PART ONE (In thousands of euros)

Headings	12/31/2008	12/31/2007	12/31/2006 <i>Pro forma</i>	12/31/2006
Sale of goods France	14	54	66	32
Sale of goods outside France	58			
Production sold - goods France	20	18	29	29
Production sold - services France	125 906	122 132	121 275	81 880
Production sold - services outside France	20 166	15 836	14 956	11 054
NET REVENUE	146 164	138 039	136 326	92 995
Capitalized production	7 901	7 117	6 947	6 947
Write-back of depreciation, provisions and transfer of costs	672	10 549	1 138	869
Other income	66	20	279	237
OPERATING REVENUE	154 803	155 725	144 691	101 048
Purchase of goods	64	34	48	17
Change in inventories of goods and raw materials	3	28	-13	-13
Purchase of raw materials and supplies	19	6	46	46
Other external purchases and expenses	75 192	69 844	61 754	46 827
Taxes, duties and similar payments	3 875	4 219	3 850	2 663
Wages and salaries	45 136	40 296	38 147	24 925
Payroll taxes	20 209	18 139	17 093	11 790
Depreciation of fixed assets	7 393	5 964	5 475	5 173
Provisions for current assets	847	295	754	161
Provisions for risks and expenses	480	47	32	261
Other expenses	2 017	274	196	136
OPERATING EXPENSES	155 236	139 146	127 381	91 986
OPERATING EARNINGS	-433	16 579	17 309	9 061

INCOME STATEMENT PART TWO (In thousands of euros)

Headings	12/31/2008	12/31/2007	12/31/2006 <i>Pro forma</i>	12/31/2006
Financial income from equity interests	34 011	8 442	15 125	15 854
Other interest and related income	37 474	16 047	5 297	17 011
Writebacks on provisions and transferred expenses	21 001	26 269	13 391	6 913
Foreign exchange gains	651	835	69	57
Net gain on disposal of short-term investments	22	3 852		
FINANCIAL INCOME	93 160	55 445	33 883	39 835
Financial depreciation and provisions	28 544	26 326	19 533	16 831
Interest and related expenses	70 327	33 064	9 741	14 647
Foreign exchange losses	27 171	6 942	176	136
FINANCIAL EXPENSES	126 042	66 332	29 451	31 614
FINANCIAL PROFIT/LOSS	-32 882	-10 887	4 432	8 222
EARNINGS BEFORE INCOME TAX	-33 315	5 692	21 742	17 283
Non-recurring income on management operations	0	0	0	0
Non-recurring income on capital operations	4 659	20 460	15 393	14 184
Writebacks on provisions and transferred expenses	252	3 383	1 404	1 404
NON-RECURRING INCOME	4 911	23 844	16 797	15 588
Non-recurring expenses on management operations				
Non-recurring expenses on capital operations	4 279	25 057	2 628	1 422
Non-recurring expenses from depreciation and provisions	655	390	543	525
NON-RECURRING EXPENSES	4 934	25 447	3 170	1 947
NON-RECURRING PROFIT/LOSS	-23	-1 603	13 627	13 641
Employee profit-sharing	660	254	996	659
Income taxes	-11 300	-7 378	1 883	-2 225
TOTAL REVENUE	252 873	235 014	195 371	156 471
TOTAL EXPENSES	275 572	223 802	162 881	123 981
NET PROFIT/LOSS	-22 699	11 211	32 490	32 490
NET EARNINGS PER SHARE (in euros)	0.00	1.20	3.48	3.48
EARNINGS BEFORE TAX PER SHARE (in euros)	-3.64	0.41	3.68	3.24
NET INCOME PER SHARE (in euros)	-3.57	0.61	2.33	1.85

Table of subsidiaries and equity interests

Subsidiaries more than 50% owned	Share Capital ⁽¹⁾	Shareholders' equity other than share capital ⁽¹⁾	% control	Gross book value of shares held
AMIX	160	-46	100.00%	8
ALLIADIS	1 244	23 288	100.00%	44 224
ALLIANCE SOFTWARE	1 563	2 585	100.00%	8 962
APSYS NET	80	-213	100.00%	956
BKL Consultants	647	-1 346	100.00%	20 662
ICF International (ex: CBU)	15	-95	100.00%	15
CDS	10 008	-3 071	100.00%	12 518
CEGELEASE	10 000	5 130	100.00%	10 219
CEGEDIM ACTIV	13 323	11 097	100.00%	30 000
CEGEDIM SRH	5 000	-3 061	100.00%	10 446
CEGEDIM HOLDING CIS	400	-1 380	100.00%	420
CETIP	749	3 773	99.66%	1 179
HOSPITALIS	37	-1 348	100.00%	37
ICOMED	3 087	1 874	100.00%	189
INCAMS	38	17 377	100.00%	2 626
MEDEXACT	37	2 499	100.00%	655
PCO CEGEDIM	2 500	-856	100.00%	5 553
PHARMAPOST	2 302	985	100.00%	5 366
PHARMASTOCK	576	362	100.00%	576
QUALIPHARMA	10	-397	100.00%	234
REPORTIVE SA	8 002	-4 654	100.00%	2 448
RESIP	159	1 085	100.00%	20 435
RNP	495	4 560	100.00%	2 430
ROSENWALD	101	-334	99.84%	1 000
I SANTE (ex: SANTESTAT)	8	-2 556	100.00%	8
SOFILOCA	15	573	100.00%	15
SCI 2000	4	488	68.83%	847
CEGEDIM INC USA	298 464	-4 457	100.00%	302 632
CEGEDIM DO BRAZIL	716	-2 746	100.00%	716
CEGEDIM HOLDING GMBH	11 559	6 175	100.00%	12 600
CEGEDIM GMBH (Austria)	130	-110	100.00%	130
CEGEDIM denrite LTD	5 172	-6 279	100.00%	5 220
IN PRACTICE SYSTEMS (England)	19 845	8 479	100.00%	0
THIN (England)	2	-639	100.00%	188
CEGEDIM WORLD INT.SERVICES LTD	60 000	12 983	100.00%	60 000
CEGEDIM HUNGARY KFT	90	90	100.00%	89
CEGEDIM TURKEY	184	-189	99.98%	497
CEGEDIM HELLAS	358	1 179	99.98%	360
CEGEDIM ROMANIA SRL	29	2 110	100.00%	1 031
CEGEDIM SK (Slovakia)	8	340	100.00%	8
CROISSANCE 2006 (Belgium)	1 378	5 550	100.00%	6 243
CEGEDIM Belgium	269 075	4 740	99.97%	268 985
CEGEDIM TUNISIA	302	-1 345	65.00%	196
CEGEDIM ALGERIA	85	-74	100.00%	85
CEGEDIM CIS (ex: CEI STAT) Czech Republic	6	-6	100.00%	1 142
CEGEDIM CZ Czech Republic	29	1 354	100.00%	29
CEGEDIM Italy	10 000	8 279	100.00%	10 025
CEGEDIM TRENDS (Egypt)	14	1 112	70.00%	434
CEGEDIM Spain	810	1 081	100.00%	1 656
CEGEDIM Portugal	50	2 854	98.50%	495

Subsidiaries more than 50% owned	Share Capital	Shareholders' equity other than share capital	% control	Gross book value of shares held
NEX & COM	150	1 284	20.00%	13
CEGERS	46	609	50.00%	23
EDIPHARM	15	228	20.00%	3
AGDF CEGEDIM RS (ex: ICSF)	82	-810	0.00%	0
NETFEKTIVE TECHNOLOGY	460	2 001	7.11%	899
BKL Pharma Consulting (Belgium)	62	-571	0.02%	0
CEGEDIM POLAND SP	510	45	1.77%	10
GERS MAGHREB (Tunisia)	547	-339	6.42%	40
ULTIMA Turkey	2	746	0.02%	0

(1) Share capital and shareholders' equity of subsidiaries that are not in the Euro zone are indicated in thousands of euros at historical date.

Table of subsidiaries and equity interests

Net book value of shares held	Loans and advances outstanding Gross Provision	Provision for risks	Revenue net of sales tax ⁽²⁾	Net earnings ⁽²⁾	Dividends received
8			2 753	-54	
44 224			47 444	15 321	8 000
5 828			25 965	2 309	1 681
951			144	92	
0	25 900	583	16 467	791	
0		54	0	-26	
8 868	3 000		0	-2 006	
10 219			85 956	3 234	
20 495	4 500		60 590	1 301	
2 587	3 550		13 709	-2 070	
0	700	700	0	-6	
1 179			11 554	766	511
0	600	278	1 117	273	
189			16 308	1 451	1 835
2 626			2 298	17 373	15 565
655			5 796	1 231	
1 618			7 977	-226	
2 666			6 151	256	
576			3 635	260	
0			2 026	-117	
2 448			5 257	4 006	
20 435			3 504	1 063	961
2 430			25 806	4 363	3 454
519			1 090	-33	
0	3 500	2 551	4 302	-675	
15	1 000		2 435	315	500
847			230	189	230
302 632			0	28	
0	1 233	1 233	2 171	-1 381	
8 535			1 324	1 041	
11			918	-263	
0		1 122	16 283	1 808	
0			39 696	6 536	
0		324	611	-352	
60 000			115	3 282	
89			1 113	-149	
463			2 887	-18	
360			6 496	902	563
1 031			4 897	848	
8			1 042	29	
6 243			0	253	
268 985			4 687	-1 925	
0	1 463	678	238	-173	
11	169		161	-2	
955	390		709	183	
29			4 313	230	495
10 025			16 381	2 503	
434			1 108	421	
1 656			4 771	970	
495			5 249	554	
Net book value of shares held	Loans and advances outstanding Gross	Provision	Revenue Provision for risks	Net earnings	Dividends received
13				5 464	373
23				4 017	62
3				4 034	156
0				1 335	-645
176				3 298	-247
0				1 403	-230
10				1	-36
13	92			114	-95
0				354	142

(2) Revenue and net earnings of subsidiaries that are not in the Euro zone are indicated in thousands of euros at the annual average exchange rate for 2008.

20.1.2. Notes to the Parent company financial statements – Cegedim S.A.

NOTE 1: HIGHLIGHTS OF THE 2008 FISCAL YEAR

■ Capitalization of development expenses

Development expenses for internal projects were capitalized as intangible assets in the amount of 7 901 thousand euros since the conditions set forth for this capitalization by the General Chart of Accounts were satisfied.

■ Free share awards

On March 21, 2008, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to award free shares to the directors and employees of the Cegedim Group (see note 28).

NOTE 2: ACCOUNTING RULES AND METHODS

The annual financial statements are prepared in accordance with French legal and regulatory provisions. The general accounting conventions were applied in accordance with the principle of conservatism with the following basic assumptions:

- Operational continuity,
- Consistency of the 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:

■ Tangible fixed assets

Cegedim S.A.'s intangible assets consist essentially of development expenses and acquired software.

Research and development expenses

Cegedim incurs costs in connection with internal project development operations. The expenses incurred for the research phase of an internal project are recorded as expenses when they are incurred.

Development costs for new internal 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 in order to use it or sell it;
- The ability to use or sell the intangible assets;
- The way in which the intangible asset will generate likely future economic benefits;
- The availability of appropriate resources (technical, financial and other) to complete the development and use or sell the intangible asset;
- The ability to reliably measure the expenses attributable to the intangible assets during its development.

If these criteria are 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 attributed 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 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.

Acquired assets

Acquired intangible assets are valued at their purchase cost and depreciated using the straight-line method over their economic useful life.

The main depreciation periods used are as follows:

	depreciation period	method
Licenses	5 to 20 years	Straight-line
Software	1 to 5 years	Straight-line

■ Tangible fixed assets

Acquired tangible assets are valued at their purchase cost and depreciated over their economic useful life. The depreciable base used is the purchase cost. The useful lives are reviewed periodically and may be modified prospectively depending on the circumstances.

Cegedim S.A.'s tangible assets consist essentially of computer hardware and fixtures and facilities.

The depreciation periods and methods used are generally the following:

Computer equipment

- Microcomputers intended for office use: between 3 and 4 years; straight-line method
- Server systems: straight-line depreciation; between 5 and 15 years

Fixtures and facilities

Fixtures and facilities have a useful life from 8 to 15 years (8 years is the basic useful life). They are depreciated using the straight-line method.

■ Equity investments and other investments

Their gross value consists of the purchase cost, excluding ancillary acquisition expenses.

Securities are the subject of a provision for impairment determined according to the "consolidation" method. This method's objective is to compare the amount of the securities to the net value + goodwill (recorded in the consolidation) for the subsidiary. On the basis of impairment tests carried out each year and/or loss in value indicators that have been identified, a provision is recognized if necessary.

Provisions deemed necessary are charged against equity investments, loans or current accounts or are accounted for as provisions for risks and expenses.

Treasury shares held pursuant to an authorization granted by the General Meeting are valued at their purchase price. A provision for impairment is set up 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.

■ Accounts receivable

Receivables are valued at their face value.

A provision for impairment is set up if the inventory value, based on the probability of their collection, is less than the recorded value. Thus, doubtful clients 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.

■ Retirement obligations

Retirement obligations are accounted for as a provision for expenses. Cegedim S.A. effectively applies the provisions of the CNC recommendation No. 2003-R-01 of April 1, 2003, related to accounting for and measuring retirement obligations and similar benefits as the preferred method.

Cegedim S.A.'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 related to financial and economic situations or to demographic conditions are recorded in the income statement.

■ Revenue recognition

Cegedim S.A.'s revenue consist primarily of services and 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 realized by subscription with periodic billing (monthly or annually) ; revenues are then recorded on a prorated basis according to elapsed time;
- Standard and specific studies supplied by Cegedim are accounted for 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 Cegedim to provide these services. Income from these contracts is recorded on a prorated basis over the term of the contract and results in the recognition of deferred income.

Software and hardware sales

These sales are recorded at the time of delivery, concomitant with installation at the professional's site. Any discounts and rebates are subtracted from sales.

■ 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 translation of liabilities and receivables into foreign currencies at this closing exchange rate are listed in the balance sheet as "translation gains or losses." Unrealized, unhedged exchange losses are covered by a provision for risks.

■ Deferred charges / loan issue costs

This represents the deferment of loan issue costs over the duration of the loans (i.e. 6 years). The amount for the past fiscal year is 1 558 thousand euros.

NOTE 3: FIXED ASSETS

(In thousands of euros)

Headings	Balance at 12/31/2007	Acquisitions contributions	Disposals	Balance at 12/31/2008
INTANGIBLE FIXED ASSETS	26 656	24 396	4 262	46 789
Buildings on un-owned land	1 115	0	0	1 115
Technical facilities, tooling	23 910	2 486	810	25 586
Office and IT equipment and furniture	1 942	98	63	1 977
Tangible assets under construction	442	2 044		2 486
TOTAL TANGIBLE FIXED ASSETS	27 409	4 628	873	31 164
Other equity investments	529 558	326 240 ⁽¹⁾	19	855 779
Loans and other financial investments	355 913	104 101	404 694 ⁽³⁾	55 319 ⁽²⁾
TOTAL LONG-TERM INVESTMENTS	885 471	430 340	404 713	911 099
GRAND TOTAL	939 536	459 364	409 848	989 052

⁽¹⁾ "The increase in value of equity investments is partly due to the increase of value of the Cegedim Belgium share following the capital increase of 268 910 thousand euros.

⁽²⁾ The account "Loans, other financial assets" is made up of security deposits paid for 2 939 thousand euros and loans to subsidiaries for 52 380 thousand euros.

⁽³⁾ Includes the repayment of the loan granted to Cegedim USA in the amount of 294 480 thousand euros.

The typical features of loans granted to subsidiaries are:

- An interest rate of 4.5% for the first half year and 6% for the second half year;
- Varying duration;
- The lack of an automatic renewal clause and other specific clauses.

NOTE 4: DEPRECIATION

(In thousands of euros)

Balances and transactions for the fiscal year	Balance at 12/31/2007	Depreciation	Reversals	Balance at 12/31/2008
INTANGIBLE FIXED ASSETS	4 771	2 786	49	7 508
Buildings on un-owned land	505	40	0	546
Technical facilities, tooling	16 917	2 923	762	19 078
Office and computer equipment	1 748	85	63	1 770
TOTAL TANGIBLE FIXED ASSETS	19 171	3 049	826	21 394
GRAND TOTAL	23 942	5 835	875	28 903

	Breakdown of depreciation		Accelerated	
	Straight-line	Declining balance	Depreciation	Reversals
INTANGIBLE FIXED ASSETS	2 786			
Buildings on un-owned land	40			
Technical facilities, tooling	2 923		655	252
Office and computer equipment	85			
TOTAL TANGIBLE FIXED ASSETS	3 049	0	655	252
GRAND TOTAL	5 835	0	655	252

NOTE 5: PROVISIONS

(In thousands of euros)

Headings	Balance at 12/31/2007	Depreciation	Reversals		Balance at 12/31/2008
			used	not used	
Accelerated depreciation	919	655		252	1 323
TOTAL REGULATED PROVISIONS	919	655		252	1 323
Provisions for litigation	73	28	47	0	55
Provisions for exchange losses	11 204	3 615		11 204	3 615
Provisions for pensions and similar obligations	1 418	451	64	0	1 805
Provisions for risk on equity investments	9 433	949		7 885	2 496
TOTAL PROVISIONS FOR RISKS AND EXPENSES	22 127	5 043	111	19 089	7 970
Equity investments	42 330	22 890		1 024	64 196
Other long-term investments	6 762	1 031		887	6 906
Provisions for impairment of trade receivables	428	847	43	98	1 133
Other provisions for impairment	0	59	0	0	59
TOTAL PROVISIONS FOR IMPAIRMENT	49 520	24 827	43	2 010	72 294
GRAND TOTAL	72 566	30 526	154	21 351	81 587
Operating depreciation and reversals		1 326	154	98	
Financial depreciation and reversals		28 544	0	21 001	
Non-recurring depreciation and reversals		655	0	252	

NOTE 6: DUE DATES OF RECEIVABLES AND LIABILITIES

(In thousands of euros)

Statement of Receivables	Gross Amount	Current	Non-current
Loans	52 380	24 840	27 540
Other long-term investments	2 939		2 939
Doubtful or litigious customer receivables	2 681	2 681	
Other customer receivables	61 910	61 910	
Employees and related obligations	65	65	
Social security and other social agencies	2	2	
Government: Income taxes	4 528	4 528	
Government: Value added tax	2 506	2 506	
Government: Miscellaneous receivables	129	129	
Group and associates	19 441	19 441	
Miscellaneous debtors	928	928	
Prepaid expenses	3 493	3 493	
GRAND TOTAL	151 002	120 523	30 479
Loans granted during the fiscal year ⁽¹⁾	103 822		
Repayments received during the fiscal year ⁽²⁾	404 686		

⁽¹⁾ Includes loans granted to subsidiaries: Cegedim Activ 28 800 thousand euros, INCAMI 10 000 thousand euros, Cegedim SRH 5 000 thousand euros and BKL 5 356 thousand euros.

⁽²⁾ Includes repayment of the loan granted to Cegedim USA 294 480 thousand euros.

Statement of Liabilities	Gross Amount	1 year or less	between 1 and 5 years	more than 5 years
Loans initially due in less than 1 year	87 064	87 064		
Loans initially due in more than 1 year ⁽¹⁾	626 374	86 095	540 279	
Miscellaneous borrowings and financial liabilities	52 472	534	51 939	
Accounts payable and related accounts	61 658	61 658		
Employees and related obligations	8 042	8 042		
Social security and other social agencies	4 427	4 427		
Government: Income taxes	0	0		
Government: Value added tax	8 515	8 515		
Government: Other income tax, and related taxes	1 254	1 254		
Payables on fixed assets and associated accounts	0	0		
Group and associates	3 314	3 314		
Other liabilities	781	781		
Deferred income	186	186		
GRAND TOTAL	854 088	261 870	592 217	0
Loans taken out during the fiscal year	0			
Loans repaid during the fiscal year	10 000			

⁽¹⁾ Includes a translation difference on the loan 200 million dollars between 12/31/2007 and 12/31/2008 for 7 849 thousand euros.

NOTE 7: RETIREMENT

	Through an insurance fund expenses	Through a provision for
Retirement obligation covered	1 363 thousand euros	1 805 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 commitment amounts to €4 603 861 including €1 362 801 paid to an insurance company.

The actuarial assumptions used are as follows:

Economic assumptions	Net interest rate: 5.0%
	Wage increases: 2.0%, inflation included
Demographic assumptions generation (TPG93)	Mortality: the mortality tables used are the prospective tables by
	Mobility: 5.0% per year up to age 35
	3.0% up to 45 years
	1.5% up to 50 years 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: CONSOLIDATED TAX GROUP

Cegedim S.A. is the Group's parent company.

The following companies elected to form a consolidated tax group with Cegedim S.A.:

- Alliadis, Alliance Software, AGDF Cegedim RS, APSYS NET, AMIX, BKL Consultants, CCI International, CDS, Cegedim Activ, Cegedim Holding CIS, Cegedim Ingénierie, Cegedim SRH, Cegelease, Cetip, Data Conseil, Euroformat, Hospitalis, Icomed, Incams, 01 Santé, Medexact, Pco Cegedim, Pharmastock, Pharmapost, Qualipharma, RESIP, RNP, RMI, Rosenwald, Servilog Concept, SOFILOCA, Proval SA, Proval NTIC.
- 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 10 388 thousand euros for 2008 (7 263 thousand euros for 2007).
- The deficits of the companies included in the consolidated tax group scope flowed to the parent company.
- Companies likely to become profitable again at an undetermined future time would potentially generate an additional future tax expense estimated at 11 435 thousand euros at December 31, 2008 for Cegedim S.A.

NOTE 9: IDENTITY OF CEGEDIM'S PARENT COMPANY: FCB (ex Financière Cegedim)

A public limited company (S.A.) held primarily by Mr. Labrune, his family and by certain members of the Board of Directors of Cegedim S.A.

NOTE 10: DATA COMING UNDER SEVERAL BALANCE SHEET AND INCOME STATEMENT ITEMS

(In thousands of euros)

Headings	Consolidated entities	Equity Investments	Related businesses
FIXED ASSETS			
Equity Investments	854 867	912	
Loans	51 496	884	
CURRENT ASSETS			
Trade receivables and associated accounts	29 671	207	
Other receivables	20 551	14	
LIABILITIES			
Financial liabilities			50 000
Trade payables and related accounts	43 101		
Other liabilities	3 657		
INVESTMENTS			
Financial expenses	20 473		4 040
Financial income	24 323		
OPERATING			
Management fees			2 019
Rent			5 858

NOTE 11: 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 12: INCOME RECEIVABLE

(In thousands of euros)

	12/31/2008
Clients - Invoices to be prepared	18 596
Trade receivables and associated accounts	18 596
Suppliers, accrued credits	705
Miscellaneous accrued receivables	2 477
Receivables from employees	20
Other receivables	3 202
Banks, accrued interest receivable	22
TOTAL	21 821

NOTE 13: EXPENSES PAYABLE

(In thousands of euros)

Headings	12/31/2008
Accrued interest payable on loans	2 664
Accrued interest payable on equity investments	102
Accrued interest payable on overdrafts	48
Borrowings and financial liabilities	2 815
Suppliers, accrued invoices	20 236
Accounts payable and related accounts	20 236
Provision for paid holidays	4 927
Reduced work time provision	1 121
Other personnel expenses payable	1 724
Government, expenses payable	1 254
Tax and social liabilities	9 026
Clients - Credits to be established	583
Miscellaneous expenses payable	0
Other liabilities	583
TOTAL	32 660

NOTE 14: DEFERRED REVENUE AND EXPENSES

(In thousands of euros)

Headings	12/31/2008
CCA Group Custom Work	14
Purchase of files	36
Custom work	13
Transpac IT lines	61
Water, EDF, heating	4
Finance lease	0
Rent	1 320
Rental equipment IT	3
Software royalties	371
Rental equipment Miscellaneous	4
Maintenance premises and facilities	13
Maintenance equipment IT	402
Maintenance software	989
Maintenance machinery and equipment	9
Insurance	9
Accruals	8
Documentation	0
Temporary contract	150
Advertising	8
Stock market fees	3
Receiving costs	18
Contributions	2
Recruiting costs	56
TOTAL Accrued Expenses	3 493
Headings	12/31/2008
Service revenue	186
TOTAL Accrued Income	186

NOTE 15: DETAIL OF EXPENSES TO ALLOCATE

TYPE	Balance at 12/31/2007	Increase	allocation	Balance at 12/31/2008
Loan issue costs	8 338	0	1 558	6 781

The loan issue expenses for the loan required to acquire the Dendrite Group on May 9, 2007 have been distributed over the entire term of the loan, meaning 6 years, using the straight-line method.

NOTE 16: COMPOSITION OF THE CAPITAL STOCK

Categories of shares	Number of shares			Par Value		
	at the closing of the fiscal year	Created during the fiscal year	created by division of the par value	At the beginning of the fiscal year	At the closing of the fiscal year	At the beginning of the fiscal year
Common shares	9 331 449			9 331 449	0.9528	0.9528

NOTE 17: TABLE OF CHANGES IN SHAREHOLDERS' EQUITY (In thousands of euros)

	Share Capital	Premiums	Legal reserves	Regulated reserves	Other reserves	Carry forward	Profit or loss for the year	Regulated provisions	Total
Capital increase									0
Decrease in capital									0
Profit or loss 2005				-510	13 645		-13 135		0
Dividends					-7 185				-7 185
Carry forward						32			32
Regulated Provisions								-824	-824
Profit or loss 2006							32 490		32 490
At 12.31.2006 ⁽¹⁾	8 891	73 732	889	2 926	45 031	71	32 490	1 249	165 279
Capital increase									0
Decrease in capital									0
Profit or loss 2006					32 490		-32 490		0
Dividends					-7 465				-7 465
Carry forward						33			33
Regulated Provisions								-329	-329
Profit or loss 2007							11 211		11 211
At 12.31.2007 ⁽¹⁾	8 891	73 732	889	2 926	70 056	104	11 211	919	168 728
Capital increase									0
Decrease in capital									0
Profit or loss 2007					11 211		-11 211		0
Dividends					-8 398				-8 398
Carry forward									0
Regulated Provisions								403	403
Profit or loss 2008							-22 699		-22 699
At 12.31.2008 ⁽¹⁾	8 891	73 732	889	2 926	72 869	104	-22 699	1 323	138 035

⁽¹⁾ Equity capital before distribution

NOTE 18: BREAKDOWN OF SALES (In thousands of euros)

Headings	Revenue		
	France	Outside France	Total
Sales of goods	14	58	72
Production of goods	20		20
Production of services	125 906	20 166	146 072
TOTAL	125 940	20 223	146 164

NOTE 19: SHARE OF NET INCOME ON JOINT OPERATIONS

(In thousands of euros)

	Total earnings	Transferred earnings
EDIPHARM	156	31
TOTAL	156	31

NOTE 20: NON-RECURRING EXPENSES AND INCOME

(In thousands of euros)

Type of expense		12/31/2008
Book value of intangible fixed assets sold	(2)	4 213
Book value of tangible fixed assets sold		48
Book value of long-term investments sold	(1)	19
Accelerated amortization and depreciation		655
TOTAL		4 934
Type of Income		12/31/2008
Gain on the sale of intangible fixed assets	(2)	4 634
Gain on the sale of tangible fixed assets		25
Gain on the disposal of long-term investments		0
Writeback of accelerated depreciation		252
TOTAL		4 911

(1) including THALES Cegedim shares following the dissolution on July 24, 2008;

(2) including assignment of JDS BATCH 1 software to SRH for 4 634 thousand euros;

NOTE 21: BREAKDOWN OF CORPORATE TAX

(In thousands of euros)

Breakdown	Earnings before income tax	Taxes due	Net earnings after income tax
Current earnings	-33 315	0	-33 315
Corporate tax savings on deficits/consolidated companies		-10 388	10 388
CT refunds consolidated companies		507	-507
Neutralization of CT tax consolidation		-1 488	1 488
Short-term non-recurring earnings	-23	0	-23
Employee profit-sharing	-660	0	-660
Tax on transferred companies		0	0
Source withholding		64	-64
CT previous years		5	-5
ACCOUNTING EARNINGS	-33 999	-11 300	-22 699

NOTE 22: DEFERRED AND LATENT TAX SITUATION

Deferred taxation is as follows:

- Organic: 243 thousand euros
- Equity interests: 660 thousand euros
- Retirement provision: 451 thousand euros
- Provision for exchange losses: 3 615 thousand euros
- Other non-deductible provisions: 44 thousand euros

The corresponding deferred tax amounts to 1 727 thousand euros.

NOTE 23: COMPENSATION OF MANAGEMENT AND THE BOARD OF DIRECTORS

Directors' fees paid to board members came to 45 thousand euros in 2008 and are recognized as "Other expenses" in the income statement.

In thousands of euros	12/31/2008	12/31/2007
Short-term benefits (wages, bonuses, etc.)	214	184
Post-employment benefits	none	none
Severance pay	none	none
Benefits recognized	214	184
Termination benefits	none	none
Benefits not recognized	none	none

NOTE 24: NUMBER OF EMPLOYEES AT DECEMBER 31, 2008

Employees	Salaried personnel
Management	551
Non-management	438
Trainees	0
TOTAL	989

NOTE 25: FINANCIAL LIABILITIES

(In thousands of euros)

		12/31/2008	12/31/2007
Long-term financial borrowing and liabilities (>5 years)		0	157 475
Medium- and long-term financial borrowing and liabilities (>1 year, < 5 years)		592 217	520 914
Short-term financial borrowing and liabilities (< 1 year)		86 629	536
Current bank loans	(1)	87 064	38 185
Total financial liabilities		765 910	717 111
Total positive cash flow	(2)	28 471	5 540
Net financial debt		737 439	711 571
Operating cash flow		-6 665	19 495

⁽¹⁾ Changes in current bank loans are due to the repayment of a loan for 10 000 thousand euros and the payment of interest on loans in the amount of 38 279 thousand euros.

⁽²⁾ Including Natixis commercial paper for 18 958 thousand euros.

The financing of the acquisition of the Dendrite Group was carried out entirely through an outside loan contracted by the Cegedim Group.

Financing was implemented on May 9, 2007 to purchase Dendrite and to reconsolidate the existing debt.

The financing is broken down as follows:

TERMS FOR MAIN LOANS**EURIBOR RATE****Year 2012**

As revolver credit facilities renewable every 1 to 6 months

Year 2013

As an amortizable loan with the following terms:

Of which SWAP (SG):

Cegedim receiver 3-month Euribor quarterly against a fixed rate:

- From 12/31/2008 to 03/31/2009: 4.64%

- From 03/31/2009 to 05/04/2013: 4.79%

Each quarter, has the option of converting the fixed rate above paid by Cegedim into a 3-month Euribor collar:

- Cap: 5.48%

- Floor: 3.95%

Of which SWAP (BOFA):

Cegedim receiver 1-month Euribor + 0.14% and payer 3-month Euribor:

- from 06/30/2008 to 06/30/2009

USD LIBOR RATE**Year 2013**

Loan for 200 000 thousand dollars against value of 143 709 thousand euros at 12/31/2008

As an amortizable loan with the following terms:

Of which SWAP (LCL):

Cegedim receiver 3-month Libor USD against fixed rate of 4.26% quarterly

Of which SWAP (BOFA):

Cegedim receiver 3.16% quarterly and 1-month Libor USD monthly

+0.07% against 3-month Libor USD.

RESIDUAL VALUE
130 000
350 000
143 709

NOTE 26: OFF-BALANCE SHEET COMMITMENTSGuarantees Given by Cegedim to Its Subsidiaries

- Pharamastock Joint and several surety of its subsidiary Pharmastock in favor of Baticentre concerning the performance of the terms of the leasing operation in the amount of 299 thousand euros (authorized by the Board of Directors on August 13, 2002).
- Cegelease Guarantee given in the event Cegelease defaults on the lease with Guilaur Sarl (authorized by the Board of Directors on September 3, 2003). Letter of comfort issued to Ixis CIB for a flow exchange transaction concluded between itself and Cegelease (authorized by the Board of Directors on April 20, 2007).
- Dendrite International Inc.
Security of \$3.5 million in favor of the Bank of America (authorized by the Board of Directors).
- All Subsidiaries Authorization for a period of one year to grant securities, endorsements and other guarantees for a total of 5 million euros provided no single contract exceeds 2 million euros (authorized by the Board of Directors on March 21, 2008).

Cegedim granted other bank securities (LCL) amounting to €7 000 in favor of the P. ARDIER hospital (security cancelled on 02/16/2009) and 30 thousand euros in favor of C.R.P.C.E.N. (valid until 10/31/2012).

Subsidiary shares pledged

For the signing of an amendment to 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 share pledges at December 31, 2007 are still in effect (In Practice Systems, Alliadis Europe, Epic Database Research Company Ltd, Cegedim Rx, Dendrite International Inc. (DIL), Cegedim USA Inc.).

NOTE 27: TREASURY SHARES

In 2008, the Company did not acquire any treasury shares.

NOTE 28: FREE SHARE AWARDS

On March 21, 2008, the Board of Directors was authorized by the extraordinary general shareholders' meeting of February 22, 2008, to award a total number of free shares 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:

- The free shares awarded will grant the right to dividends. Their distribution will be determined as of the award date. The plan of March 21, 2008 granted a total of 34 730 free shares.
- The award 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 as at the award date, and four years for beneficiaries whose residence for tax purposes is not in France as at the award date.
- As of the final award date, beneficiaries whose residence for tax purposes is in France as at the award date must keep their shares for a term of two years.

At December 31, 2008, Cegedim S.A. had not confirmed whether it would award new or existing shares. To date, the terms for the buyback of free share awards have not been defined and no provision has been recognized.

NOTE 29: INFORMATION REGARDING THE INDIVIDUAL RIGHT TO TRAINING

The volume of training hours accumulated for rights acquired under the individual right to training (DIF) by employees at 12/31/2008 is 59 581 of which 53 620 had not yet been the object of a request.

20.1.3 Auditor's General Report on the Parent company financial statements

Ladies and Gentlemen,

In accordance with the mandate given to us by your Shareholders' Meeting, we hereby present our report for the fiscal year ended 31st December, 2008 on:

- The audit of the accompanying statutory financial statements for Cegedim
- The justification of our assessments
- The specific verifications and information required by law.

The annual financial statements have been accepted by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit

I - Opinion on the Parent company financial statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statutory financial statements present fairly, in all material respects, the financial position of the Company at the end of the fiscal year, and the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II – Justification of our assessments

The accounting estimates used to prepare the financial statements as of December 31, 2008, were made at a time when the economic outlook was difficult to assess. It is in this context that, in accordance with the provisions of Article L. 823-9 of the Code of Commerce, we made our own assessments, which we would like bring to your attention:

Accounting principles

Capitalization of development costs

As part of our assessment of the accounting principles used by your Company, we examined how development expenses are recorded as assets, how they are depreciated and how their recoverable value is determined, and we made sure that Note 2 "Accounting Rules and Methods – Paragraph A) Intangible assets" in the notes to the annual financial statements provides appropriate information.

Accounting estimates

Valuation of equity investments

Equity investments appearing on the assets side of your Company's balance sheet are valued using the methods presented in Note 2 "Accounting Rules and Methods – paragraph C) Equity investments and other investments" in the notes to the annual financial statements. We performed specific assessments of the information taken into consideration to estimate inventory values and, where necessary, we checked the calculation of impairment provisions.

These assessments do not call for any particular comments from us either concerning the methodology used or the reasonable nature of the valuations used or the information provided in the appended notes.

Retirement obligations

Note 2 “Accounting Rules and Methods - paragraph E) Retirement commitments” in the notes to the annual financial statements specifies the methods for measuring retirement obligations. These obligations were measured by outside actuaries. Our work consisted in examining the data used, in assessing the assumptions used and in making sure that note 7 of the notes to the annual financial statements provides appropriate information.

As part of our assessments, we made sure that these estimates were reasonable.

The assessments we performed are thus consistent with our approach to auditing annual financial statements, taken in their entirety, and thus helped us form our opinion expressed in the first part of this report.

III - Specific verifications and information

We have also performed the specific verifications required by law.

We have no comments to make regarding:

- The fair presentation and the conformity with the financial statements of the information given in the Management Report, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.
- The truth and fairness of the information given in the Management Report regarding the compensation and in-kind benefits paid to company officers involved as well as commitments given to them as a result of the assumption, cessation or change in their duties or subsequent to them.

In accordance with French Law, we have ensured that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the Management Report.

Drawn up in Paris and Courbevoie, on April 23, 2008

The Auditors

Grant Thornton

100 rue de Courcelles – 75849 Paris Cedex 17
Tel. : +33 (0) 1 56 21 03 03

Michel Cohen
Auditor

Mazars & Guérard

61 rue Henri Regnault – 92400 Courbevoie
Tel. : +33 (0) 1 49 97 60 00

Jean-Paul Stevenard
Auditor

20.2 Historical financial information – Consolidated financial statements

20.2.1 Consolidated financial statements at December 31, 2008

ASSETS BALANCE SHEET (in thousands of euros)

	12/31/2008 Net	12/31/2007 Net	12/31/2006 Net
Uncalled subscribed capital			
GOODWILL ON ACQUISITION (Note 7)	616 952	581 195	203 584
Development costs	44 446	27 429	16 692
Concessions, patents, trademarks	109 519	104 594	1 004
Other intangible assets	55 611	41 242	24 080
INTANGIBLE ASSETS (Note 3)	209 576	173 265	41 776
Property	507	537	444
Buildings	3 547	8 890	2 723
Plant, machinery and equipment	28 477	32 546	32 483
Other tangible assets	19 340	20 283	7 090
Construction work in progress	2 830	15	17
TANGIBLE ASSETS (Note 4)	54 701	62 271	42 757
Equity investments	225	228	173
Equity shares in equity method companies (Note 6)	4 057	4 500	6 018
Loans	858	373	367
Other long-term investments	6 069	6 577	11 741
FINANCIAL ASSETS (Note 5)	11 209	11 678	18 299
Government - Deferred tax (Note 17)	36 603	29 095	7 215
Accounts receivable: long-term portion (Note 9)	9 175	24 119	40 480
Other receivables: long-term portion (Note 10)	2 760	2 136	409
NON-CURRENT ASSETS	940 976	883 759	354 520
Services in progress (Note 8)	958	769	888
Goods (Note 8)	11 358	8 735	6 936
Advances and deposits received on orders	1 142	723	1 006
Accounts receivable: short-term portion (Note 9)	198 950	214 889	185 681
Unpaid, called capital	0	0	0
Other receivables: short-term portion (Note 9)	30 733	36 062	23 226
Cash equivalents	22 433	1 666	1 073
Cash	71 068	85 687	38 555
Prepaid expenses	18 998	17 423	7 553
CURRENT ASSETS	355 640	365 954	264 918
GRAND TOTAL	1 296 616	1 249 713	619 438

LIABILITIES BALANCE SHEET (in thousands of euros)

	12/31/2008	12/31/2007	12/31/2006
	Net	Net	Net
Share Capital	8 891	8 891	8 891
Issue premium	14 981	14 981	14 981
Group reserves	213 570	192 818	158 205
Group translation reserves	-238	-238	-238
Group translation gains / losses	-29 698	-53 586	-1 765
GROUP EARNINGS	33 661	43 839	38 653
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY, GROUP SHARE	241 167	206 705	218 727
Minority interests (reserves)	1 056	920	1 523
Minority interests (earnings)	-174	312	265
MINORITY INTERESTS	882	1 232	1 788
SHAREHOLDERS' EQUITY	242 049	207 937	220 515
Long-term financial liabilities (Note 14)	585 327	677 222	95 168
Long-term financial instruments	22 525		
Deferred tax liabilities (Note 17)	55 946	53 926	3 744
Non-current provisions (Note 12)	18 753	18 174	7 793
Other non-current liabilities (Note 15)	19 822	14 004	34
NON-CURRENT LIABILITIES	702 373	763 326	106 739
Long-term financial liabilities (Note 14)	111 296	31 145	120 059
Short-term financial instruments	1 706		
Accounts payable and related accounts	63 131	81 223	53 126
Tax and social liabilities	115 762	113 183	82 339
Provisions (Note 12)	6 234	3 114	1 471
Other current liabilities (Note 15)	54 065	49 785	35 189
CURRENT LIABILITIES	352 194	278 450	292 184
GRAND TOTAL	1 296 616	1 249 713	619 438

INCOME STATEMENT (in thousands of euros)

Headings	12/31/2008 Net	12/31/2007 Net	12/31/2006 Net
Sale of goods France	60 140	37 569	27 093
Sale of goods outside France	19 056	12 442	19 201
Production sold - goods France	4 899	5 232	7 448
Production sold - goods outside France	9 797	15 805	5 977
Production sold - services France	355 662	323 449	314 138
Production sold - services outside France	399 023	358 497	167 351
REVENUE	848 577	752 994	541 208
Other operating income			
Capitalized production	33 502	19 801	12 017
Purchases used	-84 825	-54 426 (2)	-46 324 (2)
External expenses (Note 16)	-229 152	-223 996 (2)	-155 286 (2)
Taxes	-12 281	-12 325	-11 324
Payroll costs	-394 643	-352 367	-247 189
Depreciation expenses	-67 864	-36 210	-24 764
Allocations to and reversals of provisions	-2 154	-2 990	-2 335
Change in inventories of products in progress and finished products	440	-182	-98
Other operating expenses	5 037	4 965	294
INCOME FROM OPERATIONS BEFORE NON-RECURRING ITEMS ⁽¹⁾	96 637	95 264	66 199
Other non-current income and expenses from operations	-6 478	-5 379	
INCOME FROM OPERATIONS	90 159	89 885	66 199
Income from cash & cash equivalents	26 191	20 164	3 158
Gross cost of financial debt	-69 809	-47 793	-9 946
NET COST OF FINANCIAL DEBT (Note 14)	-43 618	-27 629	-6 788
OTHER FINANCIAL INCOME AND EXPENSES			
Income taxes	-7 823	-4 941	-16 830
Deferred taxes on profits	-5 171	-12 931	-3 486
TAX EXPENSE (Note 17)	-12 994	-17 872	-20 316
SHARE OF NET EARNINGS OF EQUITY METHOD COMPANIES	-60	-233	-177
NET EARNINGS BEFORE EARNINGS FROM ACTIVITIES THAT HAVE BEEN DISCONTINUED OR ARE BEING SOLD	33 487	44 151	38 918
EARNINGS NET OF TAXES FROM ACTIVITIES THAT HAVE BEEN DISCONTINUED OR ARE BEING SOLD			
CONSOLIDATED NET EARNINGS	33 487	44 151	38 918
GROUP SHARE	33 662	43 839	38 653
Minority interests	-175	312	265
Number of shares excluding treasury shares	9 331 449	9 331 449	9 290 266
EARNINGS PER SHARE in Euros (Note 20)	3,6	4,7	4,2
Diluting instruments	none	none	none
DILUTED EARNINGS PER SHARE in Euros (Note 21)	3,6	4,7	4,2
Note	12/31/2008	12/31/2007	12/31/2006
Impact of disposals made on July 2, 2007			
1 Ordinary operating income	0	95 264	66 199
Including group share of earnings on activities that have been sold	0	-2 517	-723
Operating income before non-recurring items excluding activities sold	0	97 781	66 922
2 Reclassification of Purchases used for 12 246 thousand euros in 2007 and 8 933 thousand euros in 2006 wrongly associated with external expenses.			

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (in thousands of euros)

	Share Capital	Reserves tied to capital	Consolidated reserves and earnings	Earnings recorded directly as shareholder s' equity	Translation gains / losses	Total Group share	Minority interests	TOTAL
Balance at 12/31/2007	8 891	14 981	195 810	1 048	-2 003	218 727	1 788	220 515
Capital operations								
Operations on own shares				3 107		3 107		3 107
Distribution of dividends (1)			-7 465			-7 465	-271	-7 736
Earnings 2007			43 839			43 839	312	44 151
- Impact correction								
capitalization prior DT						0		0
- Impact correction depreciation						0		0
- Miscellaneous impacts						0		0
Earnings recorded directly as shareholders' equity						0		0
Translation gains / losses					-51 821	-51 821		-51 821
Other changes						0	-244	-244
Change in consolidation scope			318			318	-353	-35
Balance at 12/31/2007	8 891	14 981	232 502	4 155	-53 824	206 705	1 232	207 937
Capital operations								
Operations on own shares						0		0
Distribution of dividends (1)			-8 398			-8 398	-255	-8 653
Earnings 2008			33 662			33 662	-175	33 487
Operations on shares				394		394		394
Hedging of financial instruments				-15 172		-15 172		-15 172
Translation gains / losses					23 888	23 888	-25	23 863
Other changes			89			89	105	194
Change in consolidation scope						0		0
Balance at 12/31/2008	8 891	14 981	257 855	-10 623	-29 936	241 168	882	242 050

(1) The total amount of dividends is distributed for common shares. There are no other classes of shares. There were no issues, repurchases or redemptions of equity securities during 2007 or 2008.

STATEMENT OF CHANGES IN THE CONSOLIDATION SCOPE

The changes in the Group's consolidation scope are as follows:

Companies involved	% held for the fiscal year	% held for the previous fiscal year	Consolidation method for the fiscal year	Consolidation method for the previous fiscal year	Comments
Companies entering the consolidation scope					
KAIROS	100.00%		FC		Acquired in January 2008
PROTECTIA	100.00%		FC		Acquired in January 2008
LAAKETIETOKESKUUSEN	100.00%		FC		Acquired in January 2008
ULTIMA	100.00%		FC		Acquired in February 2008
01 SANTE	100.00%		FC		Acquired in April 2008
CEGEDIM GROUP POLAND	100.00%		FC		Created in January 2008
GLOBAL PHARMA CONSULT	100.00%		FC		Created in January 2008
SGBTIF	99.97%		FC		Created in February 2008
CEGEDIM DENDRITE KOREA LTD	100.00%		FC		Created in January 2008
CEGEDIM TAIWAN CO LTD	100.00%		FC		Created in March 2008
REPORTIVE SA	100.00%		FC		Acquired in July 2008
CEGEDIM ACTIV MAROC	100.00%		FC		Created in July 2008
CEGEDIM DENDRITE VENEZUELA	100.00%		FC		Created in October 2008
Companies leaving the consolidation scope					
TARGET		100.00%		FC	Merger on 12/31/07
DENDRITE INTERNATIONAL SERVICES Company		100.00%		FC	Merger on 12/31/07
DENDRITE NETHERLAND BV		100.00%		FC	Merger on 01/01/08
SELECTIS		98.52%		FC	Complete transfer of assets and liabilities to Cegedim Activ on 04/29/08
INTERCAM LIMITED		100.00%		FC	Liquidation on 03/31/08
MONTARGET		100.00%		FC	Liquidation on 04/30/08
DENDRITE KOREA		100.00%		FC	Liquidation in May 2008
BKL CONSULTING LIMITED		100.00%		FC	Liquidation on 06/30/08
THALES CEGEDIM		50.00%		PC	Liquidation on 06/30/08
CAM LIMITED INTERNATIONAL		100.00%		FC	Liquidation on 06/30/08
01 SANTE				FC	Complete transfer of assets and liabilities to BKL Consultant on 07/31/08
DENDRITE Italie				FC	Merger in July 08
DENDRITE INTERACTIVE MARKETING LLC		100.00%	100.00%	FC	Disposed of on 11/28/08

CASH FLOW FROM EARNINGS OF CONSOLIDATED COMPANIES (in thousands of euros)

	12/31/2008	12/31/2007	12/31/2006
Headings			
Consolidated net earnings	33 487	44 151	38 917
Share of earnings from equity method companies	60	233	177
Depreciation and provisions	70 334	37 625	26 859
Capital gains or losses on disposals	-5 924	2 435	-56
Cash flow after net financial debt expense and taxes	97 957	84 444	65 897
Cost of net financial debt	43 618	28 672	4 410
Tax expense	12 994	17 872	20 316
Operating cash flow before net financial debt expense and taxes	154 569	130 988	90 623
Tax paid	-7 823	-4 941	-16 829
Plus: Change in working capital requirements of operations	20 132	20 031	-21 439
Net cash generated by operating activities (A)	166 878	146 078	52 355
Acquisitions of intangible fixed assets	-49 408	-24 043	-16 055
Acquisitions of tangible fixed assets	-51 026	-40 200	-35 390
Acquisitions of financial assets	-1 763	-851	-7 908
Disposals of tangible and intangible fixed assets	7 348	3 670	1 400
Disposals of financial assets	1 338	24 759	225
Impact of changes in consolidation scope	-8 164	-522 061	-27 553
Dividends received from equity method companies	383	2 228	16
Net cash flows generated by investment operations (B)	-101 292	-556 498	-85 265
Dividends paid to parent company shareholders	-8 398	-7 465	-7 185
Dividends paid to the minority interests of consolidated companies	-255	-272	-235
Increase in cash capital	-	-	-
Loan issues	2 901	711 255	69 515
Loans repaid	-14 721	-191 532	-49 752
Financial interest paid	-32 354	-27 258	-4 410
Net cash flows generated by financing operations ©	-52 827	484 728	7 933
CHANGE IN CASH (A+B+C)	12 759	74 308	-24 977
Opening cash position	57 772	-16 536	8 441
Closing cash position	70 254	57 772	-16 536
Impact of changes in foreign currency exchange rates	277	-	-

SEGMENTAL REPORTING

At December 31, 2008 (in thousands of euros)

		Primary Sectors				Secondary Sectors	
		CRM and strategic data	Healthcare professionals	Insurances and services	TOTAL	TOTAL France	TOTAL Rest of world
Income Statement Headings							
SECTOR REVENUE							
A	Outside Group sales	492 620	250 214	105 743	848 577	418 145	430 432 (*)
B	Sales to other Group sectors	27 873	4 762	6 247	38 882	37 995	887
C=A+B	Total sector sales	520 493	254 976	111 990	887 459	456 140	431 319
SECTOR EARNINGS							
D	Income from operations for the sector	55 565	34 537	6 535	96 637		
OPERATING MARGIN (as a %)							
D/A	Operating margin outside Group	11,3%	13,8%	6,2%	11,4%		
D/C	Sector operating margin	10,7%	13,5%	5,8%	10,9%		
DEPRECIATION AND IMPAIRMENT							
		25 972	35 807	6 085	67 864		
(*) Consolidated revenue 2008							
		France	Euro Zone outside France	Pound Sterling Zone	US Dollar Zone	Rest of world	Total
	Geographic breakdown	418 145	123 859	81 730	124 493	100 350	848 577
	%	49%	15%	10%	15%	12%	100%
Balance Sheet Headings							
SECTOR ASSETS (in net values)							
	Goodwill on acquisition	499 954	75 127	41 871	616 952	92 433	524 519
	Intangible fixed assets	165 335	14 276	29 965	209 576	77 648	131 928
	Tangible fixed assets	38 961	9 616	6 124	54 701	29 393	25 308
	Net total	204 296	23 892	36 089	264 277	107 041	157 236
CAPITAL INVESTMENTS FOR THE FISCAL YEAR (gross values)							
	Goodwill on acquisition	2 165	1 055	10 480	13 700	11 535	2 165
	Intangible fixed assets	34 227	6 056	8 427	48 710	40 325	8 385
	Tangible fixed assets	14 624	34 345	2 056	51 025	41 793	9 232
	Gross total	48 851	40 401	10 483	99 735	82 118	17 617
SECTOR LIABILITIES							
	Provisions	19 063	3 544	2 380	24 987		
	Advances and deposits received on orders	669	3 024	41	3 734		
	Accounts payable and related accounts	39 037	14 176	9 918	63 131		
	Tax and social liabilities	78 412	19 801	17 548	115 761		
	Other liabilities	20 055	12 258	2 694	35 007		
	Total	157 236	52 803	32 581	242 620		

Transactions are carried out at market price.

At December 31, 2007 (in thousands of euros)

		Primary Sectors			TOTAL	Secondary Sectors	
		CRM and strategic data	Healthcare professionals	Insurances and services		TOTAL France	TOTAL Rest of world
Income Statement Headings							
SECTOR INCOME							
A	Outside Group sales	460 070	191 356	101 568	752 994	366 249	386 745 (*)
B	Sales to other Group sectors	25 505	5 047	6 644	37 196	37 611	-415
C=A+B	Total sector sales	485 575	196 403	108 212	790 190	403 860	386 330
SECTOR EARNINGS							
D	Income from operations before non-recurring items for the sector	64 901	28 123	2 240	95 264		
OPERATING MARGIN (as a %)							
D/A	Operating margin outside Group	14.1%	14.7%	2.2%	12.7%		
D/C	Sector operating margin	13.4%	14.3%	2.1%	12.1%		
DEPRECIATION AND IMPAIRMENT							
		22 226	8 095	5 889	36 210		
2007 consolidated revenue		France	Euro Zone outside France	Pound Sterling Zone	US Dollar Zone	Rest of world	Total
(*)	Geographic breakdown	366 249	115 425	76 725	114 534	80 061	752 994
	%	49%	15%	10%	15%	11%	100%

Changes were made to the IFRS financial statements closed on December 31, 2007, initially published in the BALO of April 28, 2008. These modifications are explained by the transfer of document processing activities to TESSI in 2007, which represented around one-third of the "Technologies and services" activity. These transfers reduced the "Technologies and services" sector to an insignificant size. The remaining activities of this sector were reallocated to the Group's three other activity sectors.

SECTOR INCOME (in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurances and services	Technologies and services	TOTAL
Outside Sales Group published	434 190	145 965	81 263	91 576	752 994
Reallocation of sector 4	25 880	45 391	20 305	-91 576	-
Outside Sales Group as at December 31, 2007	460 070	191 356	101 568	-	752 994
Sales to other sectors of the Group published	26 263	10 165	2 466	7 889	46 783
Reallocation of sector 4	-758	-5 118	4 178	-7 889	-9 587
Sales to other sectors of the Group at December 31, 2007	25 505	5 047	6 644	-	37 196
Total sector revenue published	460 453	156 130	83 729	99 465	799 777
Reallocation of sector 4	25 122	40 273	24 483	-99 465	-9 587
Total sector revenue at December 31, 2007	485 575	196 403	108 212	-	790 190
SECTOR EARNINGS (in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurances and services	Technologies and services	TOTAL
Income from operations for the sector, published	65 028	19 765	3 455	7 016	95 264
Reallocation of sector 4	-127	8 358	-1 215	-7 016	-
Operating income for the sector at December 31, 2007	64 901	28 123	2 240	-	95 264
SECTOR DEPRECIATION AND IMPAIRMENT (in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurances and services	Technologies and services	TOTAL
Sector depreciation and impairment published	20 914	4 513	4 369	6 414	36 210
Reallocation of sector 4	1 312	3 582	1 520	-6 414	-
Sector depreciation and impairment at December 31, 2007	22 226	8 095	5 889	-	36 210

At December 31, 2007 (in thousands of euros)

Balance Sheet Headings	Primary Sectors			TOTAL	Secondary Sectors	
	CRM and strategic data	Healthcare professionals	Insurances and services		TOTAL France	TOTAL Rest of world
SECTOR ASSETS (in net values)						
Goodwill on acquisition	469 503	80 750	30 942	581 195	92 366	488 829
Intangible fixed assets	143 694	8 979	20 592	173 265	44 049	129 216
Tangible fixed assets	44 364	10 653	7 254	62 271	29 130	33 141
Net total	657 561	100 382	58 788	816 731	165 545	651 186
CAPITAL INVESTMENTS FOR THE FISCAL YEAR (gross values)						
Goodwill on acquisition	388 874	3 450	0	392 324	9 783	382 541
Intangible fixed assets	14 785	3 880	5 378	24 043	15 165	8 878
Tangible fixed assets	7 864	28 929	3 407	40 200	32 461	7 739
Gross total	411 523	36 259	8 785	456 567	57 409	399 158
LIABILITIES						
Provisions	16 338	2 901	2 049	21 288		
Advances and deposits received on orders	399	2 422	11	2 832		
Accounts payable and related accounts	53 588	16 029	11 607	81 223		
Tax and social liabilities	78 962	17 889	16 332	113 183		
Other liabilities	6 185	9 187	3 352	18 724		
Total	155 473	48 428	33 351	237 249		

The transfer of document processing activities to TESSI in 2007, which represented around one-third of the "Technologies and services" activity, reduced this to an insignificant size. The remaining activities of this sector were reallocated to the Group's three other activity sectors.

Changes were made to the IFRS financial statements closed on December 31, 2007, initially published in the BALO of April 28, 2008. The former "Technologies and services" sector was reallocated to the three other sectors. These modifications were incorporated in each item of each sector at December 31, 2007, presented above, for the following amounts:

FIXED ASSETS in net values (in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurances and services	Technologies and services	TOTAL
Goodwill on acquisition published	469 488	79 713	30 069	1 925	581 195
Reallocation of sector 4	15	1 037	873	-1 925	-
Goodwill on acquisition at December 31, 2007	469 503	80 750	30 942	-	581 195
Intangible fixed assets, published	143 465	8 961	19 547	1 292	173 265
Reallocation of sector 4	229	18	1 045	-1 292	-
Intangible fixed assets at December 31, 2007	143 694	8 979	20 592	-	173 265
Tangible fixed assets, published	41 130	9 051	4 078	8 012	62 271
Reallocation of sector 4	3 234	1 602	3 176	-8 012	-
Tangible fixed assets at December 31, 2007	44 364	10 653	7 254	-	62 271

INVESTMENTS FOR THE FISCAL YEAR in gross values (in thousands of euros)	CRM and strategic data	Healthcare professionals	Insurances and services	Technologies and services	TOTAL
Goodwill on acquisition published	388 874	3 450	-	-	392 324
Reallocation of sector 4				-	-
Goodwill on acquisition at December 31, 2007	388 874	3 450	-	-	392 324
Intangible fixed assets, published	14 189	3 849	5 363	642	24 043
Reallocation of sector 4	596	31	15	-642	-
Intangible fixed assets at December 31, 2007	14 785	3 880	5 378	-	24 043
Tangible fixed assets, published	7 309	5 281	2 147	25 463	40 200
Reallocation of sector 4	555	23 648	1 260	-25 463	-
Tangible fixed assets at December 31, 2007	7 864	28 929	3 407	-	40 200

SECTOR LIABILITIES	CRM and strategic data	Healthcare professionals	Insurances and services	Technologies and services	TOTAL
Provisions, published	16 224	2 865	1 523	676	21 288
Reallocation of sector 4	114	36	526	-676	-
Provisions at December 31, 2007	16 338	2 901	2 049	-	21 288
Advances and deposits received on orders, published	359	2 422	7	43	2 831
Reallocation of sector 4	40	0	3	-43	-
Advances and deposits received on orders, published at December 31, 2007	399	2 422	10	-	2 831
Accounts payable and related accounts, published	52 378	12 605	9 219	7 022	81 224
Reallocation of sector 4	1 210	3 424	2 388	-7 022	-
Accounts payable and related accounts at December 31, 2007	53 588	16 029	11 607	-	81 224
Tax and social liabilities, published	78 103	17 426	13 292	4 362	113 183
Reallocation of sector 4	860	463	3 039	-4 362	-
Tax and social liabilities at December 31, 2007	78 963	17 889	16 331	-	113 183
Other debts, published	6 171	1 342	3 342	7 869	18 724
Reallocation of sector 4	14	7 845	10	-7 869	-
Other debts at December 31, 2007	6 185	9 187	3 352	-	18 724

20.2.2 Notes to the Consolidated Financial Statements for the Cegedim Group

20.2.2.1 Highlights of the 2008 Fiscal Year

On February 14, 2008, Cegedim Activ, a subsidiary of Cegedim S.A., acquired the French company Protectia, publisher of the medical software package "Protectia".

On June 9, 2008, Cegedim Logiciels Médicaux, a subsidiary of Cegedim S.A., acquired the French company 01 Santé S.A., publisher of the medical software "MegaBaze." All assets of the latter were transferred to BKL Consultant on July 31, 2008.

On February 8, 2008, Cegedim Turkey acquired Ultima, a company specializing in pharmaceutical CRM.

The Cegedim Group is also continuing to develop its databases for the pharmaceutical industry with the creation of a subsidiary in Taiwan.

On September 2, 2008, Cegedim acquired Reportive S.A., a French software publisher specializing in Business Intelligence solutions.

Furthermore, following on from transactions made in 2007, Cegelease has made a complementary divestiture to Natixis of a portion of its claims against a contribution in cash of 53.5 million euros.

On March 21, 2008, the Board of Directors was authorized by the extraordinary shareholders' meeting of February 22, 2008, to award free shares to the directors and employees of the Cegedim Group (see note 29).

On November 28, 2008, Dendrite International Inc. sold its distribution and logistics activities in relation to direct marketing operations. This decision follows the same logic as the sale of these same activities by Cegedim S.A. in France in July 2007.

20.2.2.2 Accounting principles

■ IFRS 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 at December 31, 2008 in accordance with international accounting standards. These 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 approved by Cegedim S.A.'s Board of Directors on 07/04/2009 and will be submitted to the General Meeting for approval.

Some standards and interpretations adopted by the IASB or the IFRIC (International Financial Reporting Interpretations Committee) and the European Union in 2008 have not resulted in an early application by the Group. This mainly concerns the following standards:

- IFRIC 11 – Group and treasury share transactions;
- IFRIC 12 - Service Concession Arrangements;
- IFRIC 13 - Customer loyalty programs;
- IFRIC 14 - IAS 19 – Limit on a defined benefit asset;
- IFRS 8 - Operating Segments;
- IAS 23 Revised - Borrowing Costs;
- Revised IAS 1 - Presentation of financial statements;
- Amendments to IFRS 2 - Vesting conditions and cancellations;
- Amendments to IAS 1 and IAS 32 - Financial Instruments repayable by anticipation at fair value and obligations associated with liquidations.

■ Valuation bases

General principle:

The financial statements are prepared according to the historical cost principle, except for derivative instruments and financial assets available for sale, which are valued at their 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 concerned 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).

■ Basis of Consolidation

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 profit 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 net earnings of the companies consolidated using the equity method" on a specific line of the consolidated income statement.

The list of consolidated entities is presented 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 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 accounted for at the closing rate and not at the historical cost on each accounting closing date.

Goodwill on acquisition is not depreciated and is subject, in accordance with revised standard IAS 36, to impairment testing whenever an impairment indicator is identified and at least once a year (see § "Impairment of assets"). If necessary, impairments are recorded as "Other non-current income and expenses from operations."

■ 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 standard 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 (to the exclusion of 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-current income and expenses from operations.”

The main depreciation periods used are as follows:

Description	Depreciation period	Method
Licenses	5 - 20 years	Straight-line
Software	1 - 15 years	Straight-line

Commercial goodwill - 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 are not depreciated. On the other hand, in accordance with revised standard IAS 36, they are subjected 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 activity concerned.

Research and development expenses

Research expenses are recorded as expenses for the fiscal year during which they were incurred.

Development expenses for new internal projects are capitalized if the following criteria are fully satisfied in accordance with standard 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 expenses are recorded as expenses for the fiscal year during which they were incurred. Depreciation is calculated as of the moment the fixed asset is in use and is calculated over its foreseeable useful life.

Once in use, an asset whose development is complete is removed from the development expenses item and recognized under the corresponding asset item (generally software).

Brands

Brands are associated with the Company's terms and therefore are not depreciated given that they will generate future economic advantages.

The brands' longevity is indivisible from the Group's core activity and is therefore considered to have an indefinite life span.

■ 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 useful life and the base used to calculate the depreciation is the purchase cost less any estimated residual value.

The following depreciation terms (period and method) are used:

Description	Depreciation period	Method
Computer equipment		
Micro-computers for office use	3 - 4 years	Straight-line
Server systems	5 - 10 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 years	Straight-line
Transportation equipment	4 years	Straight-line
Office equipment	4 years	Straight-line
Furniture	8 years	Straight-line

Additionally, standard IAS 16 prescribes the separate component approach for assets that can be broken down into elements, each of which has a different use or offers 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 and fittings).

The useful lives of intangible assets are reviewed periodically and may be modified prospectively depending on the circumstances.

Intangible 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-current 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.

An asset used in connection with a lease agreement is capitalized at its fair value, offset by a financial debt, when the lease agreement transfers almost all risks and benefits of ownership of the asset to the Group. Rent payments are broken down into financial expense (recorded as "Net cost of the financial debt") and debt retirement.

Assets objects of financial leases are depreciated over the same periods as own property of the same category.

■ Impairment of assets (IAS 36)

Cash Generating Units (CGU)

Impairment tests are performed at the level of 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 themselves are divided into separate distinct industry components if they are relevant in terms of 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. Indeed, 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 physicians and service for pharmacists;
- “Insurances 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. Indeed, the skills center and databases used to support all of these Group services are centralized and only the distribution is local.

Also, given that the value of an asset is independent of its mode of financing, 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.

These recommendations indicate that the discount rate must be a rate "before taxes that accounts for the current market appraisal of the rent, money and risks associated with the asset." "The discount rate is independent of the entity’s financial structure and the manner in which the entity financed the purchase of the asset as the expected future cash flows of an asset are not related the means by which the entity financed the purchase of this asset."

The Group has mandated an independent firm of experts with the calculation of this discount rate. The calculations namely refer to comparable stock samples and benchmark indexes to determine Cegedim’s own risk premium and beta. It is updated as required according to market conditions and at least once a year. This calculation shows a zero-debt cost of equity of 9.08% at end December 2008. The discount rate at 12/31/2007 is 8.5%.

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 may result in the recognition of additional impairment.
Unamortized intangible assets (brands, goodwill)	Once a year, the Group performs impairment tests to assess the possible loss of value of these assets. Business plans are set for each CGU as of which the estimated net present value of expected future cash flows for the CGU using the method DCF (Discounted Cash Flow) is calculated. The period chosen for the business plans is 9 years in order to, beyond the fifth year, smoothly converge the annual growth rates toward an indefinite growth rate. 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 (at December 31, 2008, this rate corresponds to the average volume growth rate for the years 2008-2013 estimated by the IMF, weighted using revenue by geographical zone of Cegedim). Since 2008, an independent firm of experts has been mandated to calculate this rate which is 2% (versus the assumption of 1.5% upheld in previous years). In addition, sensitivity tests are conducted on various parameters, namely by varying the assumptions upheld for the discount rate or the indefinite growth rate.
	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 namely account for changes in revenue 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 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 below its book value. If the CGU tested comprises goodwill on acquisition, the impairment is firstly allocated to this goodwill. Impairment is recognized under "Other non-current income and expenses from operations" and is the object and is clearly explained in the appendix to the consolidated financial statements.

■ Financial assets (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 durable in view of the circumstances, it is accounted for as financial profit/loss.

Loans granted are accounted for at the amortized cost and are impaired if there is an objective indication of a loss in value. 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 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. Impairment is recorded when future billings for work in progress do not cover the corresponding direct costs.

■ Trade Receivables and other operating receivables

Impairment is recognized when the inventory value is less than the recorded value based on the probability of recovery.

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 in the income statement.

■ Treasury shares (IAS 32)

In accordance with standard IAS 32, treasury shares are recognized at their purchase cost and offset by a reduction in consolidated 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 execution should result in an outflow of resources without at least 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 under 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 contributions to define 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 of the services rendered by employees during current and prior periods. These contributions are recorded as expenses for the period in which they due with no liability recognized in the balance sheet.

Defined-benefits plans

The defined benefit scheme designates post-employment benefits other than defined-contribution plans.

These primarily involve retirement obligations. If these obligations are assumed directly by the companies of the Group, the corresponding actuarial liabilities are covered by a provision in the balance sheet; the change in this obligation is accounted for under operating earnings for the fiscal year, including the effect of financial discounting.

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 and the profitability of dedicated investments. 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. Changes tied to periodic modifications of the actuarial assumptions listed above related to the overall financial and economic situation, or to demographic conditions, are immediately recognized in the amount of the Group's obligation in the income statement.

Additionally, the impact on the valuation of the provision for retirement of changes to the collective bargaining agreements is spread over the residual length of the working life of employees.

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 issue premiums and costs impact the value at which financial liabilities are recognized and are included in the calculation of the EIR (Effective Interest Rate) in compliance with IAS 32 39. Loans and other financial liabilities which carry interest are valued according to the depreciated cost method using the effective 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

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 to the exclusions of transactions qualified 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 hedge 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 revenue 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 Cegedim databases is generally by subscription with periodic billing (monthly or annually); revenues are then recorded on a prorated basis according to the time elapsed;
- 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 term of the contract and results in the recognition of deferred income.

Software and hardware sales

These sales are recorded at the time of delivery, concomitant with installation at the professional's site. Any discounts and rebates are subtracted 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 euros at the closing exchange rate.

Translation differences for transactions in foreign currencies are recorded as financial income or expenses. Such transactions are very limited in number. Therefore, there is no specific management of exchange rate risk.

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 euros 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 historical rate 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 recognized as "Group translation gains and losses" under consolidated shareholders' equity.

Additionally, translation gains or losses involving intra-Group current accounts that can be equated with capital have been recorded as "Group translation gains or losses" since fiscal year 2002.

Finally, the translation gains or losses corresponding to subsidiaries in the Euro zone are recognized as "Group translation reserves" under consolidated shareholders' equity.

- Statement of cash flows (IAS 7)

In compliance with the standard IAS 7 "Statement of cash flows", the consolidated cash flow statement is prepared using the indirect method: this method presents the reconciliation of net earnings with net cash generated by 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.

- Segmented information (IAS 14)

Segmented information is prepared according to the accounting methods used for the preparation and presentation of consolidated financial statements.

Pursuant to the provisions of the standard IAS 14, segment information is, on a first level, broken down into sectors of activity, and on a second level, into geographical sectors.

First level sector information: By sector of activity

The level-one breakdown corresponds to the organization of the Group's internal reporting, which leads to the development of management tools used by Group management. This is also the main line upheld for financial communication.

The Group's activities are divided into three sectors:

- "CRM and strategic data", which includes all activities dedicated to pharmaceutical companies (optimizing marketing strategies and sales, 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 physicians and pharmacists (software publishing with availability of promotional information);
- "Insurances and services", which brings together the know-how need 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);

Note: Following July 2007's sale of distribution and logistics activities, which represented a significant portion of the "Technologies and services" sector, the Cegedim Group's went from 4 to 3 sectors.

Second level sector information: By geographical sector

Level-two segment reporting uses a geographic breakdown. Activities carried out in France remain dominant (49% of consolidated revenue). The level-two breakdown thus shows the France / outside France dichotomy. This analysis is refined for consolidated revenue in order to demonstrate the Group's exposure to the different currencies, provided this information appears to be of significance (more than 10% of the consolidated total). The other segment reporting items are not differentiated by geographical zone as the 10% threshold is generally not reached, or because such precisions would require the disclosure of confidential information.

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 to its industries, political and geopolitical risks arising from its international presence for most activities, and unexpected instances of force majeure. The main risks identified are:

Interest rates risk	To limit the effects of rising interest rates on the level of its financial costs, and as requested in the Credit Agreement, the Group has decided to implement a risk hedging policy to ensure a maximum annual financing for the duration of all loans. Only Cegedim S.A. has hedged borrowing with swap agreements when necessary.
	The amount of debt exposed to interest rate risk amounts to €46 700 (a fraction of the revolver credit at the 3-month Euribor rate). The subordinated debt in the amount of 50 million euros toward FCB (ex Financière Cegedim) has not been hedged. All other debt has been hedged against adverse changes in interest rates.
Exchange rates risk	The currencies representing a significant percentage of consolidated revenue are the pound sterling (13% of sales) and the U.S. dollar (around 15%). There is no specific strategy able to hedge changes in these currencies against the euro, thus leaving the Group potentially exposed to a more or less significant exchange rate risk from year to year. In addition, the Group has taken out a loan in the amount of 200 million dollars for which there is no euro/dollar hedge.
Liquidity Risk	The Group's non-operational cash risk is caused mainly by the due date of its bank loans giving rise to the payment of interest and the payment flows on financial instruments as well as on other debts that do not generate interest payments.
	The credit agreement concluded by the Group requires compliance with financial covenants failing which the use of an additional drawdown of the revolver credit may no longer be available and credit could become payable in advance.
	Aside from the usual covenants for this type of agreement, the Group must meet two ratios (net financial debt to EBITDA, and pro-forma EBITDA to the cost of

	debt) and comply with a threshold for acquisitions.
	At June 30, 2008 and December 31, 2008 the Group complied with all covenants.
Client risk	The Group's clients are mainly pharmaceutical companies, physicians, pharmacists and healthcare insurance companies and mutuals. They do not present any significant risks.

Regulatory risk

The Group's Legal Department centralizes and monitors the regulations in effect and ensures that the Group's business activities comply with the various laws that apply.

Legislative and regulatory changes could affect the Group's activities and hence its profitability.

Although the health sector is highly regulated, the Cegedim Group, as a service provider, is not subject to any specific regulations to the exclusion of rules governing the protection and transfer of personal data. These regulations require that certain declarations systematically be filed with the inspection authorities of each country in which the Group owns or manages files and databases.

There are no 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.

There are no special tax provisions applicable to the Group that represent a particular risk.

Legal risks

The Group's legal risk is mainly the risk if a dispute with a third party resulting from an inaccuracy, omission or deficiency that may be attributable to its operations. 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 the Group develops.

To the Company's knowledge, there are no litigations that have not been covered by provisions in the financial statements likely to have or that have 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 is the risk associated with a political situation or a decision of political power: nationalization without adequate compensation, revolution, exclusion from certain markets, discriminatory taxation, inability to repatriate capital and so on.

Due to its international scope, the Group remains vigilant regarding the political developments in the various country in which its subsidiaries are located.

Industrial and environmental risks

In 2008, the Cegedim Group launched its Sustainable development program, Cegedim Compact, with reference to the UN Global Compact.

This program aims to address the three concerns of sustainable development so as to contribute to issues of social equity, environmental preservation and economic efficiency.

Operating in the sector of technologies and services tied 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 in the Cegedim Group.

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.

20.2.2.3 Notes and Additional Tables

NOTE 1: LIST OF CONSOLIDATED COMPANIES (France)

Companies	Main place of business		SIREN #	% control	% interest	Method
Fully consolidated companies (France)						
CEGEDIM	127-137, rue d'Aguesseau	BOULOGNE	350 422 622	100.00%	100.00%	FC
3ES (Essais cliniques Evaluation Epidemiologies Statistiques)	90-92 route de la reine	BOULOGNE	419 331 707	100.00%	100.00%	FC
AGDF CEGEDIM RS	Parc Cadera Sud- Immeuble Circus- Hall B	MERIGNAC	400 082 046	100.00%	100.00%	FC
ALLIANCE SOFTWARE	Le Crystal Palace -369/371 Promenade des Anglais	NICE	407 702 208	100.00%	100.00%	FC
ALLIADIS	3, impasse des Chênes	NIORT	342 280 609	100.00%	100.00%	FC
AMIX	Le Gros Moulin - AMILLY	MONTARGIS	339 137 895	100.00%	100.00%	FC
APSYS NET	137 rue d'Aguesseau	BOULOGNE	438 099 582	100.00%	100.00%	FC
BKL CONSULTANTS	122, rue d'Aguesseau	BOULOGNE	353 754 088	100.00%	100.00%	FC
CSD France (Cegedim Strategic Data France)	90-92 route de la reine	BOULOGNE	318 024 338	100.00%	100.00%	FC
CEGEDIM CUSTOMER INFORMATION INTERNATIONAL (CBU)	573, av. d'Antibes	MONTARGIS	343 263 190	100.00%	100.00%	FC
C D S - Centre de Services	137, rue d'Aguesseau	BOULOGNE	344 480 066	100.00%	100.00%	FC
CEGEDIM ACTIV (ex SOLTIM)	Imm. le Pyrénéen-ZAC de la Grande Borde	LABEGE	400 891 586	100.00%	100.00%	FC
CEGEDIM HOLDING CIS	137, rue d'Aguesseau	BOULOGNE	452 742 976	100.00%	100.00%	FC
CEGEDIM INGENIERIE	326, rue du Gros Moulin - AMILLY	MONTARGIS	402 338 719	99.63%	98.99%	FC
CEGEDIM S.R.H.	17, rue de l'Ancienne Mairie	BOULOGNE	332 665 371	100.00%	100.00%	FC
CEGELEASE	Rue de la Zamin	CAPINGHEM	622 018 091	100.00%	100.00%	FC
CEGERS	137, rue d'Aguesseau	BOULOGNE	340 576 693	50.00%	50.00%	FC
CETIP	122, rue d'Aguesseau	BOULOGNE	410 489 165	99.81%	99.81%	FC
DATA CONSEIL	71, rue des Hautes Pâtures	NANTERRE	422 630 335	100.00%	100.00%	FC
DECISION RESEARCH EUROPE	90-92 route de la reine	BOULOGNE	322 548 371	100.00%	100.00%	FC
DENDRITE France	1, place Charles de Gaulle	MONTIGNY LE BRETONNEUX	392 315 545	99.98%	99.98%	FC
EUROFARMAT	54, rue Jacquemars Gielée	LILLE	489 278 978	100.00%	100.00%	FC
HOSPITALIS	137, rue d'Aguesseau	BOULOGNE	452 121 320	100.00%	100.00%	FC
ICOMED	137, rue d'Aguesseau	BOULOGNE	333 046 274	100.00%	100.00%	FC
INCAMS	95, rue de Billancourt	BOULOGNE	429 216 351	97.04%	97.04%	FC
I SANTE	137, rue d'Aguesseau	BOULOGNE	433 937 729	100.00%	100.00%	FC
KAİROS	Synergie Park - 3, rue Louis Neel	LEZENNES	482 480 795	100.00%	100.00%	FC
MEDEXACT	137, rue d'Aguesseau	BOULOGNE	432 451 912	100.00%	100.00%	FC
MIDIWAY	Miniparc bât 1 Innopole voie 2	LABEGE	415 394 030	73.46%	73.46%	FC
PCO CEGEDIM	15, rue Paul Dautier	VELIZY	303 529 184	100.00%	100.00%	FC
PHARMAPOST	573, av. d'Antibes	MONTARGIS	322 769 308	100.00%	100.00%	FC
PHARMASOCK	326, rue du Gros Moulin - AMILLY	MONTARGIS	403 286 446	100.00%	100.00%	FC
PROTECTIA	Synergie Park - 3, rue Louis Neel	LEZENNES	309 182 376	100.00%	100.00%	FC
PROVAL NTIC	137, rue d'Aguesseau	BOULOGNE	408 339 885	99.99%	99.35%	FC
PROVAL SA	137, rue d'Aguesseau	BOULOGNE	383 118 684	99.36%	99.36%	FC
QUALIPHARMA	Imm. Guilaure rue de la Zamin	CAPINGHEM	432 078 707	100.00%	100.00%	FC
REPORTIVE	183, av. Georges Clemenceau	NANTERRE	388 447 179	100.00%	100.00%	FC
RESIP	56, rue Ferdinand Buisson	BOULOGNE s/MER	332 087 964	100.00%	100.00%	FC
ROSENWALD	104-106, rue d'Aguesseau	BOULOGNE	582 151 486	99.84%	99.84%	FC
RM INGENIERIE	av de la gînestre	RODEZ	322 755 393	100.00%	100.00%	FC
RNP	15 rue de l'ancienne mairie	BOULOGNE	602 006 306	100.00%	100.00%	FC
SCI MONTARGIS 2000	573, av. d'Antibes	MONTARGIS	324 215 128	68.83%	68.83%	FC
SERVIOLOG CONCEPT	471, rue Nungesser - Mas des cavaliers	MAUGUIO	421 354 960	100.00%	100.00%	FC
SOFILOCA	137, rue d'Aguesseau	BOULOGNE	348 940 255	100.00%	100.00%	FC
TRIDOM	116, rue d'Aguesseau	BOULOGNE	410 791 149	91.45%	91.45%	FC
Companies consolidated using the equity method (France)						
EDIPHARM	137, rue d'Aguesseau	BOULOGNE	381 819 309	20.00%	20.00%	EM
HOSTA	6, rue Emile Raynaud - Tour la Vilette	PARIS	440 367 357	38.38%	38.38%	EM
INFODISK	Immeuble CPL - Californie 2	LE LAMENTIN	490 029 774	34.00%	34.00%	EM

NOTE 1 (continued): LIST OF CONSOLIDATED COMPANIES (International)

Companies	Main place of business		% control	% interest	Method
Fully consolidated companies (International)					
ALLIADIS EUROPE LTD	GREAT BRITAIN	LONDON	100.00%	100.00%	FC
BKL CONSULTING SRL	ITALY	MILAN	100.00%	100.00%	FC
CAM PORTUGAL E.M Lda	PORTUGAL	LISBON	100.00%	100.00%	FC
CAMM AMERICA LATINA ARGENTINA	ARGENTINA	BUENOS AIRES	100.00%	100.00%	FC
CAMM EASTERN EUROPE	POLAND	WARSAW	100.00%	100.00%	FC
CEGEDI INDIA PRIVATE LIMITED	INDIA	MUMBAI	100.00%	100.00%	FC
CEGEDIM ACTIV MAROC	MOROCCO	RABAT	100.00%	100.00%	FC
CEGEDIM BELGIUM	BELGIUM	DROGENBOS	99.97%	99.97%	FC
CEGEDIM Bilisim AS	TURKEY	ISTANBUL	65.00%	65.00%	FC
CEGEDIM CENTROAMERICA Y EL CARAIBE	GUATEMALA	GUATEMALA	95.00%	90.22%	FC
CEGEDIM CIS	CZECH REPUBLIC	BRNO	100.00%	100.00%	FC
CEGEDIM COLOMBIA LTDA	COLOMBIA	BOGOTA	100.00%	94.97%	FC
CEGEDIM CZ SRO	CZECH REPUBLIC	PRAGUE	100.00%	100.00%	FC
CEGEDIM DATA SERVICES LIMITED (ex CEGEDIM RX Ltd)	GREAT BRITAIN	PRESTON	100.00%	100.00%	FC
CEGEDIM DENDRITE KK	JAPAN	CHUO-KU	100.00%	100.00%	FC
CEGEDIM DENDRITE (China) Co Ltd	CHINA	SHANGHAI	100.00%	100.00%	FC
CEGEDIM DENDRITE ALGERIE	ALGERIA	ALGIERS	100.00%	100.00%	FC
CEGEDIM DENDRITE KOREA LTD	KOREA	SEOUL	100.00%	100.00%	FC
CEGEDIM DENDRITE NETHERLAND BV	NETHERLANDS	NAARDEN	100.00%	99.97%	FC
CEGEDIM DENDRITE VENEZUELA	VENEZUELA	CARACAS	100.00%	100.00%	FC
CEGEDIM DENMARK AS	DENMARK	GLOSTRUP	100.00%	99.97%	FC
CEGEDIM DEUTSCHLAND GMBH	GERMANY	BENSHEIM	100.00%	100.00%	FC
CEGEDIM DO BRAZIL	BRAZIL	SAO PAULO	100.00%	100.00%	FC
CEGEDIM ECUADOR	EQUADOR	QUITO	95.00%	94.97%	FC
CEGEDIM FINLAND	FINLAND	ESPOO	100.00%	100.00%	FC
CEGEDIM GMBH	AUSTRIA	WIENER NEUDORF	100.00%	100.00%	FC
CEGEDIM GROUP POLAND	POLAND	WARSAW	100.00%	100.00%	FC
CEGEDIM HELLAS	GREECE	ATHENS	99.98%	99.98%	FC
CEGEDIM HISPANIA	SPAIN	BARCELONA	100.00%	100.00%	FC
CEGEDIM HOLDING GMBH	GERMANY	BENSHEIM	100.00%	100.00%	FC
CEGEDIM INC	USA	ALLENTOWN	100.00%	100.00%	FC
CEGEDIM ITALIA	ITALY	MILAN	99.99%	99.99%	FC
CEGEDIM KFT	HUNGARY	BUDAPEST	100.00%	100.00%	FC
CEGEDIM LTD	GREAT BRITAIN	CHERTSEY SURREY	100.00%	100.00%	FC
CEGEDIM MALAYSIA SDN	MALAYSIA	KUALA LUMPUR	100.00%	100.00%	FC
CEGEDIM MAROC	MOROCCO	CASABLANCA	100.00%	97.04%	FC
CEGEDIM MEXICO	MEXICO	MEXICO	95.00%	94.97%	FC
CEGEDIM NORWAY AS	NORWAY	OSLO	100.00%	99.97%	FC
CEGEDIM ONEKEY INC	USA	ALLENTOWN	100.00%	100.00%	FC
CEGEDIM POLAND	POLAND	WARSAW	100.00%	99.97%	FC
CEGEDIM PORTUGAL	PORTUGAL	LISBON	98.50%	98.50%	FC
CEGEDIM ROMANIA SRL	ROUMANIA	BUCHAREST	100.00%	100.00%	FC
CEGEDIM RU	RUSSIA	MOSCOW	100.00%	100.00%	FC
CEGEDIM RX LIMITED (ex ENIGMA HEALTH UK)	GREAT BRITAIN	CHERTSEY SURREY	100.00%	100.00%	FC
CEGEDIM S.R.H. LTD	GREAT BRITAIN	PRESTON	100.00%	100.00%	FC
CEGEDIM SK SRO	SLOVAKIA	BRATISLAVA	100.00%	100.00%	FC
CEGEDIM SOFTWARE INDIA PRIVATE LIMITED	INDIA	BENGALURU	100.00%	100.00%	FC
CEGEDIM SRH	SWITZERLAND	GENEVA	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA (CHINA) Co., Ltd	CHINA	SHANGHAI	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA AUSTRALIA Pty Ltd	AUSTRALIA	CHIPPENDALE	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA BELGIUM	BELGIUM	BRUSSELS	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA CANADA LTD	CANADA	MONTREAL	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA ESPANA	SPAIN	MADRID	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA GMBH	GERMANY	BENSHEIM	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA Italia	ITALY	MILAN	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA KK (ex CAM KK)	JAPAN	OSAKA	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA KOREA	KOREA	SEOUL	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA MEXICO	MEXICO	MEXICO	100.00%	95.02%	FC
CEGEDIM STRATEGIC DATA UK LIMITED (ex HEALTHCARE DATA SERVICES LTD)	GREAT BRITAIN	CHERTSEY SURREY	100.00%	100.00%	FC
CEGEDIM STRATEGIC DATA USA LLC (ex CAM CORP INTERNATIONAL)	USA	NEW JERSEY	100.00%	100.00%	FC
CEGEDIM SWEDEN AB	SWEDEN	KISTA	100.00%	99.97%	FC
CEGEDIM TAIWAN CO LTD	TAIWAN	TAIPEI	100.00%	100.00%	FC
CEGEDIM TRENDS L.L.C	EGYPT	CAIRO	70.00%	70.00%	FC
CEGEDIM TUNISIE	TUNISIA	TUNIS	65.00%	65.00%	FC
CEGEDIM WORLD INT.SERVICES LTD	IRELAND	DUBLIN	100.00%	100.00%	FC

Companies	Main place of business		% control	% interest	Method
Fully consolidated companies (International)					
COMPUFILE LTD	GREAT BRITAIN	CHERTSEY SURREY	100.00%	100.00%	FC
CROISSANCE 2006	BELGIUM	FOREST	100.00%	100.00%	FC
DENDRITE ASIA PACIFIC PTE Ltd	SINGAPORE	SINGAPORE	100.00%	100.00%	FC
DENDRITE AUSTRALIA Pty Ltd	AUSTRALIA	PYMBLE	100.00%	100.00%	FC
DENDRITE BELGIUM	BELGIUM	DROGENBOS	100.00%	100.00%	FC
DENDRITE BRASIL	BRAZIL	SAO PAULO	100.00%	100.00%	FC
DENDRITE Canada LTD	CANADA	SCARBOROUGH	100.00%	100.00%	FC
DENDRITE COLOMBIA LTDA	COLOMBIA	BOGOTA	100.00%	100.00%	FC
DENDRITE DEUTSCHLAND	GERMANY	MUNICH	100.00%	100.00%	FC
DENDRITE EUROPE LIMITED	GREAT BRITAIN	LOUGHBOROUGH	100.00%	100.00%	FC
DENDRITE INTERNATIONAL INC	USA	NEW JERSEY	100.00%	100.00%	FC
DENDRITE MEXICO	MEXICO	MEXICO	100.00%	100.00%	FC
DENDRITE NEW ZEALAND Ltd	NEW ZEALAND	AUCKLAND	100.00%	100.00%	FC
DENDRITE Portugal	PORTUGAL	CARNAXIDE	100.00%	100.00%	FC
DENDRITE Sp Zoo	POLAND	WARSAW	100.00%	100.00%	FC
DENDRITE SPAIN	SPAIN	MADRID	100.00%	97.33%	FC
DENDRITE TURKEY INC	USA	WILMINGTON	100.00%	100.00%	FC
EPIC DATA BASE RESEARCH COMPANY LTD	GREAT BRITAIN	CHERTSEY SURREY	100.00%	100.00%	FC
GERS MAGHREB	TUNISIA	TUNIS	100.00%	100.00%	FC
GLOBAL PHARMA CONSULT S.R.L	ROUMANIA	BUCHAREST	100.00%	100.00%	FC
HDMP	BELGIUM	BRUSSELS	100.00%	99.97%	FC
ICOMED BELGIUM	BELGIUM	BRUSSELS	100.00%	99.97%	FC
IN PRACTICE SYSTEMS	GREAT BRITAIN	LONDON	100.00%	100.00%	FC
INFOPHARM LTD	GREAT BRITAIN	CHERTSEY SURREY	100.00%	100.00%	FC
INPRATICE ENTREPRISE SOLUTION LTD	GREAT BRITAIN	LONDON	100.00%	100.00%	FC
INTERCAM LTD Irlande	IRELAND	DUBLIN	100.00%	100.00%	FC
LÄÄKETIETOKESKUKSEN OSOITEPANKKI Oy	FINLAND	ESPOO	100.00%	100.00%	FC
MEDICAL DATA MANAGEMENT LLC	RUSSIA	MOSCOW	100.00%	100.00%	FC
MEDIMED GMBH	GERMANY	BENSHEIM	100.00%	100.00%	FC
MS CENTROAMERICA Y EL CARIBE, SA	COSTA RICA	HEREDIA	95.00%	94.97%	FC
OEPO	BELGIUM	BRUSSELS	100.00%	99.97%	FC
SCHWARZECK VERLAG GMBH	GERMANY	MUNICH	100.00%	100.00%	FC
SGBTIF	LUXEMBOURG	LUXEMBOURG	100.00%	99.97%	FC
STACKS CONSULTING E INGENIERA DE SOFTWARE	SPAIN	BARCELONA	100.00%	100.00%	FC
STACKS SERVICIOS TECNOLOGICOS S.L.	SPAIN	BARCELONA	100.00%	100.00%	FC
STACKS SERVICIOS TECNOLOGICOS S.L. CHILE LTDA	CHILE	PROVIDENCIA	100.00%	100.00%	FC
SYNAVANT UK HOLDING	GREAT BRITAIN	LOUGHBOROUGH	100.00%	100.00%	FC
THIN	GREAT BRITAIN	CHERTSEY SURREY	100.00%	100.00%	FC
ULTIMA	TURKEY	ISTANBUL	100.00%	100.00%	FC
UTO BRAIN LLC	JAPAN	CHUO-KU	100.00%	100.00%	FC
Companies consolidated using the equity method (International)					
MILLENNIUM	ITALY	FLORENCE	49.20%	49.20%	EM

Art & Stratégie and Netfective Technologie are held for 20% or less and are not consolidated.

NOTE 2: IMPACT OF CHANGES IN SCOPE

■ On the Balance Sheet (at the closing date)

	Consolidated before the change at 12/31/2008	Change	Consolidated after the change at 12/31/2008
(In thousands of euros)			
Goodwill on acquisition	605 362	11 590	616 952
Other non-recurring assets (excluding goodwill on acquisition)	606 696	-282 672	324 024
Current assets	343 018	12 622	355 640
Balance Sheet Total	1 555 077	-258 461	1 296 616

Figures used were not the consolidation entry values but the figures from the financial statements closed at 12/31/2008.

■ On earnings (at the closing date)

	Consolidated after the change at 12/31/2007	Consolidated before the change at 12/31/2008	Change 2008	Consolidated after the change at 12/31/2008
(In thousands of euros)				
Revenue	752 994	826 923	21 655	848 577
Income from operations	89 885	75 755	14 404	90 159
Consolidated net earnings	44 151	9 890	23 597	33 487

■ Company Acquisition Financing

Acquisitions of Kairos, Protectia, Laaketietokeskuksen, Ultima, 01 Santé and Reportive have been financed in full.

At the acquisition date, the impact of the companies entering the consolidation was:

On assets: 7 573 thousand euros

On liabilities: 4 382 thousand euros

NOTE 3: INTANGIBLE FIXED ASSETS

(In thousands of euros)

	Balance 12/31/2007	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance 12/31/2008
			Acquisitions	Change in scope			
Development costs	27 429	-15 674 (1)	32 691 (2)				44 446
Internal licenses, patents	105 179					6 012	111 191
External licenses, patents	5 625	48	140	297	-22	91	6 179
Internal software	43 834	10 106 (1)	43		-386	332	53 929
External software	37 864	4 326	15 837	-286	-1 225	-635	55 881
TOTAL GROSS VALUES	219 931	-1 194	48 711	11	-1 633	5 800	271 626

	Balance 12/31/2007	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance 12/31/2008
			Deprecia- tion	Change in scope			
Depreciation of licenses, patents	6 210	70	1 226	241	-44	148	7 851
Depreciation Software	40 455	-886	16 490	-157	-1 515	-188	54 199
TOTAL DEPRECIATION AND IMPAIRMENT	46 665	-816	17 716	84	-1 559	-40	62 050
NET VALUES	173 266						209 576

(1) Reclassification of development costs of internal software following launch for a net total of 674 thousand euros

(2) Including development costs:

- Cegedim 19 810 thousand euros
- Cegedim Activ 4 210 thousand euros
- Cegedim SRH 2 104 thousand euros
- IES 2 664 thousand euros

NOTE 4: TANGIBLE FIXED ASSETS

(In thousands of euros)

	Balance 12/31/2007	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance 12/31/2008
			Acquisitions	Change in scope			
Land (1)	537		65		-54	-23	525
Buildings (1)	11 379	818	55	12	-6 069	-28	6 167
Plant, machinery and equipment (1)	83 893	-377	41 497	-339	-38 540	-1 452	84 682
Other tangible fixed assets	43 122	399	6 743	-118	-2 364	-485	47 297
Construction work in progress	15	141	2 660		-5	14	2 825
Advances and payments	0		5				5
TOTAL GROSS VALUES	138 946	981	51 025	-445	-47 032	-1 974	141 501

	Balance 12/31/2007	Opening reclassification and correction	Increase		Decrease	Change in rate	Balance 12/31/2008
			Deprecia- -tion	Change in scope			
Depreciation of land	0		21			-3	18
Depreciation of buildings	2 488	188	309		-390	25	2 620
Depreciation of plant, machinery and equipment	51 346	-814	44 885	-287	-38 061	-864	56 205
Depreciation of other tangible fixed assets	22 839	1 112	6 376	387	-2 098	-659	27 957
TOTAL DEPRECIATION	76 673	486	51 591	100	-40 549	-1 501	86 800

⁽¹⁾ Including lease (see note 19)

NOTE 5: NON-CURRENT FINANCIAL ASSETS

(In thousands of euros)

	Balance 12/31/2007	Reclassification	Increase		Decrease	Change in rate	Balance 12/31/2008
			Acquisitions	Change in scope			
Shares (1)	973	-8	16	-1			980
Investments in EM companies	4 500			-383	-60		4 057
Loans	1 280	-35	857		-314	-23	1 765
Cash collateral	6 577	-194	890	-257	-1023	76	6 069
Other long-term investments	0						0
TOTAL GROSS VALUES	13 330	-237	1 763	-641	-1 397	53	12 871
Provisions for equity investments	745		18		-8		755
Provisions on loans	907						907
TOTAL PROVISIONS	1 652	0	18	0	-8	0	1 662
TOTAL NET VALUES	11 678	-237	1 745	-641	-1 389	53	11 209

(1) Including Neteffective for 899 thousand euros.

NOTE 6: SHARES ACCOUNTED FOR USING THE EQUITY METHOD

(In thousands of euros)

■ Value of shares accounted for using the equity method

	% interest	% control	Earnings	Group share of profits (losses)	Net position (excluding 2008 earnings)	Value of shares	Revenue
Edipharm	20,00%	20,00%	156	31	87	3	4 034
Hosta	38,38%	38,38%	-2 571 (1)	-553	1 439	2 153	13 279
Infodisk	34,00%	34,00%	-12	-4	56	14	971
Millennium	49,20%	49,20%	946	466	7 172	8 600	6 665
				-60			

■ Change in shares accounted for using 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, 2008	4500
Change in consolidation scope	-383
Earnings 12/2008	-60
Shares accounted for using the equity method at December 31, 2008	4 057

(1) The value of Hosta shares in the balance sheet is null and the negative share of the net position (-434 thousand euros) was allocated to the impairment of Hosta's goodwill.

NOTE 7: GOODWILL ON ACQUISITION

The first time a controlled company is consolidated, the entry value of the identifiable items of its assets and liabilities is determined using the methods described in chapter 1 - Accounting principles. An impairment test is carried out at least once a year and as soon as an impairment indicator is identified.

The discounting of flows performed during at the time of these tests is calculated using a rate corresponding to the zero-debt cost of equity (9.08% at end December 2008). The indefinite growth rate upheld for these tests is 2% at December 31, 2008. No impairment has been identified as a result of these tests.

The sensitivity of impairment tests was measured by varying the assumptions upheld for the discount rate and the indefinite growth rate by + or – 5 basis points. The results were as follows:

- The discounting of the business plans of sector-building CGUs, "Healthcare Professionals", by varying these parameters can, in all cases, continue to fully cover the operating assets (including goodwill) allocated to these CGUs.
- The same can be said for the "Europe and "Asia" CGUs in the "CRM and strategic data" sector.
- The discounting of the business plans of the "Americas" CGU of the "CRM and strategic data" sector is no longer sufficient to fully cover the operating assets in the event of a simultaneous degradation of both parameters (increase in discount rate of 0.5 points and decrease in indefinite growth rate of 0.5 points). In such a scenario, the non-covered assets would amount to 8 million euros (i.e. 1.7% of the sector's goodwill on acquisition). On the other hand, if one of these parameters were to deteriorate independently from the other, the assets would remain fully covered.
- The discounting of the business plans of the "Insurances and services" sector is no longer sufficient to fully cover the operating assets in the event of an increase in the discount rate of 0.5 points with an indefinite growth rate of less than or equal to 2%. In the worst case scenario, the non-covered assets would amount to 3.7 million euros. It should be noted that around 45% of the operating assets of this sector are depreciable.

Segment Presentation of CGUs	Balance 12/31/2007	Reappropriation Tech & Services sector	Scope	Impairment	Revaluation	Balance 12/31/2008
CRM and strategic data	469 488	15	8 723		21 728	499 954
Healthcare professionals	79 713	1 024	1 055		-6 665	75 127
Healthcare and insurance services	30 069	886	11 350	-434		41 871
Technologies and services	1 925	-1 925				0
Total	581 195	0	21 128	-434	15 063	616 952

NOTE 8: INVENTORIES AND WORK IN PROGRESS

(In thousands of euros)

	Gross values at 12/31/2008	Provision	Net values at 12/31/2008	Net values at 12/31/2007
Services in progress	958	-	958	769
Inventories of goods	12 115	757 (1)	11 358	8 736
TOTAL	13 073	757	12 316	9 505

(1) Including allowances 2008: 245 thousand euros
 reversals 2008: 185 thousand euros

NOTE 9: ACCOUNTS RECEIVABLE

(In thousands of euros)

	CUSTOMERS		Balance 12/31/2008	Balance 12/31/2007
	Current	Non-current		
French companies	116 217	9 175 (1)	125 392	147 684
Foreign companies	88 527		88 527	95 962
TOTAL GROSS VALUES	204 744	9 175	213 919	243 646
Provisions	5 794		5 794	4 639
TOTAL NET VALUES	198 950	9 175	208 125	239 007

(1) Receivables corresponding to long-term financial leases granted by Cegelease

Receivables are valued at their face value.

A provision for impairment is recognized if the inventory value, based on the probability of their collection, is less than the recorded value. Thus, doubtful clients 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, is 56.5 million euros at December 31, 2008.

Aged trial balance

(In thousands of euros)

Aged trial balance 2008	Total past-due receivables	Receivables	Receivables 1 to 2 months	Receivables 2 to 3 months	Receivables 3 to 4 months	Receivables > 4 months
French companies	17 653	6 395	4 922	1 491	3 049	1 795
Foreign companies	37 205	19 693	7 470	3 165	3 168	3 708
TOTAL	54 857	26 088	12 392	4 656	6 217	5 503

NOTE 10: OTHER RECEIVABLES

(In thousands of euros)

	Social debtors	Tax debtors	Other receivables	Balance 12/31/2008	Balance 12/31/2007
<u>Current receivables</u>					
French companies	365	17 254	2 025	19 643	23 208
Foreign companies	60	2 392	8 663	11 114	12 909
TOTAL gross values	424	19 646	10 687	30 757	36 117
Provisions			25	25	55
Total current receivables (net values)	424	19 646	10 663	30 733	36 062
<u>Non-current receivables</u>					
French companies				0	0
Foreign companies		517	2 243	2 760	2 136
TOTAL gross values	0	517	2 243	2 760	2 136
Provisions			0	0	0
Total non-current receivables (net values)	0	517	2 243	2 760	2 136

NOTE 11: DISTRIBUTION OF THE CAPITAL

(In thousands of euros)

Considering the operations that occurred during the year, the closing situation for the fiscal year analyzed is as follows:

SHAREHOLDERS	# shares held	% held	# single votes	# double votes		total votes	% of Voting Rights
				Shares	votes		
FCB (ex Financière Cegedim)	6 221 044	66.67%	29 000	6 192 044	12 384 088	12 413 088	75,04%
Alliance Healthcare	933 145	10%	0	933 145	1 866 290	1 866 290	11,28%
Jean-Claude Labrune	38 496	0.41%	0	38 496	76 992	76 992	0,47%
GERS	36 788	0.39%	0	36 788	73 576	73 576	0,44%
Free float	2 101 976	22.53%	2 091 588	10 388	20 776	2 112 364	12,77%
Total	9 331 449	100%	2 120 588	7 210 861	14 421 722	16 542 310	100%

It is stipulated that FCB (ex Financière Cegedim) holds registered capital for 66.67% and 75.04% of voting rights. In addition, FCB (ex Financière Cegedim) holds 50 511 bearer shares, which in aggregate equals 67.21% of the capital and 75.34% of voting rights.
The par value of the shares is €0.9528.

NOTE 12: CURRENT AND NON-CURRENT PROVISIONS

(In thousands of euros)

Provisions are determined on the basis of estimated future costs for the company.

	Balance 12/31/2007	Reclassi- fication	Change in consoli- dation scope	Allowances		Reversals		Change in rate	Balance 12/31/2008
				Additional provisions	New provisions	On provisions used	On provisions not used		
Current provisions									
Provision for litigation with employees	1 681	(60)	(6)		444	218	70		1 771
Other provisions (1)	1 433	(27)			137	148		(9)	1 386
Provision for restructuring		2 222						127	2 349
Provisions for expenses		511	34		256	58		(15)	728
	3 114								6 234
Non-current provisions									
Provision for restructuring	10 706	570				1 332		533	10 477
Provision for retirement obligations	7 468	(1 299)	66		1 826	311	63	(33)	7 654
Provisions for litigation		152			43		3	(2)	190
Provisions for guarantees					11				11
Other provisions for risks		86	1		1		1		87
Provisions for expenses		202			167	36		1	334
	18 174								18 753
TOTAL	21 288	2 357	95	-	2 885	2 103	137	602	24 987

The amounts involved are insignificant if taken individually.

⁽¹⁾ Provisions for client, supplier risks.

NOTE 13: RETIREMENT LIABILITY

(In thousands of euros)

	Through an insurance fund	Through a provision for expenses
Retirement obligation covered	1 784	7 655

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 commitment amounts to 14 036 thousand euros of which 1 784 thousand euros is paid to an insurance company.

The actuarial assumptions used are as follows:

Economic assumptions	Discount rate:	2008	2007	2006	(including inflation)
	Expected asset yield rate:	5.0%	5.0%	4.5%	
	Wage increases:	2%	2%	2%	
Demographic assumptions	Mortality:	INSEE table 2004-2006			
	Mobility:	5% per year up to 35 years			
		3% up to 45 years			
		1.5% up to 50 years			
		0% 51 years old and older			
Retirement age:	Retirement at age 65				
Sensitivity to discount rate:	4.50%	5%		5.50%	
Liability for French companies:	14 897	13 805		12 819	

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,
- Labor Code.

Comparison of Actuarial Commitments and Hedge Assets

	2004	2005	2006	2007	2008
Actuarial commitments	6 476	8 555	10 001	9 552	14 036
Hedge Assets	(1 536)	(1 609)	(1 806)	(1 713)	(1 784)
Unrecognized prior service cost	(467)	(435)	(403)	(371)	(4 597)
Recognized liabilities	4 473	6 515	7 792	7 468	7 655

Change in the cost of services rendered and in the fair value of hedge instruments

In thousands of euros

			Dec. 31, 2008			
			Hedged commitment	Unhedged commitment	Foreign companies	Total
Opening actuarial liabilities	(1)	(1)	3 291	4 953	1 308	9 552
Cost of services rendered during the fiscal year	(a)		318	456	101	875
Financial cost for the fiscal year	(a)		165	247	54	466
Unrecognized prior service cost	(a)		1 707	2 551		4 258
Costs for the fiscal year	0(a)	(2)	2 190	3 254	155	5 599
Benefits paid out	(2)	(3)	(115)	(195)		(310)
Actuarial Losses (gains) generated during the fiscal year for the obligation	(3)	(4)	114	314		428
Newly consolidated companies		(5)			65	65
Companies no longer consolidated		(6)	6	(6)		-
Reclassification		(7)			(1 298)	(1 298)
Closing actuarial liabilities	(A)=(1)+(2)+(3)	(A) = (1)+(2)+(3)+(4)+(5)- (6)	5 486	8 320	230	14 036
Value of the hedge assets						
Opening fair value of the hedge assets	(4)		1 712			1 712
Expected return on assets	(b)		86			86
Contributions	(b)					-
Benefits paid out	(b)					-
Actuarial Gains (Losses) for the fiscal year generated on assets	(b)		(14)			(14)
Newly consolidated companies						-
Companies no longer consolidated						-
Closing fair value of the hedge assets	(B)=0(b)+(4)		1 784			1 784

Amounts recognized in the balance sheet and income statement

In thousands of euros

Dec. 31, 2008				
	Hedged commitment	Unhedged commitment	Foreign companies	Total
Cost of services rendered at the closing date	5 486	8 320	230	14 036
Fair value of the hedge assets	(1 784)			(1 784)
	3 702	8 320	230	12 252
Unrecognized prior service cost	(1 707)	(2 890)		(4 597)
Liabilities recognized in the Balance Sheet	1 995	5 430	230	7 655
Cost of services rendered during the fiscal year	318	456	101	875
Financial cost for the fiscal year	165	247	54	466
Return on assets	(86)			(86)
Recognized prior service cost - vested rights	-	32		32
Effect of plan reduction or liquidation	-	-		-
Expenses recognized in the Income Statement	397	735	155	1 287

Change in net liabilities recorded in the balance sheet

In thousands of euros

	Dec. 31, 2008			
	Hedged commitment	Unhedged commitment	Foreign companies	Total
Opening net liabilities	1 579	4 582	1 308	7 469
Actuarial losses (gains)	128	314	-	442
Expenses recognized in the Income Statement	397	735	155	1 287
Benefits paid out	(115)	(195)	-	(310)
Contributions paid	-	-	-	-
Newly consolidated companies	6	(6)	65	65
Companies no longer consolidated	-	-	-	-
Reclassification	-	-	(1 298)	(1 298)
Closing net liabilities	1 995	5 430	230	7 655

NOTE 14: NET FINANCIAL DEBT

In thousands of euros

	Financial	Miscellaneous	12/31/2008	12/31/2007
Long-term financial borrowing and liabilities (>5 years)				151 470
Medium- and long-term financial borrowing and liabilities (>1 year, < 5 years)	578 439	6 888	585 327	525 752
Short-term financial borrowing and liabilities (< 1 year)	86 225	1 825	88 050	1 564
Current bank loans	23 246		23 246	29 581
Total financial liabilities	687 910	8 713 ⁽¹⁾	696 623	708 367
Total positive cash flow	93 500		93 500	87 353
Net financial debt	594 410	8 713	603 123	621 014

⁽¹⁾ Including lease for 269 thousand euros and employee profit sharing for 7 957 thousand euros.

■ Statement of change in net indebtedness

		12/31/2008	12/31/2007
Net debt at the beginning of the fiscal year (A)		621 014	175 598
Gross cash flow margin (1)	1	103 128	97 375
Change in working capital requirement	2	20 132	20 031
Net cash flow generated by operating activities		123 260	117 406
Change resulting from investment transactions	4	-93 511	-36 666
Net available cash flow		29 749	80 740
Impact of changes in consolidation scope		-8 164	-522 061
Dividends		-8 270	-5 509
Increase in cash capital		0	0
Impact of changes in foreign currency exchange rates		-277	0
Change in cost of debt not paid		11 264	1 414
Other changes		-6 411	0
Total net change for the year (B)		17 891	-445 416
Net debt at year end (A - B)		603 123	621 014

(1) :

Operating cash flow after net cost of debt and income tax
Deferred taxes

Operating cash
flow
97 957
5 171

103 128

Bank loans have the following terms:

	< 1 year	> 1 year <5 years	> 5 years
Fixed Rate	151	163	-
3-month Euribor Rate	61 216	465 320	-
3-month Libor USD Rate	24 858	112 957	-
	<hr/> 86 225	<hr/> 578 439	

Main loans taken out are accompanied by terms concerning the consolidated financial statements related more particularly to net debt compared to the Group's operating cash flow or compared to shareholders equity or compared to the consolidated gross operating margin (or the EBITDA). At the close of the period, these ratios are satisfied.

■ Cost of net financial debt

In thousands of euros

	12/31/2008	12/31/2007
Income or cash equivalent	26 191	20 164
Cost of gross financial debt	69 809	47 793
Net financial debt costs	-43 618	-27 629
Of which for Cegedim: - interest on borrowing and bank charges	39 730	30 129

The impact of the net translation gains or losses represents a net expense of 7 416 thousand euros for 2008.

■ Financing

The financing of the acquisition of the Dendrite Group was carried out entirely through an outside loan contracted by the Cegedim Group.

Financing was implemented on May 9, 2007 to purchase Dendrite and to reconsolidate the existing debt.

At 12/31/2008, the financing is broken down as follows:

In thousands of euros:

- 350 000 thousand euros: as an amortizable loan until 2013.
- 130 000 thousand euros: as revolver credit facilities renewable every three months (amount used out of a total available line of 165 000 thousand euros).

In thousands of U.S. dollars:

- 200 000 thousand dollars: as an amortizable loan until 2013.

The loan of 350 000 thousands of euros and the revolver credit facilities of 83 333 thousand euros subscribed at a variable rate have been hedged by derivatives offering the following rates.

- A plain vanilla swap (convertible to an interest rate collar, no premium, 3.95%/5.48% over 3-month Euribor).

From 06/09/08 to 12/31/09 = 4.49% against the 3-month Euribor

From 12/31/08 to 03/31/09 = 4.64% against the 3-month Euribor

From 03/31/09 to 05/04/13 = 4.79% against the 3-month Euribor

At 12/31/08, then each quarter, the hedging bank has the option of converting the fixed rate paid by Cegedim to a collar on the 3-month Euribor with a base rate of 3.95% and a cap rate of 5.48%.

- A basis swap, recipient 1-month Euribor +0.14%, payer 3-month Euribor, maturity date 06/30/2009.

A loan for 200 000 thousand euros contracted at a variable rate was fully hedged by the following derivatives:

- A floating-rate receiver swap, payer fixed rate of 4.26%, maturity date 06/30/2009
- A fixed-rate receiver swap at 3.16%, payer 3-month Libor, USD, maturity date 06/30/2009
- A basis swap, recipient 1-month Libor +0.07%, payer 3-month Libor, USD, maturity date 06/30/2009

The interest expense resulting from these loans amounts to 38 279 thousand euros for 2008.

The change in fair value of these derivatives was recognized under equity for the effective part of those qualified as cash flow hedges (15 172 thousand euros) and in the income statement for their ineffective part and for those not qualified as hedges under IFRS standards (-1 065 thousand euros).

■ Interest rate hedges

In thousands of euros

STARTING DATE	ENDING DATE	PAR VALUE	RATE PAID	RATE REC'D	VARIABLE RATE	2009 ANNUAL FLOW	2010 ANNUAL FLOW	2011 ANNUAL FLOW	2012 & 2013 ANNUAL FLOW	LENGTH
27/09/2003	29/06/2005	143 709	4.26			-3 078	0	0	0	0.50
29/06/2004	29/06/2005	143 709	1.46			-11	0	0	0	0.50
29/06/2004	29/06/2005	143 709	1.46			-11	0	0	0	0.50
29/06/2004	29/06/2005	400 000	2.97			-60	0	0	0	0.50
29/06/2004	03/05/2009	433 333	4.49			-19 727	-19 727	-19 727	-26 483	4.40
		1 264 461	2,04			-22 886	-19 727	-19 727	-26 483	

STARTING DATE	ENDING DATE	PAR VALUE	RATE PAID	RATE REC'D	VARIABLE RATE	2009 ANNUAL FLOW	2010 ANNUAL FLOW	2011 ANNUAL FLOW	2012 & 2013 ANNUAL FLOW	LENGTH
27/09/2003	29/06/2005	143 709		LIBO3M\$	1.46	1 054	0	0	0	0.50
29/06/2004	29/06/2005	143 709		FIXED	3.16	2 283	0	0	0	0.50
29/06/2004	29/06/2005	143 709		LIBO1M\$	0.53	384	0	0	0	0.50
29/06/2004	29/06/2005	400 000		EUR1M	2.83	5 695	0	0	0	0.50
29/06/2004	03/05/2009	433 333		EUR3M	2.97	13 062	13 062	13 062	17 535	4.40
		1 264 461			2,50	22 478	13 062	13 062	17 535	

■ Liquidity Risk

In thousands of euros

Contractual cash flows are not discounted. For variable rate instruments, the rate used for calculation is the spot rate on 12/31/2008. When there is a fixed rate, the rate is used to calculate the future interest drops.

Cash flow

	Cash flow < 1 year	Cash flow (> 1 year, < 5 years)	Cash flow (> 5 years)
Bank loans	111 158	641 746	0
Hedging instruments	407	22 277	0
Current bank loans	23 246	0	0
Finance lease	126	143	0
Equity Investments	1 480	6 425	52
Miscellaneous including deposits & guarantees	218	268	0

Financial Instruments**Hypothesis: Variable rates 12/29/2008**

3-month Euribor Rate	2.9730%	1-month Euribor Rate	2.6920%
3-month Libor USD Rate	1.4588%	1-month Libor USD Rate	0.4613%

■ Forecasted cash flows – Financial instruments

In thousands of euros

	RATE	2009	2010	2011	2012	2013	2014 and +	TOTAL
SWAPS MT EUR								
Swaps borrowers EUR								
Fixed paid	2.04	-22 886	-19 727	-19 727	-19 781	-6 702	0	-88 822
Var. rec'd	2.50	22 478	13 062	13 062	13 098	4 437	0	66 138
TOTAL SWAPS MT		-407	-6 665	-6 665	-6 683	-2 264	0	-22 685

NOTE 15: OTHER LIABILITIES

In thousands of euros

	Current		Non-current	
	Balance 12/31/2008	Balance 12/31/2007	Balance 12/31/2008	Balance 12/31/2007
Advances and deposits received	3 734	2 832	-	-
Clients - Credits to be made	1 182	1 858	-	-
Expenses payable	8	388	-	46
Miscellaneous payables	13 996	2 473	19 822	13 958
Deferred income	35 146	42 234	-	-
Total	54 065	49 785	19 822	14 004

NOTE 16: EXTERNAL EXPENSES

In thousands of euros

	External expenses	
	12/31/2008	12/31/2007
Purchases of studies & services and purchases of unstocked goods	62 517	60 963
External services (leasing, maintenance, insurance)	60 137	64 414
Other: advertising, detached personnel, entertainment expenses, postal expenses...	106 498	98 619
Total external charges	229 152	223 996

(1) Reclassification of Purchases used for 12 246 thousand euros in 2007.

NOTE 17: DEFERRED TAXES

In thousands of euros

■ Breakdown of income tax expenses

The tax expense recognized during the fiscal year amounts to 12 994 thousand euros (compared to 17 872 thousand euros) in December 2007. This expense is broken down as follows:

	2008	2007
TAX PAYABLE		
France	-882	823
Abroad	8 704	4 118
TOTAL	7 822	4 941
DEFERRED TAXES		
France	2 425	9 535
Abroad	2 747	3 396
TOTAL	5 172	12 931
Total tax expense recognized in earnings	12 994	17 872

Cegedim S.A. is the parent company of a tax group comprised almost exclusively of French companies.

- 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 10.388 million euros for 2008 (7.263 million euros at 12/31/2007).
- The deficits of the companies included in the consolidation tax group flowed to the parent company.

Companies likely to become profitable again at an undetermined future time would potentially generate an additional future tax expense estimated at 11 435 thousand euros at December 31, 2008 for Cegedim S.A. Other foreign tax groups were formed where possible.

■ Theoretical tax expense and recognized tax expense

Reconciliation between the Group's theoretical tax charge and the tax expense actually recorded is presented in the following table:

	2008	2007
Net earnings	33 487	44 151
Group share of EM companies	60	233
Income taxes	12 994	17 872
Earnings before tax of consolidated companies (a)	46 541	62 256
<i>including French consolidated companies</i>	3 853	22 277
<i>including foreign consolidated companies</i>	42 688	39 979
Normal tax rate in France (b)	34.45%	34.45%
Theoretical tax expense (c) = (a) x (b)	16 033	21 447
Impact of income and expenses ultimately not deductible or not taxable	1 402	1 709
Impact of differences in tax rates on profits	-3 241	-1 537
Impact of differences in tax rates on capitalized losses	-2 719	-109
Uncapitalized tax on losses	2 112	1 638
Impact of differences in tax rates on earlier activation	38	296
Impact of tax credits	-631	-2 922
impact of exit of companies sold	0	-2 650
Tax expenses recognized in the Income Statement	12 994	17 872
Effective tax rate	27.92%	28.71%

■ Deferred tax assets and liabilities

Analysis by category of the temporal difference for the net deferred tax position recognized on the balance sheet (before compensation by fiscal entities for deferred tax assets and liabilities)

	TOTAL 12/31/2007	Earnings	Change in consolidation scope	Change in exchange rate	TOTAL 12/31/2008
DEFERRED TAX ASSETS					
Tax loss carry forwards and tax credits	27 728	-6 942	6 458	-1 211	26 033
Retirement obligations	2 062	242			2 304
Non-deductible provisions	1 233	305	16		1 554
Adjustment to fair value of financial instruments	487	-708	7 974		7 753
Cancellation of margin on inventory	149	38			187
Cancellation of internal capital gain	2 262	-1 368			894
Restatement of preliminary expenses	18	-4			14
Restatement of R&D margin		511			511
Other	221	1 456			1 677
TOTAL	34 160	-6 470	14 448	-1 211	40 927
DEFERRED TAX LIABILITIES					
Translation adjustments	-8 620	3 338	-405		-5 687
Cancellation of accelerated depreciation	-1 938	-184			-2 122
Cegelease unrealized capital gain	-3 223	52			-3 171
Cancellation of depreciation on goodwill	-951	-70			-1 021
Leasing	-155	45			-110
R&D capitalization	-2 232	-597			-2 829
Adjustment to fair value of financial instruments	0	-1 211			-1 211
Allocation DIL brands	-41 707	13		-2 172	-43 866
Other	-165	-88			-253
TOTAL	-58 991	1 298	-405	-2 172	-60 270
NET DEFERRED TAXES	-24 831	-5 172	14 043	-3 383	-19 343

The change in deferred taxes recognized in the consolidated balance sheet after compensation by fiscal entities for the deferred tax assets and liabilities can be verified as follows:

	Assets	Liabilities	Net
At December 31, 2007	29 095	-53 926	-24 831
Impact on earnings for the period	-6 470	1 298	-5 172
Impact on shareholders' equity	14 448	-405	14 043
Impact of net presentation by fiscal entity	-469	-2 913	-3 382
At December 31, 2008	36 603	-55 946	-19 343

The amount of taxes inactivated at December 31, 2008 is 6 651 thousand euros.

NOTE 18: LEASE COMMITMENTS

■ Financial Leases - Cegedim Group Lessor

Financial leases involve the Cegelease Company who provides financing for pharmacies and doctors.

Schedule of payments receivable and present value

These leases are financial leases with terms of 24 to 60 months for computer equipment and 36 to 84 months for capital goods.

In thousands of euros

	Rent due	Present value of payments
- Within one year	7 940	7 550
- Between one and 5 years	11 241	9 129
- More than 5 years	79	46
Total (A)	19 260	16 725
Financial income not acquired (B)		2 535
Minimum payments (A) + (B)	19 260	19 260

■ Operating Leases - Cegedim Group Lessee

The Group lists different types of operating leases in the Group:

- Real estate
- Computer equipment
- Photocopiers
- Vehicle leases

As for real estate leases, they are renewable every 3-6-9 years.

The Group signs standard leasing agreements.

The discount rate applied is 9.08%.

Payment schedule and present value

In thousands of euros

	Rent due	Present value of payments
- Within one year	31 100	
- Between one and 5 years	69 727	
- More than 5 years	13 716	
Total	114 543	93 913

NOTE 19: RESTATEMENT OF FINANCIAL LEASESCommitments on Cegedim Lessee financial lease contracts

In thousands of euros

	<u>Dep. term</u>	<u>Gross value</u>	<u>Depreciation accrued</u>	<u>Net book value</u>
Property		46	0	46
Buildings	15 to 40 years	1 006	505	501
Vehicles	3 years	211	40	171
Total assets held under financial leases		1 263	545	718

Payment schedule and present value

In thousands of euros

	<u>Rent due</u>	<u>Present value of payments</u>
- Within one year	115	105
- Between 1 and 5 years	158	151
- More than 5 years	0	0
Total (A)	273	256
Financial expenses (B)	17	
Present value of payments (A)-(B)	256	256

Lease payments are not indexed. The option exercise dates fall between 2009 and 2011 for virtually null residual values.

NOTE 20: EARNINGS PER SHARE

Earnings per share are calculated by dividing Group earnings by the number of shares making up the capital, excluding treasury shares (thus 9,331,449 shares at 12/31/2008 and at 12/31/2007).

NOTE 21: DILUTED EARNINGS PER SHARE

IAS 33 - Diluted earnings per share are calculated by dividing the net earnings for the fiscal year attributable to the ordinary shareholders (net earnings for the fiscal period after deducting preferred dividends) by the weighted average number of common shares outstanding during the fiscal year. On December 31, 2008, the diluted earnings per share were identical to the earnings per share due to the lack of dilutive instruments.

NOTE 22: OFF-BALANCE-SHEET COMMITMENTS

All the earn-outs have been recorded.

■ Guarantees given by Cegedim to its subsidiaries

Pharmastock Subsidiary

Joint and several surety of its subsidiary Pharmastock in favor of Baticentre concerning the performance of the terms of the leasing operation in the amount of €299 000 (Board of Directors authorization of August 13, 2002).

Cegelease Subsidiary

Guarantee given in case Cegelease defaults on the lease with Guilaur Sarl (Board of Directors authorization dated September 3, 2003).

Letter of comfort issued to Ixis CIB for a flow exchange transaction concluded between itself and Cegelease (authorized by the Board of Directors on April 20, 2007).

Dendrite International Inc Subsidiary

Security of 3.5 million dollars in favor of the Bank of America (Board of Directors authorization dated December 27, 2007).

All Subsidiaries

Authorization of one year 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 March 21, 2008).

■ Subsidiary shares pledged

For the signing of an amendment to financing agreement for the acquisition of Dendrite, shares of the following companies were pledged in 2008: Icomed, RNP, Sofiloca, RESIP, Pharmastock, Pharmapost, MedExact, Hospitals, Cegedim Activ, Cegelease, Pco Cegedim Alliance Software, Alliade, Belgium Cegedim, Cegedim Italia. The collateral securities subsidiaries of 31 December 2007 are still in force. (In Practice Systems, Alliade Europe, Epic Database Research Company Ltd, RX Cegedim, Dendrite International Inc. (DIL), Cegedim USA Inc.).

■ Subsidiary Securities

Pharmastock Subsidiary

Security in favor of France Paquets in the amount of 200 thousand euros.

Soltim Subsidiary

Security in favor of the Caisse Nationale de Sécurité Sociale de Casablanca in the amount of 74 thousand euros.

Security in favor of the CNOPS in the amount of 180 thousand euros.

Security in favor of the ANAM in the amount of 145 thousand euros.

Other Subsidiaries

Other securities have been granted by Cegedim and its subsidiaries for a total amount of 263 thousand euros.

NOTE 23: TREASURY SHARES

In 2008, the Company did not acquire any treasury shares.

NOTE 24: 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 25.

Identity of the parent company of Cegedim: FCB (ex Financière Cegedim)

A public limited company (S.A.) held primarily by Mr. Jean-Claude Labrune Chairman and Managing Director of Cegedim S.A., his family and by certain members of the Board of Directors of Cegedim SA.

Figures connected with the related parties

Certain transactions were carried out with companies who share a Cegedim S.A. Director. The main subsidiaries (companies consolidated with the full consolidated method) are listed in Note 1. Only the significant transactions are described below:

FCB (ex Financière Cegedim):

- The FCB (ex Financière Cegedim) reinvoices leases to Cegedim S.A., Pco Cegedim and Cegedim Activ for an amount of 6 351 thousand euros, as well as associated taxes in the amount of 409 thousand euros.
- The FCB (ex Financière Cegedim) invoiced head office costs for 2 019 thousand euros.
- The FCB (ex Financière Cegedim) granted a loan to Cegedim S.A. The total of the loan is 50 000 thousand euros at 12/31/2007. Interest relating to this loan for 2008 amounts to 4 040 thousand euros.
- The FCB (ex Financière Cegedim) acts as guarantor for the securitization contract between Cegelease and Ixis CIB for 2 575 thousand euros.

	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007
	Companies under joint control or significant influence	Companies under joint control or significant influence	FCB (ex Financière Cegedim)	FCB (ex Financière Cegedim)	Family companies	Family companies
Income	none	none	151	128		-
Expenses	none	none	12 997	11 713	117	110
Loans	none	none	50 000	50 000		-
Security deposits	none	none	1 971	1 617	49	749
Receivables	none	none	30	14	-	
Provisions for receivables	none	none	none	none	none	none
Liabilities	none	none	6 902	-	-	-
Commitments made	none	none		none		none
Commitments received	none	none	2 575	2 033		none

NOTE 25: REMUNERATION OF DIRECTORS

Directors' fees paid to board members came to 61 thousand euros at December 31, 2008 and are recognized as "Other purchases and external expenses" in the income statement.

In thousands of euros

	12/31/2008	12/31/2007
	Gross Amount	Gross Amount
Short-term benefits (wages, bonuses, etc.)	1 566	1 434
Post-employment benefits	<i>none</i>	<i>none</i>
Severance pay	<i>none</i>	<i>none</i>
Benefits recognized	1 566	1 434
Termination benefits	<i>none</i>	<i>none</i>
Benefits not recognized	<i>none</i>	<i>none</i>

The short term benefits include the variable and fixed portions of the Director's compensation.

NOTE 26: EMPLOYEES

	12/31/2008	12/31/2007
France	3 239	2 948
International	5 000	5 084
Total	8 239	8 032

Personnel costs for 2008 amounted to 394 643 thousand euros.

NOTE 27: ASSIGNMENT OF RECEIVABLES

The Cegelease Company 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 (ex Financière Cegedim) has granted Natixis its guarantee to cover the risks of this flow exchange transaction.

To pay for the service provided by FCB (ex Financière Cegedim), 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.

The flow exchange transaction guaranteeing 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 (3 260 thousand euros for 2008) is calculated on the cash collateral.

NOTE 28: DIVIDENDS

The following dividend was approved and paid during the fiscal year, in compliance with the decision made during the Ordinary General Shareholders' Meeting held on 7 May 2008:

(In thousands of euros)	12/31/2008	
Dividend of 0.90 euros per share for the 2007 fiscal year	8 398	(1)
(1) Net amount paid		

NOTE 29: CAPITAL

At December 31, 2008, the capital is made up of 9 331 449 shares with a par value of 0.9528 euros, i.e. a total capital of 8 891 004.61 euros.

■ Award of free shares:

On March 21, 2008, the Board of Directors was authorized by the extraordinary shareholders' meeting of February 22, 2008, to award a total number of free shares 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 characteristics are the following:

- The free shares awarded will grant the right to dividends. Their distribution will be decided at the award date. The plan of March 21, 2008 granted a total of 28 900 free shares.
- The award of said shares to their 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 at the award date and four years for beneficiaries whose residence for tax purposes is not in France at the award date.
- The shares will be permanently awarded to their beneficiaries on a single condition: the absence of resignation, dismissal or layoff.
- As from the final award date, beneficiaries whose residence for tax purposes is in France as at the award date must keep their shares for a term of two years.

In application of standard IFRS 2, the expense measuring "the benefit" offered to employees is spread out linearly over the period of acquisition of the rights by the beneficiaries. The amount recognized at December 31, 2008 is €394 000.

The main characteristics of the plan are the following:

2008 free share award plan

Date of the shareholders' meeting	February 22, 2008	
Date of the Board of Directors meeting	March 21, 2008	
Date of plan opening	March 21, 2008	
Total number of shares than can be acquired	43 410 shares	
Initial subscription price	€52.00	
Date of free disposal of free shares		
	France	March 21, 2010
	Abroad	March 21, 2012

Position of plans at December 31, 2008

Total number of shares left to be acquired after recorded exercising of options and cancelled options		14 510
Adjusted acquisition price of free share awards		
	France	€48.77
	Abroad	€41.24

NOTE 30: POST-CLOSING EVENTS

In March 2009, GERS Maghreb, a subsidiary 100% owned by the Cegedim Group, acquired Next Software, a software publisher for pharmacies 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.

In March 2009, Cegedim S.A. canceled, at zero cost, its interest rate hedge of the entire loan of 350 million euros and a portion of the revolver credit facilities (83.3 million euros). This was substituted by a no premium collar, convertible to a fixed 3-month Euribor rate +2.62%; the coupon is capped at 5.58% and floored at 4.25%. For the first coupon, the 3-month Euribor is set at 1.65%. On June 30, 2009, and only on that date, the hedging bank has the option of converting the collar paid by Cegedim to a quarterly fixed rate swap at 4.79%.

NOTE 31 : ADITORS' FEES**En 2008***(In thousands of euros)***Audit**

Auditing, certification, review of individual and consolidated accounts

Cegedim SA

Fully consolidated subsidiaries

Other work and services directly linked to the assignment of the Auditors

Cegedim SA

Fully consolidated subsidiaries

Sub-total

Other services provided by the networks to fully consolidated subsidiaries

Legal, fiscal, social

Other

Sub-total

Total

2008			
Mazars	%	Grant Thornton	%
225	33.02%	225	56.30%
456	66.98%	163	40.76%
	0.00%		0.00%
0	0.00%	4	1.00%
681	100.00%	392	98.05%
	0.00%	8	1.95%
	0.00%		0.00%
0	0.00%	8	1.95%
681	100.00%	400	100.00%

En 2007*(In thousands of euros)***Audit**

Auditing, certification, review of individual and consolidated accounts

Cegedim SA

Fully consolidated subsidiaries

Other work and services directly linked to the assignment of the Auditors

Cegedim SA

Fully consolidated subsidiaries

Sub-total

Other services provided by the networks to fully consolidated subsidiaries

Legal, fiscal, social

Other

Sub-total

Total

2007			
Mazars	%	Grant Thornton	%
242	41.73%	242	47.80%
338	58.27%	260	51.40%
	0.00%		0.00%
	0.00%		0.00%
580	100.00%	502	99.20%
	0.00%	4	0.80%
	0.00%		0.00%
0	0.00%	4	0.80%
580	100.00%	506	100.00%

20.2.3 Auditor's General Report on the consolidated financial statements

Ladies and Gentlemen,

In compliance with the mandate entrusted to us by your shareholders' annual general meeting, we have audited the accompanying consolidated financial statements for Cegedim for the year ended December 31, 2008.

- The audit of the accompanying consolidated financial statements for Cegedim,
- The justification of our assessments,
- The specific verification provided for by law.

These consolidated 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 consolidated financial statements

We have conducted our audit in accordance with the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements for the fiscal year prepared in accordance with IFRS standards as adopted in the European Union fairly present, in all material respects, the assets, the financial position and earnings of the entity made up of the persons and entities included in the scope of consolidation.

II - Justification of our assessments

Pursuant to the provisions of article L. 823-9 of the Code of Commerce related to justifying our assessments, we bring to your attention the following information:

Accounting principles

Capitalization of development costs

As part of our assessment of the accounting principles applied by your Company, we examined the methods for recognizing development costs as assets as well as those used to depreciate them and to verify their recoverable value, and we made sure that the sections "Accounting principles - Intangible assets and impairment of assets" of the financial statements provide appropriate information.

Accounting estimates

Impairment tests

On each closing date, the Company systematically tests goodwill on acquisition and assets with an indefinite life for impairment and also determines whether there is an indication that long-term assets are impaired using the methods described in the section "Accounting principles - Impairment of assets" in the financial statements. We examined the methods used for this impairment test, as well as the cash flow projections and assumptions used, and we made sure that the section "Accounting principles - Impairment of assets" as well as note 7 to the financial statements provides appropriate information.

Retirement obligations

The section “Accounting principles - Employee benefits” indicates the methods for measuring retirement obligations. These obligations were measured by outside actuaries. Our work consisted in examining the data used, in assessing the assumptions used and in making sure that note 13 of the financial statements provides appropriate information.

As part of our assessments, we made sure that these estimates were reasonable.

The assessments performed are consistent with our approach to auditing consolidated financial statements taken in their entirety and therefore helped form our opinion expressed in the first part of this report.

III - Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Group's Management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Draw up in Paris and Courbevoie, on April 23, 2009.

The Auditors

Grant Thornton

100 rue de Courcelles – 75849 Paris Cedex 17
Tel. : +33 (0) 1 56 21 03 03

Michel Cohen
Auditor

Mazars & Guérard

61 rue Henri Regnault – 92400 Courbevoie
Tel. : +33 (0) 1 49 97 60 00

Jean-Paul Stevenard
Auditor

20.3 Audit of annual historical financial information**20.3.1 Audit of the historical financial information**

The Parent company financial statements drawn up at December 31, 2008 (and their comparative pro forma financial statements at December 31, 2007 and 20056) and the consolidated financial statements drawn up at December 31, 2008 (and their comparative financial statements drawn up in accordance with IFRS standards at December 31, 2007 and 2006) were audited by the independent Auditors. Their reports concerning fiscal year 2008 are presented respectively in chapters 20.1.3 and 20.2.3 of this Reference Document.

The reports for fiscal year 2007 are presented in the Reference Document filed with the Autorité des Marchés Financiers on April 29, 2008, under the number D.08-0328.

The reports for fiscal year 2006 are presented in the Reference Document filed with the Autorité des Marchés Financiers on April 23, 2007, under the number D.07-0365.

These reports and the statements accompanying them are included by reference in this Reference Document.

20.3.2 Other information contained in this Reference Document that was audited by the statutory Auditors

This entire Reference 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 of the person responsible for the Reference Document appearing in item 1.2.

20.3.3 Source of the financial information

The financial information appearing in this Reference Document was taken from the audited financial statements of Cegedim.

20.4 Date of the latest financial information

On the date of this Reference Document, the latest information audited goes back to December 31, 2008.

20.5 Interim financial information

No interim financial information has been published since December 31, 2008.

20.6 Dividend distribution policy

Previous fiscal years, the dividend distribution policy was to increase each year the dividend in the same ratio that net earnings.

For 2006, each shareholder received a dividend of €0.80 per share, a sum representing 19.3% of the Group share of consolidated net earnings.

For 2007, each shareholder received a dividend of €0.90 per share, a sum representing 19.2% of the Group share of consolidated net earnings.

Contrary to previous years, for 2008, the General Meeting will be asked to stop dividend distribution.

The number of shares remained the same in 2006, 2007 and 2008.

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.

20.7 Legal and arbitration procedures

Cf. item 4.4 of this Reference Document.

20.8 Significant changes in the financial or commercial position

The Group's financial or commercial position has not changed significantly since the end of fiscal year 2008.

21 - Additional Information

21.1 Share capital

The share capital of Cegedim S.A. is €8 891 004.61.

The following information is given at December 31, 2008.

The extraordinary shareholder's meeting held on February 22, 2008:

- Decided to authorize the Board of Directors, in accordance with the provisions of articles L. 225-197-1 to 225-197-4 of the Code of Commerce, to proceed, within a maximum of 38 months, to award free shares, existing or to be issued, to employees and/or managers of the Cegedim Group.

This authorization was acted on March 21, 2008 by the Board of Directors.

The extraordinary shareholder's meeting held on May 7, 2008:

- Decided to authorize the Board of Directors, in accordance with the provisions of article L 225-129-2 of the Code of Commerce, to proceed with a capital increase within a maximum of 26 months from this meeting limited to a maximum face value of €3 811 200, in one or more phases, with elimination of the preemptive subscription right.

This authorization was not acted on.

21.1.1 Subscribed Capital

There are 9 331 449 authorized shares. The shares have a par value of €0.9528.

There is no authorized unissued capital and there are no issued shares that are not fully paid up.

There was no change in the number of outstanding Cegedim shares during the 2008 fiscal year.

21.1.2 Shares not representing capital

There are no shares not representing capital.

21.1.3 Number, book value and par value of the shares held by Cegedim or in its own name

At December 31, 2008, Cegedim does not hold any 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 capital stock.

21.1.5 Conditions governing all acquisition rights and all obligations attached to subscribed, unpaid up capital or any undertaking seeking to increase the capital stock

None.

21.1.6 Information concerning the capital 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 €)	Capital (in €)	Par value (in €)
		Created	After transactions			
	Initial number of shares	488 300	-	-	-	15.24
12/94	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
04/98	Division of the par value by 4	6 298 728	8 398 304	-	8 001 957.45	0.9528063
12/00	Conversion of the capital into euros ⁽³⁾	-	8 398 304	-	8 001 904.05	0.9528
12/00	Capital increase through in-kind contribution	891 112	9 289 416	70 900 927.60 ⁽⁴⁾	8 850 955.56	0.9528
12/00	Capital increase through cash contribution	42 033	9 331 449	73 910 793.03 ⁽⁵⁾	8 891 004.61	0.9528

⁽¹⁾ FCB (ex Financière Cegedim), 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 capital 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 a capital 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.

Since December 2000, there have been no changes in Cegedim's share capital.

21.2 Deed of incorporation and bylaws

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, studies 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 studies, 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 operations 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, moveable 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 75 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;
- 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 75 may be named CEO. 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 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 capital stock they represent, a double voting right would be allotted to all fully paid-up shares providing proof of registration for at least 4 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 carry forward 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 modifications of the capital if these conditions are stricter than those required by law

None.

22 - Important Contracts

Significant contracts for the two years preceding the publication of this Reference Document, other than contracts signed in the normal course of business to which Cegedim or any other member of the Group is party, concern 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).

Cf. item 5.2.1 of this Reference Document for a recall 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 Reference Document is mentioned in the off balance sheet commitments appearing in note 22 to the notes to the consolidated financial statements presented in item 20 of this Reference Document.

23 - Information from Third Parties, Declarations Filed by Experts and Declarations of Interest

None

24 - Publicly Available Documents

During the term of validity of this Reference Document, the following documents (or copies of these documents) may be consulted at Cegedim S.A. corporate head-quarters:

- (a) The Cegedim deed of incorporation and bylaws;
- (b) All reports, correspondence and other documents, historical financial information, valuations and declarations prepared by an expert at the request of Cegedim, some of which are included or referred to in the registration document;
- (c) The historical financial information for Cegedim S.A. and its subsidiaries for each of the two fiscal years preceding the publication of this Reference Document.

25 - Information on Trade Investments

Cegedim's trade investments are presented in the organizational chart in item 7 of this Reference 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 exceed 30 000 thousand euros) are included in the Management Report found in item 26.

26 - Appendices

26.1 Corporate management report on operations for the fiscal year ended December 31, 2008

Annual ordinary General Meeting held on May 27, 2009.

Corporate management report on operations for the fiscal year ended December 31, 2008.

Ladies and Gentlemen,

We have called this annual ordinary General Meeting pursuant to the bylaws and the provisions of the Code of Commerce to report to you on the Company's activity during the fiscal year ended December 31, 2008, 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 S.A. corporate management report

PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the fiscal year ended December 31, 2008, 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 S.A. operations

Cegedim S.A. is a subsidiary of FCB (ex Financière Cegedim), the lead holding company of the Cegedim Group. It has been listed for trading on NYSE Euronext since 1995.

Cegedim provides various 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 particularly 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 nominative databases), and EDI (electronic data interchange) departments.

■ Highlights

Reorganization of sectors

Previously organized into four sectors, the Cegedim Group's skills are currently broken down into three sectors:

- "CRM and strategic data"
- "Healthcare professionals"
- "Insurances and services"

The document processing activities transferred to Tessi in 2007 represented around one third of the activity of the former "Technologies and services" sector. Following this transfer, and in order to mark the refocusing on its primary businesses, the Group decided to simplify the presentation of its sector information by consolidating its activities around its three historical sectors.

The activities of the former "Technologies and services" sector are now divided as follows:

<u>Entity</u>	<u>Activities</u>	<u>New sectors</u>	<u>Comments</u>
Pharmapost Pharmastock Montarget	Direct marketing	CRM and strategic data	Activities mostly performed with pharmaceutical companies
Cegelease Eurofarmat	Financial leasing	Healthcare professionals	Activities aimed at pharmacists and physicians
Cegedim SRH Pco Cegedim Midway	Facilities management services, computerized services, hosting	Insurances and services	Activities complementing the sector's outsourcing and services offering

Acquisitions during fiscal year 2008

In July 2008, Cegedim S.A. acquired Reportive, a publisher of performance management software with more than 130 customers, including 16 of the world's 20 largest pharmaceutical companies. The Reportive platform is an innovative solution for rapid development of reporting, analytical, and SFE (Sales Force Effectiveness) applications. While marketing activities continue to develop, this tool will initially replace the existing solution within Cegedim Strategic Data. It will then become the tool for producing statistics and field activity reports for the CRM division and will be used to complement and enhance the existing solutions.

Over a full year, Reportive activities represent revenue of around 2 million euros.

■ Changes in activity during fiscal year 2008

Revenue

In 2008, Cegedim S.A.'s business grew by 5.9%, with revenue increasing from 138.0 million euros to 146.2 million euros.

Cegedim S.A.'s revenue come primarily from services and any sales of software and hardware. These are relatively mature activities that Cegedim S.A. has been carrying out for many years. They do not call for any particular comments.

Operating income and expenses

Operating income decreased slightly by 0.6%. Operating expenses increased by 11.6%.

In particular, the fiscal year saw:

- A sharp decrease in depreciation and provision write-backs for 9.9 million euros compared to 2007, primarily due to the write-back in 2007 of loan issue commissions and fees in order to spread them out over six years;
- An increase in “Other external purchases and expenses” of 5.3 million euros, which is up 7.7% compared to 2007;
- An increase in payroll and benefit-related expenses of 6.9 million euros during the fiscal year;
- An increase in allocations to fixed asset depreciation of 1.4 million euros, allocations to provisions for 0.5 million euros, and allocations to provisions for risks and expenses for 0.4 million euros.

The impact as an absolute value of the few changes in other operating income and expense items was insignificant.

Operating earnings amounted to -0.4 million euros, down 17.0 million euros compared to 2007.

Financial income and expenses

Financial earnings amounted to a loss of 32.9 million euros compared to a loss of 10.9 million euros in 2007.

It was made up of 126.0 million euros in financial expenses, including 70.3 million euros in interest and related expenses primarily associated with the establishment of financing for the acquisition of the Dendrite Group and foreign exchange losses of 27.2 million euros.

Financial income totaled 93.2 million euros in 2008. It included dividends of 34.0 million euros received during 2008, which is an increase of 25.6 million euros compared to 2007.

Net gains on disposal of short-term investments in 2008 decreased by 3.8 million euros, corresponding mostly to the gains on the sale of Dendrite securities acquired in 2006.

Earnings before taxes

Earnings before taxes were -33.3 million euros compared to 5.7 million euros in 2007.

Non-recurring earnings

Non-recurring earnings for 2008 was 0.0 million euros compared to -1.6 million euros in 2007.

Income taxes

Income taxes in 2008 resulted in proceeds of 11.3 million euros primarily because of the corporate tax savings on the losses of the integrated companies.

Net earnings

Considering the above items and the employee profit-sharing of 0.7 million euros, net earnings for the fiscal year showed a loss of 22.7 million euros in 2008 compared to a profit of 11.2 million euros in 2007.

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, 2008, the balance sheet total of Cegedim S.A. came to 1 023 million euros compared to 962 million euros for the previous fiscal year, which is an increase of 6.3%.

■ Subsidiary activities

The subsidiaries' activity is described in the part of the Corporate Management Report devoted 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 revenue exceeded 30 million euros is included in an appendix to this Report.

FINANCIAL STRUCTURE AND DEBT

Shareholders' equity totaled 138.0 million euros at December 31, 2008, compared to 168.7 million euros at December 31, 2007, reflecting a decrease of 30.7 million euros as a result of the losses over the fiscal year.

Financial liabilities remained high at 765.9 million euros compared to 717.2 million euros for the previous fiscal year.

Considering the positive cash position, the net financial debt amounted to 737.4 million euros compared to 711.6 million euros at the end of 2007, an increase of 25.9 million euros.

INVESTMENTS

Cegedim S.A.'s investments are associated with its activities and logically involve the IT infrastructure and equity investments. Net intangible and tangible fixed assets increased by 18.9 million euros in 2008 (mainly for capitalized development projects).

Acquisition of direct and indirect equity investments

Company	% Held	Holding	Entry date
Reportive SA	100.0%	Direct holding	July 2008
Ultima	100.0%	Direct holding of 0.02% and indirect holding through several subsidiaries including Cegedim Turkey (99.92%), CAM (0.02%), CDS (0.02%), and Mr. Pierre Marucchi (0.02%)	February 2008

Sales of equity interests

During fiscal year 2008, Cegedim transferred no equity interests.

RESEARCH AND DEVELOPMENT ACTIVITY

Cegedim S.A. brings together the pooled development teams assigned to projects using the Group's shared IT infrastructure. Development projects resulted in an increase of 21.9 million euros in research and development expenses. These were capitalized as intangible assets, since the conditions set forth for this capitalization by the General Accounting System were satisfied.

The company put considerable effort into the development of a Cegedim-Dendrite convergence solution for the management of pharmaceutical company sales forces, development of OneKey offers in the United States, and the expansion of American offers to the global market.

At the same time, the projects particularly involved the revamping of the back-office for the Group's CRM offering, the invoice exchange and computerizing chain, the portals allowing commercial operation of the Group's solutions, as well as the revamping of the Care Sheet processing chain.

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 DEVELOPMENT

Key financial performance indicators

The key financial indicators at Cegedim S.A. are the following:

- Sales made 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 in 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 unexpected instances of force majeure. The main identified risks are as follows:

Exchange rate risk

Cegedim S.A. makes 14% of its revenue through exports, mostly in the Euro zone. As such, the Company has limited exposure to an exchange rate risk. There is no specific hedging to cover fluctuations in the exchange rates in relation to the euro.

Moreover, Cegedim contracted a 200 million dollars loan for which there is no euro/dollar hedge.

Interest rates risk and financial instruments

To limit the effects of rising interest rates in its financial expenses, and as requested in the credit agreement, Cegedim S.A. decided to implement a risk hedging policy involving protecting an annual maximum financing rate for the term of the loans.

The amount of debt exposed to interest rate risk amounts to 46.7 thousand euros (a fraction of the revolver credit at the 3-month Euribor rate). The subordinated debt in the amount of 50 000 thousand euros toward FCB (ex Financière Cegedim) has not been hedged. All of the other loans are hedged against an unfavorable change in interest rates.

Cf. infra: for the significant risk factors at the consolidated level.

Client risk

The clients of Cegedim S.A. are mainly pharmaceutical companies, physicians, 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

Since the end of the fiscal year, business has been conducted in compliance with the trends recorded during 2008.

Cf infra for events after the end of the fiscal year for the consolidated scope.

FORESEEABLE CHANGES IN THE COMPANY'S SITUATION AND FUTURE OUTLOOK

The 2008 operating margin should evolve based on relatively stable growth in revenue consistent with the maturity of Cegedim S.A.'s historical activities.

NON TAX-DEDUCTIBLE EXPENSES

In accordance with the provisions of Articles 223 *quater* and 223 *quinquies* of the General Tax Code, we indicate that the financial statements for the past fiscal year take into account the sum of €343 034.30 for non tax-deductible expenses.

As a result, the tax incurred due to these costs and expenses amounted to €118 175.

EARNINGS ALLOCATION

We propose allocating all of the earnings for the fiscal year, amounting to -€22 698 542.34, to the other reserves account.

Amount - Payment - Tax treatment of the dividend

There was 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 retained earnings.

REMINDER OF THE 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		
2005	9 331 449	€0.77	€7 185 215.73	None	None
2006	9 331 449	€0.80	€7 465 159.20	None	None
2007	9 331 449	€0.90	€8 398 304.10	None	None

INFORMATION CONCERNING THE CAPITAL HELD BY CERTAIN SHAREHOLDERS

In accordance with the provisions of Article L. 233-13 of the Code of 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-fourth, one-third, one-half, two-thirds, eighteen-twentieths, or nineteen-twentieths of the capital stock or voting rights at December 31, 2008:

	Number of shares	% Held	# single votes	# double votes		Total votes	% Voting rights
				Shares	Votes		
FCB (ex Financière Cegedim) registered	6 221 044	66.67%	29 000	6 192 044	12 384 088	12 413 088	75.04%
Alliance Healthcare France	933 145	10.00%	0	933 145	1 866 290	1 866 290	11.28%
Financière de l'Echiquier	496 680	5.32%	496 680	0	0	496 680	3.00%
Jean-Claude Labrune	38 496	0.41%	0	38 496	76 992	76 992	0.47%
GERS	36 788	0.39%	0	36 788	73 576	73 576	0.44%
Free float	1 605 296	17.20%	1 594 908	10 388	20 776	1 615 684	9.77%
Cegedim S.A.	0	0.00%	0	0	0	0	0.00%
Total	9 331 449	100.00%	2 120 588	7 210 861	14 421 722	16 542 310	100.00%

FCB (ex Financière Cegedim) holds 66.67% registered shares of the capital and 75.04% of the voting rights. In addition, FCB (ex Financière Cegedim) holds 50 511 bearer shares, or a total of 67.21% of the capital and 75.34% of the voting rights.

To the Company's knowledge, on the date this Reference Document was compiled, the shareholders holding more than 5% of the capital and voting rights are the same as in 2006: FCB (ex Financière Cegedim), Alliance Healthcare France, and Financière de l'Echiquier.

On December 31, 2007, the capital and voting rights were as follows:

	Number of shares	% Held	# single votes	# double votes		Total votes	% Voting rights
				Shares	Votes		
FCB (ex Financière Cegedim) registered	6 221 044	66.67%	29 000	6 192 044	12 384 088	12 413 088	75.04%
Alliance Healthcare France	933 145	10.00%	0	933 145	1 866 290	1 866 290	11.28%
Financière de l'Echiquier	589 221	6.31%	589 221	0	0	589 221	3.56%
Jean-Claude Labrune	38 496	0.41%	0	38 496	76 992	76 992	0.47%
GERS	36 788	0.39%	0	36 788	73 576	73 576	0.44%
Free Float	1 512 755	16.21%	1 502 368	10 387	20 774	1 523 142	9.21%
Cegedim S.A.	0	0.00%	0	0	0	0	0.00%
Total	9 331 449	100%	2 120 589	7 210 860	14 421 720	16 542 309	100%

ITEMS LIKELY TO HAVE AN IMPACT IN 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 authorities 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 entered into by the Company likely to be amended or to end in case of a change in control of the Company are relatively few in number and are confidential in nature;
- 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 PLAN

In accordance with the provisions of Article L. 225-102 of the Code of Commerce, we would like to report to you on the Company's employee equity participation plan as at the last day of the fiscal year. As at December 31, 2008, the Corporate Mutual Fund consisted of 72 000 Cegedim shares representing 0.77% of the capital.

COMMENTS FROM THE WORK COUNCIL

Pursuant to the provisions of Article L. 432-4 of the French Labor Code, we would like inform you that the Work Council has not made any comments concerning the Company's economic position and its employment practices.

AUDITORS' AUDIT

We ask you, in accordance with Article L. 225-40 of the Code of Commerce, 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 that they 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 2008 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 fiscal year in progress, which could be set at 45 thousand euros.

INFORMATION CONCERNING THE CORPORATE OFFICERS

List of corporate officers

In accordance with the provisions of Article L. 225-102-1, paragraph 3, of the Code of Commerce, we have provided in the appendix a list of all the offices held and duties performed in all companies by each of the Company's corporate officers.

Compensation of corporate officers

Pursuant to Article L. 225-102-1, paragraph 2, of the Code of Commerce, we would like to inform you that the amount 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 as per Article L. 233-16 of the Code of Commerce is indicated in the appended list.

SECURITIES TRANSACTIONS

Treasury shares

We would like to inform you that, at December 31, 2008, the Company did not hold any treasury shares.

Transactions on securities held by corporate officers

To the Company's knowledge, and for the period from January 1 to December 31, 2008, no Cegedim corporate officer carried out transactions on securities, except for Mr. Pierre Marucchi, Deputy Managing Director, who purchased 1,130 securities in Cegedim during the 2008 fiscal year.

AUTHORIZATIONS CONCERNING CAPITAL INCREASES

The combined General Meeting of shareholders held on February 22, 2008:

- Decided to authorize the Board of Directors, in accordance with the provisions of Articles L. 225-197-1 to 225-197-4 of the Code of Commerce, to proceed, within a maximum of 38 months, to allocate free shares, existing or to be issued, to employees and/or managers of the Cegedim Group.

This authorization was implemented by the Board of Directors on March 21, 2008.

The combined General Meeting of shareholders held on May 7, 2008:

- Decided to authorize the Board of Directors, in accordance with the provisions of Article L. 225-129-2 of the Code of Commerce, to carry out a capital increase, within a maximum of 26 months from this meeting limited to a maximum nominal amount of €3 811 200, in one or more phases, with or without the shareholders' preemptive subscription right.

This authorization was not applied.

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, 2008, 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 ACTIVITY DURING THE PAST FISCAL YEAR

Group activities

Founded in 1969, Cegedim is a global technology and services company specializing in healthcare. Cegedim offers services, IT tools, specialized software, and information flow and database management services. Its solutions target health industries, pharmaceutical laboratories, health professionals, and insurance companies.

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

- "CRM and strategic data"
- "Healthcare professionals"
- "Insurances and services"

The world's 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 actions. 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 paramedical 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

Reorganization of sectors

Previously organized into four sectors, the Cegedim Group's skills are currently broken down into three sectors:

- "CRM and strategic data"
- "Healthcare professionals"
- "Insurances and services"

The document processing activities transferred to Tessi in 2007 represented around one third of the activity of the former "Technologies and services" sector. Following this transfer, and in order to mark the refocusing on its primary businesses, the Group decided to simplify the presentation of its sector information by consolidating its activities around its three historical sectors.

The activities of the former “Technologies and services” sector are now divided as follows:

Entity	Activities	New sectors	Comments
Pharmapost Pharmastock Montarget	Direct marketing	CRM and strategic data	Activities mostly performed with pharmaceutical companies
Cegelease Eurofarmat	Financial leasing	Healthcare professionals	Activities aimed at pharmacists and physicians
Cegedim SRH PCO Cegedim Midway	Facilities management services, computerized services, hosting	Insurances and services	Activities complementing the sector's outsourcing and services offering

Acquisitions during fiscal year 2008

■ CRM and strategic data

February 2008: acquisition of Ultima, supplier of CRM solutions in Turkey. The inclusion of Ultima's database reinforces the existing OneKey database, making Cegedim a leader in this country. Over a full year, Ultima's revenue is about 1 million euros.

July 2008: acquisition of Reportive, a publisher of performance management software with more than 130 customers, including 16 of the world's 20 largest pharmaceutical companies. The Reportive platform is an innovative solution for rapid development of reporting, analytical, and SFE (Sales Force Effectiveness) applications. While marketing activities continue to develop, this tool will initially replace the existing solution within Cegedim Strategic Data. It will then become the tool for producing statistics and field activity reports for the CRM division and will be used to complement and enhance the existing solutions. Over the full year, Reportive activities represented revenue of around 2 million euros.

■ Healthcare professionals

April 2008: acquisition of 01 Santé, publisher of the “MegaBaze” healthcare software. This company has a strong position in the field of oncology with its OncoBaze software, currently used by nearly 70 clinics in France (including 25 of the largest). Cegedim is thus confirming its willingness to expand in the oncology sector in France and abroad.

Over a full year, revenue from these activities is about 1 million euros.

■ Healthcare insurance services

February 2008: acquisition of Protectia, a French publisher of health software packages dedicated to personal insurance, managing nearly 1.5 million people. This transaction enriches Cegedim's range of services in the “middle market” segment with a modern solution based on the latest technology. The acquired activities represent annual revenue of approximately 4 million euros.

Transfer of the American activities of Distribution Services

On December 1, 2008, the American activities of Distribution Services, made up of Direct Mail, Sample & Fulfillment, and Doc Scanning activities, were transferred.

This opportunity allowed Cegedim to transfer these assets to a player whose skill is recognized on the market. The general operating terms and conditions are covered by a confidentiality agreement.

Deconsolidation of the Cegelease debt

Cegelease is a French subsidiary of Cegedim that provides financing solutions for pharmacies, primarily for their computer equipment. This activity significantly increases the Cegedim Group's financial debts, but with a risk level that is very low because of the solid solvability profiles of the pharmacist customers.

Through a balance sheet transaction (securitization), it was decided, in continuing the transaction carried out during fiscal year 2007, to deconsolidate a portion of this debt for fiscal year 2008.

Impact on the 2008 consolidated financial statements

■ Deconsolidation of the Cegelease debt

The permanent deconsolidation of the debt was decided in order to improve the cash position. Continuing with the transaction made during fiscal year 2007, Cegelease transferred a portion of its claims without recourse to Natixis in exchange for a contribution in cash of 53.5 million euros, in two transactions: one in the first half for 34.5 million euros, and another in the second half for 19.0 million euros.

Changes in activity during fiscal year 2008

Consolidated revenue in 2008 amounted to 848.6 million euros, up 16.6% compared to the previous year at a constant scope and exchange rate. As a reminder, change in constant scope excludes restatement of Dendrite's activities acquired in May 2007 having an impact in the "CRM and strategic data" sector that is inseparable because of the mergers that took place. Revenue increased 12.7% in published data. All of the Group's activity sectors contributed to this growth. The 2008 published revenue was negatively affected by exchange change (dollar and pound sterling in particular) and the anticipated reduction of activity of Dendrite's main client in the United States.

Operating income amounted to 90.2 million euros, which is approximately the same as last year, with the margin totaling 10.6% compared to 11.9% in 2007. This anticipated decrease was due to the decline in the operating earnings of the US subsidiary following the drop in activity from its main client. Operating earnings before interest and taxes amounted to 96.6 million euros, also at a level similar to that of last year. The margin was 11.4% compared to 12.7% in 2007.

For 2008, all restructuring and integration (IFRS and non-IFRS) income and expenses reached 14.9 million euros, in line with the published budget. Considering these elements, operating earnings decreased to 105.1 million euros, i.e. a margin of 12.4%, similar to that of 2007.

<i>IFRS in thousands of euros</i>	2008 Sales	2007 Sales	2008 ordinary operating income		2007 ordinary operating income	
			In thousands of euros	As a %	In thousands of euros	As a %
CRM and strategic data	492 620	460 069	55 565	11.3%	64 901	14.1%
Healthcare professionals	250 214	191 356	34 537	13.8%	28 123	14.7%
Insurances and services	105 743	101 569	6 535	6.2%	2 240	2.2%
Total revenue	848 577	752 994	96 637	11.4%	95 264	12.7%

CRM and strategic data

- Sales for 2008 reached 493 million euros, an increase of 11.6% in comparable data and 7.1% in published data.
- Ordinary operating earnings for 2008 totaled 55.6 million euros, down 14% compared to 2007. This expected decline was due to the decrease in the operating earnings of the US subsidiary following the drop in activity from its main client (cf. previous communication).
- The margin before interest and taxes for 2008 reached 11.3%, keeping in mind that it was 9.2% in the first half of 2008. The margin's improvement in the second half of the year confirms the full success of the integration and restructuring of Dendrite.

Healthcare professionals

- Sales for 2008 reached 250 million euros, an increase of 35.6% in comparable data and 30.8% in published data.
- Ordinary operating earnings increased 22.8% to 34.5 million euros as a result of the positive effects on the margins of the resource rationalization and optimization policies.
- The ordinary margin totaled 13.8% compared to 14.7% in 2007 as a result of Cegelease's strong growth, which margins are lower to other activities of this sector.

Insurances and services

- Revenue for 2008 reached 106 million euros, an increase of 3.1% in comparable data and 4.1% in published data.
- Operating earnings totaled 6.5 million euros, up 191% compared to 2007.
- The ordinary margin was 6.2% compared to 2.2% in 2007. This 4 points improvement in margin is explained by the adequacy of the investments made and the external growth.

2008 net earnings less than 2007

The Group share of net earnings totaled 33.7 million euros, down 23% compared to 2007. These earnings included the increased cost of debt due to a foreign exchange loss for fiscal year 2008 and a different reference period (acquisition of Dendrite in May 2007) partially offset by a decrease in tax expenses.

Net earnings per share totaled €3.6 compared to €4.7 in 2007, based on 9.3 million outstanding shares during the year.

Full compliance with commitments with banking partners

The main financial ratios show a controlled financial position. As such, the covenants set by the credit agreement were respected at December 31, 2008, with a ratio of net debt to restated EBITDA of 3.15 for a cap at 3.50 and a ratio of contractual EBITDA to financial expenses of 4.52 for a floor at 3.75.

FINANCIAL STRUCTURE AND DEBT

Stockholders' equity amounted to 242.0 million euros as at December 31, 2008, compared to 208.0 million euros as at December 31, 2007, reflecting a growth of 10.5 million euros combined with a positive translation difference for the Group of 23.9 million euros and a change in minority holdings (0.3 million euros).

Financial liabilities payable in less than one year amounted to 109.5 million euros, and financial liabilities payable in more than one year came to 578.4 million euros, i.e. a total of 687.9 million euros, compared to 698.2 million euros in 2007.

Considering the positive cash position, the Group's net financial debt amounted to 594.4 million euros compared to 610.8 million euros at the end of 2007, a decrease of 16.4 million euros. It represents 2.5 times the amount of shareholders' equity. The Group forecasts a return to a net debt ratio less than 3 times the EBITDA (earnings before income tax, depreciation & amortizations) during 2009.

Furthermore, in 2008, continuing the transaction made during fiscal year 2007, has made several complementary divestitures to Natixis of a portion of its claims in exchange for a contribution in cash of 53.5 million euros, in two transactions: one in the first half for 34.5 million euros, and another in the second half for 19.0 million euros.

INVESTMENTS

The direct equity investments made by Cegedim S.A. and indirect equity investments made via the Group's subsidiaries were presented earlier.

In 2008, net consolidated intangible assets grew by 36.3 million euros, while consolidated net tangible assets declined by 7.6 million euros.

RESEARCH AND DEVELOPMENT ACTIVITY

Cegedim S.A. brings together the pooled research and development teams assigned to projects using the Group's shared IT infrastructure. Certain subsidiaries also have their own teams and perform their R&D actions under the coordination of the corporate headquarters, which explains the concentration of research and development effort at Cegedim S.A.

Development costs capitalized in 2008 for projects in the development phase totaled 33.5 million euros, including 2.7 million euros for foreign subsidiaries (particularly the revamping of physician software in the United Kingdom) and 20.6 million euros invested by Cegedim S.A. (cf: section of this Report regarding Cegedim S.A.), 4.2 million euros on Cegedim Activ, and 2.1 million euros on Cegedim SRH (human resources management), which accelerated its research and development efforts.

The significant effort made by Cegedim S.A. focused on the development of a Cegedim-Dendrite convergence solution for the management of pharmaceutical company sales forces on the development of Onekey offerings in the United States and the expansion of US offerings to the global market.

They are rounded out by software and hardware investments, as well as by the work of the dedicated IT teams performed routinely within the Group's different subsidiaries in order to provide application maintenance for all of the solutions marketed.

In all, the Cegedim Group devotes around 8% of its consolidated revenue to research and development.

ANALYSIS OF BUSINESS DEVELOPMENTS

Key financial performance indicators

The Cegedim Group's key financial indicators are:

- Consolidated sector sales;
- Consolidated ordinary operating earnings;
- Investments;
- Financial structure.

Detailed comments on these are provided above.

Key non-financial performance indicators

The key non-financial performance indicators applicable to Cegedim S.A. are also applicable at the consolidated Group level.

They are complemented by the various 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 has more than 200 000 users of its products and hopes to provide new services aimed at 400 000 mechanized 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 rate risk

To limit the effects of rising interest rates in its financial expenses, and as requested in the credit agreement, the Group decided to implement a risk hedging policy involving protecting an annual maximum financing rate for the term of the loans. Only Cegedim S.A. hedges loans when necessary.

The amount of debt exposed to interest rate risk amounts to 46.7 thousand euros (a fraction of the revolver credit at the 3-month Euribor rate). The subordinated debt in the amount of 50 000 thousand euros toward FCB (ex Financière Cegedim) has not been hedged. All of the other loans are hedged against an unfavorable change in interest rates.

Exchange rate risk

Foreign currencies that currently represent a significant portion of consolidated turnover are the pound sterling (10% of revenue) and the dollar (around 15% of revenue). There is no particular hedge preventing fluctuations in these currencies compared to the euro, which could expose the Group to a more or less significant exchange rate risk depending on the years. In addition, the Group has taken out a loan in the amount of 200 million dollars for which there is no euro/dollar hedge.

Liquidity risk

The Group's non-operational liquidity risk is mainly generated by the maturity date of its bank loans involving the payment of interest and payment flows on financial instruments and on other debt on which no interest is paid.

The credit agreement entered into by the Group requires compliance with financial covenants in the absence of which the use of additional drawdowns of the revolver credit may no longer be available and credit could become payable in advance.

Aside from the usual covenants for this type of agreement, the Group must meet two ratios (net financial debt to EBITDA and pro-forma EBITDA to the cost of debt) and comply with a limitation on acquisitions.

At June 30, 2008, and December 31, 2008, the Group complied with all its covenants.

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 centralizes and monitors the regulations in effect and ensures that the Group's business activities comply with the various laws that apply. Changes in legislation or a change in regulations could have an impact on the performance of the Group's activities and therefore on profitability.

Although the healthcare sector is highly regulated, the Cegedim Group, as a service provider, is not subject to special regulation aside from the rules regarding the protection and transfer of personal data. In particular, they require that systematic declarations be made to the regulators of each country in which the Group owns or manages files and databases.

There are no ties or technological dependencies with other companies whose threshold is significant enough to have an appreciable impact on the Group. The Group owns all assets needed for its operation. There are no special tax provisions applicable to the Group, which is a risk factor.

Legal risk

For the Group, the legal risk represents the risk of any litigation with a counterparty resulting from any inaccuracy, deficiencies, or insufficiency that could be attributed to it for its operations. 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 developed by the Group.

To the Company's knowledge, there is no litigation not covered by provisions in the financial statements 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 is the risk associated with a political situation or a decision of the political authority: nationalization without sufficient indemnity, revolution, exclusion of certain markets, discriminatory taxation, inability to repatriate capital, etc.

Through its international scope, the Group remains vigilant with regard to the political changes of the various countries where the subsidiaries are established.

Industrial and environmental risks

In 2008, the Cegedim Group launched its sustainable development program, Cegedim Compact, with reference to the UN Global Compact. This program aims to address the three concerns of sustainable development so as to contribute to issues of social equity, environmental preservation, and economic efficiency.

Operating in the sector of technologies and services associated with information and databases, the Cegedim Group's priority is to satisfy its clients and partners with regard to 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.

SIGNIFICANT EVENTS THAT OCCURRED SINCE THE CLOSING DATE OF THE FISCAL YEAR

In March 2009, GERS Maghreb, a wholly-owned subsidiary of the Cegedim Group, proceeded with the acquisition of Next Software, a publisher of pharmacy management software 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.

In March 2009, Cegedim S.A. cancelled, at no cost, its hedging on the entire loan of 350 000 thousand euros and a portion of the revolver credit facilities (83 333 thousand euros). In its place, the Group established a Collar, capped at 5.58% and floored at 4.25%, with no premium, convertible to a post-fixed 3-month Euribor fixed rate +2.62%, the coupon is capped at 5.58% and floored at 4.25%. For the first coupon, the 3-month Euribor is fixed at 1.65%. On June 30, 2009, and only on this date, the hedging bank has the option of transforming the collar paid by Cegedim into a swap at a fixed rate of 4.79% quarterly.

FORESEEABLE CHANGES IN THE GROUP'S POSITION AND FUTURE OUTLOOK

For 2009, revenues are expected to be at least at 900 million euros. All of the cost cutting policies implemented in 2008 have likely, all other things being equal, a positive effect on margins.

EMPLOYMENT AND ENVIRONMENTAL INFORMATION

To satisfy the provisions of Article L. 225-102-1 paragraph 4 of the Code of 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 of 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)

Closing date	12/31/2008	12/31/2007	12/31/2006	12/31/2005	12/31/2004
Length of the fiscal year (months)	12	12	12	12	12
<i>CAPITAL AT END OF FISCAL YEAR</i>					
Share capital	8 891 004.63	8 891 004.63	8 894 004.61	8 891 004.61	8 891 004.61
Number of shares					
- common	9 331 449	9 331 449	9 331 449	9 331 449	9 331 449
- with a preferred dividend					
Maximum number of shares to be created					
- through bond conversions					
- through subscription rights					
<i>OPERATIONS AND EARNINGS</i>					
Revenue excluding taxes	146 163 676.17	138 039 458.63	92 995 188.13	91 325 069.36	85 913 438.36
Earnings before taxes, profit sharing, depreciation, and provisions	(16 925 104.78)	6 730 293.61	45 185 487.32	33 201 883.40	28 294 792.70
Corporate taxes	(11 300 284.17)	(7 377 518.42)	(2 225 125.50)	5 202 082.28	2 447 702.00
Employee profit sharing	660 299.39	254 486.00	659 450.00	1 091 517.82	313 426.31
Depreciation and provisions	16 413 422.34	2 642 031.58	14 261 620.10	13 773 572.62	11 235 983.60
Net earnings	(22 698 542.34)	11 211 294.45	32 489 542.72	13 134 710.68	14 297 680.79
Distributed earnings	-	8 398 304.10	7 465 159.20	7 185 215.73	6 345 385.00
<i>EARNINGS PER SHARE</i>					
Profit after tax, profit sharing, and before allowances, depreciation, and provisions.	-0.67	1.48	5.01	2.88	2.74
Profit after tax, profit sharing, allowances, depreciation, and provisions.	-2.43	1.20	3.48	1.41	1.53
Dividend allotted	-	⁽¹⁾ 0.90	0.80	0.77	0.68
<i>PERSONNEL</i>					
Average number of employees	989	910	561	547	517
Payroll	45 136 048.62	40 295 672.42	24 925 176.89	23 703 911.76	22 204 889.37
Sums paid for employee benefits (social security, welfare institutions, etc.)	20 209 331.56	18 138 984.78	11 790 370.01	11 417 095.81	10 179 911.18

26.2.2 Inventory of securities at December 31, 2008

■ Ownership interests

COMPANIES	Number of shares or units	% stake	Net asset value
1. French companies			
AGDF CEGEDIM RS (ex ICSF)	1	0.001%	7
AMIX	500	100.00%	7,622
ALLIADIS	8 161	100.00%	44 224 377
ALLIANCE SOFTWARE	102 500	100.00%	5 828 433
APSYS NET	80 000	100.00%	950 618
BKL CONSULTANTS	532 000	100.00%	0
CCI International (ex: CBU)	1 000	100.00%	0
CDS	500	100.00%	8 868 269
CEGELEASE	6 450	100.00%	10 219 374
CEGERS	1 500	50.00%	22 867
CEGEDIM ACTIV	873 900	100.00%	20 495 450
CEGEDIM SRH	6 983 097	100.00%	2 586 543
CEGEDIM HOLDING CIS	4 000	100.00%	0
CETIP	39 311	99.66%	1 178 995
EDIPHARM	200	20.00%	3 049
HOSPITALIS	1 000	100.00%	0
ICOMED	2 500	100.00%	188 656
INCAMS	2 500	100.00%	2 625 662
I SANTE	750	100.00%	0
MEDEXACT	6 549	100.00%	654 900
PCO CEGEDIM	25 000	100.00%	1 617 803
PHARMAPOST	1 000	100.00%	2 665 754
PHARMASTOCK	5 000	100.00%	576 225
QUALIPHARMA	1 000	100.00%	0
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	2 516	99.84%	519 041
SOFILOCA	1 000	100.00%	15 245
SCI 2000	159	68.83%	846 739
NETFECTIVE TECHNOLOGY	8 715	7.11%	175 576
NEX & COM	240	20.00%	13 332
2. Foreign companies			
CEGEDIM INC USA	10 000	100.00%	302 632 276
CEGEDIM DO BRAZIL	1 736 825	100.00%	0
CEGEDIM HOLDING GMBH	500	100.00%	8 534 585
CEGEDIM GMBH (Austria)	13 000	100.00%	10 938
CEGEDIM POLAND	72	1.77%	10 278

CEGEDIM DENDRITE LIMITED	500	100.00%	0
IN PRACTICE SYSTEMS (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	1 000	100.00%	89 427
CEGEDIM TURKEY	23 332	99.98%	462 950
CEGEDIM HELLAS	11 932	99.98%	360 244
CEGEDIM ROUMANIA 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
BKL Pharma Consulting (Belgium)	1	0.02%	10
GERS MAGHREB (Tunisia)	630	6.42%	13 378
CEGEDIM TUNISIA	260	65.00%	0
CEGEDIM Algeria	100%	100.00%	11 064
CEGEDIM CIS (Czech Republic)	6 235	100.00%	955 241
CEGEDIM CZ (Czech Republic)	1 000	100.00%	28 796
CEGEDIM Italy	999 892	99.99%	10 024 736
CEGEDIM TRENDS (Egypt)	28	70.00%	434 351
CEGEDIM Spain	900 000	100.00%	1 656 337
CEGEDIM Portugal	985	98.50%	494 645
ULTIMA (Turkey)	1	0.02%	422

Total net equity investment value

791 583 631

■ Other long-term securities

For French companies: none

For international companies: none

■ Marketable securities

	Net asset value
Chevreux cash assets	441 122
Natixis commercial paper	18 958 343
Total marketable securities	19 399 465

■ Summary

	Net Asset Value (in euros)
Ownership interests	791 583 631
Other long-term securities	-
Marketable securities	19 399 465
Total	810 983 096

26.2.3 List of Directors in office, positions, and compensation

Prepared prior to the General Meeting held on May 27, 2009.

Mr. Jean-Claude Labrune – 137, rue d'Aguesseau, 92100 BOULOGNE

Positions	Companies
Chairman and Managing Director	Cegedim
Permanent representative	of Cegedim on the Board of Directors of Cegedim SRH
Chairman of the Board of Director	Cetip
S.A.S Chairman	FCB (ex Financière Cegedim) – Hospitalis – Pharmapost
Manager	Cegers – Icomed – JCL – RNP
Fixed compensation: €716 854	Director's fees: €11 500
Non-cash benefits: €3 804 - company vehicle.	

Mr. Laurent Labrune - 64, rue de Silly, 92100 BOULOGNE

Positions	Companies
Director	Cegedim – FCB (ex Financière Cegedim)
Chairman and Managing Director	Cegedim SRH
S.A.S Deputy Managing Director	FCB (ex Financière Cegedim)
Fixed compensation: €213 915	Variable compensation: €92 000
Director's fees: €7 500	
Non-cash benefits: €5 915 - company vehicle.	

Ms. Aude Labrune – 11, rue des Fontenelles, 92310 SEVRES

Positions	Companies
Director	Cegedim – FCB (ex Financière Cegedim)
S.A.S Chairman	Rosenwald
S.A.S Deputy Managing Director	FCB (ex Financière Cegedim)
Fixed compensation: €79 829	Variable compensation: €6 250
Director's fees: €7 500	
Non-cash benefits: €1 829 - company vehicle.	

GERS - Tour Franklin 100-101, quartier Boildieu, 92042 PARIS LA DEFENSE CEDEX

Permanent representative of GERS: François Blanot - 194, rue Jean-Louis Breteau 76230 Bois-Guillaume.

Positions	Companies
Chairman	GIE GERS
S.A.S. Deputy Managing Director	of GERS on the Board of Directors of Cegedim
Director's fees: €7 500	

Alliance Healthcare France – 222, rue des Caboeufs 92622 GENNEVILLIERS

Permanent representative of Alliance Healthcare France: Jean-Louis Mery – 194, av. de la Forêt 36330 Le Poinçonnet

Positions	Companies
Chairman and Managing Director	Alliance Healthcare France
S.A.S Chairman	Alliance Healthcare Repartition - Alliance Santé France – Sedley Participations France
Permanent representative	of Alliance Healthcare France on the Board of Directors of Cegedim – Alphega S.A.
Director's fees: €7 500	

FCB (ex Financière Cegedim) - 137, rue d'Aguesseau, 92100 BOULOGNE

Permanent representative of FCB (ex Financière Cegedim): Pierre Marucchi - 9, cour Jasmin, 75016 Paris

Positions	Companies
Director	Cetip – Cegedim SRH – FCB (ex Financière Cegedim) – Proval NTIC – Reportive
Permanent representative	of FCB (ex Financière Cegedim) on the Board of Directors of Cegedim
Chairman of the Board of Directors	AGDF Cegedim RS
Chairman and Managing Director	Proval
S.A.S. Chairman	CSD France (ex CAM) – CDS – Cegedim holding CIS – Cegedim Ingénierie – Chebranmic - DRE - Incams
S.A.S. Managing Director	FCB (ex Financière Cegedim)
Deputy Managing Director	Cegedim – Cegedim SRH - Reportive
Manager	Amix- Apsys net– Iris – iSante - Qualipharma - Resip
Fixed compensation: €288 692 Variable compensation: €168 544 Director's fees: €11 500	
Non-cash benefits: €3 693 - company vehicle.	

26.2.4 Employment information

(Article L. 225-102-1 paragraph 4 of the Code of Commerce)

	France 2008	Abroad 2008	Total 2008
<i><u>Employees at 12/31/08</u></i>			
Permanent	2 958	4 588	7 546
Fixed-term contracts	281	412	693
Total employees	3 239	5 000	8 239
“Full-time” employees ⁽¹⁾	3 024	4 543	7 567
“Part-time” employees	215	457	672
<i><u>Hires</u></i>			
Permanent	669	2 002	2 671
Fixed-term contracts	313	367	680
Total hires	982	2 369	3 351
Departures	674	2 237	2 911
Temporary employees (in person-days)	11 305	3 397	14 702
Absenteeism ⁽²⁾ (in person-days)	39 054	17 811	56 865
Payroll at 12/31/08 (thousands of euros)	121 146	175 639	296 785
Benefit-related expenses at 12/31/08 (thousands of euros)	60 925	36 933	97 858
Training (thousands of euros)	2 768	845	3 613

⁽¹⁾ Number of work hours in compliance with the regulations in effect in the various countries.

⁽²⁾ The absenteeism shown excludes paid holidays 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

26.2.5.1 – Cegedim Activ

■ Presentation

Cegedim Activ's activities include the publishing, sales, and integration of application software packages dedicated to personal insurance (Health, Pension) and associated services.

These solutions cover 30 million insured people in compulsory, supplemental, and pension plans. The healthcare flow management activity handles 200 million transactions and manages 5 million Vitale cards. 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 Aneto and Esquif software packages, thus covering healthcare reimbursements for 15 million people.

■ Activity during the fiscal year

Cegedim Activ is recognized as a key player in the field of healthcare and pension management.

During the fiscal year, the activity of Cegedim Activ grew sharply. Operating income increased by 6.7% to 65 304 thousand euros at December 31, 2008.

In February 2008, Cegedim Activ finalized the acquisition of Protectia, the French publisher of a healthcare software package dedicated to personal insurance, managing nearly 1.5 million people. This transaction enriches Cegedim Activ's range of services in the "middle market" segment with a modern solution based on the latest technology.

■ Statutory financial statements at December 31, 2008

Income statement

Operating earnings decreased by 13.3% during the fiscal year to 3 049 thousand euros at December 31, 2008. This decline resulted primarily from the following items:

- A 6.7% increase in operating income to 65 304 thousand euros at December 31, 2008;
- A significant increase in payroll by 4 699 thousand euros, or 21.3% during the fiscal year;
- A 240 thousand euros increase in depreciation expenses;
- "Other external purchases and expenses" of 29 282 thousand euros, down 72 thousand euros.

Financial earnings were -1 583 thousand euros in 2008, almost unchanged in relation to last year, under the combined effect of a strong increase in financial income (2 576 thousand euros primarily integrating the strong increase in financial income from equity interests) and financial expenses (2 738 thousand euros).

Although earnings before taxes amounted to 1 466 thousand euros at December 31, 2008, down 30% over the fiscal year, net earnings totaled 2 060 thousand euros, up 222.5% compared to 2007.

Balance Sheet

Net intangible, tangible, and financial assets continued to grow over the fiscal year, particularly following the acquisition of Protectia during the year.

Cegedim Activ's trade receivables were 21 363 thousand euros at December 31, 2008, a 14.5% decrease compared to last year.

Shareholders' equity increased to 25 179 thousand euros from 22 955 thousand euros in 2007, explained in large part by the fiscal year's good net earnings.

Various financial borrowings and liabilities amounted to 31 669 thousand euros at December 31, 2008, an increase of 53.1% for the fiscal year, primarily because of the increase in current accounts with the Group's entities to finance the acquisition of Protectia (from CWISL for 17 million euros, Croissance 2006 for 7 million euros, and Cegedim S.A. for 5 million euros).

■ Outlook for 2009

The personal insurance market is changing. We are witnessing accelerated growth in the regulations and, following the integration of Protectia in February 2008, Cegedim Activ expects to take advantage of 2009 to secure its "middle market" positioning and develop its sales.

26.2.5.2 - ALLIADIS

■ Presentation

Alliadis is part of the “pharmacist software” business in the Cegedim Group’s “Healthcare professionals” sector. It markets and sells the Alliance Plus 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, Data Conseil, and Servilog Concept 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

Business at Alliadis grew in 2008. Revenue increased 6.5% from 44 549 thousand euros to 47 444 thousand euros.

This increase can be broken down into:

- A 8.7% increase for the “sale of goods” activity;
- A 3.8% increase for the “maintenance and miscellaneous products” activity.

The growth in sales associated with sales of goods resulted mainly from a consolidation of the market shares captured last year through the acquisition of a company (Neyrial) and 400 pharmacies in the Auvergne region. Since this acquisition, sales for the Auvergne region have grown significantly. The change in sales associated with maintenance contracts primarily involved the Auvergne region.

Overall, operating income grew by 7.0%, while operating expenses grew by 9.0%.

■ Statutory financial statements at December 31, 2008

Income statement

Operating income fell slightly by 275 thousand euros (-3.8%) compared to the previous fiscal year to 6 914 thousand euros, which is explained particularly by the following combined effects:

- A 6.5% increase in revenue to 2 896 thousand euros
- An increase in purchases of goods and other supplies of 1 090 thousand euros (+8.0%) as well an increase in other external purchases and expenses of 713 thousand euros (+8.8%)
- An 8.9% increase in payroll to 1 275 thousand euros
- An increase of more than 108 thousand euros in retirement compensation provisions.

The other items in the income statement do not call for any particular comments.

Financial earnings at December 31, 2008, showed a profit of 4 064 thousand euros compared to a profit of 430 thousand euros for fiscal year 2007.

This change from one year to the next can be explained in particular by the following items.

Alliadis recorded a decrease in financial expenses of 109 thousand euros for the fiscal year, particularly because of an exchange loss of 2 461 thousand euros, a decrease in the financial accrual on a loan of 1 981 thousand euros, and a decrease in “interest on Cegedim current account” of 588 thousand euros.

Over the fiscal year, Alliadis recorded an increase in financial income of 3 526 thousand euros. This increase is explained in part by the write-back of the provision on the current account for 5 807 thousand euros and the decrease in revenue from equity investments for 1 905 thousand euros, which corresponds to the dividend paid in 2007 by Alliance Software, a subsidiary sold in 2008.

Earnings before taxes were 10 979 thousand euros compared to 7 619 thousand euros in 2007.

Balance Sheet

Alliadis granted a new loan of 14 thousand euros to its subsidiary Infodisk (company held at 34%).

At the same time, the other loans decreased by 21 292 thousand euros (in net value) compared to the previous close, primarily due to the repayment of the loan granted to the subsidiary Alliadis Europe Ltd and the repayment of the loan of 170 thousand euros granted in 2007 to the subsidiary Servilog Concept.

Cash assets increased by 15 706 thousand euros, and the loans made to the Cegedim Group were settled at the close of the fiscal year.

Stockholders' equity amounts to 24 533 thousand euros at December 31, 2008, compared to 17 212 thousand euros in 2007, which is an increase of 7 321 thousand euros.

■ Outlook for 2009

Alliadis projects an increase in its business and earnings in line with the trend observed in 2008.

26.2.5.3 - IN PRACTICE SYSTEMS

■ Presentation

In Practice Systems (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 earning 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 physicians 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 2008, the company's activity grew compared to the previous year, with increased revenue reaching 31 858 thousand pounds at December 31, 2008, compared to 26 338 thousand pounds at December 31, 2007.

■ Statutory financial statements at December 31, 2008

Income statement

Operating earnings were 4 657 thousand pounds at December 31, 2008, compared to 4 178 thousand pounds at December 31, 2007. This increase is explained primarily by the following items:

- Sales of 31 858 thousand pounds, increasing 21.0% over the fiscal year
- Increased purchases of good for 5 559 thousand pounds
- Decreased outside services for 1 935 thousand pounds
- Payroll increased by 1 193 thousand pounds

Financial earnings for the fiscal year remained positive over the fiscal year. It reached 634 thousand pounds in 2008 compared to 680 thousand pounds in 2007, combining financial income of 684 thousand pounds and interest expenses for an amount of 50 thousand pounds.

Given the preceding items, earnings before interest and taxes came to 5 291 thousand pounds.

Balance Sheet

The shareholders' equity of In Practice Systems reached 26 979 thousand pounds at December 31, 2008, increasing 5 245 thousand pounds over the fiscal year. The amount of the current accounts amounted to 28 378 thousand pounds at the end of December 2007.

■ Outlook for 2009

Continuing its excellent performance of the previous fiscal years, business should grow with an increase in revenue and operating earnings for 2009 compared to 2008 and a sustained operating margin.

26.2.5.4 - 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

In 2008, Cegelease's activity continued its growth. Revenue grew 44.6% from 59 420 thousand euros to 85 897 thousand euros.

The activity's growth continues to follow the development of the pharmacist computerization market and the activity of the Pharmalease and Médilease brands in the medical sector other than Pharmacy, but the strong increase in sales is also due to a very large increase in the assignment of contracts to financial partners.

We should also note an overall increase in operating income of 39.7% versus an increase in operating expenses of 36.7%.

■ Statutory financial statements at December 31, 2008

Income statement

Operating earnings amounted to 7 809 thousand euros, an increase of 3 537 thousand euros (+ 82.8%), resulting mainly from the following items:

- A significant increase in sales of 26 477 thousand euros, including 21 387 thousand euros in merchandise sales, up 85.2%, which is explained primarily by the fact that the new contracts are now assigned directly to the banks;
- A 22 267 thousand euros increase in operating expenses, including an increase in "Fixed asset depreciation" of 3 946 thousand euros.

The increase in depreciation follows the changes in the "Fixed assets" item (in direct relation with Cegelease's activity).

Purchases of goods, including the changes in inventory, went up significantly (81.7%) resulting from the sharp increase in contract assignment activity, mainly from the Pharmalease brand, which involves financing of automatic devices, fixtures, signs and heavy equipment, but also from other brands such as Cegelease, Médilease, and Cofidata, and are, for the most part, immediately assigned to financial institutions, in order to transfer the financial risk over the term of the contract.

Earnings before taxes were 4 894 thousand euros compared to 1 657 thousand euros in 2007, which is a decrease of 3 237 thousand euros.

Balance Sheet

In the assets, tangible assets totaled 65 601 thousand euros in 2008. The 4 689 thousand euros decrease over the fiscal year is explained by the fact that the new contracts are now assigned directly to the banks.

Inventories of goods grew sharply to 4 345 thousand euros in 2008 compared to 2 088 thousand euros in 2007, corresponding to contracts awaiting assignment to financial institutions and not in place at the closing date.

Receivables were 3 532 thousand euros in 2008 compared to 3 456 thousand euros in 2007, which is a slight increase of 76 thousand euros.

Following the assignment of numerous contracts to banking institutions, Cegelease's cash position saw a very large surplus in 2008, reaching 17 697 thousand euros.

In the liabilities, financial borrowings and debts with Société Générale and Crédit Lyonnais were completely repaid during the fiscal year.

Accounts payable remained stable over the fiscal year, reaching 6 417 thousand euros.

Other liabilities increased sharply from 47 815 thousand euros in 2007 to 69 680 thousand euros in 2008, as a result of the intensification of securitization operations with Natixis.

The other balance sheets items showed insignificant changes.

■ Outlook for 2009

In 2009, Cegelease will pursue its development by relying on its existing brands of financial leases applied to projects related to computerizing pharmacies and physicians' practices.

26.2.5.5 - DENDRITE INTERNATIONAL INC. (DIL)

■ Presentation

Since its acquisition on May 9, 2007, Dendrite International Inc. has been part of Cegedim Group's "CRM and strategic data" sector. It is a major leader for supplying solutions to the pharmaceutical and life science industry in the fields of sales, marketing, and compliance studies. Dendrite International Inc. carries out its activities in the United States. It is head of the Dendrite Group with activities covering North America, Asia-Pacific, and Europe. The following comments only concern the legal entity Dendrite International Inc. – USA.

■ Activity during the fiscal year

During fiscal year 2007, the activity of Dendrite International Inc ran only between May 9, 2007, and December 31, 2007.

In 2008, the company's activity remained stable with revenue of 197 533 thousand dollars at December 31, 2008, compared to 114 329 thousand dollars at December 31, 2007.

■ Statutory financial statements at December 31, 2008

Income statement

Sales for the period were 197 533 thousand dollars. They were primarily made up of revenue resulting from SFE (Sales Force Effectiveness) activities and database activities.

Operating earnings amounted to 23 880 thousand dollars at December 31, 2008. The savings from the implemented restructuring plan were successful. Payroll remained one of the most significant expenses at 103 578 thousand dollars.

Financial earnings at December 31, 2008, were -25 442 thousand dollars. Financial income was 27 375 thousand dollars for the period, while financial expenses, mainly interest and related expenses, were 52 817 thousand dollars.

For the period, earnings before taxes came to -10 755 thousand dollars.

Balance Sheet

At December 31, 2008, the main items making up the assets, in net value, were goodwill for 515 508 thousand dollars, concessions, patents, and brands for 153 200 thousand dollars, receivables for 81 450 thousand dollars, group current accounts payable in more than one year for 75 217 thousand dollars, and cash and cash equivalents for 30 222 thousand dollars.

At December 31, 2008, shareholders' equity totaled 366 715 thousand dollars, provisions for risks and expenses were 17 744 thousand dollars, accounts payable were 29 308 thousand dollars, and current accounts were 424 904 thousand dollars.

■ Outlook for 2009

The complementary nature of Dendrite International Inc. with the other entities in Cegedim Group's "CRM and strategic data" sector should continue during the next fiscal year and allow Dendrite International Inc. to retain its strong position in the United States.

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 of Commerce)

■ **Introduction**

In accordance with the provisions of Article L. 225-37 of the Code of Commerce, as amended by 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 General 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 is composed of six members.
The list of Directors of Cegedim S.A., including their positions held in other companies, is appended to the Corporate Management Report.

Frequency of meetings

Article 13 of the bylaws of Cegedim S.A. 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 seven times.

The schedule of meetings of the Board of Directors was as follows:

January 11, 2008	Preparation for and calling of the General Meeting to approve a proposed plan for free allocation of the company’s shares to directors and/or employees of the Cegedim Group
February 1, 2008	The increase of the capital of Cegedim Belgium, a subsidiary of the Group, by a maximum sum of 275 million euros
March 21, 2008	<ul style="list-style-type: none"> • Approval of the statutory financial statements for the fiscal year ended December 31, 2007 • Approval of the consolidated financial statements for the consolidation fiscal year ended December 31, 2007, • Proposed capital increase in cash, • Authorization for a capital increase reserved for employees, • Allocation of free shares as part of the authorization given by the extraordinary shareholders’ meeting of February 22, 2008: <ul style="list-style-type: none"> ✓ Determining the identity of the beneficiaries of the share allocations among the corporate officers and the employees of the Company or the companies of the Cegedim Group, ✓ Establishing the terms and conditions and, where applicable, the criteria for allocation of shares, ✓ Establishing regulations for the free share allocation plan, ✓ Modifying the methods for free share allocation for foreign residents, • Share buyback program, • Decisions to be made to prepare for and call the annual General Meeting to

	approve the financial statements for said fiscal year, • Approval of the provisional financial statements, • Miscellaneous business.
April 28, 2008	• Closing of a sales office in Mexico, • Signing of the conciliation act with TESSI.
June 23, 2008	• Examination and authorization to sign a proposed amendment drafted in English entitled "Second Supplemental Agreement (the "Second Supplemental Agreement") to the credit contract drafted in English entitled "Credit Facilities Agreement" entered into by the Company on May 3, 2007, as amended by successive amendments dated June 29, August 8, and December 17, 2007; • Examination and authorization to sign a proposed accession agreement drafted in English entitled "Accession Agreement" by Cegedim Deutschland GmbH in the credit contract drafted in English entitled "Credit Facilities Agreement" entered into by the Company on May 3, 2007, as amended by successive amendments, including the Second Supplemental Agreement; • Examination and authorization to sign a proposed accession agreement drafted in English entitled "Accession Agreement" by Cegedim Dendrite Limited in the credit contract drafted in English entitled "Credit Facilities Agreement" entered into by the Company on May 3, 2007, as amended by amendments, including the Second Supplemental Agreement; • Examination and authorization to sign a proposed financial instruments account master pledge agreement drafted in English entitled "Financial Instruments Account Master Pledge Agreement" (the "Master Pledge Agreement") pertaining to the financial instrument accounts opened in the name of the Company in the books of the following companies: (i) Medexact SAS, (ii) Alliadis SAS, (iii) Alliance Software SAS, (iv) Cegedim Activ SAS, (v) Cegelease SAS, (vi) Hospitalis SAS, (vii) PCO Cegedim SAS, and (viii) Pharmapost SAS, to whose credit appear the shares held by the Company in the capital of these companies; • Examination and authorization of a draft contract of hypothecation pertaining to the corporate shares of Icomed EURL held by the Company; • Examination and authorization of a draft contract of hypothecation pertaining to the corporate shares of RNP EURL held by the Company; • Examination and authorization of a draft contract of hypothecation pertaining to the corporate shares of Sofiloca EURL held by the Company; • Examination and authorization of a draft contract of hypothecation pertaining to the corporate shares of Resip EURL held by the Company; • Examination and authorization of a draft contract of hypothecation pertaining to the corporate shares of Pharmastock EURL held by the Company; • Examination and authorization of a draft contract of hypothecation pertaining to the shares of Cegedim Belgium N.V. held by the Company; • Examination and authorization of a draft contract of hypothecation pertaining to the shares of Cegedim Italia S.r.l. held by the Company; • Powers to carry out formalities; • Miscellaneous business.
September 17, 2008	• Capital increase – implementation of the delegation of authorization decided by the General Meeting of May 7, 2008, • Approval of the financial statements for the first six months of 2008, • Examination of the budgeted financial statements for the second half of 2008, • Decisions for the Group's foreign subsidiaries, • Decisions related to the free share allocations decided by the General Meeting of February 22, 2008, • Miscellaneous business.
October 15, 2008	• Payment of an equity investment supplement.

Convening of Directors

The Directors were convened by fax and e-mail in compliance with article 13 of the Cegedim S.A. bylaws.

In accordance with Article L. 225-238 of the Code of Commerce, the Auditors were convened to the Board of Directors meeting 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 are 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. At that time, each Director may request the documents necessary to perform his or her 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 the meetings of the Board of Directors are drawn up at the end of each meeting and sent to the Directors.

Directors' compensation

The compensation paid to Directors is stipulated in the list of Directors of Cegedim S.A. appended to the Corporate Management Report.

Limitation of the powers of the Chairman and Managing Director and of the Deputy Managing Director

We would like to inform you that the Board of Directors has not imposed any limitations on the powers of Jean-Claude Labrune, your Chairman and Managing Director, or on those of Pierre Marucchi, Deputy Managing Director.

■ 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 behavior of the responsible employees, without any systematic guarantee that these objectives will be met. On the one hand, it makes sure that the management actions or the performance of operations as well employee behaviors are consistent with the framework defined by the applicable laws and regulations as well as the Company's values, standards, and internal rules. On the other hand, it ensures that the accounting and financial information complies with the standards in force.

The internal control procedures in force within the Cegedim Group have the following purposes:

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 law 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 in 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 requires the spending of considerable effort to make the consolidation of the new activities successful. Conscious of what was at stake, in early 2008, the Group's Executive 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 optimization of team productivity. Chaired by an employee with more than 10 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 systematically looking at each business unit individually.

The security of its information processing operations

A leader in the sector of technologies and services tied 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 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 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 jobs.

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 General Management, and the Activity Divisions, thus encouraging the transparency of the strategies, risks, and actions implemented within the Group.

Cegedim's General 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, and the Communication Division.

Consistently since 2006, the Group has desired to strengthen its teams dedicated to controlling and coordinating international operations. Reporting to the General 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 the 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 related to developing financial and accounting information

In 2008, the Group continued its work to harmonize and optimize its information and internal control procedures in compliance with the financial security law.

Development 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 Group's French scope 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 procedure for providing consolidation documents. At the same time, the Management Control Division sends up their key financial and operational data on a monthly basis. The two Divisions routinely check the consistency of their data jointly.

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 pass up 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 developed by Management Control, allowing for regular tracking of key indicators.

IT tools used to develop 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 steering needs, new tools were implemented in 2008 under the direct responsibility of the Deputy 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 entering into contracts with third parties, depending on their purpose, the declarations and commitments that they contain, and, where applicable, the transnational nature of the operations that they govern. The Legal Department also centralizes information related to certain key contracts.

Control of internal security

Two specialized coordinators, both of whom report to the General Management, implement the internal security policy of the Cegedim Group: the Head of IT Security and the Head of Physical Security; both rely on a network of local correspondents.

The internal security policy involves the Department of Human Resources through awareness-raising and the commitments of all the Group's employees when hired and then at regular intervals.

Concerning the internal security of the information systems, Cegedim has pooled the IT resources available to its subsidiaries and their clients. The Group has also established a centralized internal security policy for its information system and for those of all its departments and subsidiaries.

The internal security policy for the information system covers, in particular:

- Employee security (reducing the risks of human error, theft, fraud, or abusive use of the infrastructures);
- Physical security (controlling access, damage, and disruptions associated with the Group's assets);
- IT access security (controlling access to information);
- Information security (ensuring an appropriate level of information protection);
- Systems administration security (ensuring that the information processing infrastructures operate correctly and reliably);
- The security of IT developments (incorporating security in the developments and ensuring the secured execution of support activities);
- Crisis prevention, detection, and management.

This policy is actively facilitated by the General Management, which, since 2005, has strengthened the team dedicated to security in the Information Systems Department. This team performs security audits of the Group's subsidiaries, particularly the foreign subsidiaries.

The Cegedim Group's main pharmaceutical company clients have adopted the PDA (Parenteral Drug Association) standards, which incorporate strict requirements concerning the auditing and control of corporate

information systems, (purpose of the COBIT standards, established by the Information Systems Audit and Control Association, and the recommendations of the COSO, Committee Of Sponsoring Organizations).

The PDA audit guide was therefore naturally adopted by the Cegedim Group.

With the integration of Dendrite in 2007, the Group again reinforced the security of its IT system, benefiting from a worldwide infrastructure, with hosting and production capabilities on five continents.

Control of operations management

Control of the Group's operations management covers four areas:

- The annual budget development process;
- Monthly "management" reporting and presentation of annual forecasts;
- Quarterly "business" reporting;
- The ad hoc inspection mandates performed for 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 consolidation process ensures that the information necessary for management and management control in accordance with the standards in force is passed back up the line as quickly as possible.

The annual budget development process

Each year, the Activity Directors present the annual budget for the activities placed under their responsibility to the General Management. 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 General 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 General Management with information concerning the management activities relative to the scope of activities for which he or she is responsible. This reporting concerns the commercial activity, products and services, personnel, organization, and capital expenditure. 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 growth axes), and strengthen the Group's synergies.

Ad hoc inspections

Inspections decided by the General 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.

2009 Objectives

- Continue the optimization of internal procedures by acting on the conclusions of the Operational Excellence Unit;
- Optimize reporting after having implemented new integrated and homogenous financial management tools within the Group, ensuring a secure, systematic, and consistent flow of information to simultaneously serve the management and statutory or consolidated needs;
- Restructuring of the research and development department.

Drawn up in Boulogne-Billancourt on April 22 2009

Jean-Claude Labrune
Chairman and Managing Director
Cegedim S.A.

26.3 Auditors' reports

26.3.1 Auditors' general report

Annual financial statements for the fiscal year ended December 31, 2008.

Cf. point 20.1.3. of this Reference Document.

26.3.2 Auditors' Special Report on Cegedim S.A.'s regulated agreements

Fiscal year from January 1 to December 31, 2008

As your Company's Auditors, we present to you our report concerning regulated agreements and commitments.

1. Agreements and commitments authorized during the fiscal year

Pursuant to articles L. 225-40, L.225-22-1 and L.225-42-1 of the Code of Commerce, we have been advised of the agreements and commitments that are subject to the prior authorization by your Board of Directors.

It is not our responsibility to determine whether other agreements and commitments exist but to indicate to you, based on the information provided to us, the characteristics and essential terms and conditions of those of which we have been advised. We are not responsible for determining whether they are advisable or justified. You are responsible, in accordance with the terms of article R 225-31 of the Code of Commerce, for assessing the interest in signing these agreements and commitments prior to their approval.

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*) applicable to this task. These procedures involved verifying that the information provided to us is consistent with the base documents from which it is taken.

1.1 Board of Directors meeting held on June 23, 2008

1.1.1 Signing of the "Second Supplemental Agreement"

Director involved: Mr. Pierre Marucchi, permanent representative of FCB (ex Financière Cegedim) on the company's Board of Directors and Deputy Chief Executive Officer of Alliadis Europe Ltd, Epic Database Research Company, and In Practise Systems Ltd, Chairman of Cegedim USA Inc., and Sole Director of Dendrite International Inc.

Nature and purpose: Authorization to sign the "Second Supplemental Agreement" to the credit contract entered into by the Company on May 3, 2007, to replace clause 19.5 "guarantor threshold" with the clause "global threshold test" integrating the subsidiaries Alliadis Europe Ltd, Epic Database Research Company, IN Practice Systems Ltd, Cegedim USA Inc, and Dendrite International Inc.

1.1.2 Signing of the "Accession Agreement"

Directors involved: Mr. Pierre Marucchi, permanent representative of FCB (ex Financière Cegedim) on the company's Board of Directors and Deputy Chief Executive Office and Director of Cegedim Dendrite Ltd., and Mr. Laurent Labrune, director of the company, Managing Director of Cegedim Deutschland GmbH, and Director of Cegedim Dendrite Ltd.

Nature and purpose: Authorization to sign an "Accession Agreement" to the credit contract entered into by the Company on May 3, 2007, by Cegedim Deutschland GmbH and Cegedim Dendrite Ltd.

1.2 Board of Directors meeting held on September 17, 2008

Directors involved: Mr. Pierre Marucchi, permanent representative of FCB (ex Financière Cegedim) on the company's Board of Directors and Deputy Chief Executive Officer and Director of Cegedim Bilisim Ve

Danismanlik Tis. A.S, and Mr. Laurent Labrune, director of the company and Director of Cegedim Bilisim Ve Danismanlik Tic. SAS.

Nature and purpose: Debt write-off in favor of its subsidiary, Cegedim Bilisim Ve Danismanlik Tic. SAS, in the amount of €224 993, entered in a current account.

2. Agreements and commitments approved during previous fiscal years whose performance continued during the fiscal year

Additionally, pursuant to the decree of Code of Commerce, we have been informed that the performance of the following agreements and commitments, approved during prior fiscal years, continued during the last fiscal year.

2.1 With the SCI at 114 rue d'Aguesseau

Nature and purpose: Existence of a lease for future completion of an office building located at 114, rue d'Aguesseau in Boulogne with the SCI at 114, rue d'Aguesseau , Cegedim S.A. being in charge of the furnishing and technical work for these premises.

2.2 With SCI MAG

Nature and purpose: Leasing of premises at 110-112, rue d'Aguesseau, Boulogne-Billancourt
Terms: Rent paid in 2008 (excluding expenses): €26 581

2.3 With FCB (ex Financière Cegedim)

- 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 2008 (excluding expenses): €3 209 250

- Premises and parking spaces at 104-106, rue d'Aguesseau

Nature and purpose: Leasing of parking spaces at 104-106, rue d'Aguesseau, Boulogne-Billancourt.

Terms: Rent paid in 2008 (excluding expenses): €32 441

- 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 and conditions: Rent paid in 2008 (excluding expenses): €1 168 286

- Premises at Longjumeau

Nature and purpose: Leasing of premises in Longjumeau

Terms: Rent paid in 2008 (excluding expenses): €80 000

- Premises at 86 to 94 avenue André Morizet

Nature and purpose: Leasing of premises at 86 to 94 avenue André Morizet, Boulogne-Billancourt.

Terms and conditions: Rent paid in 2008 (excluding expenses): €218 600

- 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 and conditions: Rent paid in 2008 (excluding expenses): €135 674

- Premises and parking spaces at 8 impasse Latécoère

Nature and purpose: Leasing of premises and parking spaces at 8 impasse Latécoère, Vélizy-Villacoublay.

Terms and conditions: Rent paid in 2008 (excluding expenses): €271 442

- Service contracts

Nature and purpose: Contract for strategic consulting, human resources, marketing, finance, budget, and internal information system services.

Terms and conditions: Services paid for in 2008: €2 019 250

- 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, under the following conditions, subject to the approval of Cegedim S.A. as a new partner:

- 198 stripped shares that belong to Aude Labrune and Laurent Labrune in equal amounts,
- Term of the assignment of the usufruct: 18 years beginning October 9, 2006, until October 8, 2024.

Drawn up in Paris and Courbevoie, on April 24, 2009

Auditors

Grant Thornton

100 rue de Courcelles – 75849 Paris Cedex 17
Tel. : +33 (0) 1 56 21 03 03

Michel Cohen
Auditor

Mazars & Guérard

61 rue Henri Regnault – 92400 Courbevoie
Tel. : +33 (0) 1 49 97 60 00

Jean-Paul Stevenard
Auditor

26.3.3 Auditors' report on the consolidated financial statements

Fiscal year ended December 31, 2008.

Cf. point 20.2.3. of this Reference Document.

26.3.4 Auditors' report prepared pursuant to article L. 225-235 of the Code of Commerce, on the report from the Chairman of the Cegedim's Board of Directors concerning the internal control procedures related to developing and handling accounting and financial information

Fiscal year ended December 31, 2008

To the shareholders,

As Auditors of Cegedim and pursuant to the provisions of article L. 225-235 of the Code of Commerce, we present to you our report on the report prepared by the Chairman of your Board of Directors in accordance with the provisions of article L. 225-37 of the Code of Commerce for the fiscal year ended December 31, 2008.

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 into place within the company, also providing the other information required by Article L. 225-37 of the Code of 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 other information required by Article L. 225-37 of the Code of Commerce, with the understanding that it is not our responsibility to verify the truthfulness of this other information.

We performed our work in accordance with professional standards applicable in France.

Information regarding the internal control procedures related to developing and handling accounting and financial information:

The professional standards require us to take all appropriate measures to assess the reliability of the information concerning the internal control procedures related to developing and handling accounting and financial information contained in the chairman's report. In particular, these measures involve:

- Examining the internal control procedures related to developing and handling the accounting and financial information underlying 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 related to developing and handling accounting and financial information that we 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 related to developing and handling the accounting and financial information contained in the report by the chairman of the Board of Directors prepared pursuant to the provisions of article L. 225-37 of the Code of Commerce.

Other information:

We certify that the report by the chairman of the Board of Directors includes the other information required in Article L. 225-37 of the Code of Commerce.

Draw up in Paris and Courbevoie, on April 24, 2009

The Auditors

Grant Thornton

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Tel. : +33 (0) 1 56 21 03 03

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Auditor

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61 rue Henri Regnault – 92400 Courbevoie
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Jean-Paul Stevenard
Auditor

26.3.5 Auditors' Special reports

26.3.5.1 Auditors' report on the capital increase without preemptive subscription rights

Cegedim S.A.

Extraordinary shareholders' meeting
of May 27, 2009 (9th resolution)

Dear Shareholders,

In our capacity as Auditors of your Company, and in accordance with Articles L.225-135 *et seq* of the Code of Commerce, we would like to present our report on the proposed capital increase through the issuance of capital shares without preemptive subscription rights with a nominal amount not to exceed 3% of capital, reserved for employees, on which you are called to vote.

This capital increase is submitted for your approval in accordance with Articles L. 225-129-6 of the Code of Commerce and L.3332-18 of the Code of Labor.

Based on its report, your Board of Directors proposes being authorized, for a period of 26 months, to determine the terms and conditions of this operation and canceling your preferential subscription rights for equity securities to be issued.

It is up to the Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114, and R. 225-115 of the 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 preemptive subscription right, and certain other information regarding the issuance 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*) applicable to this task. These procedures involved verifying the content of the report by the Board of Directors related to this operation and the methods for determining the issue price of the equity securities to be issued.

Subject to the subsequent examination of the conditions of the proposed capital increase, we have no comments to make about the methods for determining the issue price of the equity securities to be issued given in the report by the Board of Directors.

As the amount of the issue price is not fixed, we have no opinion to express regarding the definitive conditions under which the capital increase will be carried out and, consequently, the cancellation of the preemptive subscription right proposed to you.

In accordance with Article R.225-116 of the Code of Commerce, we will prepare an additional report when the capital increase is carried out by your Board of Directors.

Drawn up in Paris and Courbevoie, on April 24, 2009

The Auditors

Grant Thornton

100 rue de Courcelles – 75849 Paris cedex 17
Tel.: +33 (0) 1 56 21 03 03

Michel Cohen
Auditor

Mazars & Guérard

61 rue Henri Regnault – 92400 Courbevoie
Tel.: +33 (0) 1 49 97 60 00

Jean-Paul Stevenard
Auditor

26.3.5.2 Auditors’ report on the issuance of shares and securities with or without preemptive subscription rights

Cegedim S.A.
Extraordinary shareholders’ meeting
of May 27, 2009 (7th and 8th resolutions)

Dear Shareholders,

In our capacity as Auditors of your company and in accordance with Articles L.225-135 and L.228-92 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 issuance of shares and/or securities with or without preemptive subscription rights, for a maximum nominal amount of €7 622 400, on which you are called to vote.

Based on its report, your Board of Directors proposes that it be authorized for a period of 26 months (18 months if without preemptive subscription rights) to decide on the issuance of shares or securities giving access to capital and setting, where applicable, the definitive terms and conditions for these issuances and proposes canceling your preferential subscription rights to equity securities to be issued (8th resolution).

It is up to the Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114, and R. 225-117 of the 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 preemptive subscription right, and certain other information regarding the issuance 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*) applicable to this task. These procedures involved verifying the content of the report by the Board of Directors related to this operation and the terms and conditions for determining the issue price of the equity securities to be issued.

Subject to the subsequent examination of the conditions of the issuances that would be decided, we have no comments to make about the methods for determining the issue price of the equity securities to be issued given in the report by the Board of Directors.

In addition, as this report does not specify the methods for determining the issue price of the equity securities to be issued in case of issuance of securities giving access to capital with preemptive subscription rights, we cannot provide our opinion on the choice of items used to calculate the issue price.

As the amount of the issue price of the equity securities to be issued is not fixed, we have no opinion to express regarding the definitive conditions under which the issuances would be carried out and, consequently, the cancellation of the preemptive 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, when this authorization is used by your Board of Directors.

Drawn up in Paris and Courbevoie, on April 24, 2009.

The Auditors.

Grant Thornton

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Jean-Paul Stevenard
Auditor

26.4 Text of the resolutions proposed to the annual ordinary General Meeting held on May 27, 2009

MEETING NOTICE AND NOTICE TO APPEAR

The Shareholders are called to a combined, ordinary, and extraordinary General Meeting, to be held on May 27, 2009, at 9:30 a.m. at 17, rue de l'ancienne mairie, 92100 BOULOGNE, in order to discuss the following agenda:

AGENDA UNDER THE AUTHORITY OF THE ORDINARY GENERAL MEETING

- Corporate management report of the Board of Directors,
- Auditors' report on the financial statements for the fiscal year ended December 31, 2008,
- Corporate management report of the Group,
- Auditors' report on the consolidated financial statements,
- Approval of the consolidated financial statements for the consolidation fiscal year ended December 31, 2008,
- Special auditors' report on the agreements set out in Articles L. 225-38 *et seq* of the Code of Commerce; approval of the agreement mentioned therein,
- Approval of the annual financial statements for the fiscal year ended December 31, 2008, and discharge of the Directors,
- Earnings allocation,
- Setting of Directors' fees,
- Authorization of the Board of Directors to proceed with buybacks by the Company of its own shares,

AGENDA UNDER THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING

- Increase in share capital in cash - Terms and methods for issuance,
- Cancellation of the preemptive subscription right,
- Consequential amendment of the bylaws,
- Capital increase reserved for employees,
- Powers to carry out formalities.

TEXT OF THE RESOLUTIONS PROPOSED TO THE COMBINED, ANNUAL ORDINARY, AND EXTRAORDINARY GENERAL MEETING OF MAY 27, 2009

RESOLUTIONS UNDER THE AUTHORITY OF THE ORDINARY GENERAL MEETING

FIRST RESOLUTION

The General Meeting, after having examined the Corporate Management Report from the Board of Directors and the Auditors' general report, approves the annual financial statements for the fiscal year ended December 31, 2008, showing a profit of €22 698 542.34.

It also approves 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 €343 034.30, as well as the corresponding tax amounting to €118 175.00.

SECOND RESOLUTION

The General Meeting decides to allocate the fiscal year's loss of €22 698 542.34 to the other reserves account.

Reminder of the dividends distributed

The General Meeting notes that the amounts distributed as dividends for the three previous fiscal years were as follows:

Fiscal years	Number of shares	Deductible income allowance			Non-deductible income allowance
		Dividends		Other income distributed	
		Per share	Total		
2005	9 331 449	€0.77	€7 185 215.73	None	None
2006	9 331 449	€0.80	€7 465 159.20	None	None
2007	9 331 449	€0.90	€8 298 304.10	None	None

THIRD RESOLUTION

The General Meeting, after having heard the Auditors' reports on the consolidated financial statements for the previous fiscal year, approves these financial statements at December 31, 2008, as well as the transactions reflected in them or summarized in the report on the Group's management.

FOURTH 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 of Commerce, approves the findings of this report and the agreements mentioned in it.

FIFTH RESOLUTION

The General Meeting sets the amount of the Directors' fees to be distributed among the Directors for the current fiscal year at 45 thousand euros.

SIXTH 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 of 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, 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 of Commerce.

This authorization would permit the allocation of Company shares to Cegedim Group corporate officers and salaried employees in accordance with Articles L.225-197-1 to L.225-197-3 of the Code of Commerce.

In compliance with the legal provisions, the Company must have permanent 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 per share.

This authorization is given for a period of eighteen (18) months, expiring on November 26, 2010. It cancels and replaces the authorization granted by the Ordinary and Extraordinary General Meeting held on May 7, 2008.

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 declarations to all organizations, and, generally, do all that is necessary to execute the decisions which were made by it within the framework of this authorization.

RESOLUTIONS UNDER THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING

SEVENTH RESOLUTION

The General Meeting, after having heard the Board of Directors' report and noted that the capital was completely paid up, decided to grant the Board of Directors, in accordance with the provisions of Article L 225-129-2 of the Code of Commerce, all powers necessary to carry out one or more capital increases, either immediately or in the future, within a maximum of 26 months from this meeting, limited to a maximum nominal cap of €7 622 400, with or without the shareholders' preemptive subscription right:

- Through creation and issuance, with or without share premiums, of common shares,
- Through issuance of complex investment securities, granting the right to subscribe to Company shares, including any free allocation of investment securities to shareholders.

For this and within these limits, the Board of Directors has full powers to decide on and carry out the capital increase(s) that they deem 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,
- Recognize the execution of these capital increases;
- Proceed with the resulting modifications to the company bylaws.

This delegation of authority also includes, within the framework of a capital increase with shareholders' preemptive subscription rights, the option for the Board of Directors to institute, if necessary, additional subscription rights for new capital shares that were not subscribed to on a preemptive basis, which will be allocated to holders of subscription rights who have subscribed to a number of shares higher than what they could have subscribed to under the initial allocation. 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 capital increase amount to the equity subscribed for, 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.

However, this increase in the number of shares to be issued may not 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, in agreement with the Managing Director, to the Deputy Managing Director.

EIGHTH RESOLUTION

The General Meeting, after having heard the Board of Directors' report, decides that the general delegation of authority granted in the previous resolution includes the authorization for the Board of Directors to decide to maintain or eliminate the shareholders' preemptive 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' preemptive subscription right is eliminated and in light of the terms of the Board of Directors' report and the Special Auditor's report, the issue price for the new capital shares will be set according to legal provisions and the time frame for the general delegation of authority granted under the first resolution will be reduced from 26 to 18 months.

If this delegation is used by the Board of Directors and the shareholders' preemptive 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 preemptive subscription right is carried out.

NINTH RESOLUTION

The Extraordinary General Meeting, after having heard the Board of Directors' report, decides, in application of the provisions of Article L.225-129-6 of the Code of Commerce, to reserve for Company employees an increase in share capital in cash under the conditions provided for in Article L.443-5 of the Labor Code.

If the present resolution is adopted, 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 Article L 443-1 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 Article L.443-5, paragraph 3, of the Labor Code; consequently, this authorization entails the waiver by the shareholders of their preemptive subscription right.

TENTH RESOLUTION

In accordance with the provisions of Article L 225-129-2, paragraph 2, of the Code of Commerce, the general delegations of authority granted in the resolutions above nullify, effective immediately, any previous delegations having the same subject.

ELEVENTH 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 report on Company management, including the descriptions required by the regulations in effect as well as a summary table of the 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.

TWELFTH 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 legal formalities.

In accordance with the provisions of Decree no. 67-236 of March 23, 1967, amended by Decree 2006-1566 of December 11, 2006, the shareholders are informed that participation in the General Meeting is subject to the accounting entry of the securities in the name of the shareholder or the intermediary registered on its behalf on the third working day preceding the meeting at midnight, Paris time:

- Either in the accounts of nominative shares held by the Company,
- Or in the accounts of bearer shares held by the authorized intermediary.

This entry must be noted by a participation certificate issued by the authorized intermediary and appended to the remote voting or proxy form or to the admission card request established in the name of the shareholder.

Should shareholders be unable to attend the meeting personally, they may choose one of the following three possibilities:

- 1) Send a proxy to the company without indicating a representative,
- 2) Vote by mail,
- 3) Give a proxy to another shareholder or his or her spouse.

To give proxy, vote by mail, or be represented:

Owners of bearer shares must request the mail voting/proxy form and its appendices from the depository financial institution of their securities so that the request reaches this intermediary six days before the date of the meeting.

Owners of nominal shares must return the mail voting/proxy form sent directly to them, accompanied by its appendices, directly to CM-CIC Securities c/o CM-CIC Titres, 3, allée de l'Étoile - 95014 Cergy Pontoise, France.

Mail voting/proxy forms will only be considered provided that they are received by CM-CIC Securities, at the address mentioned above, three days before the date of the meeting, and that they are accompanied by a participation certificate, for those coming from bearer shareholders.

Voting by mail is exclusive of voting by proxy and vice versa.

In accordance with the provisions of Article 136 of the Decree of March 23, 1967, amended by Decree 2006-1566 of December 11, 2006:

- Any shareholder who has carried out any one of the formalities above may transfer all or part of its shares. However, if the transfer occurs before the third working day preceding the meeting at midnight, Paris time, the company or its representative accordingly invalidates or modifies, depending on the case, the vote cast remotely, the proxy, the admission card, or the participation certificate. To this end, the account-holder authorized intermediary informs the company or its representative of the transfer and sends the necessary information to it.

- No transfer or other operation carried out after the third working day preceding the meeting at midnight, Paris time, regardless of the means used, is subject to notification by the authorized intermediary or taken into consideration by the company.

Participation in the General Meeting by videoconference or by a means of telecommunication has not been adopted for this General Meeting.

In accordance with the provisions of Article 135-1 of the Decree of March 23, 1967, amended by Decree 2006-1566 of December 11, 2006, shareholders may submit written questions to the Chairman of the Board of Directors, starting from this publication until the fourth working date preceding the date of the General Meeting. These questions must be sent to the company's corporate headquarters by registered letter with return receipt.

Pursuant to the law, all documents to be communicated to the General Meeting will be made available to the shareholders at the company's corporate headquarters within the statutory time periods.

This notice is considered a notice to appear, provided that no modification is made to the agenda in response to submission of the draft resolutions submitted by shareholders.

The Board of Directors



Public company with share capital of €8 891 004.61
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 : communication@cegedim.fr

www.cegedim.fr

Legal documents relating to Cegedim may be consulted at the company's head office.