CompuGroup Medical AG

Financial Report
1 January - 30 June 2013

Synchronizing Healthcare

CompuGroup Medical

Contents

Key Events and Figures

- After a weak first quarter, revenue and profitability is behind expectations also in the second quarter.
- Second quarter revenue of EUR 109.5 million, a decrease of 2 percent compared to the same period of 2012
- Operating profit (EBITDA) of EUR 18.7 million, down from EUR 27.2 million in the second quarter of 2012
- Organic growth is expected to return in the second half and prudent cost measures have been taken to restore profitability
- In July, CGM entered the market for pharmacy information systems in Italy by acquiring the market leader "Studiofarma"
- CGM revises the full year 2013 guidance to:
    - Group revenue EUR 458 million – EUR 463 million
    - Group EBITDA EUR 97 million – EUR 100 million

EUR ´000	01.04-30.06 2013	01.04-30.06 2012	Change	01.01-30.06 2013	01.01-30.06 2012	Change
Revenue	109,518	111,688	-2%	223,037	224,295	-1%
EBITDA	18,699	27,198	-31%	44,186	54,735	-19%
margin	*17%*	*24%*		*20%*	*24%*	
EBITA	16,804	25,326		40,430	50,967	
margin	*15%*	*23%*		*18%*	*23%*	
EPS (EUR)	0.03	0.27		0.23	0.44	
Cash net income (EUR)*	6,654	20,194		24,832	36,321	
Cash net income per share (EUR)	0.13	0.40		0.50	0.73	
Cash flow from operating activities	-2,929	3,671		44,963	58,348	
Cash flow from investing activities	-8,753	-4,945		-18,300	-31,089	
of which equity acquisitions	-816	0		-4,031	-14,306	
Number of shares outstanding ('000)	49,618	49,901		49,618	49,917	
Net debt	240,262	231,881		240,262	231,881	

* Cash net income: net income before minority interests plus amortization of 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 2013 and 2012 respectively, i.e. the three month period 01.04 – 30.06 (Q2).

Revenue

Revenue in the second quarter of 2013 was EUR 109.5 million compared to EUR 111.7 million in the same period last year. Acquisitions give an immaterial contribution to growth and organic contraction was -2 percent.

In the HPS I segment, revenue was EUR 76.9 million compared to EUR 75.5 million in 2012. This represents organic growth of 2 percent. Ambulatory Information Systems (AIS) grew with 4 percent, from EUR 61.4 million in 2012 to EUR 63.9 million in 2013. Similar to the beginning of 2013, it was a relatively weak quarter in the US with revenue of EUR 9.6 million (USD 12.5 million), down from EUR 11.4 million (USD 14.5 million) in the second quarter of 2012. In Europe, adjustments have been made to project calculations in Sweden, which reduced revenue recognition during the second quarter.

Second quarter revenue in Pharmacy Information Systems (PCS) was EUR 13.1 million compared to EUR 14.0 million in 2012. This represents a decrease of -7 percent. The underlying development in PCS is as expected and the lower revenue is mostly due to normal quarterly fluctuations and the termination of a non-pharmacy cooperation contract in September 2012, a contract which contributed revenue of EUR 0.4 million in the second quarter of 2012.

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

EUR m	04.01-30.06 2013	04.01-30.06 2012	Change	01.01-30.06 2013	01.01-30.06 2012	Change
Ambulatory Information Systems	63.9	61.4	4%	130.0	123.8	5%
Pharmacy Information Systems	13.1	14.0	-7%	26.5	27.6	-4%
SUM	76.9	75.5	2%	156.4	151.4	3%

In the HPS II segment, the year-on-year contraction in Hospital Information Systems (HIS) was -3 percent going from the second quarter 2012 to 2013. Similar to the first quarter, the hospital business delivered lower than expected second quarter revenue.

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

EUR m	04.01-30.06 2013	04.01-30.06 2012	Change	01.01-30.06 2013	01.01-30.06 2012	Change
Hospital Information Systems	19.3	19.9	-3%	38.7	38.7	0%
SUM	19.3	19.9	-3%	38.7	38.7	0%

In the HCS segment, revenue was EUR 13.2 million compared to EUR 16.0 million in the second quarter of 2012. This represents a decrease of 17 percent. Revenue in Communication & Data contracted -29 percent, from EUR 7.4 million in the second quarter of 2012 to EUR 5.3 million in the second quarter of 2013. The lower communication and data revenue is mostly due to changes in the regulatory environment in Germany. The business volume in Workflow & Decision Support decreased 12 percent, from EUR 5.9 million in the second quarter of 2012 to EUR 5.2 million in 2013. Business development in the Workflow & Decision Support area continues at a slow pace. Internet Service Provider revenue increased 3 percent year-on-year due to a larger installed base of ISP customers.

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

EUR m	04.01-30.06 2013	04.01-30.06 2012	Change	01.01-30.06 2013	01.01-30.06 2012	Change
Communication & Data	5.3	7.4	-29%	10.3	15.9	-35%
Workflow & Decision Support	5.2	5.9	-12%	12.2	12.6	-3%
Internet Service Provider	2.7	2.6	3%	5.3	5.1	3%
SUM	13.2	16.0	-17%	27.7	33.6	-18%

Changes to currency exchange rates changed Group revenue immaterially going from the second quarter of 2012 to the second quarter of 2013.

Profit

Consolidated EBITDA amounted to EUR 18.7 million compared to EUR 27.2 million in the second quarter of 2012. This represents a decrease of EUR 8.5 million and 31 percent respectively. The corresponding operating margin was 17 percent compared to 24 percent in 2012. The main developments in operating expenses were:

+ Expenses for goods and services purchased went down from EUR 19.7 million in the second quarter 2012 to EUR 19.1 million this year. The decrease is primarily driven by lower hardware revenue to hospital customers. The gross margin remains relatively stable at 83 percent, which is 1 percent higher than in the second quarter last year.

+ Personnel expenses are up 9 percent from last year at EUR 54.7 million (second quarter 2012: 50.1 million) due to an increased number of employees and higher accruals for overtime and holiday payments compared to the second quarter 2012.

+ Other expenses are EUR 3.3 million higher than last year at EUR 19.5 million (second quarter 2012: 16.2 million). The increase in other expenses is mostly related to increased spending on contractors to solve delivery issues in Sweden as well as consultants related to an on-going routine review by the German Financial Reporting Enforcement Panel (Deutsche Prüfstelle für Rechnungslegung – DPR).

Depreciation of tangible fixed assets in the second quarter is unchanged from last year at EUR 1.9 million. Amortization of intangible fixed assets went from EUR 8.2 million in 2012 to EUR 7.5 million in 2013. This is primarily driven by adjustments to the useful life of intangible assets and changes in foreign exchange rates.

Financial income decreased from EUR 4.8 million in the second quarter 2012 to EUR -0.7 million this year due largely to changes in currency exchange rates which lead to non-cash translation gains and losses on Group internal debt.

The financial expense increased from EUR 3.8 million in the second quarter 2012 to EUR 6.2 million in the same period this year and is composed of the following items:

EUR m	01.04-30.06 2013	01.04-30.06 2012	01.01-30.06 2013	01.01-30.06 2012
Interest and expenses on EUR 330 million facility	2,534	2,402	4,940	4,739
Interest and expenses on other bank loans	844	867	2,140	2,300
Changes to purchase price liabilities	557	792	1,077	1,554
Fair value evaluation of interest SWAP	0	456	0	712
Translation loss on non-Euro internal debt	2,285	-691	2,737	891
SUM	6,220	3,826	10,894	10,196

The changes in purchase price liabilities come from put options carried by minority shareholders which contain a variable component.

After tax earnings came in at EUR 1.2 million in the second quarter of 2013, down from EUR 13.5 million in the second quarter of 2012. The tax rate was 51 percent in the second quarter this year compared to 26 percent in the second quarter of 2012. The different tax rates are mostly due to non-cash changes in deferred tax assets and liabilities, losses in tax free areas as well as changes in non-tax relevant currency conversion.

Cash net income decreased from EUR 20.2 million in the second quarter 2012 to EUR 6.6 million in the second quarter 2013, corresponding to a Cash net income per share of 13 Cent (Q1/2012: 40 Cent).

Cash flow

Cash flow from operating activities during the second quarter of 2013 was EUR -2.9 million compared to EUR 3.7 million in the same period 2012. The changes compared to 2012 mainly come from the following positions:

+ After tax earnings came in at EUR 1.2 million in 2013, which is a decrease of EUR 12.2 million compared to 2012.
+ Increase in deferred taxes of EUR 1.8 million year-on-year.
+ Increase in non-cash earnings and expenditures of EUR 3.3 million year-on-year. This change is mostly due to non-cash financial expenses booked in the second quarter this year.
+ Change in trade receivables of EUR 8.8 million (2012: EUR 0.9 million). This change is mostly due to receivable levels returning to normal after a temporary increase during the first quarter this year.
+ Decrease in other short term liabilities of EUR -6.2 million year-on-year. This change is mostly due to due to lower VAT and salary tax liabilities at the end of the second quarter this year.

Cash flow from investment activities during the second quarter of 2013 amounted to EUR -8.8 million compared to EUR -4.9 million in the same period last year. During the second quarter of 2013, CGM's capital expenditure consisted of the following:

EUR m	01.04-30.06 2013
Acquisition of Neurone and remaining payments for past acquisitions	1.4
Capitalized in-house services and other intangible assets	5.2
Property and equipment	2.2
SUM	8.8

Capitalized in-house services and other intangible assets include EUR 1.6 million in licenses and related services for a new Group-wide ERP/CRM system.

Cash flow from financing amounted to EUR 10.1 million in the second quarter 2013 (previous year: EUR -29.0 million) and relates to a dividend payment of EUR -17.4 million and a cash inflow from assumption of loans of EUR 27.5 million.

Statement of financial position

Since the statement of financial position from 30 March 2013, total assets decreased by EUR 20.5 million to EUR 645.3 million as at 30 June 2013. The largest changes to individual asset classes are a EUR 9.1 million decrease in intangible assets and a EUR 8.8 million decrease in trade receivables. For all other assets there are only minor changes during the second quarter of 2013.

Group equity was EUR 173.0 million as at 30 June 2013, down from 192.0 million as at 31 March 2013. The decrease in equity comes after consolidating EUR 1.3 million in net profit for the period from 31 March 2013 to 30 June 2013 less EUR -17.3 million in dividend payment, EUR -4.0 million from the equity effect from changes in currency exchange rates and change in interest rates (actuarial gains and losses from pensions) and change in market value of interest rate swap totaling EUR 2.4 million. The equity ratio decreased from 28.8 percent as at 31.03.2013 to 26.8 percent as at 30.06.2013.

During the second quarter 2013, only a small change to total current and non-current liabilities occurred, going from EUR 473.8 million as at 31.03.2013 to EUR 472.3 million as at 30.06.2013. The biggest changes to individual positions are an increase in long and short term debt of EUR 26.5 million and a seasonal decrease in pre-payments of software maintenance contracts balanced under other liabilities (EUR -24.9 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 2.0 million additional operating profit for the Group during the second quarter of 2013 (previous year EUR 1.3 million), less amortization and write-downs of EUR 0.7 million during the same period (previous year EUR 0.8 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 19 countries. According to internal figures, CompuGroup Medical 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 3,673 employees during the second quarter of 2013 (previous year: 3,560). As at 30 June 2013, the total number of employees in group companies was 3,725 (previous year: 3.574). Personnel expenses during the second quarter of 2013 was EUR 54.7 million (previous year: EUR 50.1 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 2013.

Ambulatory Information Systems

The positive start to the year in the doctor and dental software business in Central and Eastern Europe (Germany, Austria, Czech Republic and Slovakia) and South Europe (Italy and France) continued in the second quarter with 12 percent organic growth year-on-year. 5 percent of this growth is related to the new drug database tool in Germany, ifap praxisCENTER 3 (ipC3) and the corresponding software maintenance increase introduced in 2013.

North Europe (Sweden, The Netherlands, Norway, Denmark and Belgium) went from 8 percent organic growth in the first quarter of 2013 to a flat year-on-year development in the second quarter. Adjustments have been made to project calculations for roll-out programs in the Swedish regions of Västra Götaland, Stockholm and Skåne, which reduced revenue recognition from these deliveries during the second quarter.

For the business in the United States, the weak start to 2013 continued in the second quarter. Revenue of EUR 9.6 million corresponds to -16 percent year-on-year contraction. In terms of sales and order bookings, the outcome in the second quarter also came in below the same period last year (USD 3.2 million vs. USD 4.5 million). There are significant new market drivers and opportunities in the US, such as Meaningful Use stage 2 and stage 3 (driving further EHR adoption) and ICD-10 (driving PM system upgrades and billing services) but it is uncertain how much short-term impact this will create for the remainder of 2013.

Telematics Infrastructure and Electronic Health Card (eGK)

The statutory tasks of the corporation "gematik Gesellschaft für Telematikanwendungen der Gesundheitskarte mbH" are the introduction, development and maintenance of the telematics infrastructure in healthcare and the associated applications for data communication between the insured, the healthcare professionals and the health insurances in Germany. Based on the electronic health card (eGK), gematik has developed the IT standards concerning the construction and operation of a common communication infrastructure for all German stakeholders in healthcare.

In June of 2013, gematik requested binding offers for the online rollout of the ORS1 (Level 1) project. CompuGroup Medical is participating in this tender. According to the current gematik planning, the contract awards will be in the fourth quarter of 2013 and approximately ten months thereafter, the technical solutions are scheduled to be tested in real time in two test regions. The Northwestern test region consists of the German states Schleswig-Holstein, North Rhine-Westphalia and Rhineland Palatinate, while the Southeastern test region is made up of Saxony and Bavaria. The goal of the tests, each with 500 participants, is to implement a secure online infrastructure for local doctors, dentists and hospitals as well as to promote the use of the insured patient master data updates and the "qualified electronic signature (QES)".

French laboratory market entry

On 30 April 2013, CompuGroup Medical signed an agreement to acquire the assets of Neurone R&D SAS. The company based in Marseille develops software for laboratories and creates a starting point in the French laboratory market for CompuGroup Medical. The acquired customer base includes leading laboratory chains and large single laboratories and generated revenue of EUR 0.4 million in 2012.The web-based laboratory system is distributed as Software as a Service (SaaS).

Pharmacy Information Systems

A good start to the year in the pharmacy software business continued in the second quarter, despite the lower reported revenue compared to 2012. Different to last year, a more significant part of sales in 2013 is expected to be converted after the Expopharm trade fair in September, an event in which CGM did not participate last year. Also, significant marketing and sales efforts were spent in the second quarter to introduce new products and services such as the Prescription Scanner and WinApo TV to the market, with revenue from these products expected to be back-end loaded in 2013.

The Prescription Scanner

In the second quarter of 2013, Lauer-Fischer introduced the WINAPO Prescription Scanner in the German market and achieved a strong sales launch with approximately 400 scanners ordered within the few first weeks. The documentation and reviewing of prescriptions is becoming an increasingly important issue for pharmacies. The new solution, consisting of a fast scanner and a software module, offers increased security and saves time, thus setting the standard for efficient processes in the pharmacy. It only takes 5 seconds to scan and thoroughly review the prescription including the following: entering the physician's data and active ingredient regulations, attachments of customer data, customer data synchronization as well as prescription and Noctu (surcharge for emergency prescriptions) identification. Deliveries of the prescription scanner began in mid-June and will continue in the second half of 2013.

Italian Market market entry

CompuGroup Medical Italia SpA, a 100 percent subsidiary for CGM AG, signed an agreement in July to acquire a majority stake in Studiofarma S.r.l. located in Brescia (Italy) and its largest sales partner, Qualità in Farmacia S.r.l. located in Novara (Italy). Studiofarma S.r.l. develops software solutions for pharmacies in Italy and has over 7,000 customers. With a total market share of approximately 30 percent in its core market, it is the pharmacy software market leader in Italy. Qualità in Farmacia S.r.l., with its approximately 2,000 customers, is the largest distributor for Studiofarma's software. In addition to this, they also offer hardware and additional services. The total revenue for the combined operations was roughly 17 million Euros in 2012 with an EBITDA of approximately 1 million Euros. The initial stake will be 79 percent in Studiofarma S.r.l. and 95 percent in Qualità in Farmacia S.r.l.

Hospital Information Systems

In the hospital sector, the strong growth in the Polish market continues in the second quarter, driven by continued successful sales and delivery of hospital information systems and the participation in a large public-sector eHealth project. Poland now represents approximately 15 percent of hospital revenue in CompuGroup. In other Eastern European markets (Czech Republic, Slovakia), a slowdown in hospital IT spending was experienced during the quarter. Austria and Switzerland, together representing about 50 percent of CompuGroup's hospital business, had a flat year-on-year development in the second quarter with revenue slightly behind plan. In Germany, representing approximately 30 percent of the hospital business, revenue contracted year-on-year in the second quarter due to lower low-margin hardware revenue and a further delay of a scheduled product launch for social care institutions.

The overall trends in the hospital business from the first half of 2013 are expected to continue for the remainder of the year, with some improvement in the German social care market.

CompuGroup Medical with a Strong Partner in Malaysia

In July 2013, CompuGroup Medical (CGM) Malaysia and Alstar Healthcare Sdn Bhd ("Sendirian Berhad", equivalent to Inc.) established an exclusive collaboration between the two partners for commissions from the Malaysian Ministry of Health: Alstar Healthcare will solely offer CGM eHealth products for IT projects with the Malaysian Ministry of Health.

Improve treatment and reduce costs – that has become the mission of the joint venture „CGM Alstar Healthcare Solutions Sdn Bhd". As Alstar Healthcare's only partner, CGM Malaysia will soon deliver innovative and economic products, such as "CGM Professional Medical Office", "CGM Life" and "CGM Take Care", to projects for the Malaysian Ministry of Health. The CGM products are already used by more than 100 hospitals, medical centers and practice-based doctors in Malaysia. Alstar Healthcare Sdn Bhd constructs hospitals and provides them with equipment. It also advises the Malaysian Ministry of Health in the procurement of hospital information systems and medical devices as well as in the provision of medical services.

Communication & Data

For the Communication & Data business, the weak start to 2013 continued in the second quarter. Revenue of EUR 5.3 million corresponds to -29 percent year-on-year contraction and is only marginally higher than the first quarter this year. Germany's Federal Association of Statutory Health Insurance Physicians (Kassenärztliche Bundesvereinigung - KBV) changed the regulatory guidelines for certification of physicians' software in Germany beginning 1 July 2012. The new guidelines have put new limitations on Communication & Data products and services which again has a negative impact on revenue. The revenue level realized in the first 6 months of 2013 is also the expected run-rate for the remainder of the year.

Workflow & Decision Support

Sales of CompuGroup's new drug database tool ipC3 to 3rd party software vendors slowed down in the second quarter and have not reached the expected levels for 2013. Revenue also declined from maintenance of old administrative software applications for German insurance companies, products which are being phased-out during 2013. New workflow & decision support contracts are being signed, such as the North Rhine-Westphalia Project and new CardTrust customers, but the pace of such new business is slow with long sales and implementation cycles. The new contracts are expected to drive some sequential revenue improvement in the second half of 2013 but not to the level as expected at the beginning of the year.

Pharmaceutical Treatment and Safe Drug Therapy: North Rhine-Westphalia Project

In the first quarter report of 2013, CGM reported about the project "Medication Record NRW" which began in February. The goal of the cooperation between CGM and the University of Bielefeld Department of Health Economics and Healthcare Management is the improved pharmaceutical treatment through a personalized electronic medication record. The medication record in the project serves as the basis for a comprehensive medication safety check: directly in the practice of the treating physician, but also by the patients adding medications acquired on their own.

In key regions of North Rhine-Westphalia, over 3,000 patients and about 40 physicians' practices will be enrolled in the project. With the start of patient enrollment in July, older citizens will especially benefit and receive improved safety in the prescription of medication. The participating physicians can conduct a software-supported medication safety check, where not only medications prescribed by the respective physician are considered, but rather from all treating physicians. The scientific evaluation based on the data from the patients will make the results transparent. Within two years, valuable information will be generated, which will evaluate the overall success and acceptance of the project as well as uncover optimization potential.

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 2012 which can be downloaded free of charge from the company's website www.cgm.com.

With the exception of the factors described under "Financial Review" and "Operational Review", we see no changes compared to the risks and opportunities described in the group management report for the financial year 2012. Risks that may impact the company as a going concern were not evident during the second quarter 2013, neither in form of individual risks nor from total risk perspective for CompuGroup Medical as a whole.

OUTLOOK

As announced in the May quarterly report, CompuGroup Medical delivered lower than expected revenue and profitability for the first quarter 2013. Despite this start, CompuGroup at the time expected a gradual improvement over the remaining three quarters of 2013 based on a solid order backlog and a significant pipeline of opportunities. CompuGroup therefore reaffirmed the outlook which was presented in the 2012 Annual Report.

Contrary to the expectation in May, the second quarter was also weak in revenue and profitability. The main reasons for this development were:

+ No short-term effects from the management and strategic changes in the US
+ Extraordinary costs and adjustments to revenue recognition in projects in Sweden
+ Weaker than expected sales in communication and data
+ Delays in product launches and projects in the hospital business as well as in workflow & decision support

Several management and organizational changes have been made after the weak results in the first half of 2013. The effect from these measures will not be immediate, and therefore, the outlook for CompuGroup's revenue for the second half of 2013 has been adjusted as follows:

+ Second half year-on-year organic growth rate of about 8 percent in the European doctor and dental software business (AIS), i.e. similar growth rate as in the first half
+ Second half year-on-year organic growth rate of about 8 percent in the pharmacy software business (PCS), driven by a different seasonal profile compared to 2012.
+ Second half year-on-year organic growth rate of about 2 percent in the hospital business (HIS), i.e. slightly higher growth rate compared to the first half
+ Sequential improvement and year-on-year growth in Workflow & Decision Support, driven by order backlog from new contracts
+ No material sequential change to the US business compared to the first half of 2013
+ No material sequential change to the Communication & Data business compared to the first half of 2013

Following prudent cost measures while still maintaining most on-going growth initiatives, the second half 2013 EBITDA margin is expected end up in the 23-24 percent range, which is the same or higher compared to the same period in 2012.

In addition to the organic outlook stated above, CompuGroup acquired the pharmacy software business Studiofarma Group and the dental software business from Tekne in Italy in July. Both companies will be consolidated for 5 months in 2013 from 1 August, with an expected revenue contribution of approximately EUR 7 million with no material EBITDA effect after transaction expenses and initial integration costs.

In summary, CompuGroup Medical adjusts the guidance for full year 2013 to:

+ Revenue is expected to be in the range of EUR 458 million to EUR 463 million.
+ Operating income (EBITDA) is expected to be in the range of EUR 97 million to EUR 100 million.

Depreciation of fixed assets is on Group level expected to be approximately EUR 8 million in 2013 and amortization of intangible assets is expected to be approximately EUR 32 million, of which EUR 28 million will come from amortization of purchase price allocations related to past acquisitions. The corresponding Group earnings before interest and tax (EBIT) is in 2013 expected to be in the range of EUR 57 million to EUR 60 million.

The foregoing outlook is given as at August 2013 and does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2013. The outlook for 2013 represents management's best estimate of the market conditions that will exist in 2013 and how the business segments of CompuGroup Medical will perform in this environment.

Looking beyond 2013, CompuGroup Medical expects to continue organic revenue growth with increasing margins. As a market leader in Europe, and with a significant business in the United States, the Company is ideally positioned to benefit from changes in healthcare systems all over the world with demand for software solutions and IT services less sensitive to economic climate. Our strategy is based on a highly resilient business model with high margins and high proportion of recurring revenue from software maintenance and related services combined with high costs for customers to switch and technological barriers preventing competitors to enter the market.

Statement of Financial Position

as at 30 June 2013

ASSETS

	30.06.2013 EUR '000	adjusted 30.06.2012 EUR '000	31.12.2012 EUR '000
Non-current assets			
Intangible assets	448,489	466,531	455,812
Tangible assets	58,816	60,216	60,196
Financial assets			
Interests in affiliates (valued as equity)	642	1,042	646
Other Investments	128	159	128
Trade receivables	8,754	8,725	8,773
Other financial assets	9,509	10,328	10,520
Derivative financial instruments	4,417	0	4,417
Deferred taxes	2,120	4,671	3,754
	532,875	551,672	544,246
Current assets			
Inventories	3,925	3,531	3,317
Trade receivables	70,810	64,866	68,991
Other financial assets	4,724	7,421	3,939
Other non-financial assets	10,159	9,168	7,941
Income tax claims	3,773	1,981	3,732
Securities (recognized as profit of loss as fair value)	94	250	165
Cash and cash equivalents	14,360	14,431	18,953
	107,845	101,648	107,038
Assets of disposal group classified as held for sale	4,628	0	0
	645,348	653,320	651,284

Statement of Financial Position

as at 30 June 2013

SHAREHOLDER EQUITY AND LIABILITIES

	30.06.2013 EUR '000	adjusted 30.06.2012 EUR '000	31.12.2012 EUR '000
Shareholder Equity			
Subscribed capital	53,219	53,219	53,219
Treasury shares	-20,903	-17,158	-20,903
Reserves	140,821	140,313	147,063
Capital and reserves allocated to the shareholder of the parent company	173,137	176,374	179,379
Minority interests	-126	71	28
	173,011	176,445	179,407
Long-term liabilities			
Pension provision	11,605	6,085	10,880
Liabilities to banks	190,468	219,618	222,733
Purchase price liabilities	862	14,514	602
Other financial liabilities	2,023	3,832	3,112
Other non-financial liabilities	2,787	1,793	3,041
Derivative financial instruments	8,839	10,328	12,285
Deferred taxes	43,995	51,078	45,716
	260,579	307,248	298,369
Current liabilities			
Liabilities to banks	64,154	26,694	46,580
Trade payables	16,668	17,089	17,428
Income tax liabilities	17,446	15,314	19,929
Provisions	22,280	21,829	21,431
Purchase price liabilities	27,784	25,209	29,038
Other financial liabilities	6,128	7,147	9,755
Other non-financial liabilities	56,127	56,345	29,347
	210,587	169,627	173,508
Liabilities associated directly with non-current assets qualified as held for sale	1,171	0	0
	645,348	653,320	651,284

Income statement

for the reporting period of 1 January - 30 June 2013

EUR '000	01.04-30.06 2013	adjusted 01.04-30.06 2012	01.01-30.06 2013	adjusted 01.01-30.06 2012	01.01-31.12 2012
Continuing operations					
Sales revenue	109,518	111,688	223,037	224,295	450,582
Capitalized in-house services	2,040	1,315	3,878	2,769	6,610
Other Income	422	134	1,195	941	5,403
Expenses for goods and services purchased	-19,077	-19,696	-39,036	-38,521	-82,518
Personnel costs	-54,675	-50,059	-108,108	-103,399	-202,052
Other expense	-19,530	-16,184	-36,780	-31,350	-73,197
Earnings before interest, taxes depr. and amortization (EBITDA)	18,699	27,198	44,186	54,735	104,827
Depreciation of property, plants and tangible assets	-1,895	-1,872	-3,756	-3,768	-7,207
Earnings before interest, taxes and amortization (EBITA)	16,804	25,326	40,430	50,967	97,620
Amortization of intangible assets	-7,536	-8,242	-15,461	-15,689	-33,592
Earnings before interest and taxes (EBIT)	9,268	17,084	24,969	35,278	64,028
Results from associates recognised at equity	28	15	14	26	-360
Financial income	668	4,839	2,515	4,874	7,479
Financial expense	-6,220	-3,826	-10,894	-10,196	-22,900
Earnings before taxes (EBT)	2,408	18,112	16,604	29,982	48,247
Income taxes for the period	-1,235	-4,626	-5,282	-7,816	-17,951
Consolidated net income for the period from continuing operations	1,173	13,486	11,322	22,166	30,296
Discontinued operations					
Profit for the period from discontinued operations	69	0	173	0	0
Consolidated net income for the period	1,242	13,486	11,495	22,166	30,296
of which: allocated to parent company	1,326	13,486	11,649	22,166	30,589
of which: allocated to minority interests	-84	0	-154	0	-293
Earnings per share					
undiluted (EUR)	0.03	0.27	0.23	0.44	0.61
diluted (EUR)	0.03	0.27	0.23	0.44	0.61
Cash net income (EUR)*	6,654	20,194	24,832	36,321	59,960
Cash net income per share (EUR)	0.13	0.40	0.50	0.73	1.20

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

Statement of Comprehensive Income

for the reporting period of 1 January - 30 June 2013

EUR '000	01.04-30.06 2013	adjusted 01.04-30.06 2012	01.01-30.06 2013	adjusted 01.01-30.06 2012	01.01-31.12 2012
Consolidated net income for the period	1,242	13,486	11,495	22,166	30,296
Other results					
Items that will not be reclassified to profit or loss at a future point in time					
Actuarial gains and losses on defined benefit plans	-52	0	-104	0	-3,549
Deferred taxes on Actuarial gains and losses on defined benefit plans	16	0	32	0	1,022
Items that will be reclassified to profit or loss at a future point in time when specific conditions are met					
Cash flow hedges	0	0	0	0	0
of which: in equity	1,471	-2,184	3,447	-4,038	-8,969
of which: income	0	0	0	0	2,974
Deferred taxes on cash flow hedges	-398	647	-991	1,197	1,727
Currency conversion differences	-3,980	2,759	-2,877	3,541	4,396
Total comprehensive imcome for the period	-1,701	14,708	11,002	22,866	27,897
of which: allocated to parent company	-1,617	14,708	11,156	22,866	28,190
of which: allocated to minority interests	-84	0	-154	0	-293

Cash Flow Statement

as at 30 June 2013

	01.04-30.06 2013 EUR '000	adjusted 01.04-30.06 2012 EUR '000	01.01-30.06 2013 EUR '000	adjusted 01.01-30.06 2012 EUR '000	01.01-31.12 2012 EUR '000
Group net income	1,242	13,486	11,495	22,167	30,296
Amortization of intangible assets, plant and equipment	9,431	10,114	19,217	19,457	40,799
Earnings on sales of fixed assets	0	0	0	0	4.001
Change in provisions (including income tax liabilities)	-773	-165	-979	-1,711	4,774
Change in deferred taxes	1,407	-327	-2,060	-2,039	-5,066
Other non-cash earnings/expenditures	2,464	-797	706	1,131	-105
	13,771	22,311	28,379	39,004	74,699
Change in inventories	-256	808	-608	337	566
Change in trade receivables	8,803	861	-1,799	-1,866	-8,735
Change in other receivables	-11	109	-41	-275	-1,993
Change in income tax receivables	100	258	-1,827	-353	3,948
Change in securities (valued at actual cash value)	0	1	0	-72	0
Change in trade accounts payables	955	-631	-819	-5,160	-4,674
Change in other short-term liabilities and derivative financial instruments	-26,291	-20,046	21,678	26,733	3,094
Cash flow from operating activities	-2,929	3,671	44,963	58,348	66,905
Cash inflow on disposals of intangible assets	4	170	9	170	1,105
Cash outflow for capital expenditure in intangible assets	-5,168	-1,614	-7,828	-3,711	-8,935
Cash inflow on disposals of sales of property, plant and equipment	17	368	425	914	2,275
Cash outflow for capital expenditure in property, plant and equipment	-2,183	-3,869	-3,277	-14,156	-18,453
Cash outflow for the acquisition of subsidiaries	-816	0	-4,031	-14,306	-15,491
Cash outflow for the acquisition of subsidiaries from prior periods	-607	0	-3,598	0	-13,726
Cash flow from investing activities	-8,753	-4,945	-18,30	-31,089	-53,225
Purchase of own shares	0	0	0	-901	-4,646
Dividends paid	-17,366	-12,475	-17,366	-12,475	-12,475
Capital contributions from Non-controlling interests	0	0	0	0	250
Cash inflow from assumption of loans	28,081	6,125	28,081	12,225	32,564
Cash outflow from the repayment of loans	-595	-22,617	-42,090	-35,655	-34,583
Cash flow from financing activities	10,120	-28,967	-31,375	-36,806	-18,890
Cash and cash equivalents at the beginning of the period	0	0	18,953	23,978	23,978
Change in cash and cash equivalents	-1,562	-30,241	-4,712	-9,547	-5,210
Changes in cash due to exchange rates	36	0	119	0	185
Cash and cash equivalents at the end of the period	-1,526	-30,241	14,360	14,431	18,953
Interest paid	2,497	3,743	5,794	6,994	14,944
Interest received	298	1,851	454	2,063	2,534
Income tax paid	1,450	2,440	4,614	5,826	19,440

Changes in Consolidated Equity

as at 30 June 2013

EUR '000	Share capital	Treasury shares	Accumulated other comprehensive income: Other reserves	Accumulated other comprehensive income: Cashflow Hedges	Currency conversion	Attributable to owners of CompuGroup Medical AG	Non-controlling interest	Total equity
Balance as at 01.01.2012	53,219	-16,257	146,166	-4,425	-10,572	168,131	71	168,202
Effects of the application of IAS 19 (revised 2011)	0	0	101	0	0	101	0	101
Group net income	0	0	30,615	0	0	30,615	-293	30,322
Other results*								
Cashflow Hedges	0	0	0	-4,179	0	-4,179	0	-4,179
Actuarial gains and losses	0	0	-2,616	0	0	-2,616	0	-2,616
Currency conversion differences	0	0		0	4,396	4,396	0	4,396
Total result of the period	0	0	27,999	-4,179	4,396	28,216	-293	27,923
Transactions with shareholders								
Capital contributions	0	0	0	0	0	0	250	250
Dividend distribution	0	0	-12,475	0	0	-12,475	0	-12,475
Stock option program	0	0	52	0	0	52	0	52
Purchase of own shares	0	-4,646	0	0	0	-4,646	0	-4,646
	0	-4,646	-12,423	0	0	-17,069	250	-16,819
Balance as at 31.12.2012	53,219	-20,903	161,843	-8,604	-6,176	179,278	28	179,407
Group net income	0	0	11,649	0	0	11,649	-154	11,495
Other results								
Cashflow Hedges	0	0	0	2,456	0	2.456	0	2,456
Actuarial gains and losses	0	0	-104	0	0	-104	0	-104
Currency conversion differences	0	0	0	0	-2,877	-2,877	0	-2,877
Total result of the period	0	0	11,545	2,456	-2,877	11,124	-154	10,970
Transactions with shareholders								0
Dividend distribution	0	0	-17,366	0	0	-17.366	0	-17,366
Stock option program	0	0	0	0	0	0	0	0
	0	0	-17,366	0	0	-17.366	0	-17.366
Balance as at 30.06.2013	53,219	-20,903	156,023	-6,148	-9,053	173,036	-126	173,011

* Out of other results TEUR 35 relate to Non-controlling interest, resulting entirely to actuarial gains and losses.

Explanatory notes

GENERAL ACCOUNTING PRINCIPLES FOR THE INTERIM FINANCIAL REPORT

General Accounting Principles

The accompanying condensed IFRS-Interim Financial Report for the period ended 30 June 2013 is a consolidated Financial Statement. The Financial Statements were not audited or subject to an audit review. 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.

The half year report as of 30 June 2013 has been prepared, like the annual Financial Statements for the year 2012, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report prepared in accordance with IAS 34 is condensed compared with the scope applied of the Consolidated Financial Statements for the full year. Apart from the exceptions detailed hereinafter for new or revised standards, the accounting policies in the interim Financial Statements are consistent with those used in the Financial Statements for the year ended 31 December 2012. Relevant information can be found in the Consolidated Financial Statements as of 31 December 2012.

In financial year 2012 adjustments in the accounting treatment of provisions for post-employment benefits, reclassifications and corrections in presentation and reporting have been made, which resulted in adjustments in figures and disclosures related to the comparison period for the first half of 2012 in this quarterly report.

Regarding the provisions for post-employment benefits the method of accounting for actuarial gains and losses was changed in 2012. The method of accounting was changed from recognition in the income statement to recognition directly in the other comprehensive income. Figures reported as comparative information for the period 1 January – 30 June 2012 were adjusted accordingly. Consequently the personal expenses were lowered by EUR 1.774 thousand. This amount represents actuarial gains and losses that under the new accounting policy were recorded in other comprehensive income.

The change in reporting of revenue from hardware leases done at end of the financial year 2012 resulted in a more appropriate presentation of the operating result by including the corresponding operating activities under sales revenue that previously had been presented in financial income. These changes resulted in sales revenue being higher by EUR 753 thousands and Finance Income being lower by the same amount for the comparison period 1 January – 30 June 2012.

Unless otherwise stated, all figures refer to the first six months of 2013 and 2012 respectively. The business development showed no signs of significant cyclical fluctuations. The business volume normally tends to be higher in the second half of the year and in particular in the fourth quarter (1 October – 31 December).

When preparing the Consolidated Financial Statements management makes estimates and assumptions in the process of applying the accounting policies that may influence the amounts of assets, liabilities and contingent liabilities as well as expense and income. Although these assumptions and estimates were made to the best knowledge of the Management Board, actual results may differ from these estimates.

The main assumptions being used when preparing this interim financial report are identical to those used in the preparation of the Financial Statements for the year ending 31 December 2012. In addition, assumptions have been made in the determination of the personnel expenses and provisions for post-employment benefits.

New and revised Standards which will apply from financial year 2013

Amendments to IAS 1 – Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income

The amendments require that the items of the other comprehensive income are subdivided into items that will not be reclassified subsequently to profit or loss; and items that will be reclassified subsequently to profit or loss when specific conditions are met. The amendments affect only the presentation of CompuGroup Medical's other comprehensive income.

IAS 19 (rev. 2011) – Employee Benefits

The amendment of IAS 19 led to a replacement of the corridor method by a fully recognition of actuarial gains and losses directly in other comprehensive income. Furthermore, the revised IAS 19 requires uniform interest rates for the expected income on plan assets and the interest expense on the pension obligations as net total under the interest expense. The past service costs are immediately recognized in the period of the pension plan modification.

In the financial year 2012 the application of IAS 19 (rev. 2011) would have led to higher personnel expenses in amount of EUR 101 thousands. In the first half of financial year 2012 the impact on the personnel expenses would have amounted to EUR 50 thousands. The amendment resulted in adjustments in the comparative figures presented in the income statement and in total comprehensive income. The effects resulting out of the first time adoption of the IAS19 (rev. 2011) are shown separately in the changes in consolidated equity.

The adjusted recognition method of actuarial gains and losses had no impact on CompuGroup Medical as actuarial gains and losses have already been recognized entirely in equity since 2012. Furthermore the elimination of the delayed recording of past service costs had no effects on CompuGroup Medical, as all past service costs have already been recorded.

For existing obligations in the Netherlands, additional contributions to plan assets had to be made. These have been fully recognized in equity in accordance with the new standard, whereas under the previous standard, these costs had been recorded in the income statement.

In addition, these further new and revised standards are applicable for the first time adoption as of 1st January 2013. However they have no material impact on the Interim Financial Report of CompuGroup Medical AG as of 30 June 2013:

+ IFRS 7 – Financial instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
+ Amendment of IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
+ Amendment of IAS 12 – Income Taxes: Deferred Tax: Recovery of Underlying Assets
+ IFRS 10 – Consolidated Financial Statements
+ IFRS 11 – Joint Arrangements
+ IFRS 12 – Disclosures of Interests in other entities
+ IFRS 13 – Fair Value Measurement
+ IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

Selected explanatory notes

Consolidation group

The interim Financial Statements as of 30 June 2013 include the Financial Statements of CompuGroup Medical AG and all companies controlled by CompuGroup Medical AG (subsidiaries). Consolidation begins from the date control is obtained and ends when control ceases to exist. Consolidated companies include those companies included in Financial Statements as of year-end 2013 and the newly acquired or founded subsidiaries as described in “Company acquisitions” in the selected explanatory notes below.

Related-party transactions

In the reporting period of financial year 2013 CompuGroup Medical AG entered into an agreement with KEC Kölner Eishockey-Gesellschaft „Die Haie“ mbH, Köln regarding additional promotional and advertising services during the playoff series for a total amount of EUR 15 thousand. The agreement is at market conditions. There have been no other additional significant transactions with related parties in the interim period.

Acquisitions and disposals of items of property, plant and equipment

In the first half of financial year 2013 CompuGroup Medical AG acquired property, plant and equipment in the form of office buildings and office equipment for a total amount of EUR 2.9 million.

Changes in the business and the economic circumstances

In comparison to financial year 2012 there have been no significant changes to the business and the economic circumstances of CompuGroup Medical AG with the exception of the factors described in the interim management report.

Compliance with payment obligations and covenants

In the first half of financial year 2013 CompuGroup Medical complied with all financial covenants in all of its loan agreements. Scheduled payment obligations on the SEB syndicated Term Loan Facility of EUR 15.0 million and other credit facilities of EUR 3.3 million were met entirely. After EUR 20 million from the SEB syndicated Revolving Credit Facility were repaid in the first quarter 2013, a loan utilization in the same amount takes place in the second quarter 2013. Thus, the utilized loan amount from the SEB syndicated Revolving Credit Facility at the end of the second quarter of financial year 2013 was equal to the utilized loan amount from the SEB syndicated Revolving Credit Facility at 31 December 2012.

Other financial obligations and finance commitments

As at the 30 June 2013 the Group had open obligations from non-cancelable operating leases, maturing as follows:

EUR ‘000	30.06.2013	30.06.2012
One year or less	12,258	9,974
Between two and five years	16,339	14,674
Longer than five years	8,166	9,523
SUM	36,763	34,171

Payments from operating lease agreements include rent for the Group's office equipment and particularly for office buildings (without purchase option). Lease agreements are concluded for an average term of three years. The rents are fixed for three to seven years. Operating leasing relationships are recognized pro rata in the income statement.

Other financial commitments did not change in the first quarter compared to 31 December 2012.

Post balance sheet events

Joint Venture between CGM Malaysia Sdn Bhd and Alstar Healthcare Sdn Bhd, Malaysia

In July 2013, CGM Malaysia Sdn Bhd and Alstar founded Healthcare Sdn Bhd („Sendirian Berhad", equals: GmbH), a joint venture. The joint venture establishes an exclusive partnership between the two parties related to projects from the Malaysian Ministry of Health. Alstar Healthcare will be in future offering exclusively eHealth products of the CGM for IT projects with the Malaysian Ministry of Health.

Acquisition Studiofarma Srl and Qualità in Farmacia Srl, Italy

In July 2013, CGM Italia SpA, a 100 percent subsidiary of CGM AG, acquired the majority of the shares of the Italian market leader for pharmacy software, Studiofarma Srl, Brescia, and its largest distributor, Qualità in Farmacia Srl,Novara. Through these acquistions CGM acquires 7,000 pharmacists in Italy. Studiofarma S.r.l. develops software solutions for pharmacies in Italy. With a market share of about 30 percent in its core market, the company is the market leader in pharmacy software in Italy. Qualità in Farmacia S.r.l. is the largest distributor of Studiofarma software with about 2,000 customers and is selling additionally hardware and other ancillary products to its customers.

The total revenue of the two companies in 2012 was approximately EUR 17.0 million and EBITDA was approximately EUR 1.0 million. Initially 79 percent of the shares of Studiofarma Srl and 95 percent of the shares of Qualità in Farmacia Srl have been acquired. Closing has taken place on 19 July 2013.

Acquistion of Tekne Srl, Italy

In July 2013, CGM Italia SpA, a 100 percent subsidiary of CGM AG, acquired a majority stake in Tekne Srl, based in Ragusa. Tekne with its software Xdent is market leader for Mac OS dentist information system software in Italy. Initially, 80 percent of the shares were acquired with the option to purchase the remaining shares over the next five years. The purchase price for 80 percent of the shares was EUR 1.5 million. Tekne S.r.l. develops software solutions for dentists in Italy, which are mainly designed for Mac computers. The innovative software, XDent, offers excellent design and user friendliness. The company not only offers desktop solutions, but also mobile apps connecting dentists more closely with their patients. Total revenue for 2012 was EUR 0.6 million and EBITDA was EUR 0.3 million.

Acquisition of the remaining shares in UCF Holding S.à.r.l., Luxembourg

In July 2013, CompuGroup Medical Deutschland AG, a 100 percent subsidiary of CompuGroup Medical AG, acquired the outstanding 25.1 percent of the shares of UCF Holding S.à.r.l. for a purchase price of GBP 7.5 million. Therefore CGM is now owning 100 percent of the shares in UCF Holding S.à.r.l. CGM has created an appropriate purchase price liability for the purchase price of GPB 7.5 million (corresponds to EUR 8.7 million), in its statement of financial position as at 30st June 2013, which will be utilized within the third quarter of 2013.

Company acquisitions

Acquisition Meditec GmbH, Germany

In January 2013, CompuGroup Medical AG acquired 70 percent of the shares of Meditec GmbH via its fully-owned subsidiary CompuGroup Medical Deutschland AG. The purchase price amounted to EUR 1.4 million, of which EUR 100 thousand were retained as a security deposit. Furthermore, in addition to an equity guarantee Call-Put options were agreed. The valuated contingent purchase price payments at acquisition date amounted to EUR 1,015 thousand, of which it is expected that they are paid out in total.

For 2012, Meditec's revenue was EUR 0.9 million, whereof 80 percent is recurring revenue. Its EBITDA for 2012 was approximately EUR 0.2 million.

From the preliminary purchase price allocation for the initial consolidation the preliminary goodwill amounts to EUR 95 thousand. The calculation of the goodwill is particularly preliminary because the valuation of customer relationships is not finalized as the analysis and evaluation of the acquired customer contracts has not yet been completed.

Since 1st February 2013 the Meditec GmbH contributes with a profit of EUR 15 thousand to the consolidated net income for the period.

Acquisition of control in Perikles 20124 Vermögensverwaltung GmbH, Munich
As of 1st January 2013 CompuGroup Medical AG acquired control in Perikles 20124 Vermögensverwaltung GmbH (hereinafter „Perikles"). Perikles is a holding company with the purpose of the management of its acquired shareholdings. The price for the acquisition of control of Perikles and their shareholdings was EUR 3.1 million. From the agreed purchase price EUR 2.1 million were paid out during the first quarter 2013. The outstanding EUR 1.0 million are payable depending on achievement of targets agreed. It is currently expected that these targets will be completely achieved and the whole amount of the remaining purchase price liability will be paid out in total. With effect from 7th June 2013 EUR 500 thousand of the outstanding EUR 1 million was paid out.

Perikles was acquired exclusively with a view to a partial resale. It fulfills all criteria of IFRS 5 for the classification as a „Disposal Group". The acquired assets amount to EUR 4.6 million and acquired liabilities amount to EUR 1.2 million. These are reported in the balance sheet under assets and liabilities belonging to disposal group classified as held for sale. The acquired assets and liabilities were therefore not included in the company acquisition table.

Since 1st January 2013 Perikles contributes with a profit of EUR 173 thousand to the consolidated net income for the period.

Foundation of CompuGroup Lab Solutions France SAS and acquisition of the assets of the Neurone R&D SAS, France
With effect 12th April 2013 CompuGroup Lab Solutions France SAS was founded with headquarters in Rueil Malmaison. Effective 30th April 2013 CGM France SAS acquired the assets of Neurone R & D SAS, Marseille. The purchase price for the assets was EUR 400 thousand. After purchase price reductions, a purchase price of EUR 316 thousand has been paid out.

From the preliminary purchase price allocation for the initial consolidation the preliminary goodwill amounts to EUR 149 thousand. The calculation of the goodwill is particularly preliminary because the valuation of customer relationships is not finalized as the analysis and evaluation of the acquired customer contracts has not yet been completed.

Since 1st May 2013 a negative result of EUR -79 thousand stems from CompuGroup Lab Solutions France SAS, which was attributable to the consolidated net income for the period.

EUR '000	meditec 31.01.2013	Total 30.06.2013
1) Assets		
I. Non current assets	126	126
II.Current assets cash and cash equivalents	300	300
III.Current assets without cash and cash equivalents	27	27
2) Liabilities and shareholder's equity		
I. Long-term borrowed capital	0	0
II.Short-term borrowed capital	141	141
3) Acquisition of shareholder's equity	312	312
External portion	0	0
Purchase price allocation		
Goodwill, software	304	304
Goodwill, business value	95	95
Goodwill, customer relationship	2,346	2,346
Goodwill, brand	70	70
Goodwill, backlog	0	0
Goodwill, building	0	0
Deferred tax liabilities on goodwill	-812	-812
Paid purchase price as at 30 June 2013	1,300	1,300
According to allocation	2,315	2,315
4) Percentage of voting rights acquired (%)	100	100
5) Purchase price liabilities	1,015	1,015
6) Cash and Cash equivalents aquired	300	300
7) Total purchase cost	2,315	2,315
8) Result following initial consolidation	15	15
9) Result under the premise that no takeover had taken place under the period 1 January-31 December	190	190
10) Step up depreciation	5	5
11) Sales revenues since initial consolidation	337	337
12) Sales revenues under the premise that no takeover had taken place under the period 1 January-31 December	1,143	1,143

Financial instruments

The Group has various financial assets such as trade receivables and cash and cash equivalents, which result directly from operations. In the first half of financial year 2013 the same accounting policies and valuation methods that were applied in the Financial Statements as of year-end 2012 have been applied to the company's financial instruments.

The following table presents carrying amounts and valuation of the Group's financial instruments grouped by categories according to IAS 39.

	Category IAS 39	Book Value EUR '000	Fair Value EUR '000
Financial assets			
Cash and cash equivalents	LaR	14,360	14,360
Trade receivables	LaR	64,412	63,954
Other receivables	LaR	13,902	14,371
Leasing receivables	-	15,162	15,725
Other financial assets	AfS	128	128
Securities	FVtPL	93	93
Stock option held for trading	FVtPL	4,417	4,417
Total financial assets		112,475	113,047
Financial liabilities			
Liabilities to banks	oL	254,621	253,338
Purchase price liabilities	oL	19,846	19,846
Purchase price liabilities	FVtPL	8,800	8,800
Trade payables	oL	16,668	16,668
Other liabilities	oL	6,843	6,843
Leasing liabilities	-	1,308	2,158
Interest rate swaps - cash flow hedges	-	8,839	8,839
Total financial liabilities		316,926	316,492
Totals per category			
Assets available for sale	AfS	128	128
Loans and receivables	LaR	92,675	92,685
Financial assets at fair value through profit and loss	FVtPL	4,510	4,510
Oter financial liabilities	oL	297,979	296,695
Financial liabilities at fair value through profit and loss	FVtPL	8,800	8,800

Segment reporting

In accordance with IFRS 8 „Operating Segments“ the activities of CompuGroup Medical AG are divided into operating segments for segment reporting purposes. A classification based on the individual products or services is applied for controlling purposes and for the allocation of resources. Six operating segments result from this classification. These six operating segments are aggregated into the three reportable segments HPS I (Health Provider Services I), HPS II (Health Provider Services II) and HCS (Health Connectivity Services).

The board of directors as Chief Operating Decision Maker evaluates the performance of the three reportable segments based on the reporting system and takes decisions on the allocation of resources. For the evaluation of the performance of the operating segments the board of directors uses „Earnings before interest, tax, depreciation and amortization“(EBITDA) as a key performance indicator, which represents the result of the individual segment.

	Segment I: Health Provider Services I (HPS I)			Segment II: Health Provider Services II (HPS II)			Segment III: Health Connectivity Services (HCS)		
EUR ´000	2013 Jan-Jun	2012 Jan-Jun	2012 Jan-Dec	2013 Jan-Jun	2012 Jan-Jun	2012 Jan-Dec	2013 Jan-Jun	2012 Jan-Jun	2012 Jan-Dec
Sales to third parties	156,422	151,403	304,754	38,746	38,730	81,155	27,671	33,665	64,445
Sales between segments	815	750	1,613	3,278	3,245	6,201	244	74	500
SEGMENT SALES 1)	157,237	152,153	306,367	42,024	41,975	87,356	27,915	33,739	64,945
Capitalized in-house services	407	366	717	0	0	0	0	0	0
Expenses for goods and services purchased	-29,957	-29,862	-57,665	-5,462	-5,952	-18,155	-4,132	-4,364	-15,440
Personnel costs	-54,790	-52,967	-108,609	-26,471	-24,912	-51,473	-15,877	-15,379	-28,425
Other expense	-24,445	-22,076	-43,197	-5,434	-5,595	-6,724	-5,302	-4,976	-8,186
EBITDA	48,452	47,614	97,613	4,657	5,516	11,004	2,604	9,020	12,894
in % of sales	31.0	31.4	32.0	12.0	14.2	13.6	-	-	-
Depreciation of property, plants and tangible assets									
Amortization of intangible assets									
Impairment for financial assets									
EBIT									
Results from associates recognised at equity	-	-	-	-	-	-	-	-	-
Financial income	-	-	-	-	-	-	-	-	-
Financial expense	-	-	-	-	-	-	-	-	-
EBT	-	-	-	-	-	-	-	-	-
Taxes on income for the period	-	-	-	-	-	-	-	-	-
Profit for the period from discontinued operations	-	-	-	-	-	-	-	-	-
Consolidated net income for the period	-	-	-	-	-	-	-	-	-
in % of sales	-	-	-	-	-	-	-	-	-
CASH NET INCOME*	-	-	-	-	-	-	-	-	-

[1] Total Sales (excluding changes in inventory, capitalized in-house services and other operating income)
* Cash net income: Cash net income before minority interests plus amortization on intangible assets except amortization on in-house capitalized software.

All other Segments			Total Segments			Consolidation adjustments			CompuGroup Medical Group		
2013 Jan-Jun	2012 Jan-Jun	2012 Jan-Dec	2013 Jan-Jun	2012 Jan-Jun	2012 Jan-Dec	2013 Jan-Jun	2012 Jan-Jun	2012 Jan-Dec	2013 Jan-Jun	2012 Jan-Jun	2012 Jan-Dec
198	497	229	223,037	224,295	450,582	0	0	0	223,037	224,295	450,582
189	62	95	4,526	4,131	8,409	-4,526	-4,131	-8,409	0	0	0
387	559	324	227,563	228,426	458,991	-4,526	-4,131	-8,409	223,037	224,295	450,582
3,471	2,403	5,893	3,878	2,769	6,610	0	0	0	3,878	2,769	6,610
-4,056	-3,781	-6,893	-43,607	-43,959	-98,153	4,571	5,438	15,635	-39,036	-38,521	-82,518
-3,747	-3,318	-4,589	-100,885	-96,576	-193,096	-7,223	-6,823	-8,956	-108,108	-103,399	-202,052
-1,542	-1,251	-1,088	-36,723	-33,898	-59,195	1,138	3,489	-8,600	-35,585	-30,409	-67,795
-5,487	-5,388	-6,353	50,226	56,762	115,157	-6,040	-2,027	-10,330	44,186	54,735	104,827
-	-	-	22.5	25.3	25.6	-	-	-	19.8	24.4	23.3
									-3,756	-3,768	-7,207
									-15,461	-15,689	-33,592
									0	0	0
									24,969	35,278	64,028
-	-	-	-	-	-	-	-	-	14	26	-360
-	-	-	-	-	-	-	-	-	2,515	4,874	7,479
-	-	-	-	-	-	-	-	-	-10,894	-10,196	-22,900
-	-	-	-	-	-	-	-	-	16,604	29,982	48,247
-	-	-	-	-	-	-	-	-	-5,282	-7,816	-17,951
-	-	-	-	-	-	-	-	-	173	0	0
-	-	-	-	-	-	-	-	-	11,495	22,167	30,296
-	-	-	-	-	-	-	-	-	5.2	9.9	6.7
-	-	-	-	-	-	-	-	-	24,832	36,321	59,960

Additional Information

FINANCIAL CALENDAR 2013

Date	Event
20 November 2013	Interim Report Q3 2013/Analyst Conference

SHARE INFORMATION

The CompuGroup share finished the second quarter with a closing price of EUR 18.27. The average closing share price increased by 9 percent from EUR 16.53 (Q1/2013) to EUR 17.98 (Q2/2013).

The highest quoted price during the quarter was EUR 19.51 on 6 June 2013 and the lowest price EUR 16.16 on 8 April 2013.

The trading volume of CompuGroup shares was 2.0 million shares during the second quarter, up 9 percent compared to the previous quarter. On average, the daily trading volume was 31,962 shares compared to an average trading volume per day in 2012 of 20,905.

By the end of June 2013, a total of six analyst companies were covering the CompuGroup Medical share on a regular basis. Commerzbank AG recently started covering the stock in June with a buy rating and a price target of EUR 27.00. Overall, the forecast price targets ranged from EUR 14.50 to EUR 27.00. Five analysts rated the shares a "buy" and one analyst as "overweight".

CONTACT

CompuGroup Medical AG
Investor Relations
Maria Trost 21
56070 Koblenz

Telephone: +49 (261) 8000-6200
Fax: +49 (261) 8000-3200

investor@cgm.com

www.cgm.com

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, 2 August 2013

CompuGroup Medical Aktiengesellschaft
The Management Board

Frank Gotthardt   Christian B. Teig   Uwe Eibich

CompuGroup Medical AG
Maria Trost 21
56070 Koblenz
Germany

Synchronizing Healthcare

CompuGroup Medical