Financial Report
1 January - 31 March 2011

CompuGroup Medical AG | Synchronizing Healthcare

Contents:

Key Events and Figures

- + First quarter revenue of EUR 90.3 million, an increase of 30 percent compared to the same period of 2010
- + Organic growth of 8 percent
- + Operating profit (EBITDA) of EUR 14.0 million, up from EUR 12.6 million in the first quarter of 2010
- + Operating cash flow of EUR 33.0 million, up from EUR 31.0 million last year
- + Cash net income of EUR 8.1 million and cash net income per share of EUR 0.16
- + Solid performance in European markets with a strong 17 percent organic growth in the HCS segment
- + Challenging start to 2011 in the US due to lower than expected efficiency in acquired companies
- + Profitability expected to significantly improve following consolidation and restructuring of the whole US operation to be completed in May
- + CompuGroup Medical adjusts the full year 2011 guidance to reflect the development in the US:
  Group revenue is expected to be in the range of EUR 385 million to EUR 410 million.
  Group operating income (EBITDA) is expected to be in the range of EUR 81 million to EUR 88 million.

EUR ´000	01.01-31.03 2011	01.01-31.03 2010	Change
Revenue	90,272	69,251	30%
EBITDA	13,974	12,554	11%
margin in %	15	18	
EBITA	12,493	11,428	
margin in %	14	17	
EPS (EUR)	0.02	0.03	
Cash net income (EUR)*	8,069	7,515	
Cash net income per share (EUR)	0.16	0.15	8%
Cash flow from operating activities	33,029	30,979	
Cash flow from investing activities	-24,738	-14,889	
of which equity acquisitions	-20,062	0	
Number of shares outstanding (´000)	50,196	50,502	
Net debt	165,645	98,974	

*Cash net income: net income before minority interests plus amortization on intangible assets except amortization on in-house capitalized software.

Management report

FINANCIAL REVIEW

Unless stated otherwise, all figures in the management report refer to the first quarter of 2011 and 2010 respectively, i.e. the three month period 01.01 – 31.03 (Q1).

Revenue

Revenue in the first quarter of 2011 was EUR 90.3 million compared to EUR 69.3 million in the same period last year. This represents an increase of 30 percent. Acquisitions give a growth contribution of 22 percent and organic growth was 8 percent.

In the HPS segment, revenue was EUR 73.8 million compared to EUR 55.3 million in the first quarter of 2010. This represents an increase of 33 percent of which 5 percent is organic growth. Ambulatory Information Systems (AIS) grew 44 percent of which 8 percent is organic growth. The organic growth in AIS primarily stems from new value-added products and services sold to existing customers. Total revenue from the US was EUR 10.6 million (USD 14.5 million) in the first quarter of 2011.

Within Hospital Information Systems (HIS) the year-on-year growth was 8 percent going from the first quarter of 2010 to the first quarter of 2011, of which 10 percent comes from acquisitions and -2 percent is organic contraction. The revenue decline primarily stems from lower license sales and implementation services to rehabilitation centers and social care institutions in Germany. The contract with the Vienna Hospital Association (KAV) in Austria and other key projects are proceeding as planned and CompuGroup continues to grow the HIS business successfully in Poland and other Eastern European markets.

HPS revenue development (including acquisitions and exchange rate effects):

EUR m	01.01-31.03 2011	01.01-31.03 2010	Change
Ambulatroy Information Systems	56.2	39.1	44%
Hospital Information Systems	17.6	16.2	8%
Sum	73.8	55.3	33%

Growth from acquisitions in HPS resulted from the first-time consolidated revenue of the following entities:

EUR m	First-time revenue Q1 2011	Sub- segment
Innomed	1.4	AIS
HCS	0.5	HIS
Belgiedata	0.2	AIS
Visionary	4.3	AIS
Healthport	4.0	AIS
Ascon	3.2	AIS
Parametrix	1.1	HIS
Lorensbergs	1.0	AIS
Sum	15.8	

The acquisition of Sivsa in Spain which was announced in December 2010 was not completed, and will not be completed, as conditions precedent were not met before closing.

In the HCS segment, revenue was EUR 16.3 million compared to EUR 13.9 million in the first quarter of 2010. This represents an increase of 17 percent, all of which is organic growth. Revenue in Communication & Data grew 34 percent, from EUR 5.5 million in the first quarter of 2010 to EUR 7.4 million in the first quarter of 2011. This high growth rate in Communication & Data reflects special circumstances in Germany which adversely affected sales during the first quarter of last year.

The business volume in Workflow & Decision Support grew 5 percent, from EUR 6.1 million in the first quarter 2010 to EUR 6.4 million in the first quarter this year. Growth in products and services to health insurance companies in Germany continues at a steady pace and this is expected to remain for the duration of 2011. The year-on-year growth in Internet Service Provider revenue stems from new subscribers of Internet connections and sales of associated data security products and services.

HCS revenue development (including acquisitions and exchange rate effects):

EUR m	01.01-31.03 2011	01.01-31.03 2010	Change
Communication & Data	7.4	5.5	34%
Workflow & Decision Support	6.4	6.1	5%
Internet Service Provider	2.5	2.3	9%
Sum	16.3	13.9	17%

In the CHS segment, there was no revenue from third parties during the first quarter of 2011. This represents no change from the first quarter of 2010. Changes to currency exchange rates increased revenue by EUR 1.3 million going from the first quarter of 2010 to the first quarter of 2011. This effect primarily comes from the strengthening of the Scandinavian currencies (NOK, SEK, DKK) relative to the Euro.

Profit

Consolidated EBITDA amounted to EUR 14.0 million compared to EUR 12.6 million in the first quarter of 2010. This represents an increase of 11 percent. The corresponding operating margin was reduced from 18 percent last year to 15 percent this year. This reflects higher than normal costs and lower operational efficiency in the US during the first quarter of 2011. Total EBITDA from the US was EUR -1.6 million (USD -2.2 million) in the first quarter of 2011.

+ The gross margin for the first quarter of 2011 is 82 percent which is the same figure as during the first quarter of 2010. The stable gross margin is explained by only small changes to the HPS revenue mix going from the first quarter of 2010 to 2011. The other segments (HCS and CHS) have only minor expenses for goods and services purchased.

+ Personnel expenses increased from EUR 35.0 million in the first quarter 2010 to EUR 46.1 million in the same period this year. This increase is attributable to new employees in companies acquired during the last 12 months.

+ Other expenses increase from EUR 11.6 million in the first quarter 2010 to EUR 15.7 million in 2011. Again, this increase is attributable to new employees in companies acquired during the last 12 months.

Depreciation of tangible fixed assets was EUR 1.5 million in the first quarter of 2011, up from EUR 1.1 million in the first quarter of 2010. This increase comes from normal fixed assets depreciation in newly acquired companies. Amortization of intangible fixed assets went from EUR 6.8 million in the first quarter of 2010 to EUR 7.9 million in the first quarter of 2011. EUR 1.4 million comes from the amortization of purchase price allocations arising from the company acquisitions done in 2010 and 2011 whereas EUR 0.4 million is a decline from last year due to intangible assets which are by now fully amortized.

Financial income increased from EUR 0.6 million in the first quarter of 2010 to EUR 0.7 million this year due to a higher cash balance held this year. The high amount of cash and cash equivalents at the end of the first quarter of 2011 is due to temporary balances held from the new EUR 300 million credit facility to prepare for repayment of other existing loans. The financial expense of EUR 3.6 million during the first quarter of 2011 is composed of the following items:

EUR ´000	01.01-31.03 2011	01.01-31.03 2010
Interest and expenses on EUR 300 million credit facility	1,447	0
Interest and expenses on other loans	1,394	1,354
Interest and expenses on normal bank accounts and currency	188	195
Interest for purchase price liabilities	611	12
Fair value evaluation of interest SWAP	-822	666
Translation loss on non-Euro internal and external debt	761	534
Sum	3,579	2,761

After tax earnings came in at EUR 1.0 million in the first quarter of 2011, compared to EUR 1.5 million in the first quarter of 2010. The tax rate was 41 percent this year compared to 38 percent in the first quarter of 2010. The different tax rates are mostly due to non-cash changes in deferred tax assets and liabilities.

Cash net income increased from EUR 7.5 million in the first quarter 2010 to EUR 8.1 million in the first quarter 2011, corresponding to a Cash net income per share of 16 Cent (Q1/2010: 15 Cent).

Cash flow

Cash flow from operating activities during the first quarter of 2011 was EUR 33.0 million compared to EUR 31.0 million in the first quarter of 2010. The changes in profit and balance sheet items are only minor compared to the first quarter of 2010.

Cash flow from investment activities during the first quarter of 2011 amounted to EUR -24.8 million compared to EUR -14.9 million in the same period last year. During the first three months of 2011, CGM's capital expenditure consisted of the following:

EUR m	01.01-31.03 2011
Acquisition of Healthport, Lorensbergs and Parametrix	20.1
Self-developed software and other intangibles	2.3
Office buildings and property	1.2
Other fixed assets and equipment	1.1
Sum	24.8

Cash flow from financing amounted to EUR 45.1 million during the first quarter of 2011 and was primarily incurred through changes to debt instruments. The repayment of retired loans amounted to EUR 64.5 million whereas the new EUR 300 million credit facility was drawn with an incremental EUR 109 million during the first quarter to fully utilize the EUR 160 million term loan portion of the facility within the availability period.

Balance sheet

Since the balance sheet of 31.12.2010, total assets increased by EUR 84.4 million to EUR 640.8 million. The largest changes to individual asset classes are a EUR 24.4 million increase in intangible assets and a EUR 53.4 million increase in cash and cash equivalents. The increase in intangible assets mainly arises from the acquisitions of Healthport, Lorensbergs and Parametrix. The increase in cash is due to the repayment process of retired loans and temporary balances held during the syndication process of the new EUR 300 million credit facility. The syndication has now been successfully completed and the loan will be distributed to the participating banks during May after which the cash balance will be significantly reduced. For all other assets there are only minor changes during the first three months of 2011.

Group equity was EUR 179.7 million as at 31.03.2011, down from EUR 182.7 million as at 31.12.2010. The decrease in equity comes primarily from changes in currency exchange rates (EUR -4.1 million effect). The equity ratio has gone from 33 percent at the end of 2010 to 28 percent at the end of the first quarter of 2011.

The increase in long-term liabilities is due to the re-financing of debt described above as well as an increase in deferred tax liability related to the acquisitions of Ascon, Healthport, Lorensbergs and Parametrix. For all other long-term liabilities there are only minor changes during 2010.

Under current liabilities, the changes from 31.12.2010 are mostly related to portions of the debt classified as short-term (scheduled repayments) and increased pre-payments of software maintenance contracts balanced under other liabilities (EUR 31.3 million change).

Research and Development

Under IAS 38, development work on internally generated software must be capitalized if certain criteria are fulfilled. This generated EUR 1.7 million additional operating profit for the Group during the first quarter of 2011 (previous year EUR 1.6 million), less amortization and write-downs of EUR 0.7 million during the same period (previous year EUR 0.8 million). Most of the capitalized software development expenses are accounted for by two projects, G3.HIS (new HIS system development) and G3.AIS (new AIS software generation). Upon completion, the software will be amortized based on its useful life.

OPERATIONAL REVIEW

CompuGroup Medical is currently represented with offices and employees in 21 countries. According to internal figures, CompuGroup has software maintenance contracts in the HPS segment corresponding to approximately 245,000 healthcare professionals (doctors and dentists). Total reach across all segments is estimated at approximately 380,000 healthcare professionals.

The Group had an average of 3,228 employees during the first quarter of 2011 (previous year: 2,698). As at 31.03.2011, the total number of employees in group companies was 3,207. Personnel expenses during the first quarter of 2011 was EUR 46.1 million (previous year: 35.0 million) and consists mainly of salaries, social security contributions and related expenses. In addition, variable performance-based pay may be granted to senior executives and sales staff.

The following sections describe the main operational developments during the first quarter of 2011.

Acquisition of Healthport, LLC, USA

In November 2010, CompuGroup Medical concluded an agreement for the purchase of the Solutions Services Division of Healthport. The purchase price for 100 percent of the shares was USD 18 million (EUR 13.2 million). The purchase agreement became effective on 3 January 2011 ("closing"). Healthport sells ambulatory information systems, electronic health records (EHR) as well as billing and cost management services for around 3,600 physicians. In 2010, the total revenue of Healthport's Solutions Services Division amounted to approximately EUR 18.5 million (USD 26 million).

Asset deal Parametrix

In December 2010, CompuGroup Medical entered into an agreement with MCS for the acquisition of all assets of Parametrix AG and Parametrix Deutschland GmbH. The total purchase price of these assets is EUR 4.9 million. The company has 51 employees, is headquartered in Niederwangen near Bern and has a subsidiary in Eltville, Germany. With a market share of around 30 percent of acute care hospitals and about 20 percent of rehabilitation and social facilities, Parametrix is the market leader among the Swiss hospital information systems (HIS). In 2010, the total revenue relating to the acquired assets amounted to approximately EUR 6 million.

Acquisition of Lorensbergs Holding AB, Sweden

In January 2011, CompuGroup Medical concluded an agreement for the acquisition of Lorensbergs Holding AB and all its subsidiaries. The purchase price for 100 percent of the shares was SEK 40 million (EUR 4.5 million). Lorensbergs employs 41 people and mainly develops software solutions for occupational healthcare and safety in large companies and corporations, for general practitioners as well as school doctors in Sweden. In 2010, the total revenue of Lorensbergs amounted to approximately EUR 3.7 million. Included in these figures is revenue of approximately EUR 1.5 million from a non-healthcare business in the UK (Lorensbergs Ltd.) which was sold in April 2011.

Growing Communication & Data business

Significant changes have happened in CompuGroup's HCS Communication & Data business over the last 3 years. Whereas the business volume with generic firms has been reduced, this has been partly compensated by increased revenues from original manufacturers. Going forward, CompuGroup will continue to develop new Communication & Data products and services for pharmaceutical producers and also for other participants in healthcare. There is an increasing interest among potential buyers in CompuGroup's ability to use computer technology to bring relevant information to doctors.

Status of broader adoption of decision support products in Germany

CompuGroup Medical continues to develop its business relationship with health insurance funds in Germany. The product "smart-Xchange", a decision support tool to safely and systematically drive higher levels of cross-ATC (Anatomical Therapeutic Chemical) drug substitution to save care costs without sacrificing care quality, has been well received by both doctors and health insurance companies in Germany. CompuGroup Medical signed contracts for smart-Xchange during 2010 to bring the current total contract volume up to a potential population coverage of about 10 million people. The business model of smart-Xchange is based on a fixed and variable component and work is still ongoing to evaluate the effects of smart-Xchange w.r.t. the variable component. The evaluation work will be concluded in the second quarter of 2011 and the conclusions from this work will decide the future direction of this solution. To date, no revenue has been recognized from the variable component of the smart-Xchange contracts.

Within diabetes care management, the "aktiv + vital" (AV+) pilot with AOK Hessen that has been operating since 2007 will end as planned in June 2011. The contract with the health fund Knappschaft-Bahn-See (KBS) continues with constructive discussions to extend the implementation in other regions and also to adopt other products and services. Initiatives are currently being taken to broaden the business model for managed care products and services and to consider both doctor's networks and pharmaceutical producers in the value chain. Following recent regulatory changes, integrated care contracts can now be managed under the lead of pharmaceutical producers under §140 a/b SGB V of the Code of Social Law (SGB – Sozialgesetzbuch) and CompuGroup sees an opportunity to support the pharmaceutical companies in their new role and to develop a business model with pharmaceutical companies as a contractual partner.

The insurance card fraud prevention tool "CardTrust" has achieved a range of positive results for existing clients and the results of this analysis is now being used to more forcefully market this product to other health insurance funds in Germany.

United States HITECH program and status for CompuGroup Medical

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on 17 February 2009. ARRA includes more than USD 20 billion for healthcare information technology under the Health Information Technology for Economic and Clinical Health (HITECH) Act. Under the HITECH stimulus package, up to USD 44,000 (Medicare) or USD 65,000 (Medicaid) in extra incentive payments over a five-year period will be available to physicians who demonstrate „meaningful use" of a certified EHR.
CompuGroup Medical is currently an IT supplier to approximately 18,000 doctors in the United States, out of a total number of office-based doctors of approximately 625,000 (office-based independent doctors approximately 420,000). The market position of CompuGroup has been assembled through the acquisitions of Noteworthy Medical Systems (February 2009), Visionary Healthware (September 2010) and Healthport Solutions Services Division (January 2011). For the US business, it has been a challenging start to 2011 with lower revenue and lower operational efficiency in the acquired companies than expected. Broad measures have now been taken to consolidate and restructure the whole US operation with group wide management of functional areas, harmonization of IT infrastructure, telecommunications and datacenters etc. and corresponding cost reductions and efficiency improvements. The restructuring will be completed by the end of May with a clear plan to bring efficiency and profitability in line with CompuGroup's European markets beginning in June.

On the product side, significant R&D efforts have been undertaken to upgrade and certify the EHR products for Meaningful Use. CompuGroup now offers a choice of meaningful use EHR products including stand-alone EHRs (NetPractice EHRweb v7.2 and HEHR v10 l.1) and an integrated EHR/PM (Alteer Office). Availability for all Meaningful Use products for installation at customers' sites are:

+ Former Noteworthy product NetPractice EHRweb v7.2 available by May 2011
+ Former Visionary product Alteer Office 8.0 available by June 2011
+ Former HealthPort product, HEHR v10.1 available by June 2011

Customers may book now for implementation of the products to the dates given above. The general availability of all Meaningful Use products ready for implementation, together with increasing awareness and demand from doctors related to the HITECH stimulus, is expected to drive a growth in system sales and implementation services in the US throughout the rest of 2011.

Other opportunities are also being developed to cross-sell products and services into the existing customer base such as centralized EDI and claims clearing house services based on the former Healthport Clearinghouse allowing existing PM customer to use the "one stop shopping" EDI of CompuGroup US. In 2011 the new 5010 EDI claim format will be required for sending EDI claims to insurance companies; the Clearinghouse functionality of CGM US provides the conversion of the old 4010 format to the new 5010 format without changes in the Practice management system.

REPORT ON OPPORTUNITIES AND RISKS

As an internationally operating company, CompuGroup Medical is subject to variety of different risks. These risks mainly include strategic and macroeconomic risks as well as operating, legal and political risks. Furthermore, the group is faced with risks resulting from its project-business, risks related to key personnel and financial risks.

The group's technological expertise and market knowledge makes it possible to assess risk and apply appropriate measures to actively manage the risk exposure. To guarantee a responsible risk handling, CompuGroup works with standardized, group-wide integrated risk management system so that risks can be identified and analyzed at an early stage. A detailed description of the main risks and the specific structure of the risk management system can be found in the CompuGroup Medical AG annual report of 2010. It can be downloaded free of charge from the company's homepage at www.cgm.com.

There were no substantial changes in risk positions during the first quarter 2011 in comparison to the risks presented in the CompuGroup Medical AG annual report 2010. Risks that may impact the company as a going concern were not evident during the first quarter 2011, neither in form of individual risks nor from total risk perspective for CompuGroup Medical as a whole.

OUTLOOK

The 2011 financial results are expected to follow a similar seasonal profile as in 2010. The profitability development is expected to be further improved over the year by the effects of consolidation and restructuring in the US to be completed in May.

CompuGroup Medical adjusts the full year 2011 guidance to reflect the development in the US:

+ Group revenue is expected to be in the range of EUR 385 million to EUR 410 million.
+ Group operating income (EBITDA) is expected to be in the range of EUR 81 million to EUR 88 million.

The foregoing guidance is given as at May 2011 and does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2011. It is also based on constant exchange rates relative to 2010.

The outlook for 2011 represents management's best estimate of the market conditions that will exist in 2011 and how the business segments of CompuGroup Medical will perform in this environment.

GENERAL ECONOMIC CONDITIONS

Macroeconomic situation

The global economic recovery continues as predicted. The International Monetary Fund (IMF) expects a worldwide growth of 4.5 percent in 2011. Output of emerging and developing economies that are driving the current global economy recovery is projected to expand at rates of 6.5 percent while advanced economies only grow by 2.5 percent.

After having developed into the main driving force of the Eurozone with an above-average growth of 3.6 percent in 2010, Germany continues this trend in the current year. The DIW (German Institute for Economic Research – Deutsches Institut für Wirtschaftsforschung (DIW)) forecasts growth of 2.7 percent (IWF: 2.2 percent) for Germany. A significant plus in the first quarter 2011 compared to the fourth quarter 2010 is expected, the German industry remaining the main driver of this upward trend.

Industry Developments

The German industry association BITKO (Bundesverband Informationswirtschaft Telekommunikation und neue Medien e.V.) expects the IT market to grow by 2.3 percent in 2011 compared to 1.8 percent in 2010. The sub-segment Software is expected to increase by 4.5 percent in 2011 (3.5 percent in 2010) and the sub-segment IT-Services by 3.5 percent (1.7 percent in 2010). In the course of the economic recovery a growing number of companies are investing in new applications.

Concluding summary

Considering the general economic trends, CompuGroup Medical does not expect significant effects in its businesses within the 2011 financial year, the health-sector being relatively independent from general economic cycles.

RELATED PARTY DISCLOSURES

In the reporting period, there were no reportable transactions compared to the financial statements as at 31 December 2010.

Statement of Financial Position

as at 31 March 2011

ASSETS

	31.03.2011 EUR '000	31.03.2010 EUR '000	31.12.2010 EUR '000
Non-current assets			
Intangible assets	415,911	317,887	391,482
Tangible assets			
Land and buildings	24,733	23,030	22,976
Other facilities, plant and equipment	17,757	14,102	16,102
Financial assets			
Interests in affiliates (valued as equity)	1,010	1,822	949
Other Investments	293	110	105
Other receivables	10,107	4,075	9,690
Deferred taxes	5,963	9,085	6,109
	475,774	370,111	447,413
Current assets			
Inventories	1,461	2,630	1,318
Trade receivables	45,543	26,763	45,743
Other receivables	15,815	17,879	14,776
Income tax claims	3,311	2,970	4,600
Securities (recognized as profit of loss as fair value)	201	36	73
Cash and cash equivalents	95,534	32,735	42,180
	161,864	83,013	108,690
Non-current assets qualified as held for sale	3,182	299	300
	165,046	83,312	108,990
	640,820	453,423	556,403

SHAREHOLDER EQUITY AND LIABILITIES

	31.03.2011 EUR '000	31.03.2010 EUR '000	31.12.2010 EUR '000
Shareholder Equity			
Subscribed capital	53.219	53.219	53.219
Treasury shares	-14.384	-14.384	-14.384
Reserves	140.509	149.239	143.562
Capital and reserves allocated to the shareholder of the parent company	179.344	188.074	182.397
Minority interests	334	675	332
	179.678	188.749	182.729
Long-term liabilities			
Pension provision	959	892	924
Liabilities to banks	226.373	115.310	191.432
Purchase price liabilities	6.517	9.994	6.675
Other liabilities	6.492	4,551	5.227
Deferred taxes	60.087	36.530	50.005
	300.428	167.277	254.263
Current liabilities			
Liabilities to banks	34.806	16.399	25.296
Trade payables	14.429	14.681	15.224
Income tax liabilities	7.139	6.445	10.507
Provisions	20.232	13.276	16.456
Purchase price liabilities	18.085	350	17.316
Other liabilities	64.573	45.629	33.303
Derivative financial instruments	487	617	1.309
	159.751	97.397	119.411
Liabilities associated directly with non-current assets qualified as held for sale	963	0	0
	160,714	97,397	119,411
	640.820	453.423	556.403

Total Comprehensive Income Statement

for the reporting period of 1 January - 31 March 2011

	01.01-31.03 2011 EUR '000	01.01-31.03 2010 EUR '000	01.01-31.12 2010 EUR '000
Sales revenue	90,272	69,251	312,374
Capitalized in-house services	1,687	1,554	6,993
Other Income	428	522	4,549
Expenses for goods and services purchased	-16,521	-12,193	-58,980
Personnel costs	-46,149	-34,989	-144,326
Other expense	-15,743	-11,591	-53,575
Earnings before interest, taxes depr,and amortization (EBITDA)	13,974	12,554	67,035
Depreciation of property, plants and tangible assets	-1,481	-1,126	-5,114
Earnings before interest, taxes and amortization (EBITA)	12,493	11,428	61,921
Amortization of intangible assets	-7,862	-6,854	-28,858
Earnings before interest and taxes (EBIT)	4,631	4,574	33,063
Results from associates recognised at equity	0	39	213
Financial income	680	597	3,271
Financial expense	-3,579	-2,761	-10,156
Earnings before taxes (EBT)	1,732	2,449	26,391
Income taxes for the period	-707	-941	-9,798
Consolidated net income for the period	1,025	1,508	16,593
of which: allocated to parent company	1,023	1,590	16,434
of which: allocated to minority interests	2	-83	159
Other results			
Stock option programm	17	32	78
hereon allocated dererred tax	-5	-9	-23
Currency conversation of the capital consolidation	-4,088	1,522	436
Total result of the period	-3,051	3,053	17,084
of which: allocated to parent company	-3,053	3,136	16,925
of which: allocated to minority interests	2	-83	159
Earnings per share			
undiluted (EUR)	0.02	0.03	0.33
diluted (EUR)	0.02	0.03	0.33
Cash net Income (EUR)*	8,069	7,515	41,865
Cash net Income* per share (EUR)	0.16	0.15	0.83

*Cash net income: net income before minority interests plus amortization on intangible assets except amortization on in-house capitalized software.

Cash Flow Statement

as at 31 March 2011

	01.01-.31.03 2011 EUR '000	01.01-.31.03 2010 EUR '000	01.01-31.12 2010 EUR '000
Group net income	1,025	1,508	16,593
Amortization of intangible assets, plant and equipment	9,343	7,980	33,972
Refund preliminary purchase price	0	0	0
Earnings on sales of fixed assets	0	0	28
Change in provisions (including income tax liabilities)	-2,602	-2,339	4,422
Change in deferred taxes	-1,503	-463	-1,583
Other non-cash earnings/expenditures	-1,680	-391	-1,543
	4,582	6,295	51,889
Change in inventories	-23	395	1,918
Change in trade receivables	5,944	5,710	-10,307
Change in other receivables	-888	-538	-2,588
Change in income tax receivables	1,289	2,705	1,240
Change in securities (valued at actual cash value)	46	-1	-38
Change in trade accounts payables	-1,662	-2,362	-2,704
Change in other short-term liabilities and derivative financial instruments	23,592	18,344	57
Change on other long-term liabilities	148	431	911
Cash flow from operating activities	33,029	30,979	40,378
Cash inflow on disposals of sales of property, plant and equipment	102	956	1,238
Cash outflow for capital expenditure in property, plant and equipment	-2,463	-2,585	-7,455
Cash inflow on disposals of intangible assets	10	5	95
Cash outflow for capital expenditure in intangible assets	-2,325	-11,161	-11,160
Cash inflow on disposal of financial assets	0	0	0
Cash outflow for investments in financial assets	0	0	0
Acquisition of minority interests	0	-2,104	-8,595
Acquisition of companies less assumed cash and cash equivalents	-20,062	0	-61,644
Cash flow from investing activities	-24,738	-14,889	-87,521
Purchase of own shares	0	0	0
Dividends received	0	200	200
Dividends paid	0	0	-12,557
Cash inflow from the amortization of loans receivables through externals	0	0	0
Change in short-term purchase price liabilities	769	-12	-120
Change in long-term purchase price liabilities	-158	-192	-683
Cash inflow from assumption of loans	109,000	17,406	135,000
Cash outflow from the assumption of loans	-64,549	-29,867	-62,442
Cash flow from financing activities	45,062	-12,465	59,398
Changes in cash due to exchange rates	0	0	815
Change in cash and cash equivalents	53,353	3,625	13,070
Cash and cash equivalents at the beginning of the period	42,180	29,110	29,110
Cash and cash equivalents at the end of the period	95,534	32,735	42,180
Interest paid	2,450	1,396	6,933
Interest received	135	237	722
Income tax paid	1,889	2,379	5,965
Dividends received	0	200	200
Dividends paid	0	0	12,557

Changes in Consolidated Equity

as at 31 March 2011

	Parent company				Minority interests	Consolidated equity
	Share capital EUR '000	Reserves EUR '000	Treasury shares EUR '000	Total EUR '000	EUR '000	Total EUR '000
Balance at 31 December 2009	53,219	146,184	-14,384	185,019	810	185,828
Group net income	0	16,434	0	16,434	159	16,593
Other results						
Currency conversation of the capital consolidation	0	436	0	436	0	436
Stock option program	0	78	0	78	0	78
hereon allocated deferred tax	0	-23	0	-23	0	-23
	0	491	0	491	0	491
Total result of the period	0	16,925	0	16,925	159	17,084
Transaction with share holders						
Dividend distribution	0	-12,557	0	-12,557	0	-12,557
Additional purchase of shares from minority						
interests after control	0	-6,989	0	-6,989	-637	-7,626
	0	-19,546	0	-19,546	-637	-20,183
Balance at 31 December 2010	53,219	143,562	-14,384	182,397	332	182,729
Group net income	0	1,023	0	1,023	2	1,025
Other results						
Currency conversation of the capital consolidation	0	-4,088	0	-4,088	0	-4,088
Stock option program	0	17	0	17	0	17
hereon allocated deferred tax	0	-5	0	-5	0	-5
	0	0	0	0	0	0
Total result of the period	0	-3,053	0	-3,053	2	-3,051
Transaction with share holders						
Dividend distribution	0	0	0	0	0	0
Additional purchase of shares from minority						
interests after control	0	0	0	0	0	0
	0	0	0	0	0	0
Balance at 31 March 2011	53,219	140,509	-14,384	179,344	334	179,678

Explanatory notes

THE COMPANY

CompuGroup Medical AG (parent company) is a company registered in Germany in the commercial register of the local court of Koblenz under HRB No. 4358. The Company's registered office is at Maria Trost 21, Koblenz. The object and primary activities of the Company can be characterized as follows:

The Group is currently divided into three business areas, Health Provider Services (HPS), Health Connectivity Services (HCS) and Consumer Health Services (CHS). These areas form the basis for the Company's segment reporting.

HPS: Development and marketing of software solutions for office-based doctors, dentists and hospitals

HCS: Networking of healthcare service providers (doctors, dentists and hospitals) with other key market participants such as medical insurance companies, pharmaceutical companies and others

CHS: Products and services to cover the growing need for health information for patients

The Company's shares are traded in the official market segments of the Frankfurt Stock Exchange since 4 May 2007.

General Accounting Principles for the Interim Financial Report

General Accounting Principles

This condensed IFRS-Interim Financial Report for the period ended 31 March 2011 is a consolidated financial statement. Unless otherwise specified, all amounts are provided in thousands of euros (EUR thousands) or millions of euros (EUR millions). Rounding differences of +/- one unit (EUR thousands, percent, etc.) may arise as a result of calculations.

This three month financial statement has been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standard Board (IASB) as adopted by the EU. Furthermore, this report has also been prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated income statement and the statement of financial positions comply with the subdivision presentation rules IAS 1 "Presentation of Financial Statements", whereby the income statement has been prepared under the total expense format.

Unless stated otherwise, all figures refer to the three month of 2011 and 2010 respectively.
This condensed three month financial report does not contain all information and explanatory notes that would be required for consolidated annual financial statements and should be viewed in conjunction with the audited consolidated financial statements for the year ended 31 December 2010, which may be obtained from the Company's website www.cgm.com.

Generally, this financial report is based on the historical cost principle. As far as nothing else is noted, all assets and liabilities are carried at historical acquisition or production cost, less required depreciation, amortization and impairment. The underlying estimates and assumptions used in the preparation of this IFRS three month financial report have an impact on the measurement of assets (e.g. goodwill, deferred tax assets) and liabilities (e.g. provisions, purchase price liabilities), contingent assets and liabilities shown at respective statement of financial position dates, and the amount of income and expense for the reporting period. Although these assumptions and estimates were made to the best knowledge of the Management Board, actual results may differ from these estimates.

The Management Board believes that this report contains all the information and adjustments necessary to present a true and fair view of the net assets, financial position and earnings of the Company. These results for the current fiscal year do not necessarily allow conclusions to be drawn with regard to future business.

The Company's business is not subject to significant business cycle or seasonal fluctuations.

In preparing this condensed IFRS- Interim Financial Report, the same accounting policies have been applied as for the previous consolidated financial statements as at 31 December 2010 with the exception of the following listed new IFRS-Standards and Interpretations.

Changes that apply from 1 February 2010
Amendments to IAS 32 - Financial instruments: Presentation

Changes that apply from 1 July 2010
Amendment to IFRS 1 - First-time adoption
IFRIC 19 - Extinguishing financial liabilities with equity instruments

Annual Improvements 2010, which apply from 1 July 2010
IFRS 3 – Business combinations
IFRS 7, IAS 32 and IAS 39 – according to the changes of IFRS 3
IAS 21, IAS 38 and IAS 31 – according to the changes of IAS 27

Annual Improvements 2010, which apply from 1 January 2011
IFRS 1 – First-time adoption of the International Financial Reporting Standard
IFRS 7 – Financial instruments: general information
IAS 1 – Presentation of financial statements
IFRIC 13 – Special programs for customer loyalty

Changes that apply from 1 January 2011
Amendment to IAS 24 – Related party disclosures
Amendment to IFRIC 14 - IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

Changes that apply from 1 July 2011
IFRS 1 – First-time adoption of the International Financial Reporting Standard
IFRS 7 – Financial instruments: general information

Changes that apply from 1 January 2012
IAS 12 – Income taxes

Changes that apply from 1 January 2013 but which are currently not adopted by the EU
IFRS 9 – Financial instruments

In general the first-time mandatory application of new IFRS could lead to changes within the currently applied accounting policies. With the exception of the mandatory application, effective for fiscal years beginning on or after 1 July 2010, IFRS 3 (rev. 2008) - Business combinations and IAS 27 (rev. 2008) - Consolidated and separate financial statements and the impact on IAS 21, IAS 31, IAS 32, IAS 39 and IFRS 7, no further impacts which will have substantial effect on the Group's accounts are expected. The impacts on Group's accounts arising from the first-time application of IFRS 9-financial instruments (effective from 1 January 2013) which will replace currently applied IAS 39 financial instruments are still not foreseeable.

This condensed IFRS-Interim Financial report for the period ended 31 March 2011 was not submitted to an audit according to §317 German Commercial Code (HGB) as well as not reviewed by the auditors.

Consolidation Principles
The same consolidation principles have been applied as in the previous consolidated financial statements for the year ended 31 December 2010, which contain a detailed explanation of these principles.

Reporting Entity Structure
The three month financial report includes the financial statements of the Company and companies under its control (its subsidiaries) as at 31 March 2011.

All of CompuGroups's consolidated financial statements are prepared according to consistent accounting policies. Shares in associated companies substantially controlled by the Company exercises significant influence (with voting rights of between 20 percent and 50 percent) are accounted by using the equity method.

The following significant changes have taken place with regard to the reporting entity structure compared to the previous year:

+ Acquisition of Healthport LLC (USA):
  In November 2010 CompuGroup signed a purchase agreement of the healthcare division of Healthport. The closing for acquiring 100 percent of the shares for a purchase price of USD 18 million took place on 3 January 2011 (closing date). The company provides Ambulatory Information Systems, Electronic Health Records (HER) and services around the billing and cost management of about 3,600 providers.

+ Acquisition of Ascon Software II B.V. (Netherlands):
  Effective 01 January 2011, CompuGroup acquired 100 percent of the shares of Ascon. The purchase price amounted to EUR 15.0 million. Ascon, a south-east located company in the Netherlands, has about 80 employees and serves 430 pharmacies and about 700 providers. This represents a market share of about 22 percent at pharmacies and about 10 percent at providers. As one of a few actors on the market the company had since 2007 approx. 10 percent growth rate per year.

+ Acquisition of Lorensberg Holding AB (Sweden):
  Effective 19 January 2011, CompuGroup acquired 100 percent of the shares of Lorensberg Holding AB including all their subsidiaries. With their 41 employees Lorensberg mainly develops software solution for health care prevention, general practitioner and school health services in Sweden. The purchase price for the shares amounted to SEK 40.0 million (approx. EUR 4.5 million).

+ Merger of Alteer Corp and Visionary Healthware LLC (USA):
  By merger agreement dated 15 December 2010, Alteer Corp was merged with Visionary Healthware LLC to pool their business activities in the market for ambulatory information systems. The merger took place on the 1 January 2011.

+ Merger of Antek DAQBILLING LLC and Visionary Healthware LLC (USA):
  By merger agreement dated 15 December 2010, Antek DAQBILLING LLC was merged with Visionary Healthware LLC to pool their business activities in the market for ambulatory information systems. The merger took place on the 1 January 2011.

+ Merger of Soft Aid Inc, Visionary Medical Systems Inc. and Visionary Healthware LLC (USA):
  By merger agreement dated 15 December 2010 Soft Aid Inc and Visionary Medical Systems Inc. was merged with Visionary Healthware LLC to pool their business activities in the market for ambulatory information systems. The merger took place on the 1 January 2011.

+ Merger of Antek LABDAQ LLC and Antek Healthware LLC (USA):
  By merger agreement dated 30 December 2010, Antek LABDAQ LLC was merged with Antek Healthware LLC to pool their business activities in the market for ambulatory information systems. The merger took place on the 1 January 2011.

+ Merger of Antek Inc. and Visionary Healthware LLC (USA):
  By merger agreement dated 30 December 2010, Antek Inc. was merged with Visionary Healthware LLC to pool their business activities in the market for ambulatory information systems. The merger took place on the 1 January 2011.

+ Merger of Net Practice Group Inc. and Noteworthy Medical Systems Inc. (USA):
  By merger agreement dated 31 December 2010, Net Practice Group Inc. was merged with Noteworthy Medical Systems Inc. to pool their business activities in the market for ambulatory information systems. The merger took place on the 1 January 2011.

Consolidation of Capital, Liabilities and Income
Please refer to the consolidated financial statements for the year ended 31 December 2010.

Foreign Currency Conversion
Functional currency is the respective national currency used in the local economic environment. The reporting currency is the EURO which is the functional currency of the parent company. For further information on currency conversion please refer to the consolidated financial statements for the year ended 31 December 2010.

Corporate Governance Code
In accordance with § 161 of the German Stock Corporation Act (AktG), the prescribed declaration of compliance has been submitted by the Management Board and the Supervisory Board and is available to shareholders on the Company's website www.cgm.com.

EXPLANATIONS TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Intangible assets

AAs at 31 March 2011 intangible assets accounted for EUR 415.9 million. This corresponds to an increase of EUR 24.4 million compared to 31 December 2010. The increase mainly pertained to the acquisition of Healthport, Lorensberg and Parametrix. During the first three month, the amortization of intangible assets amounted to EUR 7.9 million, primarily attributable to acquired software, brands and customer relations from acquisitions.

2. Tangible assets

As at 31 March 2011 tangible assets accounted for EUR 42.5 million. This corresponds to an increase of EUR 3.4 million compared to 31 December 2010. The increase mainly pertained to the acquisition of Ascon, Healthport, Lorensberg and Parametrix. Furthermore EUR 1.2 million was spent for prepayments in land and buildings in relation to create a new office building at headquarter in Koblenz.

3. Long-term assets scheduled for disposal/liabilities relating to the long-term assets scheduled for disposal:

"Neu Golm" disposal

A building in Neu-Golm used as an office building up to now and owned by the subsidiary IFAP Institut für Unternehmensberatung und Wirtschaftsdienste im Gesundheitswesen GmbH is for sale (HCS segment). During the year new business premises were occupied. Since then the building has not been let. Active efforts are being made to find a purchaser.

"Lorensberg Ltd." Disposal

With purchasing the Lorensberg Group, CompuGroup decided to sell directly after the transaction all shares of the Lorensberg Ltd. (UK). Lorensberg Ltd. (UK) operates mainly in producing and selling solutions for local authorities, police, museums, NHS, public libraries, universities, colleges and schools which not belongs to the business activities of CompuGroup. The profit of Lorensberg Ltd. of the reporting period amounted to EUR 0.1 million. CompuGroup expects to sell the shares in the 2nd quarter 2011.

Discontinued operations
as at 31 March 2011

	"Neu Golm" EUR '000	"Lorensbergs Ltd." EUR '000	Total EUR '000
Non-current assets			
Intangible assets	0	1,884	1.884
Land and buildings	300	0	300
Other facilities, plant and equipment	0	13	13
Other receivables	0	0	0
	300	1,898	2,198
Current assets			
Inventories	0	0	0
Trade receivables	0	231	231
Other receivables	0	24	24
Cash and cash equivalents	0	729	729
	0	985	985
Total assets	300	2,882	3,182
Non-current liabilities			
Deferred taxes	0	700	700
	0	700	700
Current liabilities			
Trade payables	0	132	132
Income tax liabilities	0	66	66
Provisions	0	0	0
Other liabilities	0	65	65
Liabilities associated directly with non-current assets qualified as held for sale	0	963	963

4. Company capital

Share capital

As at 31 March 2011 the share capital of the company amounts to EUR 53,219,350, divided into 53,219,350 no-par-value bearer shares with a value of EUR 1.00 per share.

Authorized capital

By resolution of the General Meeting dated 16 August 2006, the Management Board is authorized until 16 August 2011, with the approval of the Supervisory Board, to increase the share capital up to EUR 22,939,375 by issuing new shares on one or more occasions against cash and/or in kind distributions. The commercial register entry took place 28 September 2006. During the IPO on 4 May 2007 the share capital was increased by EUR 7,340,600 from the authorized capital.

Treasury shares

By resolution of the General Meeting dated 19 May 2010, the Management Board was authorized to acquire its own shares until 19 May 2015. In accordance with Section 71 paragraph 1 No. 8 German Stock Corporation Act (AktG), the Company is authorized to acquire or hold its own shares, up to a total of 10 percent of the current share capital.

The Company holds 2,990,708 treasury shares of which 532,350 were acquired in the 2001 financial year and a further 2,490,518 treasury shares were acquired as part of the buy back program between 23 January 2008 and 18 April 2008 (500,000 shares; purchase price per share in bands from EUR 8.6430 to EUR 12.6788; average weighted purchase price of EUR 10.3276 per share), between 22 July 2008 and 14 October 2008 (500,000 shares; purchase price per share in bands from EUR 3.8243 to EUR 5.4881; average weighted purchase price of EUR 4.8426 per share), between 15 October 2008 and 30 December 2008 (460,896 shares; purchase price per share in bands of EUR 3.1519 to EUR 4.4279; average weighted purchase price of EUR 3.8849 per share), between 5 January 2009 and 31 March 2009 (403,876 shares; purchase price per share in bands from EUR 3.4100 to EUR 4.7402; average weighted purchase price from EUR 4.0810 per share), between 1 April 2009 and 27 May 2009 (500,000 shares; purchase price per share in bands from EUR 3.8357 to EUR 4.5988; average weighted purchase price of EUR 4.1578 per share) and between 4 June 2009 and 31 December 2009 (125,746 shares; purchase price per share in bands from EUR 4.1853 to EUR 6.0000; averaged weighted purchase price of EUR 5.6852 per share).

End of March 2010 the company got the notification that caused by the bankruptcy of Lehman Brothers, a total amount of 32,160 treasury shares was not transferred to the depot. Due to this circumstance the company reduced the total amount of the treasury shares to 2,990,708.

Reserves

The company's reserves relate exclusively to retained earnings, foreign currency translation differences and share premiums from the initial public offer in 2007 (EUR 127.9 million).

As at 31 March 2011 the reserves amount to EUR 140.5 million.

5. Liabilities to banks

As at 31 March 2011 the total debt to credit institutions amount to EUR 261.2 million compared to EUR 216.7 million as at 31 December 2010.

In June 2008, CompuGroup Medical AG received a loan with a term of 12 months of EUR 100 million for the financing of the Profdoc acquisition. This loan was refinanced by the conclusion of several loan agreements (syndicated loan) for EUR 80 million in total (with a term of seven years) and a loan agreement for EUR 20 million (with a term of three years).

Repayments begin in March 2010 and will end in March 2016 (in March 2012 for the credit agreement for EUR 20 million). The maturities are as follows: 2010 and 2011 financial years EUR 14.3 million each; 2012 financial year EUR 25.7 million, 2013 to 2016 financial years EUR 11.4 million each.

The interest on the loan is variable, linked to the 3 months EURIBOR, which will be determined quarterly before the start of the new interest period. In addition, a margin will be calculated that is oriented on net gearing.

To hedge the risks from variable interest, an interest swap was concluded with a term from 1 July 2009 to 30 March 2012. This swapped the variable interest (3-month EURIBOR) into a fixed interest position of an identical amount and term to the basic transaction. By balancing the variable interest to be paid and to be received, the Company bears fixed interest of 2.03 percent plus the margin. The expenditure and revenues from the securities transaction are balanced permissibly under "Interest paid". The current market value of the interest rate swap at 31 March 2011 is EUR -252 thousand (previous year: EUR -805 thousand).

As part of the conclusion of the financing, so-called upfront-fees and other consulting costs were incurred to finalize the credit agreement. The total amount of EUR 600 thousand will be charged as an expense over the term of the credit agreement.

Furthermore, CompuGroup Medical AG concluded two promissory note loans on 1 July 2009 for a total value of EUR 12.5 million. These have a total maturity of three years. The loans will be due in March 2012. The grant of the loan was linked to meeting financial key performance indicators (net debt, interest coverage and equity ratio). Interest is variable (3 month EURIBOR) plus a 3.30 percent margin. No security transaction has been concluded.

In January 2010, two loans were taken out with IKB Deutsche Industriebank, Düsseldorf (IKB No. 3 and IKB No. 4) that were refinanced by the KfW (KfW Bankengruppe or German Development Bank). Each loan has a value of EUR 10.0 million. These loans are derived from the ERP innovation program of the KfW and are intended to finance investments at the Company's location in Koblenz.

Both loans were fully utilized as of 31 December 2010. The loan IKB No. 3 has a 3.9 percent fixed interest rate. Interest is payable at the end of each financial quarter. The principle repayment is to be made quarterly in the amount of EUR 625 thousand; the first repayment is due on 30 September 2011. The loan has a term until 30 June 2015. The loan IKB No. 4 has a 4.45 percent interest rate. Interest is payable at the end of each financial quarter. The principle repayment is to be made quarterly in the amount of EUR 833,334; the first repayment is due on 30 September 2012. The loan has a term until 30 June 2015. The Company paid a service charge and structuring fee totaling EUR 100 thousand to finalize the loan agreements.

The company has also taken a redeemable loan totaling EUR 30.0 million from Commerzbank based upon an agreement dated 26 August 2010. The purpose of this loan is to finance the acquisition of the holding in Visionary Group. The loan is repaid in annual installments totaling EUR 6.0 million that are due on 31 August of each year. The first repayment is to be paid on 31 August 2011. The interest on the loan is based on the 3-month EURIBOR rate plus a 2.25 percent margin. No hedge has been concluded.

CompuGroup Medical AG concluded a loan agreement with an execution date of 22 December 2010 for a total sum of EUR 300.0 million. The loan consists of a „term loan facility" (also referred to in the following as „TLF") for EUR 160.0 million and a „multi currency revolving loan facility" (also referred to in the following as „RLF") for EUR 140.0 million, both of which mature on 22 December 2015. The TLF must be repaid in EUR 12.5 million installments due on 31 January and 30 June of each year beginning 2012, whereas the RLF must be repaid at the end of each interest period and can be taken out again immediately thereafter.

The interest period can be chosen by CGM AG at its discretion. The interest rate is based upon the appropriate EURIBOR rate for the interest period chosen plus a margin derived from the relationship between the consolidated net debt and adjusted EBITDA. The margin is 2.25 percent for the first six months. As of 31 March 2011, EUR 190.0 million of the TLF and EUR 9.0 million of the RLF were utilized. Loan origination fees totaling EUR 6.0 million were incurred related to these facilities. These fees will be charged as an expense over the term of the loan agreement. These loan origination fees represent the utilization of the RLF. No hedge has been concluded. The grant of the loan is linked to meeting certain financial key figures.

Due to the conclusion of the loan agreement of EUR 300.0 million CompuGroup negotiated with nearly all other lenders of loans to repay them completely. In the reporting period CompuGroup paid back the loans to Rheinland-Pfalz Bank, Deutsche Bank and BGL. The other loans are expected to be repaid in the 2nd quarter 2011.

6. Deferred tax liabilities

Deferred tax liabilities increased by EUR 10.1 million to EUR 60.1 million during the first three month of 2011. The increase mainly pertained to the acquisition of Ascon, Healthport, Lorensberg and Parametrix.

7. Other liabilities

Other liabilities increased by EUR 31.3 million to EUR 64.6 million during the first three month of 2011. This pertains mainly to the increase of pre-payments of maintenance contracts (EUR 25.9 million. Also new acquired companies contribute rising other liabilities by EUR 9.8 million. VAT/payroll tax and PoC excess liabilities declined by EUR 4.6 million.

8. Capitalized in-house services

Capitalized in-house services relates exclusively to the activation of self-developed software. During the first three month of 2011 a total of 46,484 working hours (EUR 1.7 million) were classified for activation. In the same period in 2010, 41,777 hours (EUR 1.6 million) were activated. The country specific hourly range is between approx. EUR 14 and approx. EUR 45 per hour. During the first three month the depreciation on the already finished software amounted to 0.8 EUR million (year before: EUR 0.8 million).

9. Special effects on the profit and loss account

Please see comments in the interim management report.

10. Hedging activity

During the 2nd quarter 2009 CompuGroup closed a contract for an interest rate swap. This swap locks in the interest rate for EUR 100 million of the debt to credit institutions over 3 years, less the scheduled down payments in this period, at a fixed rate of 2,03 percent. As at 31 March 2011 the SWAP was balanced as a liability with a fair value evaluation of EUR 0.3 million. This evaluation represents an effect within the reporting period of EUR -0.6 million which is recorded in the financial expenses in the Total Comprehensive Income Statement.

11. Group rate of taxation transition

The group tax charge consists of the current tax charge and deferred tax. The current tax charge is based on the taxable income for the period. The current tax liability is based on the applicable tax rates. Deferred tax represents expected future tax savings or additional charges arising from the difference between book values of assets and liabilities and the values adopted in the taxable income computation. The liability method is used in the deferred tax calculation.

EUR ´000 / %

1,732	EBT - Pre-tax profits
707	Taxes on income and earnings from the income statement
40.8%	Effective tax rate for the group
-15.2%	Tax-free loss Tepe
5.9%	Tax differences foreign subsidiaries
-1.9%	Other differences
29.65%	Theoretical tax rate for the group

12. Employees

CompuGroup had an average of 3,228 employees in the first three month of 2011 (previous year: 2,698).

13. Segment reporting

In this report, CompuGroup follows the application of the new IFRS 8 for the segment reporting. Currently the Company assumes that there will be no changes in the business segments. All transactions between the segments are calculated at fair market values.

	Segment I: Health Provider Services (HPS)			Segment II: Health Connectivity Services (HCS)			Segment III: Consumer Health Services (CHS)		
EUR ´000	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec
Sales to third parties	73,865	55,255	248,152	16,321	13,899	63,888	0	0	0
Sales between segments	409	529	2,871	43	162	658	0	983	4,006
SEGMENT SALES 1)	**74,274**	**55,784**	**251,023**	**16,364**	**14,061**	**64,546**	**0**	**983**	**4,006**
EBITDA	**12,816**	**11,325**	**58,106**	**5,175**	**4,006**	**21,144**	**-239**	**688**	**2,696**
in % of sales	17.4	20.5	23.4	31.7	28.8	33.1	-	-	-
Depreciation on tangible assets	-1,252	-889	-4,065	-69	-66	-302	0	-4	-17
Amortization on intangible assets	-7,018	-5,894	-25,278	-665	-703	-2,867	-138	-148	-574
Impairment for financial assets	0	0	0	0	0	0	0	0	0
EBIT	**4,546**	**4,542**	**28,763**	**4,441**	**3,237**	**17,975**	**-377**	**536**	**2,105**
Earnings of associated companies	0	39	213	0	0	0	0	0	0
Financial Income	-	-	-	-	-	-	-	-	-
Financial Expenses	-	-	-	-	-	-	-	-	-
EBT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Income Tax	-	-	-	-	-	-	-	-	-
GROUP NET INCOME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
in percent of sales	-	-	-	-	-	-	-	-	-
GROUP NET INCOME before amortization on intangible assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

1) Total Sales (excluding changes in inventory, own work capitalized and other operating income)

	All other Segments			Consolidation adjustments			CompuGroup Group		
	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec
	87	97	334	0	0	0	90,273	69,251	312,374
	2,539	1,042	5,384	-2,991	-2,716	-12,919	0	0	0
	2,626	1,139	5,718	-2,991	-2,716	-12,919	90,273	69,251	312,374
	-3,778	-3,466	-14,911	0	0	0	13,974	12,553	67,035
	-	-	-	-	-	-	15.5	18.1	21.5
	-160	-166	-730	0	0	0	-1,481	-1,125	-5,114
	-41	-109	-139	0	0	0	-7,862	-6,854	-28,858
	0	0	0	0	0	0	0	0	0
	-3,979	-3,741	-15,780	0	0	0	4,631	4,574	33,063
	0	0	0	0	0	0	0	39	213
	-	-	-	-	-	-	680	597	3.271
	-	-	-	-	-	-	-3,579	-2,761	-10,156
	-	-	-	-	-	-	1,732	2,449	26,391
	-	-	-	-	-	-	-707	-810	-9,798
	-	-	-	-	-	-	1,025	1,639	16,593
	-	-	-	-	-	-	1.1	2.4	5.3
	-	-	-	-	-	-	8,887	8,493	45,451

14. Other financial obligations and financial commitments

Other financial obligations and financial commitments as at 31 March 2011 consist of the following:

EUR '000	Q1/2011	Q1/2010
One year or less	6,161	7,971
Between two and five years	8,680	13,192
Longer than five years	3,814	3.777
	18,655	20,939

Payments from operating lease relationships involve rent for the Group's office equipment and particularly for office buildings (without purchase option). Leasing relationships are concluded for an average term of three years. The rents are fixed for three to seven years. Operating leasing relationships are shown in the balance sheet with a pro rata affect on income.

There are no larger purchase commitments from operations.

As part of a project contract concluded in November 2008 with the Vienna Hospital Group (KAV), Systema Human Information Systems GmbH gave a performance guarantee for EUR 3.6 million to KAV. Furthermore, the Company has deposited EUR 19 thousand with the landlord for the rental of office space and a computer center in St. Pölten.

CompuGroup Medical AG has assumed a guarantee in favor of Meteksan Sistem ve Bilgisayar Teknolojileri A.S. for YTL 210 thousand (EUR 98 thousand) for Tepe Teknolojik Servisler A.S.

In the course of its business "Tepe International A.S" participates in foreign and domestic tenders and normally must provide a guarantee in order to participate in the tender. To secure this deposit CompuGroup Medical AG has guaranteed EUR 3.5 million at Fortis Bank (Turkey).

Under the terms of the joint venture agreement of 15 November 2004 between United Pascal Holdings B.V. and CompuGROUP Beteiligungsgesellschaft to found UCF Holding S.a.r.l. Luxembourg, CompuGroup Medical AG as the parent company is obliged to guarantee the liquidity of CompuGROUP Beteiligungsgesellschaft. The reason for this is that United Pascal Holdings B.V. has, at term, the right to sell its minority stake. As at 31 March 2011, this purchase obligation would have been valued at around EUR 5.1 million if the put right had been exercised.

The Company has taken over a guarantee for EUR 1,909 thousand in favor of the landlords Friedrich and Jan Christopher GmbH and Geschwister Christoffer GbR on behalf of the associate company Medistar Praxiscomputer GmbH as part of an existing rental agreement.

The Company has given a surety of EUR 15 thousand to Gesmo Gesellschaft für Mobilfunkservices mbH, Marburg at Commerzbank.

The Company has taken over a guarantee of EUR 195 thousand in favor of BECOM Electronics GmbH for Gesellschaft KoCo Connector AG.

In accordance with the declaration of 1 March 2010 the Company assumed an obligation to its indirect subsidiary Noteworthy Medical Systems Inc, USA to support it with sufficient funds for 12 months from the date of the declaration. This declaration was extended in February 2011 for another year.

The sellers have an irrevocable put option for the acquisition of the remaining shares (24.5 percent) of CompuGroup Medical Sweden AB in Profdoc LAB, AB in the year 2013 at a purchase price of SEK 22.05 million (equivalent to EUR 2.45 million as of 31 December 2010). CompuGroup Medical AG has guaranteed the payment as per the credit guarantee dated 22 September 2009.

The Polish subsidiary UHC has issued guarantees of EUR 582 thousand for customer orders.

All payments will be due for final payment in 2010. The Company has assumed joint and several liabilities for all leasing and service contracts concluded by associated companies with VR-Leasing AG. Liabilities arising from these contracts amounted to EUR 219 thousand on the balance sheet date.

An interest and principle guarantee has been entered into in favor of Landesbank Saar Girozentrale on behalf of the associated company IMMO I GbR (in the course of the purchase of additional shares and subsequent merger with CompuGROUP Beteiligungsgesellschaft mbH) with relation to financing by Landesbank Saar Girozentrale. CompuGroup Medical AG undertakes to ensure that the debtor assumes all present and future interest and principle payments on time or else will make such payments for them.

This refers to two loans with the following conditions:

Original credit amount (EUR)	Interest rate (%)	Monthly repayment (EUR)	Fixed interest period
1,121,000	5.5%	12,144	30.12.2012
1,879,000	5.5%	0,00	30.12.2012
3,000,000		12,144	

Only interest will be paid for the loan for EUR 1,879 thousand until 30 December 2012.

The loans were valued at EUR 2.1 million on 31 March 2011.

As part of the interest rate adjustment on 30 December 2012 a repayment agreement has to be made within 10 years so that the total term of 20 years is not exceeded.

15. Company acquisitions

Date of purchase	Visionary 01.09.2010 EUR '000	Belgiedata 31.12.2010 EUR '000	HCS 01.12.2010 EUR '000
1) Assets			
I. Non current assets	4,089	54	95
II. Current assets cash and cash equivalents	232	244	616
III. Current assets without cash and cash equivalents	2,228	124	767
2) Liabilities and shareholder's equity			
I. Long-term borrowed capital	196	0	0
II. Short-term borrowed capital	4,607	189	1,289
3) Acquisition of shareholder's equity	1,746	233	189
External portion	0	0	0
Purchase price allocation			
Goodwill, software	11,234	1,281	763
Goodwill, business value	20,109	1,305	3,299
Goodwill, customer relationship	12,255	1,646	1,040
Goodwill, brand	8,170	549	347
Goodwill, minorities	0	0	0
Advance payment of purchase price (prior year)	0	0	0
Gain resulting of fair value evaluation	0	0	-1,506
Purchase price liability	-5,949	-1,440	-100
Deferred tax assets on loss carried forward	0	0	0
Deferred tax liabilities on goodwill	-12,664	-1,182	-538
Offset against interests in affiliates (valued at equity)	0		-994
Purchase price	**34,901**	**2,392**	**2,500**
Total purchase cost	40,850	3,832	2,600
According to allocation	34,901	2,392	2,500
4) Percentage of voting rights acquired (%)	100	100	100
5) Acquired funds	232	244	616
6) Result following initial consolidation	n.a.	n.a.	n.a.
7) Result under the premise that no takeover had taken place under the period 1 January-31 December 2009	n.a.	n.a.	n.a.
9) Step up depreciation	n.a.	n.a.	n.a.
9) Sales revenues since initial consolidation	n.a.	n.a.	n.a.
10) Sales revenues under the premise that no takeover had taken place under the period 1 January-31 December 2009	n.a.	n.a.	n.a.

The purchase price allocations for Visionary Group, Belgiedata, HCS, Ascon, Healthport, Lorensberg and Parametrix are provisional. For proforma data in respect of Visionary Group, Belgiedata and HCS we refer to the Annual Report 2010.

Ascon 01.01.2011 EUR '000	Healthport 01.01.2011 EUR '000	Lorensberg 01.01.2011 EUR '000	Parametix 01.01.2011 EUR '000	Total 31.03.2011 EUR '000
2,272	3,138	168	160	5,738
1,074	254	1,454	0	2,782
1,866	2,546	1,628	879	6,919
968	,149	0	0	1,117
2,693	3,377	1,271	2,441	9,782
1,551	2,412	1,980	-1,402	4,541
0	0	0	0	0
4,035	4,350	562	2,429	11,376
4,932	329	312	1,911	7,484
5,380	9,715	1,990	1,240	18,325
2,017	3,800	747	1,985	8,549
0	0	0	0	0
-15,000	0	0	0	-15,000
0	,0	0	0	0
0	0	0	0	0
0	0	0	0	0
-2,915	-7,146	-1,107	-1,263	-12,431
				0
0	13,461	4,483	4,900	22,844
0	13,461	4,483	4,900	22,844
0	13,461	4,483	4,900	22,844
100	100	100	100	400
1,074	254	1,454	0	2,782
808	267	100	-547	628
808	267	100	-547	628
193	278	48	134	653
3,217	3,944	1,034	1,145	9,340
3,217	3,944	1,034	1,145	9,340

Additional Information

FINANCIAL CALENDAR 2011

Date	Event
04 May 2011	Q1 Report
11 May 2011	Annual General Shareholder Meeting Koblenz
11 August 2011	Q2 Report
16 November 2011	Q3 Report / Analyst conference

SHARE INFORMATION

The CompuGroup share finished the first quarter with a closing price of EUR 11.50 on 31 March 2011. The average closing share price rose by 14 percent from EUR 10.07 (Q4/2010) to EUR 11.47 (Q1/2011).

The highest quoted price during the quarter was EUR 12.70 on 11 February 2011 and the lowest price EUR 9.40 on 15 March 2011.

The trading volume of CompuGroup shares was 957,005 shares during the first quarter, up 11 percent compared to the previous quarter. On average, the daily trading volume was 14,953 shares.

By the end of March 2011, a total of five analyst companies were covering CompuGroup's shares on a regular basis. The forecast price targets ranged from EUR 12.80 to EUR 17.00. Four analysts rated the shares a "buy" and one analyst as "overweight".

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Management Responsibility Statement

To the best of our knowledge, and in accordance with applicable accounting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group over the remainder of the financial year.

Koblenz, 04 May 2011

CompuGroup Medical Aktiengesellschaft
The Management Board

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