



Annual General Meeting of CompuGroup Medical AG

May 2011 11, Koblenz

Speech by CEO Frank Gotthardt

Check against delivery!

First slide

Shown at the beginning of the meeting.

Slide 2 – Agenda

Slide 3 - Agenda item 1

As the agenda is announced by the Supervisory Board Chairman.

Slide 4 – Fiscal Year 2010

Ladies and gentlemen,

Dear shareholders, dear guests,

It is my pleasure to welcome you to today's 2011 annual general meeting. I am also pleased to be able to welcome the shareholder representatives and the ladies and gentlemen of the banking institutions, as well as the members of the Supervisory Board, and Mr. Assenmacher, who is acting as our recording secretary today.

My thanks go out, first of all, to the employees who have worked to ensure the comfort of our guests and the technical prerequisites for this annual general meeting. I thank the Mayor of the City of Koblenz, Dr. Hofmann-Göttig, who has kindly allowed us to hold our meeting in this historic council chamber.



I also thank our **employees**, now some 3,200 of them, who have gotten caught up in our ideas, our convictions, and, not least, our common vision. In 2010, we pursued our path with determination, and created the preconditions for continued strong growth.

Thanks, too, to our **customers**, for their loyalty, their cooperation, and for the fact that they share our vision and enrich it in so many ways. And last but not least, I would like to thank our **shareholders**: You form the basis for the existence of our CompuGroup Medical, you determine the course, and the ultimate success of our company.

Slide 5 – Key figures and goals

CompuGroup Medical is active in one of the largest growth markets on earth: the health sector. Only a few markets have shown such consistent growth. And this growth is accompanied by a corresponding need for medical information technologies. This became clear in 2010 with the achievement of another record result: In 2010, the Group had **revenue** of approximately 312 million euros, with **earnings** before taxes, interest, depreciation and amortization (EBITDA) of 67 million euros. For 2011 we anticipate revenue between 385 and 410 million euros and earnings before taxes, interest, depreciation and amortization (EBITDA) of between 81 and 88 million euros. That means we anticipate growth in revenue and operating profit of about 25%.



We have the privilege of serving customers in 34 countries worldwide, among them physicians in private practice, hospitals and rehabilitation centers, as well as other service providers. But also health insurers, as well as the pharmaceutical and medical technology industries in the health sector. We operate out of our own **locations** in 21 countries.

What have remained the same are our three long-term goals:

1. Synchronizing healthcare:

We stand for the best healthcare, through accessible, structured medical data, through optimal support of the treatment provider's workflow, and through recognized software-assisted medicine.

2. International market leadership:

We are the leader in information technology in the health sector, worldwide.

3. Growth:

We intend to show growth of 30% annually.

Slide 6 – Average annual growth

Ladies and gentlemen, it is not often that you see a growth curve as flawless and at the same time as strong as on this slide. Over the past nine years, we have seen increases in key figures averaging 20-30% annually. We are working to see to it that this growth continues in the coming years as well. How are we able to gaze so confidently into the future? Here are two of the major reasons:



- For one thing, we have an unparalleled worldwide **customer base** in software for physicians. Our customers have increased annually by an average of 29% to a total of 380,000 today.

The **number of employees**, too, has grown, by an annual average of 30%, to the current level of 3,200. We also have the help of hundreds of local sales- and service partners, with thousands of staffers, who are there to offer advice and support to our customers, wherever they may be.

- And then there is our strategic orientation: Once again, the Health Provider Services (HPS) division proved to be the driving force, with annually-renewable subscription contracts. This was followed by our Health Connectivity Services (HCS) for forward-looking intelligent technologies for the networking and provision of medical knowledge. Overall, annual **revenue have** increased by an average of 25% to the current figure of 312 million euros.

In a parallel trend, annual **earnings** before interest, taxes, depreciation and amortization (EBITDA) have increased by an average of 22% to the current figure of 67 million euros.

At 6% in revenue, 13% in EBITDA and 33% in EBIT, our growth in 2010 was below average. But we were successful in laying the foundation for stronger growth, both inorganic and organic, in 2011.



Slide 7 – Dividends for the 2010 fiscal year

Now a word about the proposed dividend payment.

We are proposing the payment of a **dividend of € 0.25** per share. We have confidence that our growth and our earning potential can provide both a regular dividend payment to our shareholders, and enough latitude for the required investments.

Our dividend policy also demonstrates our strength externally: It is particularly attractive to investors, who look not only at our stock price, but also at regular income. And last but not least, our business model and our market position represent a long-term business policy that is in the best interests of our shareholders.

Slide 8 – Price trend

On this slide you can see the price trend for CompuGroup Medical shares from January 2010 to today. The trend for the share price over the past 14 months is overall most gratifying!

The next slide shows the milestones that we have set, for a rising success curve and a successful future:



Slide 9 – Major events in 2010 and to date

We started off 2011 with a bang, and already in **January** we entered two new markets: in Switzerland and in Belgium. Shortly before that, we had acquired Euroned and made our entry into the Dutch market.

In **November** 2010 we took over the physician information systems from HealthPort in the US, and thus completed an important step in our US strategy. Aside from this, we took over the remaining shares in Profdoc Care and realized significant synergies.

In **August** we took the second step in our US strategy, with the purchase of Visionary Healthware, after acquiring Noteworthy Medical Systems. The program proposed by the Obama administration is, of course, particularly attractive for our industry. It would promote the wide-ranging use of intelligent medical software. The so-called “stimulus package” will encompass some USD 20 billion.

Last **June** we completed the change in corporate name to CompuGroup Medical AG, as decided in the last annual general meeting. Step by step, we are bringing all our subsidiaries under the CGM family brand. This will help us take advantage of productivity increases and a stronger brand identity.

Slide 10 – Goals

After looking back over the success of the last few months, I would like to briefly address our goals for the future, and present to you the **course for a successful future**.

1. Synchronizing healthcare
2. Best provider of IT solutions
3. International market leadership
4. Profitability and customer growth

Slide 11 – Strategic growth horizons

The developed growth markets, in particular, and constantly changing and moving forward. What they all have in common is their dependence on the guiding power of intelligent software, which is already running on so many of our customers' computers. Despite a high level of market saturation for the basic product, our revenue has shown steady growth in the outpatient sector (HPS I). In the future, we expect **major contributions to growth** from our solutions in **Software Assisted Medicine** and the **networking of service providers** in the health sector. The next slides illustrate a few of these measures.

Slide 12 – SAM

Software Assisted Medicine (SAM) makes relevant medical knowledge available to physicians. Tailored to each individual patient, and precisely when it's needed. Four examples show the unique benefits of our solutions, which are unparalleled worldwide:

1. SAM Diabetes

The blood sugar disease diabetes mellitus II is one of the greatest health threats to industrialized societies. An evaluation of ongoing projects for our SAM solution proves that patients at risk and those affected by the disease live longer than under standard care. At the same time, fewer hospitalizations and improved drug therapy also represent important cost savings. **Cost advantages of € 500 per patient per year** have been shown.



2. i:fox

In Germany, more people die as a result of undesirable side effects of drugs than in traffic accidents. i:fox reviews all medications taken by a patient for interactions and incompatibility. If risks are found, the system can give life-saving information, and warns the physician right when the prescription is written.

3. CGM Assist

CGM Assist supports physicians in their day-to-day work. It provides direct benefits in that it gives relevant instructions on medical guidelines or cost-effective solutions for their practice. For example, it can point out patients who might be suitable for individualized health insurance policies, which can increase the medical office's revenues.

4. Orphan Disease Finder

For some four million patients affected by orphan diseases in Germany alone, and their families, this is often a lifelong ordeal. They suffer from one of about 8,000 different "rare diseases". The Orphan Disease Finder can help: It compares the information entered by the physician according to selected parameters with data from the patient history. As soon as a rare disease is suspected, the physician is alerted by the system.



Slide 13 – CGM Life eServices / Module

The optimization of workflow and the secure, confidential communication between physician and patient is constantly being improved by our CGM Life eServices. We offer physicians the opportunity to reduce administrative tasks in an up-to-date and acceptable form. 4 modules increase the efficiency of any medical office:

- online appointment scheduling for efficient scheduling of appointments
- online prescriptions to process prescription requests efficiently
- online consultations to respond effectively to patients' questions, and
- online findings to transmit results easily.

Slide 14 – CGM Life eServices / Benefits

A long-term competitive advantage of our solution is the complete integration into the physician's information systems, insuring seamless data transmission. Sources of error, such as double-booking or appointment conflicts, are reduced.

As part of its range of services, CGM Life eServices offers the creation of an individualized medical office website, with the help of a simple building blocks principle, i.e. based on pre-set templates that can be individualized.

Slide 15 – CGM Life / Physician and patient

In my opinion, the personal web-based patient file represents a milestone in the support of patient rights and improvement of information quality for the treating physician. CGM Life is lifelong health documentation, that is physician-managed and patient-specific.

For the physician, diagnosis is aided by data already entered, such as findings and medications, which can be copied from the patient's card in CGM Life.



In addition, patients can set up their own personal medical (e.g. course of treatment or emergency information) and take advantage of other health-related services. For the first time, patients have access to their medical data in a centralized location.

Slide 16 – CGM Life / Benefits

CGM Life makes the patient “master” of his own medical data. He decides who should be given access to this information. The patented data protection concept “technical protection against seizure” and the “certified data security” certification from the Technical Inspection Authority document our commitment to responsible use of data.

The system is expandable and has room for the integration of target-group-specific modules (e.g. diabetes journal). In cooperation with interested health insurance carriers, we can create individual application solutions for their insured patients.

Ladies and gentlemen, as you see, our company is perfectly positioned!

My colleague, Mr. Christian Teig, will now present to you our key financial figures.

Thank you for your attention.