Annual General Meeting of CompuGroup Medical AG

May 2011 11, Koblenz

Speech by CFO Christian B. Teig

Check against delivery!

Entry slide

Dear Shareholders, Ladies and Gentlemen,

Please accept my warm welcome to the Annual General Meeting of CompuGroup Medical AG.

Mr. Gotthardt has already commented on the operating performance of our segments in financial year 2010. Let me now make a few supplementary comments on our annual financial statements.

Slide 1 – Consolidated Revenue and Profit

2010 was a year with moderate growth and also a year that we did not do many acquisitions – at least not until the very end of the year. Consolidated revenue increased by 6 percent in the financial year 2010. Acquisitions contribute 3 percent to growth and organic growth was also 3 percent.

In the HPS segment, revenue rose by 11 percent of which 7 percent is organic growth. The organic growth primarily stems from new value-added products and services sold to existing customers.

In the HCS segment, revenue decreased by 4 percent, from 67 million euro in 2009 to 64 million euro in 2010. The decline is due to the effects of regulatory changes in Germany. The decline in Communication & Data revenue is due to the effects of rebate contracts between

German health insurance funds and generic producers and lower advertising revenue from these customers that were expected and communicated in our outlook.
In the CHS segment, there was no revenue within CGM Life (formerly vita-X) from third parties during 2010. This represents no change from 2009. Revenue in the Patient Content sub-segment went to zero as all shares in medi cine medienproduktions GmbH were sold on 1 January 2010 and the company withdrew from this sub-segment. Consequently, the CHS segment now only represents CGM Life.

Consolidated EBITDA amounted to 67 million euro in 2010 compared to 59 million euro in 2009. The corresponding operating margin was 21 percent compared to 20 percent in 2009. After tax earnings came in at 17 million euro compared to 12 million euro in the previous year.

Slide 2 - Expenses

The increase in personnel expenses by 14 million euro in the financial year 2010 is attributable to the increase in number of employees by 226. This is mainly due to acquisitions in 2010. Other expenses remained relatively stable and only increased by 500 thousand euro going from 2009 to 2010.

Slide 3 – Cash Flow from Operating Activities

Cash flow from operating activities during 2010 was 40 million euro compared to 44 million euro in 2009. The changes compared to the previous year mainly come from the increase in after tax earnings from 5 million euro to 17 million euro in 2010 and the changes in trade receivables of -10 million euro. The large year-on-year change in trade receivables resulted from relatively high fourth quarter revenue in the HIS sub-segment.

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Slide 4 – Investments

Cash flow from investment activities during 2010 amounted to -88 million euro compared to -43 million euro in 2009. In 2010, CompuGroup Medical's largest capital expenditures were the acquisitions of Innomed in Austria, Visionary Healthware Group in the US and Ascon Software / Euroned in the Netherlands.

Slide 5 –Statement of Financial Position

Since the statement of financial position of 31 December 2009, total assets increased by 105 million euro to 556 million euro. The increase in intangible assets mainly arises from new company acquisitions done in 2010 whereas the increase in cash and cash equivalents was mainly due to was mainly due to the company taking out new loans and at the same time repaying loans and liabilities from company acquisitions. For all other assets there are only minor changes during 2010.

Slide 6 – Group Equity

At EUR 17.1 million net profit for the period, group equity was EUR 182.7 million as at 31 December 2010, down from EUR 185.8 million as at 31 December 2009.

The decrease in equity comes from the 13 million euro dividend paid to the shareholders of CompuGroup Medical AG during 2010 and from offsetting the purchase of further non-controlling interests to the amount of 8 million euro against equity after a majority share was already held. The equity ratio dropped from 41.1 percent in 2009 to 32.8 percent in 2010.

Ladies and Gentlemen, this concludes the financial review of 2010. Thank you for your attention. I now hand the word back to Mr. Professor Dr. Steffens.