



**CompuGroup
Medical**

Synchronizing Healthcare

2nd quarter 2010 – Conference Call

Christian B. Teig, CFO

12 August, 2010

Key figures second quarter 2010



€ M	Q2 10	Q2 09	Change	2009
Revenue	76.7	75.1	2%	293.4
EBITDA	15.8	13.2	20%	59.2
EBIT	7.6	5.2		24.8
EBT	5.8	3.5		18.3
Net income	4.0	2.1		11.7
Cash net income*	10.1	8.1		35.0
EPS (€)	0.08	0.04	76%	0.24
Cash net income per share (€)*	0.20	0.16	24%	0.69

* Net income before minority interest plus amortization of intangible assets less amortization on in-house capitalized software

Products and services in three segments



Health Provider Services (HPS)

- Ambulatory Information Systems
- Hospital Information Systems

~80% of revenue



Health Connectivity Services (HCS)

- Communication & Data
- Workflow & Decision Support
- ISP

~20% of revenue



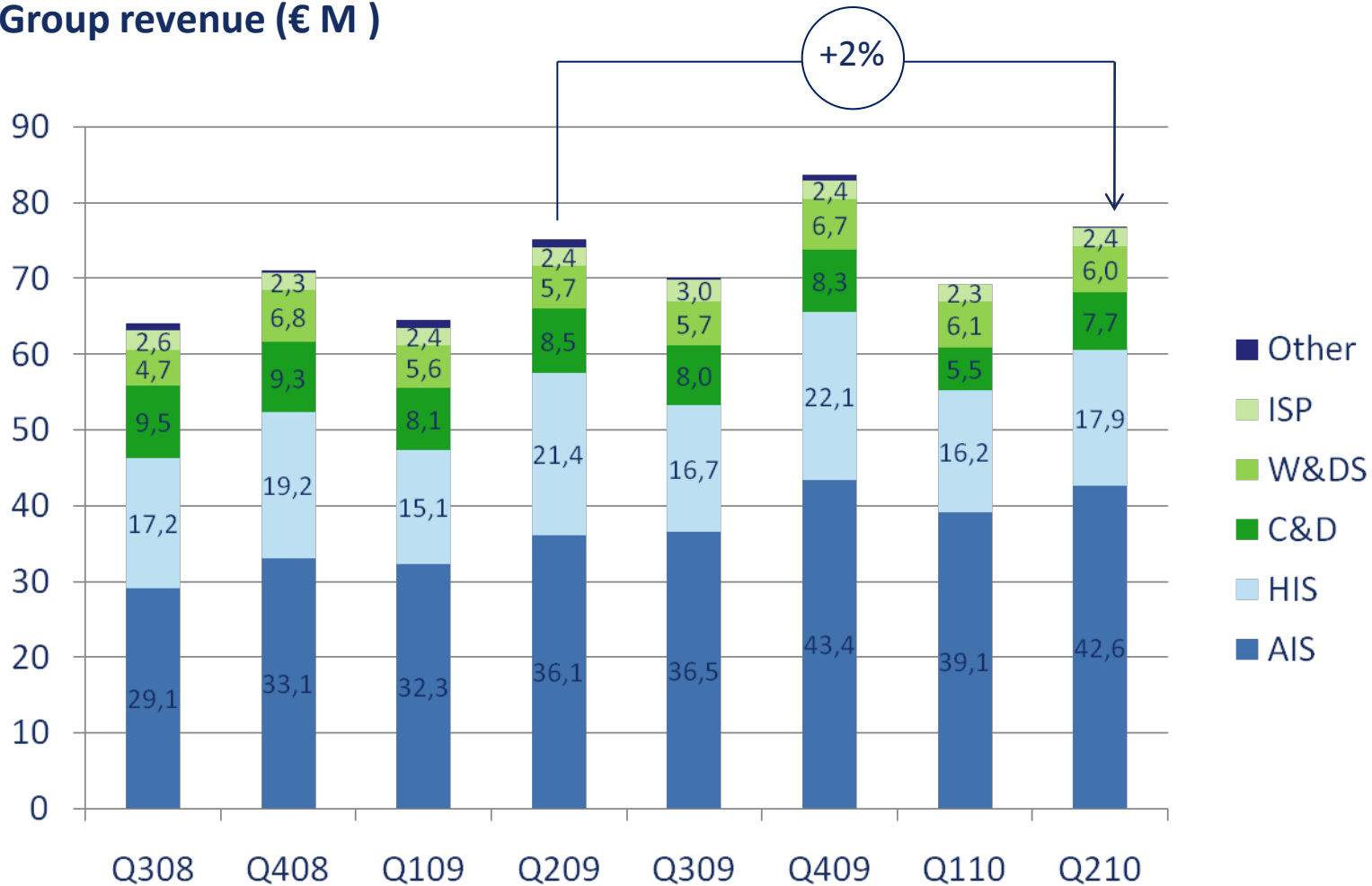
Consumer Health Services (CHS)

- Vita-X

No significant revenue

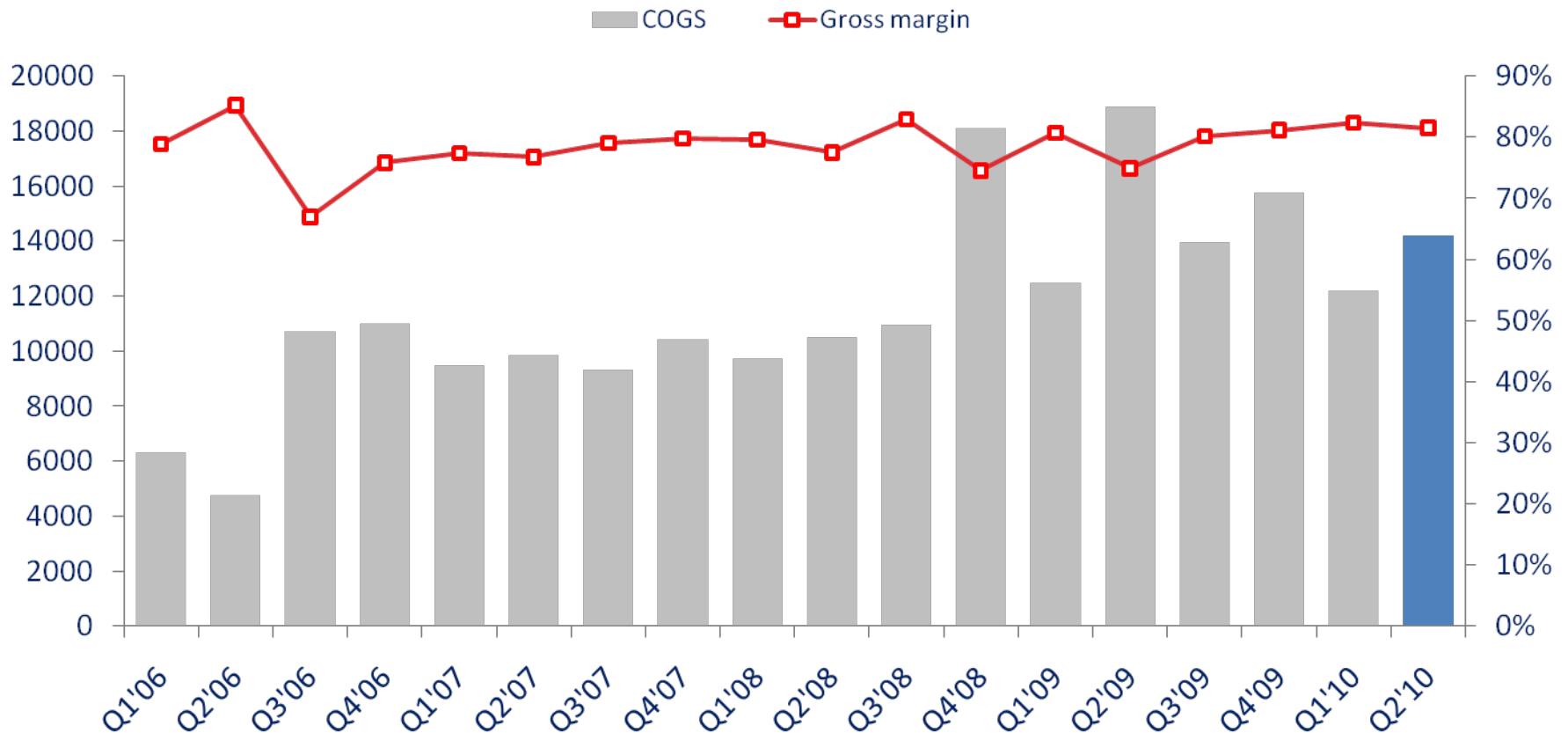
Sequential revenue development

Group revenue (€ M)



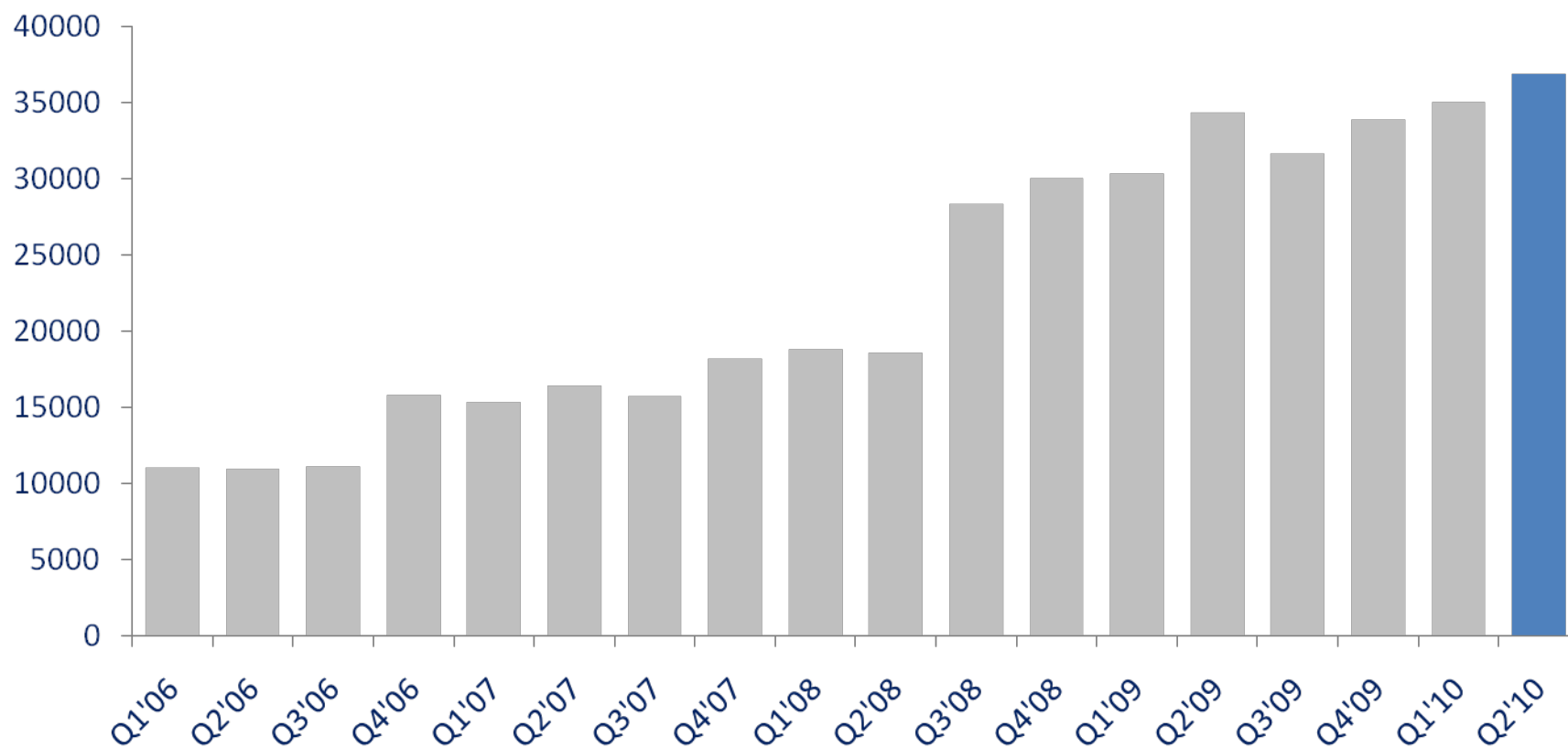
COGS and gross margin

Cost of goods sold and gross margin (€ '000 / percent)



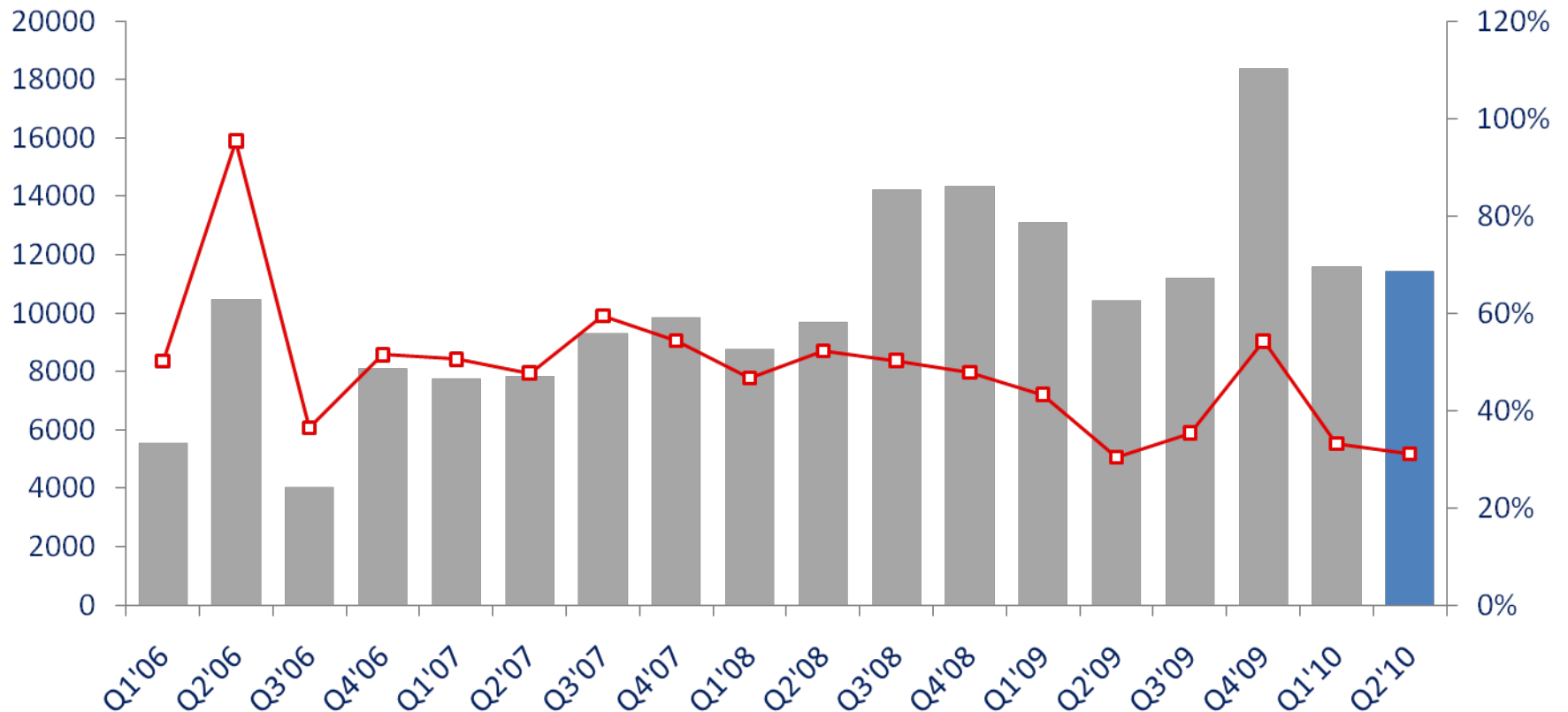
Personnel expenses

€ '000



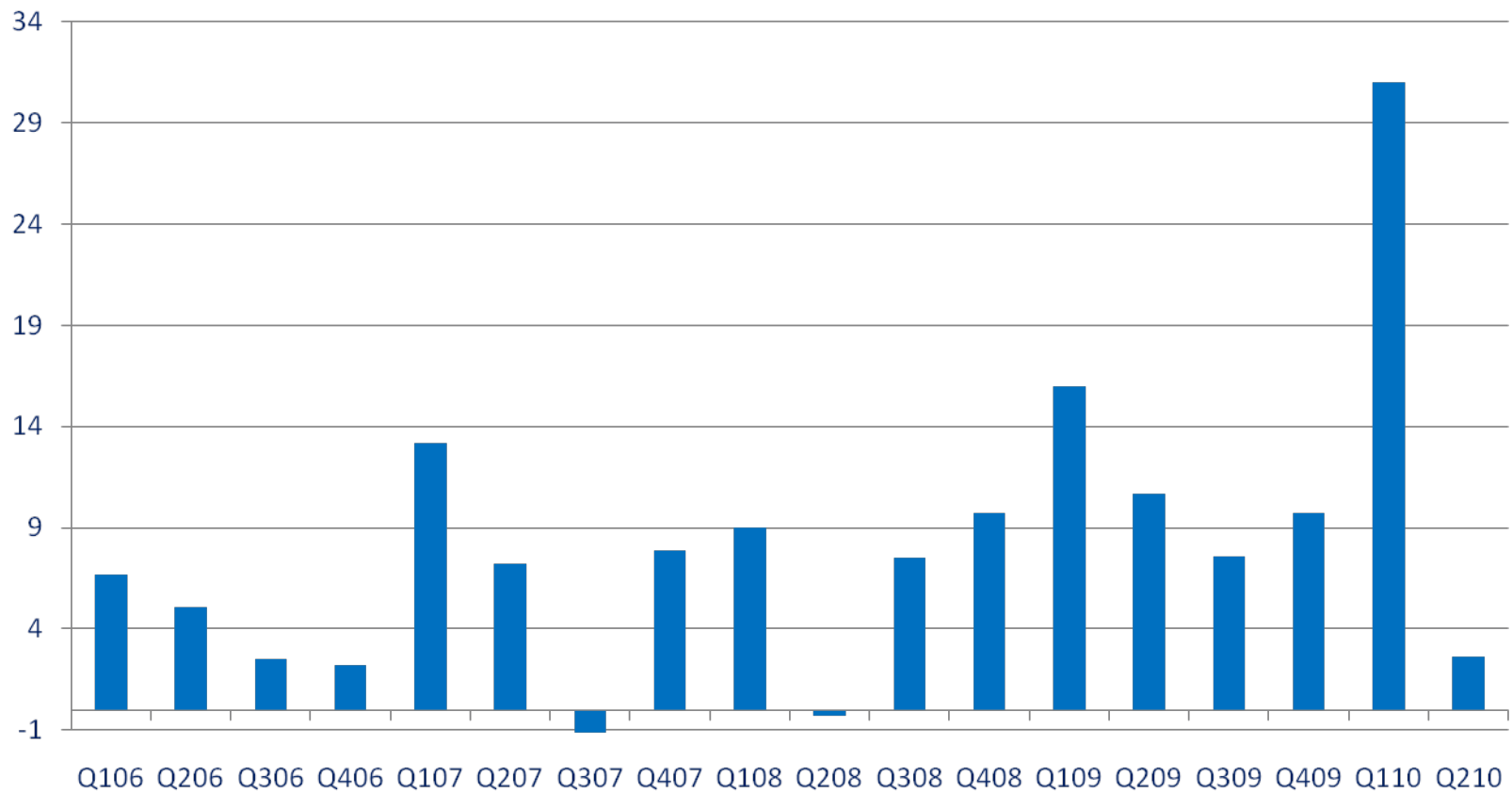
Other expenses

Other expenses (€ '000) / percent of personnel expenses



Operating cash flow

€ M



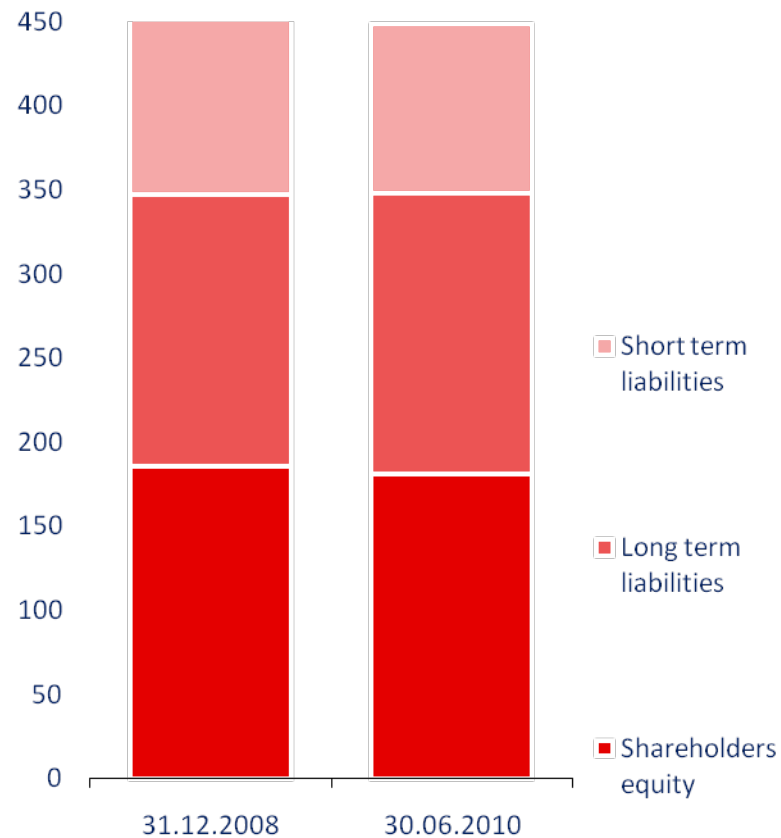
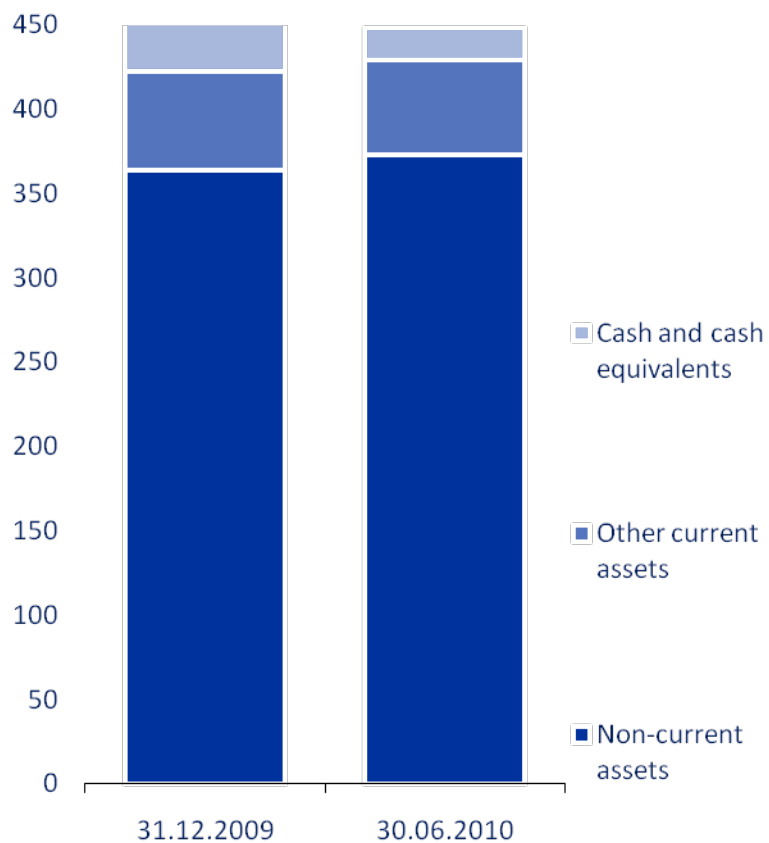
Capital expenditure



€ M	Q1 2010
Capitalized in-house services and other intangible assets	1.9
Other property and equipment	1.3
Purchase of minority interests (23.8% of Noteworthy)	0.6
SUM	3.8



Statement of financial position



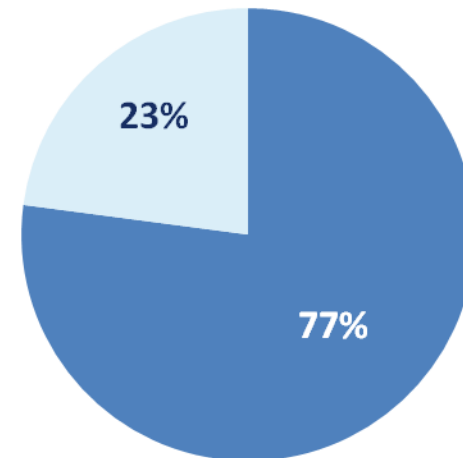


AIS development

AIS revenue Q2 2010

100% = 42.6 € M

	€ M	%
Revenue Q2 2009	36.1	
Acquisitions / disposals	2.2	6%
Organic growth	4.3	12%
Revenue Q2 2010	42.6	18%



■ Recurring service fees ■ Non-recurring sales

- Organic growth is 10 percent at constant exchange rates
- Price increases make up 4 percent out of the 10 percent real organic growth rate

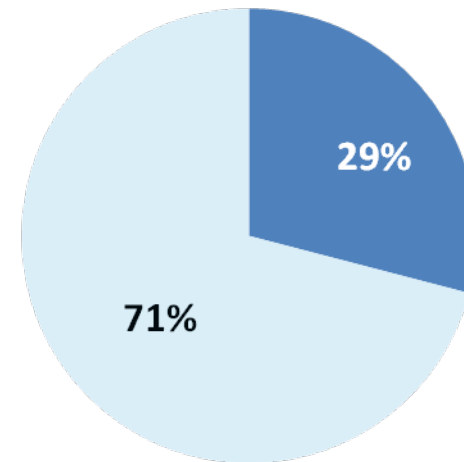


HIS development

HIS revenue Q2 2010

100% = 17.9 € M

	€ M	%
Revenue Q2 2009	21.4	
Acquisitions / disposals	n/a	
Organic growth	-3.5	-16%
Revenue Q2 2010	17.9	-16%

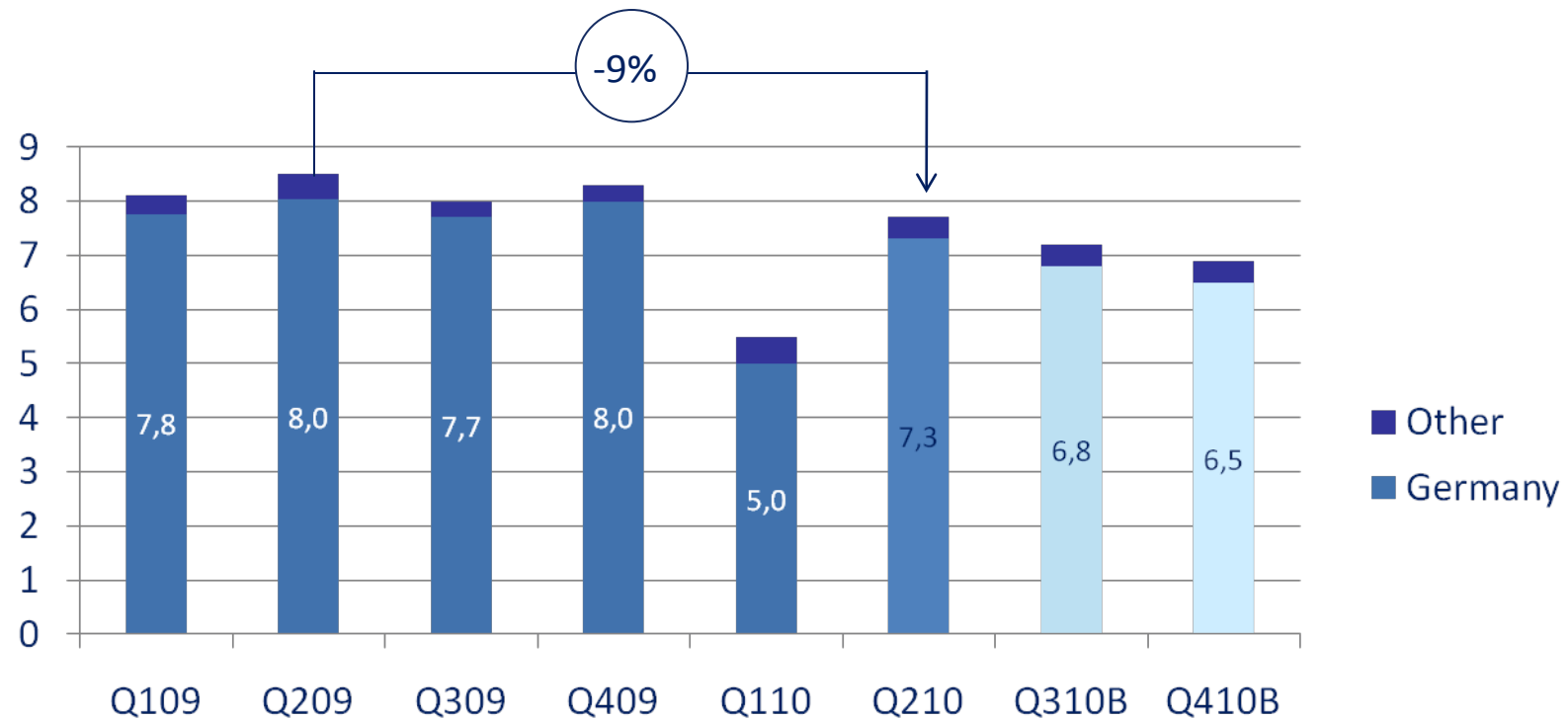


■ Recurring service fees □ Non-recurring sales

- **Low growth rate influenced by one-off deliveries of third party hardware and software driving revenue to unusually high levels in the second quarter last year**
- **Relatively slow market for add-on projects and new clients continued into 2nd quarter 2010**

Communication & Data development

Communication & Data revenue (€ M)



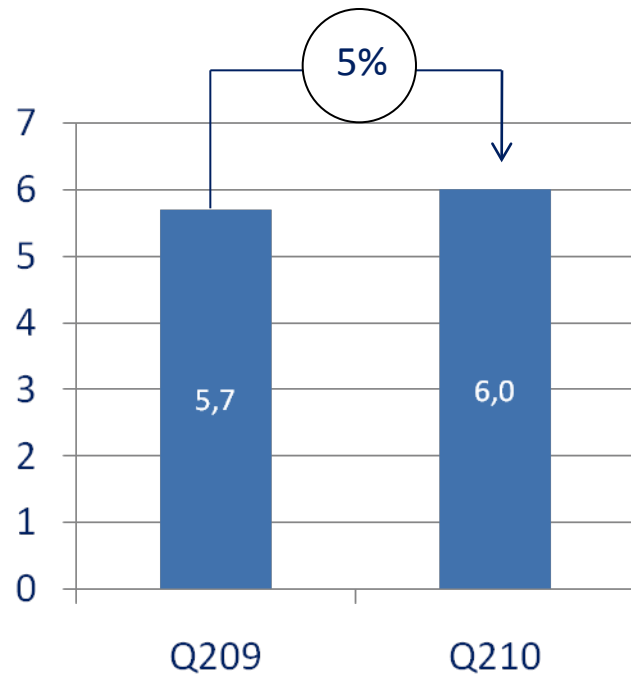
- Order booking confirm Q2 revenue level for the remainder of 2010
- Still time for 4Q order taking!

Workflow & Decision Support development



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Workflow & Decision Support revenue (€ M)



- Relatively uneventful quarter from a reported revenue perspective - incremental improvements only
- New contracts should begin to change this picture during the second half of 2010

New W&DS contracts signed

smart-X change [6 Renate] [Datenstand: 01.10.2009]

REZEPT Zusatzinfo ?

"Spirapril" kann gegen den Wirkstoff "Ramipril" substituiert werden (Hinweis der ... nach § 73 Abs 8 SGB V)

Rezept-Arzneimittel **Quadropil**

Arzneimittel	DDD-Kosten	Packung	DAR	Arzneimittel	DDD-Kosten	Packung	DAR
Quadropil		100 ST	TAB				

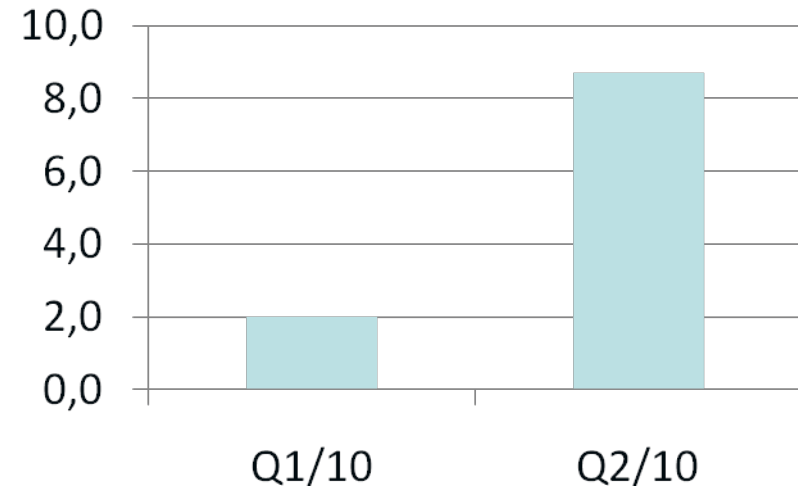
Ersetzen gleiche Darreichungsform nur Rabattvertragsarzneimittel
 gleiche Packungsgröße

Alternativen

Arzneimittel	Wirkstoff	Menge	ME	NP	AVP	Hersteller	
✓ Ramipril - 1A-Pharma 5 mg Tabl	Ramipril	TAB	20	ST	N1	10,13	1A Pharma
✓ Ramipril AL 5mg Tabletten	Ramipril	TAB	20	ST	N1	10,13	Alud Pharma
✓ Ramipril beta 2.5mg	Ramipril	TAB	20	ST	N1	10,32	betapharm
✓ Ramipril - 1A-Pharma 2.5 mg Ta	Ramipril	TAB	20	ST	N1	10,33	1A Pharma
✓ Ramipril - 1A-Pharma 10 mg Tab	Ramipril	TAB	20	ST	N1	10,35	1A Pharma
✓ Ramipril AL 10mg Tabletten	Ramipril	TAB	20	ST	N1	10,35	Alud Pharma
✓ Ramipril beta 5mg	Ramipril	TAB	20	ST	N1	10,57	betapharm
✓ RAMIPRIL BASICS 5mg Filmtablet	Ramipril	FTA	20	ST	N1	10,60	Basics
✓ Ramipril beta 10mg	Ramipril	TAB	20	ST	N1	11,06	betapharm
✓ Ramipril - 1A-Pharma 2.5 mg Ta	Ramipril	TAB	50	ST	N2	11,22	1A Pharma
✓ Ramipril AL 2.5mg Tabletten	Ramipril	TAB	50	ST	N2	11,22	Alud Pharma
✓ Ramipril beta 2.5mg	Ramipril	TAB	50	ST	N2	11,23	betapharm
✓ Ramipril dura N 2.5mg Tablette	Ramipril	TAB	50	ST	N2	11,25	Mylan dura
✓ RAMIPRIL BASICS 2.5mg Flimtbl	Ramipril	FTA	50	ST	N2	11,29	Basics
✓ Ramipril - 1A-Pharma 2.5 mg Ta	Ramipril	TAB	100	ST	N3	11,35	1A Pharma
✓ Ramipril AL 2.5mg Tabletten	Ramipril	TAB	100	ST	N3	11,35	Alud Pharma
✓ Ramipril - 1A-Pharma 5 mg Tabl	Ramipril	TAB	50	ST	N2	11,90	1A Pharma

Anzahl Arzneimittel: 41

Smart Exchange reach
Millions of insured people in contracted health insurance companies



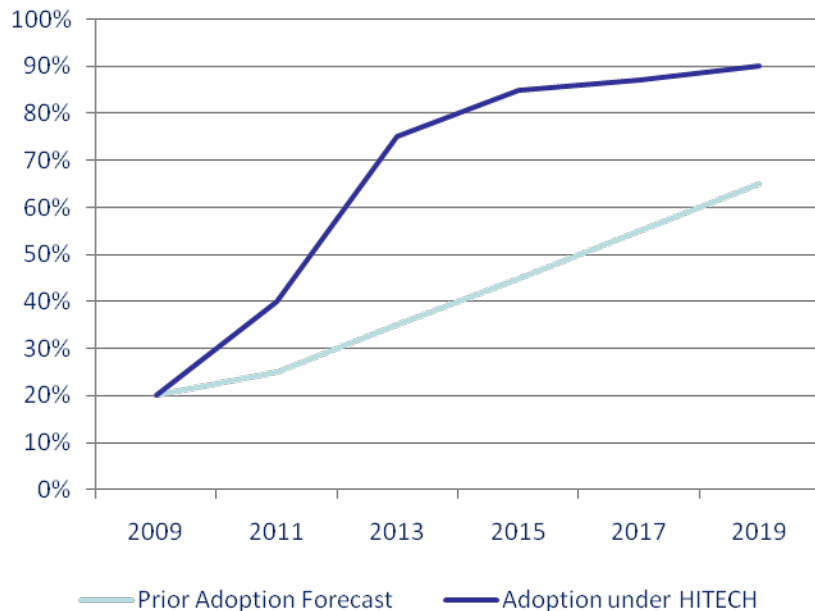
- Two new Smart Exchange contracts signed during the second quarter 2010
- The business model of Smart Exchange is based on a fixed and variable component
- Growing revenue within Workflow & Decision Support is expected in the coming period together with the expanding user community

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%

Accelerating development in USA

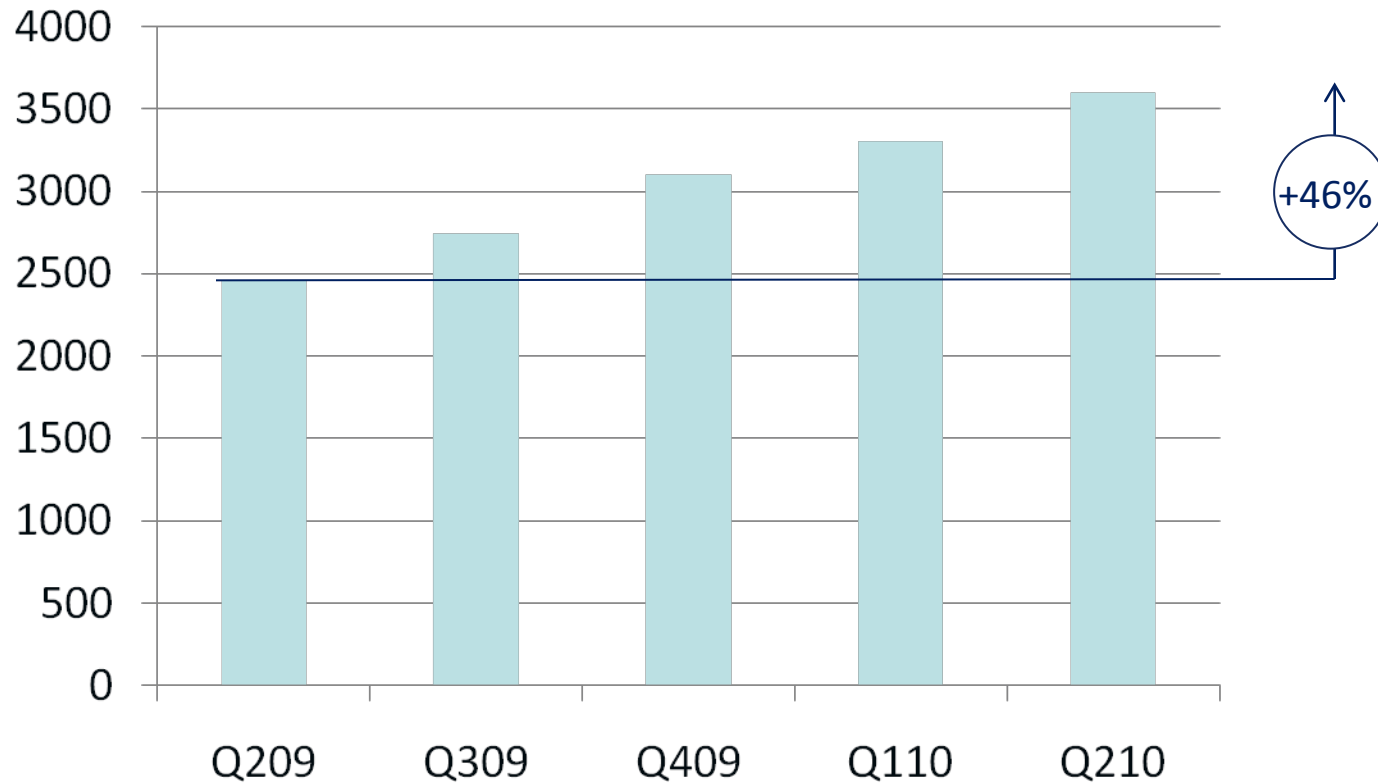
- CompuGroup is currently an IT supplier to approximately 5,000 doctors through Noteworthy Medical Systems, Inc. (now owned 100% by CompuGroup)
- Final “meaningful use” rules were published by CMS (Centers for Medicare & Medicaid Services) and ONC (Office of the National Coordinator for Health IT)
- During the first six months of 2010, Noteworthy has significantly increased sales personnel and software development resources to ensure the ability to address the market and to meet all technical requirements.
- Based on order bookings and feedback from doctors so far, a continued increase in business volume is expected during the second half of 2010.





Noteworthy revenue development

(USD 000')



United States in CGM strategy



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“The second quarter shows that we are on the right way to fulfill our goals for this year. I am particularly excited about the accelerating development in USA and I can assure everybody that we will do everything in our power to make the United States a key future market for CompuGroup.”

Frank Gotthardt, Chairman of the Board of CompuGroup Medical AG

Innomed transaction closed

- **CompuGROUP CEE GmbH acquired 70.3 percent of the shares in Innomed Gesellschaft für medizinische Softwareanwendungen GmbH, Wiener Neudorf , Austria, for EUR 9.3 million**
- **Effective 18 June 2010 all agreed conditions precedent in the purchase contract concluded on 17 November 2009 were fulfilled**
- **Innomed has 2,500 doctors among its users in Austria and achieved sales of EUR 4.6 million in 2009, EUR 3.1 million of which was software maintenance**
- **First time consolidated revenue of EUR 2.5 million for the first six months of 2010**

innomed 

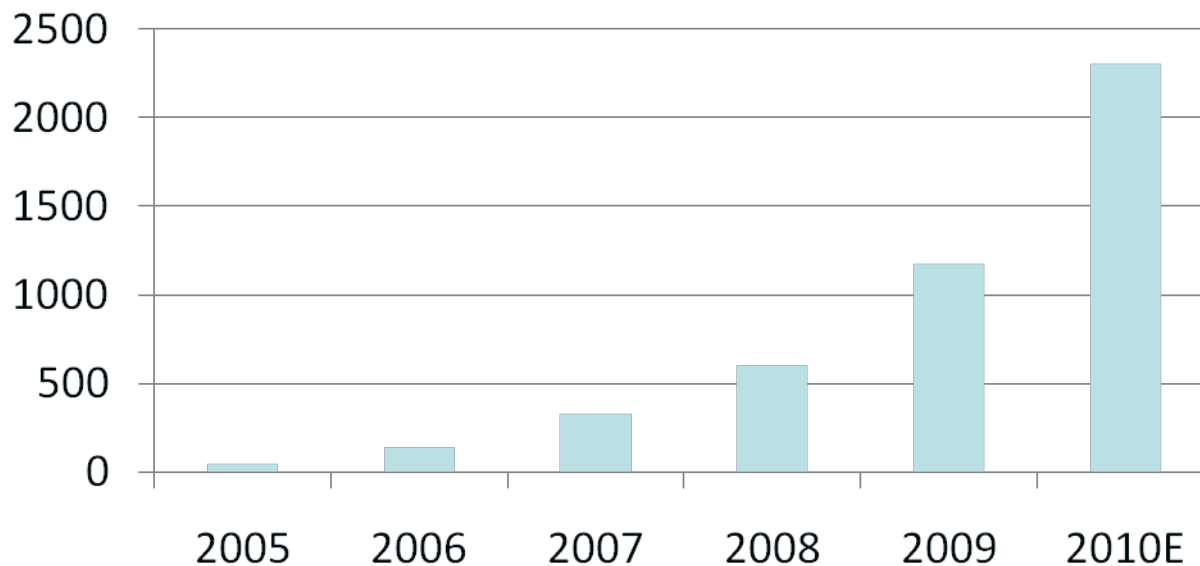
Swedish regional contract

- The contract covers all primary care institutions and private GPs in the Swedish region of Skåne
 - 130 healthcare centers
 - 140 child health centers
 - 130 rehabilitation centers
- The installation and training phase is expected to be completed by the end of the year.
- The contract will last for five years with the option to extend for a further five
- The population of Skåne is just over one million and makes up around 13% of the nine million inhabitants of Sweden



Reinforced commitment to Asia-Pacific

- In July, CompuGROUP acquired an additional 17 percent of the shares in Profdoc Sdn Bhd in Malaysia and now owns 83 percent of the shares in this company
- The additional share purchase reinforces CompuGROUP's commitment to grow in the Asia-Pacific region
- Revenue development in Malaysia (EUR 000'):





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OUTLOOK

Outlook 2010 reaffirmed

- **CompuGROUP offers the following guidance for 2010:**
 - Revenue is expected to be in the range of €315 million to €330 million
 - Operating income (EBITDA) is expected to be in the range of €67 million to €73 million
- **The outlook for 2010 represents management's best estimate of the market conditions that will exist in 2010 and how the business segments of CompuGROUP will perform in this environment**
- **The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2010**



HPS expected developments 2010

- **The annual software maintenance revenue from existing customers is approximately €150 million at the beginning of 2010 compared to EUR 120 million at the beginning of 2009.**
- **Organic growth rate is expected to exceed 10 percent**
- **Acquisitions to date will grow HPS revenue by approximately 5 percent**
- **The EBITDA margin is expected to improve relative to 2009**



HCS expected developments 2010

- **Our forecast assumes a 10-20 percent loss of revenue in the Communication and Data business**
- **Other HCS revenue is expected to more than compensate for this decline and in total, HCS revenue is expected to grow with stable EBITDA margin relative to 2009**



Financial calendar 2010

- **November 17, 2010 - Q3 Report 2010 / Analyst conference
Dusseldorf**



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