



Financial Report 1 January - 31 December 2011

- preliminary and unaudited -

CompuGroup Medical AG | Synchronizing Healthcare



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The preliminary results are based on unaudited financial information and on preliminary information reviewed by the management to date. These results remain subject to the completion of the CompuGroup Medical accounting closing process, and approval by the Supervisory Board. The company will provide its audited fourth quarter and full year 2011 results on Thursday, 29 March 2012.

KEY EVENTS

- + Fourth quarter revenue of EUR 114.6 million, an increase of 26 percent compared to the same period in 2010
- + Operating profit (EBITDA) of EUR 25.4 million, an increase of 22 percent compared to the same period 2010
- + Full year 2011 revenue of EUR 396 million and EBITDA of EUR 73 million
- + Strong finish to the year in Ambulatory Information Systems and in Communication & Data
- + CompuGroup Medical offers the following guidance for 2012:
 - Revenue is expected to be in the range of EUR 440 million to EUR 460 million.
 - Operating income (EBITDA) is expected to be in the range of EUR 95 million to EUR 105 million.

FINANCIAL REVIEW

Revenue

Revenue in the fourth quarter of 2011 was EUR 114.6 million compared to EUR 90.7 million in the same period in 2010. This represents an increase of 26 percent, of which 1 percent is organic growth and 25 percent is growth from acquisitions.

In the HPS segment, revenue was EUR 96.6 million compared to EUR 72.6 million in the fourth quarter of 2010. For Ambulatory Information Systems (AIS), revenue grew 26 percent year-on-year, of which 9 percent is organic growth and 17 percent is growth from acquisitions. It has been a strong fourth quarter in the AIS area in many markets, particularly in Germany and Sweden. The strong performance is both a normal seasonal fourth quarter effect and special sales opportunities converted in 2011.

Within Hospital Information Systems (HIS) the year-on-year contraction was -7 percent going from the fourth quarter of 2010 to the fourth quarter of 2011, of which 8 percent comes from acquisitions and -15 percent is organic contraction. As expected and previously communicated, the hospital business had lower than normal seasonal revenue in the 4th quarter of 2011 compared to previous years.

Pharmacy Information Systems (PCS) is a new sub-segment within HPS following the Lauer-Fischer acquisition in June 2011. Fourth quarter PCS revenue was EUR 13.2 million.

HPS revenue development (including acquisitions and currency effects):

EUR m	01.10-31.12 2011	01.10-31.12 2010	Change	01.01-31.12 2011	01.01-31.12 2010	Change
Ambulatory Information Systems	61.4	48.9	26%	227.9	174.0	31%
Hospital Information Systems	22.0	23.7	-7%	76.4	74.2	4%
Pharmacy Information Systems	13.2	0.0		25.6	0.0	
SUM	96.6	72.6	33%	329.9	248.2	33%

In the HCS segment, revenue was EUR 17.9 million compared to EUR 18.1 million in the fourth quarter of 2010. This represents organic contraction of -1 percent. Revenue in Communication & Data grew 8 percent, all of which is organic growth. The business with pharmaceutical producers had a good finish to 2011. The business volume in Workflow & Decision Support contracted 16 percent, from EUR 6.9 million in the fourth quarter 2010 to EUR 5.8 million in the fourth quarter this year. Sales of products and services to health insurance companies in Germany have been at a slow pace for the duration of 2011. The strong 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, especially in Germany.

HCS revenue development (including acquisitions and currency effects):

EUR m	01.10-31.12 2011	01.10-31.12 2010	Change	01.01-31.12 2011	01.01-31.12 2010	Change
Communication & Data	9.2	8.5	8%	31.1	29.0	7%
Workflow & Decision Support	5.8	6.9	-16%	23.7	25.1	-6%
Internet Service Provider	2.9	2.7	9%	10.9	9.8	11%
SUM	17.9	18.1	-1%	65.7	63.9	3%

Profit

Consolidated EBITDA amounted to EUR 25.4 million compared to EUR 20.7 million in the fourth quarter of 2010. This represents an increase of 22 percent. The corresponding fourth quarter operating margin went from 23 percent in 2010 to 22 percent in 2011.

The fourth quarter 2011 EBITDA includes the following one-time effects:

- Restructuring expenses totaling EUR 2.7 million related to the relocation of headquarter functions in Lauer-Fischer from Fürth to Koblenz and the closing of the central service center in Haan.
- Special EUR 1.9 million gain from the sale of the product area 'Personal Office' in Germany, a software product for human resources management unrelated to the healthcare industry.

A revised revenue recognition principle and accounting treatment of the hardware rental contracts in Lauer-Fischer has also been implemented in the fourth quarter of 2011. Under the revised principle, the rental contracts are treated as financial leasing and the cost of the leased assets previously depreciated are now being booked as operating expenses. For the six month consolidated period of Lauer-Fischer in 2011 this change corresponds to an additional operating expense of EUR 1.6 million (all booked in the fourth quarter), and a corresponding reduction in depreciation. The revised principle will also be applied in the future.

With a provisional tax calculation, the estimated fourth quarter net income was EUR 8.8 million, up from EUR 5.5 million in 2010. The estimated fourth quarter 2011 cash net income amounts to EUR 16.5 million and cash net income per share of EUR 0.33.

OUTLOOK

The annual software maintenance and other recurring revenue from existing customers is EUR 290 million at the beginning of 2012, compared to EUR 227 million at the beginning of 2011. The organic growth rate is expected to be 2-6 percent in 2012, with above average growth in Ambulatory Information Systems and a flat year-on-year development in Hospital Information Systems. Acquisitions completed to date are expected to give a further growth contribution of around 9 percent. The operating margin is expected to improve compared to the previous two years and end up in the 22-23 percent range for 2012.

In summary, CompuGroup Medical offers the following guidance for 2012:

- Revenue is expected to be in the range of EUR 440 million to EUR 460 million.
- Operating income (EBITDA) is expected to be in the range of EUR 95 million to EUR 105 million.

The foregoing guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2012.

The outlook for 2012 represents management's best estimate of the market conditions that will exist in 2012 and how the business segments of CompuGroup Medical will perform in this environment.

INCOME STATEMENT

for the reporting period of 1 January - 31 December 2011

	01.10-31.12 2011 EUR '000	01.10-31.12 2010 EUR '000	01.01-31.12 2011 EUR '000	01.01-31.12 2010 EUR '000
Sales revenues	114,632	90,746	396,004	312,374
Other operating expenses	-89,246	-70,020	-322,962	-245,339
Earnings before interest, taxes, depr. and amortization (EBITDA)	25,386	20,726	73,042	67,035
Amortization of intangible assets, depreciation on property, plant and equipment	-9,134	-9,102	-35,838	-33,972
Earnings before interest and taxes (EBIT)	16,252	11,624	37,204	33,063
Net financial result	-4,176	-1,314	-14,912	-6,672
Earnings before taxes (EBT)	12,076	10,310	22,292	26,391
Taxes on income for the period **	-3,248	-4,850	-8,837	-9,798
Consolidated net income for the period **	8,828	5,460	13,455	16,593
Earnings per share **				
undiluted (EUR) **	0.18	0.11	0.27	0.33
diluted (EUR) **	0.18	0.11	0.27	0.33
Cash net income (EUR)* / **	16,498	11,951	39,444	41,865
Cash net income per share (EUR)* / **	0.33	0.23	0.79	0.83

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

** All values for 2010 are based on a provisional tax calculation. Actual tax rates are subject to change.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

ASSETS

	31.12.2011 EUR '000	31.12.2010 EUR '000
Non-current assets		
Intangible assets	460,926	391,482
Tangible assets	49,336	39,078
Financial assets	1,309	1,054
Deferred taxes and other non-current assets	23,421	15,799
	534,992	447,413
Current assets		
Inventories	3,411	1,318
Other current assets	72,427	65,119
Securities (recognized as profit of loss at fair value)	178	73
Cash and cash equivalents	23,758	42,180
	99,774	108,690
Non-current assets qualified as held for sale	300	300
	635,066	556,403

STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

SHAREHOLDER EQUITY AND LIABILITIES

	31.12.2011 EUR '000	31.12.2010 EUR '000
Shareholders Equity		
Subscribed capital	53,219	53,219
Treasury shares	-16,257	-14,384
Other Equity	133,552	143,894
	170,514	182,729
Long-term liabilities		
Pension provision	2,098	924
Liability to banks	226,698	191,432
Purchase price liabilities	25,981	6,675
Deferred taxes and other long-term liabilities	64,641	55,232
	319,418	254,263
Current liabilities		
Liabilities to bank	42,604	25,296
Purchase price liabilities	11,782	17,316
Other current liabilities	90,748	76,799
	145,134	119,411
Liabilities associated directly with non-current assets qualified as held for sale	0	0
	635,066	556,403



CompuGroup Medical AG
Maria Trost 21
56070 Koblenz
Germany

Tel: +49 (261) 8000 0

www.cgm.com