



VISIONARY HEALTHWARE

Empowering Change Through Technology

CompuGroup expands in US market

Acquisition of Visionary Healthware – Conference Call

Christian B. Teig, CFO

Dr. Gerhard Schütz, SVP North America

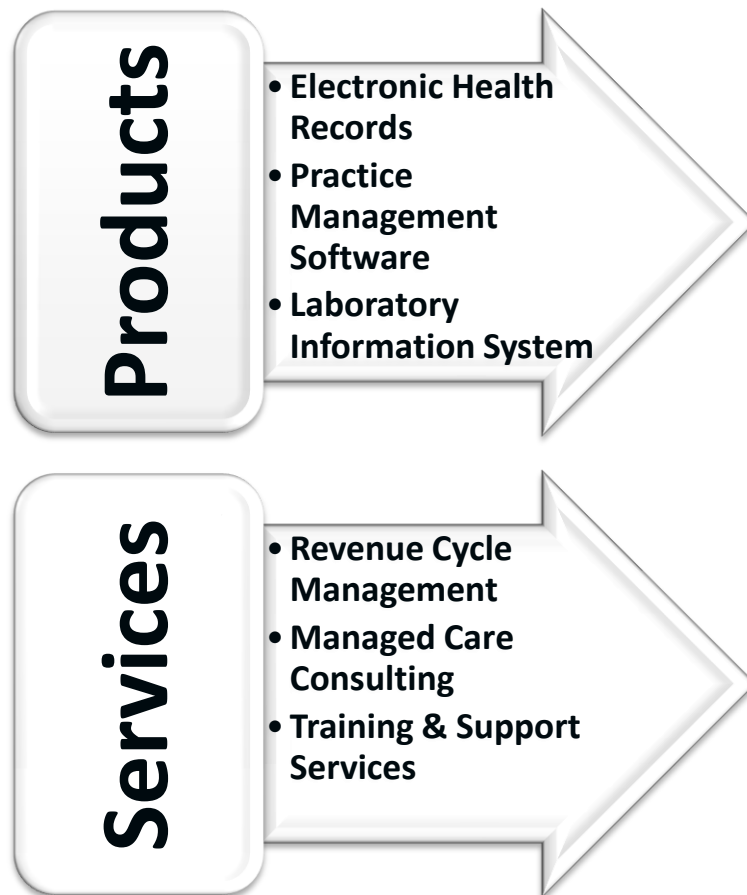
31 August, 2010

Visionary Healthware overview

- Ranked #71 by Healthcare Informatics Magazine in 2009
- Customer base: 10,000 PMS/EHR doctors - 60,000+ physicians reach (including LIS, RCM and managed care consulting)
- 200 employees and offices in Tampa (HQ), Baltimore, and Irvine
- 2009 revenue \$28 million and EBITDA \$6 million
- ~80% of revenue is recurring or repeat: 55% recurring - 22% repeat
- Certified Electronic Health Record software
- “Best in Class” Laboratory Information System



Products and services



● EHR market opportunity

- 625,000 target providers
- 13% – 32% current EHR penetration (small to large size providers)
- HITECH act - \$44k to \$64k per physician for certified EHR

● Laboratory market opportunity

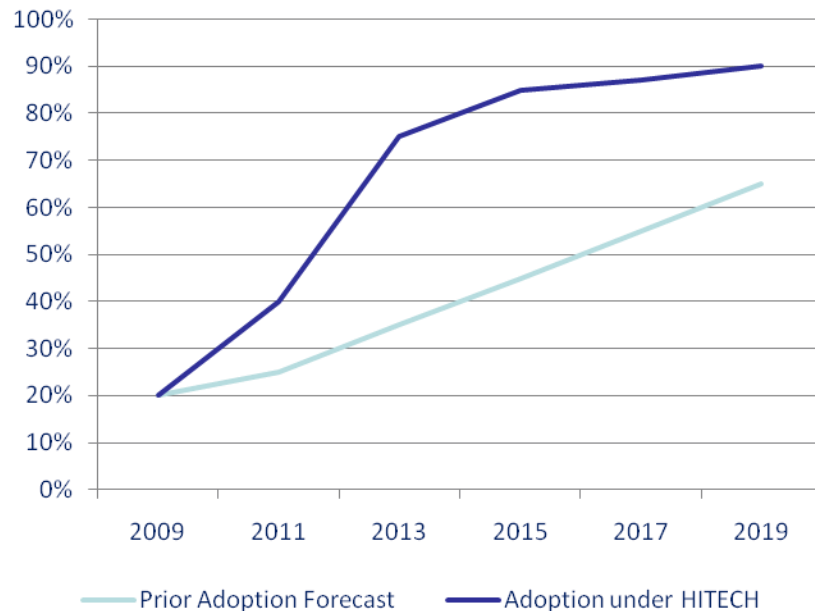
- Physician office laboratories
- Hospital outreach
- Reference laboratories
- Special disciplines (e.g. Anatomic pathology)

United States HITECH opportunity

- The American Recovery and Reinvestment Act of 2009 (ARRA) signed into law by President Obama on February 17, 2009
- Up to US\$ 44,000 (Medicare) or US\$ 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
- About 400,000 doctors expected to buy an EHR next 5 years (about US\$ 20 billion potential)

Estimated Physician EHR adoption curve

Source: CBO and Wall Street Research



Distribution of Physician practices by size

Source: American Medical Association and Morgan Keegan Estimates

Physicians	Practices	% of Practices	Total Docs	% of Docs
1-2	160,000	72%	200,000	32%
3-5	40,000	18%	160,000	26%
6-9	14,000	6%	100,000	16%
10-19	5,000	2%	80,000	13%
20+	3,000	1%	85,000	14%
Total	222,000	100%	625,000	100%

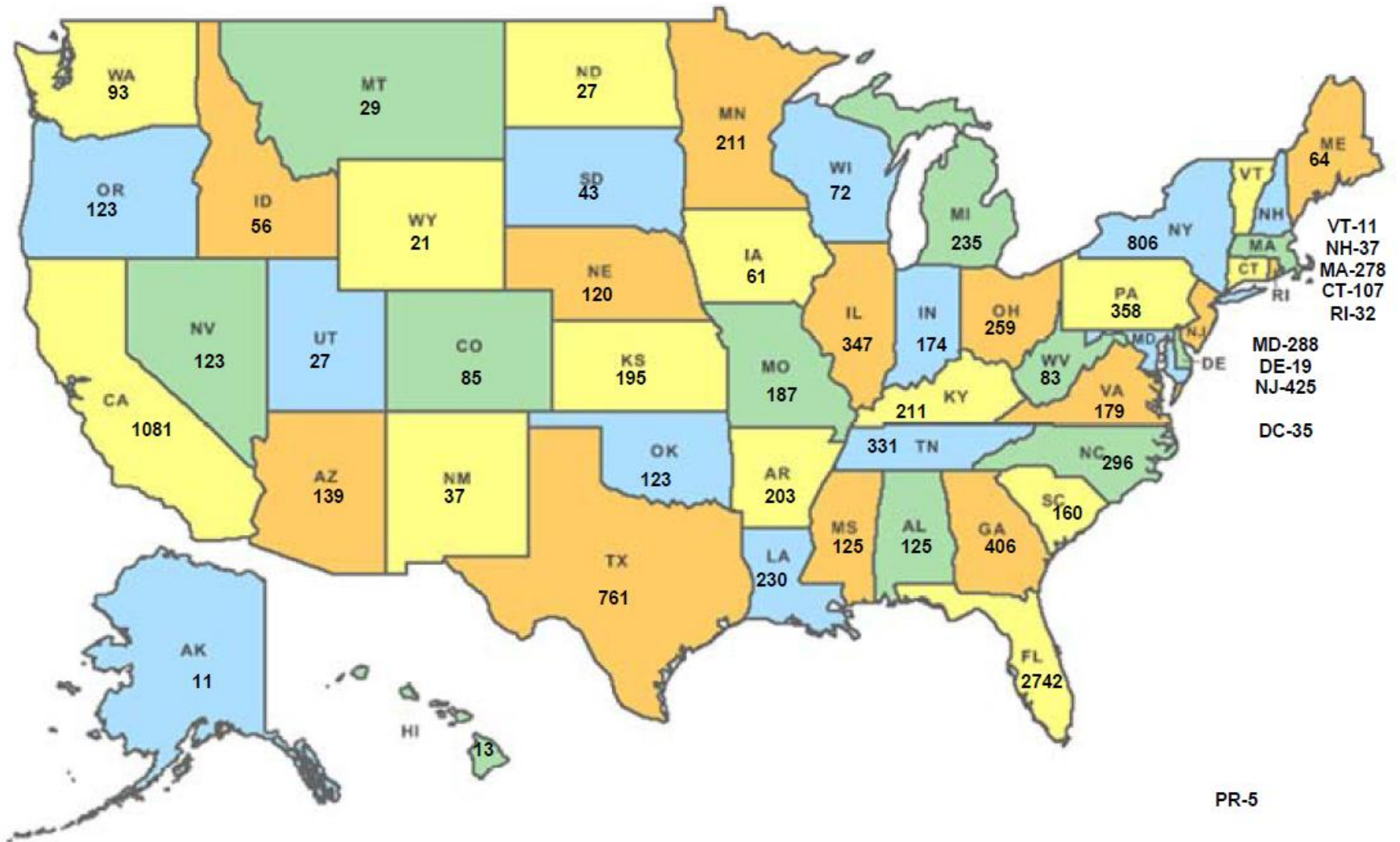


EHR and LIS cross-selling opportunity

- **Highly productive & mature distributor network selling LIS through key strategic partners. This channel is now being engaged to distribute EHR.**
- **Unique as a sole source provider of LIS and EHR technology to the ambulatory market, now delivers a one-of-a-kind workflow solution to the POL market by tightly integrating the LIS & EHR functionality into its workflow design.**
- **Distinctive value proposition for clients looking to implement both EHR & LIS. Interoperability is a critical implementation issue sense of security is provided with only 1 point of contact for resolving issues as well as reducing the overall cost of deployment by over 1/3 of a multi-vendor implementation.**

Doctors by state

(2009)



Partners and endorsements

- Florida Disease Management Initiative
- USF Regional Extension Center
- Physicians Sales and Services (“PSS” - an LIS Distributor)
- Amerinet (GPO with 16,000 clinics and 1,800 hospitals)
- Availity ~ Preferred EHR/PMS technology provider
- Florida Medical Association ~ Endorsed EHR/PMS/PHR Provider
- Tampa Bay RHIO – founding member, Board of Directors
- Georgia Primary Care Association ~ Approved EHR/PMS Technology Provider

Key figures



	2009	2008
	USD '000	USD '000
Sales revenue	28.042	25.255
Capitalized in-house services	2.114	2.184
Expenses for goods and services purchased	-4.055	-3.800
Personnel costs	-13.978	-12.775
Other expense	-5.889	-4.902
Earnings before interest, taxes depr. and amortization (EBITDA)	6.234	5.962
Depreciation of property, plants and tangible assets	-1.112	-914
Earnings before interest, taxes and amortization (EBITA)	5.122	5.048
Amortization of intangible assets	-2.720	-2.635
Earnings before interest and taxes (EBIT)	2.402	2.413
Other income/expense	-137	-248
Financial income	2	6
Financial expense	-1.012	-1.370
Earnings before taxes (EBT)	1.255	801
Taxes on income for the period	-108	-60
Consolidated net income for the period	1.147	741



Revenue split

● New Customer Sales

- Software licensing and related services

● Repeat Sales to Existing Customers

- Software licensing and related services

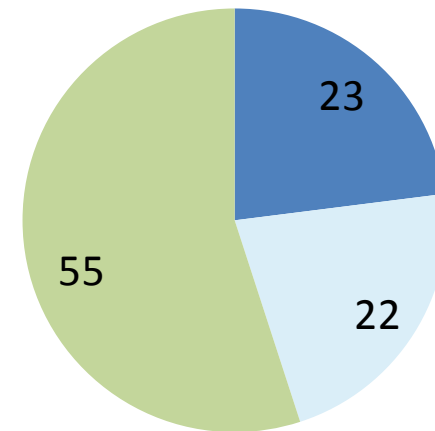
● Recurring Revenue

- Maintenance contracts
- ASP subscription/SAAS
- Transactional services



VHW revenue 2009

100% = 28.0 mUSD



■ New sales ■ Repeat sales ■ Recurring

Transaction details

- **Payment for all debt and equity in the entities acquired is expected to total**
 - \$44 million in cash
 - Additional variable consideration over the next 2 years of up to \$21 million depending primarily on the continued growth in number of users.
- **The initial purchase price will be financed through cash at hand and new long-term debt**
- **The shares of the acquired entities will be held by CompuGroup Holding USA, Inc., a wholly-owned subsidiary of CompuGroup Medical AG**
- **Transaction closing is scheduled for September 1st 2010.**

United States in CGM strategy



“The US is a core market for CompuGroup Medical. With the network of doctors now served through Noteworthy and Visionary we are quickly moving up the ranks of healthcare IT companies in USA. I am particularly excited about this accelerating development and I repeat our commitment to do everything in our power to make the United States a key future market for CompuGroup Medical.”

Frank Gotthardt, Chairman of the Board of CompuGroup Medical AG

Outlook 2010 impact

- **Visionary Healthcare Group will be consolidated in the Group accounts of CompuGroup Medical AG beginning September 1st 2010.**
- **For the remainder of 2010, the transaction is expected to increase Group revenue by approximately EUR 8 million with no significant effect on EBITDA net of transaction expenses.**



Q & A Session

- If you would like to ask questions, please request to speak, by
- → entering *1 on your telephone



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