CompuGroup Medical

Financial Report
1 January - 30 June 2011

CompuGroup Medical AG | Synchronizing Healthcare

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Key Events and Figures

- Second quarter revenue of EUR 87.8 million, an increase of 14 percent compared to the same period of 2010
- The development in the US and a slowdown in the European hospital business explains the relatively low growth in the second quarter
- In June, CGM entered the market for pharmacy information systems by acquiring Lauer-Fischer GmbH, one of the market leaders in Germany
- One-off transaction costs of EUR 5.0 million from the Lauer-Fischer acquisition and restructuring costs in the US significantly influence the second quarter operating profit, down from EUR 15.8 million in the second quarter 2010 to EUR 10.4 million this year
- After the now completed restructuring, the US cost base in the second half of 2011 is approximately EUR 5 million lower compared to the first half of 2011
- Without the special acquisition costs and US restructuring, the second quarter adjusted EBITDA was EUR 18.2 million, up from EUR 15.8 million in the same period last year
- The adjusted second quarter operating margin is stable year-over-year at 21 percent
- Profitability is expected to improve following the now completed consolidation and restructuring of the US operation
- Including all effects of the Lauer-Fischer acquisition, CGM adjusts the full year 2011 guidance to:
    - Group revenue is expected to be in the range of EUR 400 million to EUR 410 million
    - Group operating income (EBITDA) is expected to be in the range of EUR 75 million to EUR 81 million

EUR ´000	01.04-30.06 2011	01.04-30.06 2010	Change	01.01-30.06 2011	01.01-30.06 2010	Change
Revenue	87,831	76,736	14%	178,103	145,987	22%
EBITDA	10,381	15,750	-34%	24,355	28,304	-14%
margin in %	*12*	*21*		*14*	*19*	
EBITA	8,806	14,436	-39%	21,299	25,864	-18%
margin in %	*10*	*19*		*12*	*18*	
EPS (EUR)	-0.03	0.08	-136%	-0.01	0.11	-107%
Adjusted EBITDA*	18,162	15,750	15%	34,262	28,304	21%
margin in %	*21*	*21*		*19*	*19*	
Cash net income (EUR)**	3,927	10,069		11,958	17,584	
Cash net income per share (EUR)	0.08	0.20	-61%	0.24	0.35	-32%
Cash flow from operating activities	-1,429	2,621		31,601	33,600	
Cash flow from investing activities	-62,391	-3,760		-87,129	-18,649	
of which equity acquisitions	-51,687	0		-71,749	-7,943	
Number of shares outstanding (´000)	50,229	50,229		50,229	50,229	
Net debt	241,936	112,448		241,936	112,448	

* Adjusted EBITDA: EBITDA excluding one-off Lauer-Fischer acquisition costs and applying the post restructuring cost base in the US for 2011.
**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 second quarter of 2011 and 2010 respectively, i.e. the three month period 01.04 – 30.06 (Q2).

Revenue

Revenue in the second quarter of 2011 was EUR 87.8 million compared to EUR 76.7 million in the same period last year. This represents an increase of 14 percent. Acquisitions give a growth contribution of 16 percent and organic contraction was -2 percent.

In the HPS segment, revenue was EUR 72.0 million compared to EUR 60.5 million in the second quarter of 2010. This represents increase of 19 percent of which -1 percent is organic contraction. Ambulatory Information Systems (AIS) grew 28 percent of which 4 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 9.8 million (USD 13.8 million) in the second quarter of 2011, which is sequentially down from EUR 10.6 million (USD 14.5 million) in the first quarter of 2011.

Within Hospital Information Systems (HIS) the year-on-year contraction was -2 percent going from the second quarter of 2010 to the second quarter of 2011. 9 percent comes from acquisitions and -11 percent is organic contraction. Several implementation projects were temporarily suspended by customers in Austria undergoing structural reforms during the second quarter which significantly reduced recognized HIS revenue. Also, a slowdown in hospital IT spending in Eastern European markets was experienced during the quarter.

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

EUR m	01.04-30.06 2011	01.04-30.06 2010	Change	01.01-30.06 2011	01.01-30.06 2010	Change
Ambulatory Information Systems	54.4	42.6	28%	110.6	81.7	35%
Hospital Information Systems	17.5	17.9	-2%	35.1	34.1	3%
SUM	72.0	60.5	19%	145.8	115.8	26%

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

EUR m	First-time revenue Q2 2011	Sub-segment
Innomed (reversal of Q1 to Q2 shift in 2010)	-1.4	AIS
HCS	0.5	HIS
Belgiedata	0.2	AIS
Visionary	3.9	AIS
Healthport	3.6	AIS
Ascon	3.2	AIS
Parametrics	1.1	HIS
Lorensbergs	0.8	AIS
Sum	11.9	

In the HCS segment, revenue was EUR 15.8 million compared to EUR 16.1 million in the second quarter of 2010. This represents a decrease of 2 percent, all of which is organic contraction. Revenue in Communication & Data contracted 5 percent, from EUR 7.7 million in the second quarter of 2010 to EUR 7.3 million in the second quarter of 2011. The second quarter development in Communication & Data should be seen together with the first quarter growth rate (32 percent organic growth) as the year-on-year growth for the first 6 months was 12 percent, which is according to plan.

The business volume in Workflow & Decision Support contracted 3 percent, from EUR 6.0 million in the second quarter 2010 to EUR 5.8 million in the second quarter this year. Sales of products and services to health insurance companies in Germany continue at a slow 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	01.04-30.06 2011	01.04-30.06 2010	Change	01.01-30.06 2011	01.01-30.06 2010	Change
Communication & Data	7.3	7.7	-5%	14.7	13.2	12%
Workflow & Decision Support	5.8	6.0	-3%	12.2	12.1	1%
Internet Service Provider	2.7	2.4	12%	5.2	4.7	10%
SUM	15.8	16.1	-2%	32.1	30.0	7%

In the CHS segment, there was no revenue from third parties during the second quarter of 2011. This represents no change from the second quarter of 2010. Changes to currency exchange rates increased revenue by EUR 0.3 million going from the second quarter of 2010 to the second quarter of 2011. This effect primarily comes from the strengthening of the Scandinavian currencies (NOK, SEK, DKK) relative to the Euro balanced by a weaker USD.

Profit

Consolidated EBITDA amounted to EUR 10.4 million compared to EUR 15.8 million in the second quarter of 2010. The corresponding operating margin was reduced from 21 percent last year to 12 percent this year. One-off transaction costs of EUR 5.0 million from the acquisition of Lauer-Fischer and one-off restructuring costs in the US significantly influence the second quarter operating margin. EBITDA from the US was EUR -2.2 million (USD –3.1 million) in the second quarter of 2011. Without the special acquisition costs and US restructuring the second quarter operating margin is stable year-over-year at 22 percent.

+ The gross margin for the second quarter of 2011 is 81 percent which is the same figure as during the second quarter of 2010. The stable gross margin is explained by only small changes to the HPS revenue mix going from the second 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 36.8 million in the second quarter 2010 to EUR 45.1 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 11.5 million in the second quarter 2010 to EUR 18.2 million in 2011. Again, this increase is attributable to new employees in companies acquired during the last 12 months as well as the EUR 5.0 million acquisition costs of Lauer-Fischer booked under other expenses.

Depreciation of tangible fixed assets was EUR 1.6 million in the second quarter of 2011, up from EUR 1.3 million in the second quarter of 2010. This increase comes from normal fixed assets depreciation in newly acquired companies. Amortization of intangible fixed assets went down from EUR 6.8 million in the second quarter of 2010 to EUR 6.2 million in the second quarter of 2011. A quarterly addition of EUR 0.7 million comes from the amortization of purchase price allocations arising from company acquisitions done in 2010 and 2011. This is a reduction from the amortization applied during the first quarter of 2011 due to the settlement of the earn-out and changes to the purchase price allocation of Visionary Healthware. A quarterly amortization decrease of EUR 1.3 million is due to intangible assets which are by now fully amortized. Going forward, including the amortization of identified intangibles from the Lauer-Fischer acquisition, the amortization is expected to be approximately EUR 6.8 million per quarter.

Financial income decreased from EUR 0.7 million in the second quarter of 2010 to EUR 0.2 million this year due to a lower cash balance held this year. The financial expense of EUR 3.5 million during the second quarter of 2011 is composed of the following items:

EUR m	01.04-30.06 2011
Interest and expenses on EUR 300 million loan	1.7
Interest and expenses on other bank loans	1.0
Interest for purchase liabilities	0.1
Fair value evaluation of interest SWAP	0.1
Translation loss on non-Euro internal and external debt	0.5
SUM	3.5

After tax earnings came in at EUR -1.5 million in the second quarter of 2011, compared to EUR 4.0 million in the second quarter of 2010. The tax rate was negative this year compared to 30 percent in the second quarter of 2010. The different tax rates are mostly due to non-cash changes in deferred tax assets and liabilities and the special one-off charges in the second quarter this year.

Cash net income decreased from EUR 10.0 million in the second quarter 2010 to EUR 3.9 million in the second quarter 2011, corresponding to a Cash net income per share of 8 Cent (Q2/2010: 20 Cent).

Cash flow
Cash flow from operating activities during the second quarter of 2011 was EUR -1.4 million compared to EUR 2.6 million in the second quarter of 2010. The decline in operating cash flow is due to the lower net profit in the second quarter this year, partially compensated by a more positive net effect from changes to balance sheet items compared to the second quarter of 2010.

Cash flow from investment activities during the second quarter of 2011 amounted to EUR -62.4 million compared to EUR -3.8 million in the same period last year. During the second quarter of 2011, CGM's capital expenditure consisted of the following:

EUR m	01.04-30.06 2011
Acquisition of Lauer-Fischer GmbH (Germany)	51.6
Capitalized in-house services and other intangible assets	2.2
Office buildings and property	1.5
Other property and equipment	1.0
Purchase of minority interest (earn-out Visionary)	6.0
SUM	62.4

Cash flow from financing amounted to EUR -12.2 million during the second quarter of 2011 and was primarily incurred through dividends paid.

Balance sheet
Since the balance sheet of 31.03.2011, total assets decreased by EUR 4.5 million to EUR 636.3 million. The largest changes to individual asset classes are a EUR 63.5 million increase in intangible asset, an increase of EUR 7.3 million to tangible assets and a EUR 76.0 million decrease in cash and cash equivalents. These changes mainly arise from the acquisition of Lauer-Fischer. For all other assets there are only minor changes during the second quarter of 2011.

Group equity was EUR 164.4 million as at 30.06.2011, down from EUR 179.7 million as at 31.03.2011. The decrease in equity comes primarily from the distribution of dividends. The equity ratio has gone from 28 percent at the end of the first quarter 2011 to 26 percent at the end of the second quarter of 2011.

The increase in long-term liabilities is due to an increase in purchase price liabilities related to the acquisition of Lauer-Fischer. For all other long-term liabilities there are only minor changes during the second quarter.

Under current liabilities, the changes from 31.03.2011 are mostly related to a reduction in purchase price liability related to the settlement of the earn-out for the Visionary Healthware acquisition (EUR -5.9 million change) and a decreased in pre-payments of software maintenance contracts balanced under other liabilities (EUR -11.2 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 1.3 million additional operating profit for the Group during the second quarter of 2011 (previous year EUR 1.5 million), less amortization and write-downs of EUR 0.7 million during the same period (previous year EUR 0.9 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 250,000 healthcare professionals (doctors, dentists and pharmacists). Total reach across all segments is estimated at approximately 385,000 healthcare professionals.

The Group had an average of 3,202 employees during the second quarter of 2011 (previous year: 2,762). As at 30 June 2011, the total number of employees in group companies was 3,622. Personnel expenses during the second quarter of 2011 was EUR 45.1 million (previous year: 36.8 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 second quarter of 2011.

Acquisition of Lauer-Fischer GmbH, Germany
In June 2011, CompuGroup Medical AG entered the market for pharmacy software by acquiring 75 percent of the shares in LAUER-FISCHER GmbH from ARZ Haan AG for the purchase price of EUR 52.5 million.
LAUER-FISCHER is one of the leading and most innovative companies in the pharmacy software market and services approximately 20 percent of German pharmacies today. The company has 470 employees who develop software and system solutions for pharmacies, with a sales volume of EUR 49.8 million in 2010. The operative profit (EBITDA) was EUR 9.8 million and earnings before taxes (EBT) were EUR 6.2 million.

United States and status for CompuGroup

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 was completed during the second quarter of 2011 and Management of the US business was also changed with Henrik Crüger as new Senior Vice President for North America. Henrik Crüger has successfully managed the North Europe region for CGM during the last 3 years.

CGM is confident that the measures implemented in the United States have created the basis for a strong, profitable and growing business in this market. The cost base in the second half of 2011 is approximately EUR 5 million lower compared to the first half of 2011 (including restructuring costs). Despite the general availability of Meaningful Use products ready for implementation and increasing awareness and demand from doctors related to the HITECH stimulus, the expected growth in system sales and implementation services in the US throughout the rest of 2011 is expected to be modest.

Status of broader adoption of decision support products in Germany

CompuGroup Medical continues to develop its business relationship with health insurance funds in Germany at a slow pace. The product "smart- Xchange", a decision support tool for drug prescribing, is based on a business model with a fixed and variable component. The work to evaluate the effects of smart-Xchange w.r.t. the variable component was completed during the second quarter of 2011 and has led CGM to not recognize further revenue from the smart-Xchange contracts. Within diabetes care management, there are no significant new developments during the second quarter of 2011.

CompuGroup Medical Achieves Several Top Ratings in the Lünendonk Ranking

In the third year in a row CompuGroup Medical has been listed as the frontrunner in the category "leading German mid-sized standard software company." CGM also measures up on absolute size comparison and finished in 7th place on the list of "2010 top 25 standard software companies in Germany". CompuGroup Medical ranks among the German companies with the highest sales in its sector in Lünendonk's current analyses with an increase of total sales by nearly EUR 19 million to a total of EUR 312 million.

International SOS Clinic in Beijing, China, goes live with PMO Clinic System from CompuGroup Medical

International SOS – the World's leading healthcare, medical and security assistance company has chosen Electronic Medical Records System and Practice Management Solution from CompuGroup Medical's subsidiary in Malaysia. CompuGroup Medical AG is supporting the implementation of an Electronic Medical Records System (EMR) and Practice Management System at the International SOS' Clinic in Beijing, China. These systems will help International SOS realize more efficient patient care and comprehensive cost savings.

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 half year 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 half year 2011, neither in form of individual risks nor from total risk perspective for CompuGroup Medical as a whole.

OUTLOOK

In the financial report for the first quarter 2011, published May 4th 2011, CGM issued guidance for the full year 2011 with revenue to be in the range of EUR 385 million to EUR 410 million and Group operating income (EBITDA) to be in the range of EUR 81 million to EUR 88 million. Due to the development in the US and the slowdown in the European hospital business, CGM now expects revenue and operating profit to be at the low end of these ranges or slightly below (not including revenue and costs associated with the acquisition of Lauer-Fischer). Including all effects of the Lauer-Fischer acquisition, CGM adjusts the full year 2011 guidance to:

+ Group revenue is expected to be in the range of EUR 400 million and EUR 410 million.
+ Group operating income (EBITDA) is expected to be in the range of EUR 75 million and EUR 81 million.

The foregoing guidance is given as at August 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 continued slightly dampened over the first six months of the current fiscal year. The International Monetary Fund (IMF) expects a worldwide growth of 4.3 percent in 2011 with varying rates throughout the regions. Output of emerging and developing economies that are driving the current global economy recovery is projected to expand at rates of 6.8 percent while advanced economies will only grow by 2.2 percent.

In relation to other European countries, Germany continued a strong growth trend in the first half of 2011 that was predominantly export-driven. According to the DIW (German Institute for Economic Research – Deutsches Institut für Wirtschaftsforschung (DIW)) German companies are still optimistic, but recent developments in Germany indicate a slowdown in growth compared to the strong first quarter 2011 The DIW forecasts growth of 2.2 percent for Germany while the IMF is more optimistic with 3.2 percent growth expectation.

Industry Developments

The German industry association BITKO (Bundesverband Informationswirtschaft Telekommunikation und neue Medien e.V.) confirmed its expectation that the IT market will 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. According to a business survey by BITKOM three quarters of German companies expect an increase in revenue in 2011, 57 percent will create new jobs while 28 percent will keep the number of employees stable.

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 was one reportable transaction compared to the disclosure in the financial statements as at 31 December 2010 and the 2010 annual report.

In April 2011 CompuGroup sold all its shares in Lorenbergs Ltd. to MPS Public Solutions GmbH, a company fully owned by Frank Gotthardt (CEO), for a purchase price of EUR 1.1 million. Prior to the transaction an valuation report was prepared by an independent rating firm. It was already planned to sell this company to a third party, when CompuGroup acquired Lorensbergs Holding AB in December 2010, because the business of Lorensbergs Ltd. does not belong to the core business of CompuGroup Medical AG.

Statement of Financial Position

as at 30 June 2011

ASSETS

	30.06.2011 EUR '000	30.06.2010 EUR '000	31.12.2010 EUR '000
Non-current assets			
Intangible assets	479,419	321,629	391,482
Tangible assets			
Land and buildings	25,313	22,833	22,976
Other facilities, plant and equipment	25,055	13,975	16,102
Financial assets			
Interests in affiliates (valued as equity)	983	1,910	949
Other Investments	254	110	105
Other receivables	9,966	3,894	9,690
Deferred taxes	5,787	8,456	6,109
	546,777	372,807	447,413
Current assets			
Inventories	3,475	2,447	1,318
Trade receivables	46,615	33,687	45,743
Other receivables	17,470	18,116	14,776
Income tax claims	1,929	2,059	4,600
Securities (recognized as profit of loss as fair value)	186	36	73
Cash and cash equivalents	19,523	18,921	42,180
	89,198	75,267	108,690
Non-current assets qualified as held for sale	300	300	300
	636,275	448,373	556,403

SHAREHOLDER EQUITY AND LIABILITIES

	30.06.2011 EUR '000	30.06.2010 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	125,303	141,525	143,562
Capital and reserves allocated to the shareholder of the parent company	164,138	180,360	182,397
Minority interests	293	710	332
	164,431	181,070	182,729
Long-term liabilities			
Pension provision	977	858	924
Liabilities to banks	227,052	112,024	191,432
Purchase price liabilities	25,186	10,302	6,675
Other liabilities	7,606	4,437	5,227
Deferred taxes	60,643	38,981	50,005
	321,464	166,602	254,263
Current liabilities			
Liabilities to banks	34,407	19,345	25,296
Trade payables	15,602	13,902	15,224
Income tax liabilities	11,260	5,145	10,507
Provisions	23,192	13,550	16,456
Purchase price liabilities	12,220	4,176	17,316
Other liabilities	53,349	42,601	33,303
Derivative financial instruments	350	1,982	1,309
	150,380	100,701	119,411
Liabilities associated directly with non-current assets qualified as held for sale	0	0	0
	636,275	448,373	556,403

Total Comprehensive Income Statement

for the reporting period of 01 January - 30 June 2011

	01.04-30.06 2011 EUR '000	01.04-30.06 2010 EUR '000	01.01-30.06 2011 EUR '000	01.01-30.06 2010 EUR '000	01.01-31.12 2010 EUR '000
Sales revenue	87,831	76,736	178,103	145,987	312,374
Capitalized in-house services	1,313	1,464	3,000	3,018	6,993
Other Income	887	30	1,315	552	4,549
Expenses for goods and services purchased	-16,309	-14,197	-32,830	-26,390	-58,980
Personnel costs	-45,092	-36,834	-91,241	-71,823	-144,326
Other expense	-18,249	-11,449	-33,992	-23,040	-53,575
Earnings before interest, taxes depr, and amortization (EBITDA)	10,381	15,750	24,355	28,304	67,035
Depreciation of property, plants and tangible assets	-1,575	-1,314	-3,056	-2,440	-5,114
Earnings before interest, taxes and amortization (EBITA)	8,806	14,436	21,299	25,864	61,921
Amortization of intangible assets	-6,197	-6,859	-14,059	-13,713	-28,858
Earnings before interest and taxes (EBIT)	2,610	7,577	7,241	12,151	33,063
Results from associates recognized at equity	67	97	67	136	213
Financial income	151	727	831	1,324	3,271
Financial expense	-3,474	-2,637	-7,053	-5,398	-10,156
Earnings before taxes (EBT)	-645	5,764	1,087	8,213	26,391
Taxes on income for the period	-806	-1,730	-1,513	-2,671	-9,798
Consolidated net income for the period	-1,451	4,034	-426	5,542	16,593
of which: allocated to parent company	-1,410	3,962	-387	5,552	16,434
of which: allocated to minority interests	-41	236	-39	153	159
Other results					
Stock option programm	13	31	30	63	78
hereon allocated dererred tax	-5	-10	-10	-19	-23
Currency conversation of the capital consolidation	-1,251	1,485	-5,339	3,007	436
Total comprehensive imcome for the period	-2,694	5,540	-5,745	8,593	17,084
of which: allocated to parent company	-2,653	5,304	-5,706	8,440	16,925
of which: allocated to minority interests	-41	236	-39	153	159
Earnings per share					
undiluted (EUR)	-0.03	0.08	-0.01	0.11	0.33
diluted (EUR)	-0.03	0.08	-0.01	0.11	0.33
Adjusted EBITDA*	18,162	15,750	34,262	28,304	67,035
margin in %	21	21	19	19	21
Cash net income (EUR)**	3,927	10,069	11,958	17,584	41,865
Cash net income per share (EUR)	0.08	0.20	0.24	0.35	0.83

* Adjusted EBITDA: EBITDA excluding one-off Lauer-Fischer acquisition costs and applying the post restructuring cost base in the US for 2011

**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 30 June 2011

	01.04-.30.06 2011 EUR '000	01.04-.30.06 2010 EUR '000	01.01-30.06 2011 EUR '000	01.01-30.06 2010 EUR '000	01.01-31.12 2010 EUR '000
Group net income	-1,453	4,034	428	5,542	16,593
Amortization of intangible assets, plant and equipment	7,772	8,173	17,115	16,153	33,972
Refund preliminary purchase price	0	0	0	0	0
Earnings on sales of fixed assets	0	0	0	0	28
Change in provisions (including income tax liabilities)	4,227	-1,372	1,625	-3,711	4,422
Change in deferred taxes	-2,865	323	-4,368	-140	-1,583
Other non-cash earnings/expenditures	411	875	-1,269	484	-1,543
	8,092	12,033	12,675	18,328	51,889
Change in inventories	49	229	26	624	1,918
Change in trade receivables	2,551	2,447	8,495	8,157	-10,307
Change in other receivables	-916	307	-1,804	-231	-2,588
Change in income tax receivables	2,312	924	3,601	3,629	1,240
Change in securities (valued at actual cash value)	15	0	61	-1	-38
Change in trade accounts payables	-371	-844	-2,033	-3,206	-2,704
Change in other short-term liabilities and derivative financial instruments	-12,974	-12,361	10,618	5,983	57
Change on other long-term liabilities	-188	-114	-39	317	911
Cash flow from operating activities	-1,429	2,621	31,601	33,600	40,378
Cash inflow on disposals of sales of property, plant and equipment	23	29	125	985	1,238
Cash outflow for capital expenditure in property, plant and equipment	-2,554	-1,185	-5,017	-3,770	-7,455
Cash inflow on disposals of intangible assets	0	5	10	10	95
Cash outflow for capital expenditure in intangible assets	-2,223	-2,033	-4,548	-5,251	-11,160
Cash inflow on disposal of financial assets	0	0	0	0	0
Cash outflow for investments in financial assets	0	0	0	0	0
Acquisition of minority interests	-5,950	-576	-5,950	-2,680	-8,595
Acquisition of companies less assumed cash and cash equivalents	-51,687	0	-71,749	-7,943	-61,644
Cash flow from investing activities	-62,391	-3,760	-87,129	-18,649	-87,521
Purchase of own shares	0	0	0	0	0
Dividends paid	-12,557	-12,557	-12,557	-12,557	-12,557
Dividends received	0	0	0	200	200
Cash inflow from amortization of loan receivables through externals	0	0	0	0	0
Change in short-term purchase price liabilities	85	0	854	-12	-120
Change in long-term purchase price liabilities	1	223	-157	31	-683
Cash inflow from assumption of loans	70,000	2,594	179,000	20,000	135,000
Cash outflow from the assumption of loans	-69,720	-2,934	-134,269	-32,801	-62,442
Cash flow from financing activities	-12,191	-12,675	32,871	-25,140	59,398
Changes in cash due to exchange rates	0	0	0	0	815
Change in cash and cash equivalents	-76,010	-13,814	-22,657	-10,189	13,070
Cash and cash equivalents at the beginning of the period	0	0	42,180	29,110	29,110
Cash and cash equivalents at the end of the period	-76,010	-13,814	19,523	18,921	42,180
Interest paid	2,726	1,401	5,176	2,797	6,933
Interest received	80	212	215	449	722
Income tax paid	3,276	1,937	5,165	4,316	5,965
Dividends received	0	0	0	200	200
Dividends paid	12,557	12,557	12,557	12,557	12,557

Changes in Consolidated Equity

as at 30 June 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 as 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 as at 31 December 2010	53,219	143,562	-14,384	182,397	332	182,729
Group net income	0	-387	0	-387	-39	-426
Other results						
Currency conversation of the capital consolidation	0	-5,339	0	-5,339	0	-5,339
Stock option program	0	34	0	34	0	34
hereon allocated deferred tax	0	-10	0	-10	0	-10
	0	-5,315	0	-5,315	0	-5,315
Total result of the period	0	-5,702	0	-5,702	-39	-5,741
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	0	0	0	0	0
	0	-12,557	0	-12,557	0	-12,557
Balance as at 30 June 2011	53,219	125,303	-14,384	164,138	293	164,431

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 30 June 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 six 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 six month of 2011 and 2010 respectively.
This condensed six 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 six 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
IAS 34 – Interim Financial Reporting

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 30 June 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 six month financial report includes the financial statements of the Company and companies under its control (its subsidiaries) as at 30 June 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).

+ Acquisition of Lauer-Fischer GmbH (Germany):
  Effective 22 June 2011, CompuGroup acquired 75 percent of the shares of Lauer-Fischer GmbH. Lauer-Fischer is one of the leading and most innovative companies in the market and services approximately 20% of German pharmacies today. The company has 470 employees who develop software and system solutions for pharmacies, with a sales volume of 49.8 million euros in 2010. The purchase price for the 75 percent of the shares amounted to EUR 52.5 million. Rights of purchase and sale were also agreed upon for the remaining 25 percent of the shares.

+ 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.

+ Merger of CompuGroup Slovensko spol. s.r.o. and Erudis CGM s.r.o. (Slovakia):
  By merger agreement dated 13 January 2011, CompuGroup Slovensko was merged with Erudis to pool their business activities in the Slovakia market. The merger took place on the 1 April 2011. After the merger Erudis was renamed into CompuGroup Medical Slovensko s.r.o.

+ Disposal of Lorensberg Ltd. (UK):
  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. Effective 01 April 2011 CompuGroup sold all shares of Lorensberg Ltd. at a price of EUR 1.1 million.

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

As at 30 June 2011 intangible assets accounted for EUR 479.4 million. This corresponds to an increase of EUR 87.9 million compared to 31 December 2010. The increase mainly pertained to the acquisition of Ascon, Healthport, Lorensberg, Parametrics and Lauer Fischer. During the first six month, the amortization of intangible assets amounted to EUR 14.1 million, primarily attributable to acquired software, brands and customer relations from acquisitions.

2. Tangible assets

As at 30 June 2011 tangible assets accounted for EUR 50.4 million. This corresponds to an increase of EUR 11.3 million compared to 31 December 2010. The increase mainly pertained to the acquisition of Ascon, Healthport, Lorensberg, Parametrics and Lauer Fischer. Furthermore EUR 2.7 million was spent for prepayments in land and buildings in relation to create a new office building at headquarter in Koblenz.

3. Inventories

As at 30 June 2011 inventories accounted for EUR 3.5 million. This corresponds to an increase of EUR 2.2 million compared to 31 December 2010. The increase mainly pertained to the acquisition of Lauer Fischer.

4. Company capital

Share capital

As at 30 June 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 14 May 2009, the Management Board was authorized to acquire its own shares until 14 November 2010. 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).

Pursuant to the resolution of the general shareholders´ meeting dated 11 May 2011, dividends totaling EUR 12,557 thousand were distributed (EUR 0.25 per each share with dividend rights).

As at 30 June 2011 the reserves amount to EUR 125.3 million.

5. Liabilities to banks

As at 30 June 2011 the total debt to credit institutions amount to EUR 261.5 million compared to EUR 216.7 million as at 31 December 2010.

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 June 2011 is EUR -350 thousand (previous year: EUR -1,309 thousand).

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 30 June 2011, EUR 160.0 million of the TLF and EUR 89.0 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 all other lenders of loans to repay them completely. In the reporting period CompuGroup paid back all other loans except the KFW loan.

6. Purchase price liabilities

As at 30 June 2011 purchase price liabilities accounted for EUR 37.4 million compared to EUR 24.0 million as at 31 December 2010. This increase mainly pertains to the agreement to purchase the remaining 25 percent of the shares of Lauer Fischer. The total amount for the remaining shares amounts to EUR 20 million. The first portion of EUR 10.0 million can be executing at 31 December 2012 and the other portion at 31 December 2013. On the other hand due to the payment of the outstanding purchase price payments for the Visionary transaction the purchase price liabilities declined with an amount of EUR 5.9 million.

7. Deferred tax liabilities

Deferred tax liabilities increased by EUR 10.6 million to EUR 60.6 million during the first six month of 2011. The increase mainly pertained to the acquisition of Ascon, Healthport, Lorensberg, Parametrics and Lauer Fischer.

8. Other liabilities

Other liabilities increased by EUR 20.0 million to EUR 53.3 million during the first six month of 2011. This pertains mainly to the increase of pre-payments of maintenance contracts (EUR 18.1 million). Also new acquired companies contribute rising other liabilities by EUR 7.5 million. VAT/payroll tax and PoC excess liabilities declined by EUR 5.5 million.

9. Capitalized in-house services

Capitalized in-house services relates exclusively to the activation of self-developed software. During the first six month of 2011 a total of 84,258 working hours (EUR 3.0 million) were classified for activation. In the same period in 2010, 81,518 hours (EUR 3.0 million) were activated. The country specific hourly range is between approx. EUR 14 and approx. EUR 45 per hour. During the first six month the depreciation on the already finished software amounted to 1.7 EUR million (year before: EUR 1.7 million).

10. Special effects on the profit and loss account

Please see comments in the interim management report.

11. 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 30 June 2011 the SWAP was balanced as a liability with a fair value evaluation of EUR 0.4 million. This evaluation represents an effect within the reporting period of EUR -0.7 million which is recorded in the financial expenses in the Total Comprehensive Income Statement.

12. 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 / %	
1,087	EBT - Pre-tax profits
1,513	Taxes on income and earning from the income statement
139.2%	Effective tax rate for the group
-44.6%	Taxfree loss Tepe
-47.4%	Tax differences foreign subsidiaries
-17.6%	Other differences
29.65%	Theoretical tax rate for the group

13. Employees

CompuGroup had an average of 3,202 employees in the first six month of 2011 (previous year: 2,762).

14. 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-Jun	2010 Jan-Jun	2010 Jan-Dec	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
Sales to third parties	145,791	115,795	248,152	32,153	30,048	63,888	0	0	0
Sales between segments	1,425	1,105	2,871	893	775	658	0	1,977	4,006
SEGMENT SALES [1]	**147,216**	**116,900**	**251,023**	**33,046**	**30,823**	**64,546**	**0**	**1,977**	**4,006**
EBITDA	**25,930**	**25,015**	**58,106**	**9,895**	**9,754**	**21,144**	**-374**	**1,420**	**2,696**
in % of sales	17.8	21.6	23.4	30.8	32.5	33.1	-	-	-
Depreciation on tangible assets	-2,355	-1,948	-4,065	-140	-148	-302	0	-9	-17
Amortization on intangible assets	-12,854	-12,130	-25,278	-820	-1,064	-2,867	-288	-295	-574
Impairment for financial assets	0	0	0	0	0	0	0	0	0
EBIT	**10,722**	**10,937**	**28,763**	**8,935**	**8,542**	**17,975**	**-662**	**1,116**	**2,105**
Earnings of associated companies	67	136	213	0	0	0	0	0	0
Interest income	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-
EBT	-	-	-	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-	-	-
GROUP NET INCOME	-	-	-	-	-	-	-	-	-
in % of sales	-	-	-	-	-	-	-	-	-
GROUP NET INCOME before amortization on intagible assets	-	-	-	-	-	-	-	-	-

[1] Total Sales (excluding changes in inventory, capitalized in-house services and other operating income)

	All other Segments			Consolidation adjustments			CompuGroup Group		
	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
	159	144	334	0	0	0	178,103	145,987	293,409
	5,462	2,041	5,384	-7,780	-5,898	-12,919	0	0	0
	5,621	2,185	5,718	-7,780	-5,898	-12,919	178,103	145,987	293,409
	-11,096	-7,885	-14,911	0	0	0	24,355	28,304	59,172
	-	-	-	-	-	-	13.7	19.4	20.2
	-561	-335	-730	0	0	0	-3,056	-2,440	-5,461
	-97	-223	-139	0	0	0	-14,059	-13,712	-28,915
	0	0	0	0	0	0	0	0	0
	-11,754	-8,443	-15,780	0	0	0	7,241	12,152	24,796
	0	0	0	0	0	0	67	136	193
	-	-	-	-	-	-	832	1,324	3,271
	-	-	-	-	-	-	-7,053	-5,398	-10,156
	-	-	-	-	-	-	1,087	8,214	18,104
	-	-	-	-	-	-	-1,513	-2,671	-6,601
	-	-	-	-	-	-	-426	5,543	11,716
	-	-	-	-	-	-	-0.2	3.8	4.0
	-	-	-	-	-	-	13,633	19,255	40,631

15. Other financial obligations and financial commitments

Other financial obligations and financial commitments as at 30 June 2010 consist of the following:

EUR '000	01.04-30.06 2011	01.04-30.06 2010
One year or less	9,291	8,782
Between two and five years	13,962	14,400
Longer than five years	10,151	3,835
	33,404	27,017

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 30 June 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 140 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.

16. 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	3,938	292	543
Goodwill, business value	32,848	1,596	1,156
Goodwill, customer relationship	2,040	2,525	4,004
Goodwill, brand	4,450	218	461
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	-4,172	-1,032	-1,253
Offset against interests in affiliates (valued at equity)	0	0	-994
Paid purchase price as at 30 June 2011	**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-30 June 2011	n.a.	n.a.	n.a.
Step up depreciation	n.a.	n.a.	n.a.
8) Sales revenues since initial consolidation	n.a.	n.a.	n.a.
9) Sales revenues under the premise that no takeover had taken place under the period 1 January-30 June 2011	n.a.	n.a.	n.a.

The purchase price allocations for the following companies are provisional:
Visionary Group, Belgiedata, HCS, Ascon, Healthport, Lorensberg, Parametircs and Lauer Fischer

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	Lorensbergs 01.01.2011 EUR ‘000	Parametics 01.01.2011 EUR ‘000	Lauer-Fischer 30.06.2011 EUR ‘000	Total 30.06.2011 EUR ‘000
	2,272	3,138	168	160	7,835	13,573
	1,074	254	1,454	0	813	3,595
	1,866	2,546	1,628	879	6,871	13,790
	968	149	0	0	1,302	2,419
	2,693	3,377	1,271	2,441	6,067	15,849
	1,551	2,412	1,980	-1,402	8,151	12,692
	0	0	0	0	0	0
	4,035	4,350	562	2,429	11,724	23,100
	4,932	329	312	715	33,511	39,799
	5,380	9,715	1,990	1,240	22,197	40,522
	2,017	3,800	747	1,985	9,913	18,462
	0	0	0	0	0	0
	-15,000	0	0	0	0	-15,000
	0	0	0	0	0	0
	0	0	0	0	-20,000	-20,000
	0	0	0	0	0	0
	-2,915	-7,146	-1,107	-67	-12,997	-24,232
	0	0	0	0	0	0
	0	**13,461**	**4,483**	**4,900**	**52,500**	**75,344**
	0	13,461	4,483	4,900	72,500	95,344
	0	13,461	4,483	4,900	52,500	75,344
	100	100	100	100	75	
	1,074	254	1,454	0	813	3,595
	1,503	704	-71	-822	0	1,314
	1,503	704	-71	-822	3,150	4,464
	387	555	60	267	0	1,269
	6,404	7,595	1,991	2,210	0	18,200
	6,404	7,595	1,991	2,210	25,674	43,874

Additional Information

FINANCIAL CALENDAR 2011

Date	Event
11 August 2011	Q2 Report
16 November 2011	Q3 Report / Analyst conference

SHARE INFORMATION

The CompuGroup share finished the second quarter with a closing price of EUR 10.60 on 30 June 2011. The average closing share price decreased by 5 percent from EUR 11.47 (Q1/2011) to EUR 10.85 (Q2/2011).

The highest quoted price during the quarter was EUR 11.80 on 2 June 2011 and the lowest price EUR 10.13 on 11 May 2011.

The trading volume of CompuGroup shares was 962,230 shares during the second quarter, up 0.5 percent compared to the previous quarter. On average, the daily trading volume was 15,273 shares.

By the end of June 2011, a total of five analyst companies were covering the CompuGroup Medical share on a regular basis. The forecast price targets ranged from EUR 14.00 to EUR 18.00. 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, 11 August 2011

CompuGroup Medical Aktiengesellschaft
The Management Board

Frank Gotthardt | Christian B. Teig | Uwe Eibich

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