

CompuGroup Medical AG

Financial Report

1 January - 30 September 2014



Synchronizing Healthcare



CompuGroup
Medical

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Key Events and Figures

- + Third quarter revenue of EUR 125.8 million, an increase of 13 percent compared to the same period of 2013
- + Organic growth of 6 percent at constant exchange rates
- + Operating profit (EBITDA) of EUR 23.2 million, down from EUR 25.3 million last year
- + Newly acquired companies still in a phase of integration and restructuring are main drivers behind the lower operating margin in 2014
- + Cash net income of EUR 18.0 million, up from EUR 12.4 million last year
- + Telematics Infrastructure project in Germany on track
- + Market position in pharmacy software strengthened in Italy
- + Market position in software for doctors strengthened in The Netherlands
- + 2014 guidance reaffirmed

EUR '000	01.07.-30.09 2014	01.07.-30.09 2013	Change	01.01.-30.09 2014	01.01.-30.09 2013	Change
Revenue	125,834	111,439	13%	374,245	334,476	12%
EBITDA	23,197	25,264	-8%	68,450	69,450	-1%
<i>margin</i>	18%	23%		18%	21%	
EBITA	21,328	23,413		62,630	63,843	
<i>margin</i>	17%	21%		17%	19%	
EPS (EUR)	0.21	0.11		0.43	0.35	
Cash net income (EUR)*	17,966	12,398		43,513	37,899	
Cash net income per share (EUR)	0.36	0.25	45%	0.88	0.76	15%
Cash flow from operating activities	6,051	175		48,147	45,138	
Cash flow from investing activities	-16,133	-27,474		-57,003	-45,774	
of which equity acquisitions	-7,450	-14,075		-34,024	-18,106	
Number of shares outstanding ('000)	49,724	49,618		49,724	49,618	
Net debt	328,586	267,777		328,586	267,777	

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

Management report

THE CGM GROUP

CompuGroup Medical AG Group (CGM) develops and sells efficiency- and quality-enhancing software as well as information technology services exclusively for the healthcare sector. The company plays a leading role in the development of global e-health solutions and enjoys market leadership in Germany as well as in other key European countries. CGM's software products and related services are designed to support all medical and organizational activities in doctors' offices, medical laboratories, pharmacies, hospitals and other provider organizations. Its information services for health insurance companies and pharmaceutical producers contribute towards safer and more efficient healthcare. The company's services are based on a unique customer base of doctors, dentists, hospitals and pharmacies, as well as other service providers in healthcare.

CGM is currently represented with offices and employees in 19 countries. According to internal figures, CGM has software maintenance contracts in the HPS I segment (AIS and PCS) corresponding to approximately 250,000 healthcare professionals (doctors, dentists and pharmacists). Total reach across all segments is estimated at approximately 400,000 healthcare professionals.

The Group had an average of 3,980 full-time equivalent employees during the third quarter of 2014 (previous year: 3,679). As at 30 September 2014, the total number of full time equivalent employees in group companies was 4,021 (previous year: 3,697). Personnel expenses during the third quarter of 2014 was EUR 58.8 million (previous year: EUR 52.9 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.

COURSE OF BUSINESS

The following sections describe the main operational developments during the third quarter of 2014.

Ambulatory Information Systems

The doctor and dental software business in Europe had a good third quarter with 7 percent year-on-year organic growth at constant exchange rates. In Germany, a significant part of the growth is related to the Telematics Infrastructure and Electronic Health Card (eGK) project.

In the United States, a temporary decline in revenue was expected due to a transition to a more subscription based business model and the ending of some legacy product lines. Revenue of EUR 8.9 million (USD 11.9 million) corresponds to -8 percent year-on-year contraction (-7 percent at constant exchange rates). In terms of sales and order bookings, the outcome in the third quarter 2014 was higher than the same period last year (USD 3.9 million vs. USD 3.7 million) but was sequentially lower than in the second quarter this year (USD 3.9 million vs. USD 5.0 million). CGM software solutions and services do meet the needs of the market very well and CGM will continue to expand the direct sales force in the US to further strengthen distribution and restore organic growth in the US business.

Telematics Infrastructure and Electronic Health Card (eGK)

In December 2013, CGM won the tender advertised by the Society for Telematic Applications for the German Health Card (gematik) in a consortium with Booz & Company and KoCo Connector AG. The tender is for the online rollout of the third level testing for the telematic infrastructure in one of two test regions in Germany. CompuGroup Medical Deutschland AG's share of the tender's contract value is approximately 20 million Euros with all material deliveries in 2014 and 2015. A further approximately EUR 6 million of revenue from this tender award is expected in other Group companies in the same delivery period.

The project for the introduction of telematics infrastructure and first applications has continued during the third quarter with the development, construction and integration of the infrastructure components as well as the roll-out of the central network. In a first step, the specialist services of the health insurance companies to support the insured master data management (VSDM) were connected to the network in June. The full development of the central network is scheduled to be completed by the end of 2014.

As for the decentralized components (card, card terminals, connectors), certain functional enhancements and technical improvements were introduced in consultation with the shareholders of gematik during the third quarter. This has delayed the start of the testing of VSDM previously targeted for the fourth quarter of 2014. This is now expected in Q2 2015 with testing of all participants and with commissioning and approval having been completed beforehand. According to current planning, the testing of the qualified electronic signature (QES) will be tested alongside the testing of VSDM.

After successful completion of the testing and parallel evaluation the telematics infrastructure network will be ready for the nationwide connection of all clinics and hospitals in Germany.

The Telematic Infrastructure is a long-term growth opportunity for CGM and the pilot project is only the first stage in a transformation to a significantly higher revenue opportunity. With a potential full rollout (est. begin 2016) CGM has the opportunity to sell new eGK-compliant online access products to all existing customers in Germany: ~44,200 doctors offices (69,400 doctors), ~15,000 dentists offices (19,800 dentists), ~4,000 pharmacies (8,000 pharmacists), ~100 hospitals, ~300 rehabilitation centers and ~550 social care institutions. Even more important; the Telematik Infrastructure fits perfectly with CGMs strategy to provide more products and services to its customers, such as eServices, ePrescriptions, eLabOrder, physician networks, online clinical pathways, hosting services etc.

Acquisition of Labelsoft, The Netherlands

In October, CompuGroup Medical Holding Cooperatief UA (CGM NL), a 100 percent subsidiary of CompuGroup Medical AG, concluded a transaction to acquire Labelsoft BV based in Zoetermeer/The Netherlands. With this acquisition, CompuGroup Medical has strengthened its position in the Dutch market for primary care software to more than 25 percent of the market share with GPs, and 75 percent of the market share with ambulatory extended care organizations (HAPs).

Labelsoft is active in the Dutch software market for General Practitioners and the market leader in HAP market. A "HAP" is a regional cooperation between GPs taking care of first line care after normal business hours and during weekends. HAPs are usually located in or close to a hospital. Labelsoft develops software solutions for such HAPs and is, with a 75 percent market share, the market leader in this segment. Labelsoft also has a 5 percent share of the Dutch GP market. In 2013, its total turnover was approx. EUR 3.0 million with an EBITDA margin of 20 percent. The purchase price was paid in cash and financed through cash at hand and existing credit lines. Consolidation of Labelsoft is expected to begin 2 October 2014.

Pharmacy Information Systems

As expected, the pharmacy software business had a strong third quarter with 15 percent organic growth in the established German and Italian operations and a further 20 percent growth contribution from the new companies in Italy which were acquired in August and September this year.

The announcement from Microsoft to cease support for Windows XP and Office / Word 2003 in 2014 has triggered a robust demand for system upgrades in Germany to the fully touch-enabled program WINAPO® 64 and the designer hardware WINAPO ® One, an integrated computer-monitor solution which make the pharmacies everyday life more efficient. A strong market for system upgrades is expected to remain during 2014.

Acquisition of farma3tec, Mondofarma and Puntofarma, Italy

In September, CompuGroup Medical AG concluded a transaction to acquire farma3tec S.r.l., a subsidiary of Alliance Healthcare Italia, and a leading provider in the Pharmacy Information Systems Sector. With this acquisition, CompuGroup Medical has strengthened its position in the Italian market for Pharmacy Software to more than 50 percent market share with pharmacies and pharmacy-related service providers and continues to expand its customer base especially to mid- and southern Italy.

CompuGroup Medical acquired 80 percent of the shares of farma3tec S.r.l. based in Rome and its subsidiary, Mondofarma S.r.l., located in Chiusi. Alliance Healthcare Italia will hold a minority stake of 20 percent in farma3tec and remain on board as a strategic partner. farma3tec develops software solutions for pharmacies in Italy and is, with its 5,000 customers, number two behind the CGM subsidiary, Studiofarma. Mondofarma is the main distributor of the farma3tec software solutions and has approximately 1,000 customers. Additionally, it sells hardware and other products. In 2013, the total turnover of both companies was approx. EUR 12 million and the EBITDA EUR 0.7 million.

In July CompuGroup Medical, through their subsidiary Qualita in Farmacia, acquired already the assets related to Software and Services for Pharmacies of Puntofarma Srl, Brescia. This transaction added another 800 pharmacies to the direct service of a CGM entity concluding in additional revenues of EUR 4 Million per annum. The purchase price was paid in cash and financed through cash at hand and existing credit lines. Consolidation of Puntofarma began 1st August and consolidation of farma3tec and Mondofarma began 5th September 2014.

Hospital Information Systems

In the hospital segment, there is no significant change to markets or results compared to the first half of 2014. Good growth is seen in the markets in Poland and Switzerland whereas the markets in Austria and Germany are currently in a stagnant phase.

Communication & Data

As expected, the revenue level in Communication & Data continues to decline also in 2014, driven by regulatory changes and shifting priorities within the main customer group being pharmaceutical companies. No other material developments were experienced during the third quarter of 2014.

Workflow & Decision Support

The third quarter of 2014 have developed as expected, also considering declining revenue from maintenance of old administrative software applications for German insurance companies, products which were phased-out during 2013 but still running in the third quarter last year. Sales of CompuGroup's drug database tool ipC3 to 3rd party software vendors continue at a steady pace and the North Rhine-Westphalia medication account record project is progressing as planned. Some new workflow & decision support contracts have also been signed, but the pace of such new business is slow with long sales and implementation cycles.

2014 analyst and investor conference

On 10 October 2014, CGM hosted its annual analyst and investor conference at the company's headquarters in Koblenz. The presentations covered the most important growth topics in the Group currently, specifically growth initiatives in the HCS segment and the opportunities around the eGK and Telematics Infrastructure in Germany.

Dr. Tim Züwerink, Senior Vice President of HCS, presented under the title 'Rejuvenating HCS'. The growth initiatives presented were:

- + In 2014, CGM has introduced Software Assisted Medicine in the US and started a pilot in the state of Oregon. Strong incentive structures have been put in place for such solutions in the US and CGM is pursuing this market with a clear business model, large revenue potential and market-ready software and related services for the task.
- + CGM has launched CGM Life as a platform to better manage membership services in health insurance companies. The underlying foundation is CGM Life eServices, already the leading platform for online doctor communication in Germany and beyond. While in 2014 CGM had multiple progressed discussions with public and private payers, in 2015 we expect first contracts in Germany and other European markets.
- + In Communication & Data, we are focusing efforts on bringing medical value communication to the providers: the right value to the right provider in the right way. This especially arouses the interest of originator companies for services beyond pure drug advertising. The first contracts in this area have already been secured.
- + Furthermore, CGM is opening direct channels from physicians to the assigned pharmaceutical rep for closer contact, appointment requests, Information about new product etc. (eDetailing). This makes them spend less waiting time in physician office for more quality contacts. We are piloting this in Austria, where online-penetration is close to 100 percent.
- + CGM has launched new products and services to support clinical research in Q3 2014 with piloting of patient recruitment in Germany. Local research networks and leaders are being leveraged to ensure support of the clinical community.

The next presentation showed examples of network services for healthcare providers in relevant CGM markets. The purpose was to give some ideas on how such services may develop also in Germany – something which is highly relevant in the context of the current eGK and Telematik Infrastructure developments. Based on his past experience working in Scandinavia, the Group CFO Christian B. Teig reviewed healthcare networks and communication services in Denmark, Norway and Sweden whereas Manfred Glanzer, VP of business development, presented the same topic from Austria. One way to summarize the experience from these markets is that regardless of organization and national structures, CGM is able to provide an increasing number of comparable network services to its customers. There are many important roles to play and CGM has long and relevant experience from providing network services and developing appropriate business models.

The final presentation of the day was made by Prof. Dr. Arno Elmer, Geschäftsführer gematik, Gesellschaft für Telematikanwendungen der Gesundheitskarte mbH. Professor Elmer gave his view on the past, present and future of the electronic health card and Telematik Infrastruktur in Germany.

The presentations from the conference are available for download at www.cgm.com.

RESULTS OF GROUP OPERATIONS

Unless stated otherwise, all figures in the management report refer to the third quarter of 2014 and 2013 respectively, i.e. the three-month period 01.07 – 30.09 (Q3).

Revenue

Group revenue in the third quarter of 2014 was EUR 125.8 million compared to EUR 111.4 million in the same period last year. This corresponds to 13 percent growth. Acquisitions give an 8 percent contribution to growth and organic growth was 5 percent (6 percent at constant exchange rates).

In the HPS I segment, third quarter revenue was EUR 92.3 million compared to EUR 79.1 million in 2013. This corresponds to 17 percent growth. Acquisitions give an 11 percent growth contribution and organic growth was 6 percent (7 percent at constant exchange rates). Third quarter revenue in Ambulatory Information Systems (AIS) was EUR 71.1 million compared to EUR 63.3 million in 2013. This corresponds to 12 percent growth of which organic growth was 3 percent (5 percent at constant exchange rates). The European AIS business had a good quarter with 5 percent organic growth (7 percent at constant exchange rates). In the United States, revenue contracted year on year with -8 percent, from EUR 8.9 million (USD 11.8 million) in the third quarter 2013 to EUR 8.1 million (USD 11.0 million) this year. Third quarter revenue in Pharmacy Information Systems (PCS) was EUR 21.2 million compared to EUR 15.8 million in 2013. This represents 35 percent growth of which 15 percent is organic growth.

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

EUR m	01.07-30.09 2014	01.07-30.09 2013	Change	01.01-30.09 2014	01.01-30.09 2013	Change
Ambulatory Information Systems	71.1	63.3	12%	217.2	193.5	12%
Pharmacy Information Systems	21.2	15.8	35%	58.0	42.2	37%
SUM	92.3	79.1	17%	275.2	235.7	17%

In the HPS II segment, revenue was flat year-on-year at EUR 19.5 million in Hospital Information Systems (HIS).

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

EUR m	01.07-30.09 2014	01.07-30.09 2013	Change	01.01-30.09 2014	01.01-30.09 2013	Change
Hospital Information Systems	19.5	19.4	0%	56.1	58.1	-4%
SUM	19.5	19.4	0%	56.1	58.1	-4%

In the HCS segment, revenue was EUR 14.0 million compared to EUR 13.6 million in the third quarter of 2013. This represents an increase of 3 percent, all of which is organic growth. Revenue in Communication & Data contracted -12 percent, from EUR 5.1 million in the third quarter of 2013 to EUR 4.5 million in the third quarter of 2014. First time consolidation of marketing revenue in "eHealth Business Media" was EUR 0.3 million and organic contraction was -18 percent. In Workflow & Decision Support, revenue increased 3 percent, all of which is organic growth (10 percent at constant exchange rates). In the Internet Service Provider area, revenue grew sharply with 34 percent mostly related to the consolidation of KoCo Connector AG and deliveries to the Telematik Infrastructure pilot project.

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

EUR m	01.07-30.09 2014	01.07-30.09 2013	Change	01.01-30.09 2014	01.01-30.09 2013	Change
Communication & Data	4.5	5.1	-12%	14.1	15.4	-8%
Workflow & Decision Support	6.0	5.8	3%	18.8	18.0	5%
Internet Service Provider	3.5	2.6	34%	9.9	7.9	26%
SUM	14.0	13.6	3%	42.8	41.2	4%

Changes to currency exchange rates reduced Group revenue by EUR 1.5 million going from the third quarter of 2013 to the third quarter of 2014. Accumulated currency exchange effect on revenue is negative EUR 4.7 million for the first nine months of 2014.

Profit

Consolidated EBITDA amounted to EUR 23.2 million compared to EUR 25.3 million in the third quarter of 2013. The corresponding operating margin was 18 percent compared to 23 percent in 2013. The operating margin in 2014 remains lower than the Group's inherent potential and the main reasons for this are:

- + Integration of several newly acquired companies which together leaves no operating margin on this revenue.
- + Investments in product and service line expansion related to the Telematik Infrastruktur project in Germany.
- + Continued investments in product and service improvements, sales and marketing in the United States.
- + Continued high R&D investments in the G3 HIS 'fast-track' and G3 AIS projects.
- + Direct expenses related to the roll-out of a single group-wide fully standardized ERP, CRM and CPM system.

The main developments in operating expenses were:

- + Expenses for goods and services increased EUR 8.1 million year-on-year with a gross margin of 79 percent, which is 5 percent lower than the third quarter last year. This is mostly due to costs of goods related to the Telematik Infrastruktur project in Germany.
- + Personnel expenses are up 11 percent from last year at EUR 58.8 million (third quarter 2013: 52.9 million). All of this increase (EUR 4.6 million) is attributable to new employees in companies acquired during the last 12 months.
- + Other expenses are EUR 4.2 million higher than last year at EUR 21.9 million (third quarter 2013: 17.7 million). EUR 2.1 million of this increase is related to other expenses in companies acquired during the last 12 months.

Depreciation of tangible fixed assets in the third quarter is mostly unchanged from last year at EUR 2.0 million. Amortization of intangible fixed assets is also mostly unchanged from last year at EUR 8.1 million. This is primarily driven by the amortization of intangible assets related to companies acquired during the last 12 months as well as adjustments to the useful life of intangible assets and changes in foreign exchange rates.

Financial income increased from EUR -0.7 million in the third quarter 2013 to EUR 10.4 million this year due largely to changes in currency exchange rates which lead to non-cash translation gains on Group internal debt.

The financial expense increased from EUR 5.5 million in the third quarter 2013 to EUR 9.0 million in the same period this year and is composed of the following items:

EUR thousand	01.07-30.06 2014	01.07-30.06 2013	01.01-30.09 2014	01.01-30.09 2013
Interest and other expenses on syndicated loan facility	2,413	2,709	7,808	7,649
Interest and expenses on other loans and financial services	-257	754	2,729	2,026
Changes in purchase price liabilities (non-cash)	341	45	48	1,122
Change in accounting treatment of hedging instruments following refinancing of syndicated loan (non-cash)	1,977	0	1,977	0
Expensing of remaining accrued expenses on repaid syndicated loan facility (non-cash)	1,644	412	2,315	1,280
Translation loss on non-Euro internal debt	567	1,573	1,435	4,310
SUM	6,705	5,493	16,312	16,387

After tax earnings came in at EUR 10.7 million in the third quarter of 2014, up from EUR 5.4 million in the third quarter of 2013. The tax rate was 27 percent in the third quarter this year compared to 41 percent in the third quarter of 2013. 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 increased from EUR 12.4 million in the third quarter 2013 to EUR 18.0 million in the third quarter 2014, corresponding to a Cash net income per share of 36 Cent (Q3/2013: 25 Cent).

Cash flow

Cash flow from operating activities during the third quarter of 2014 was EUR 6.1 million compared to EUR 0.2 million in the same period 2013. The changes compared to 2013 mainly come from the following positions:

- + Adjusted for non-cash earnings/expenditures and cash taxes, the gross cash flow from operations before change in working capital is EUR 10.6 million compared to EUR 11.8 million in the third quarter of 2013.
- + Change in working capital gave a decrease in operating cash flow of EUR -4.5 million compared to EUR -11.6 million in the third quarter 2013. For both years, this is mostly related to pre-payments on software maintenance received in the first quarter which is being amortized in subsequent periods.

Cash flow from investment activities during the third quarter of 2014 amounted to EUR -16.1 million compared to EUR -27.5 million in the same period last year. During the third quarter of 2014, CGM's capital expenditure consisted of the following:

EUR m	01.07-30.09 2014	01.07-30.09 2013
Company acquisitions	-8.5	-14.1
Purchase of minority interest and past acquisitions	0.0	-8.8
Disposal of subsidiaries	0.0	-3.5
Capitalized in-house services and other intangible assets	-6.0	0,5
Office buildings and property	-0.7	-0.6
Other property, plant and equipment	-0.9	-27.5
SUM	-16.1	-8.7

The company acquisitions relate to the acquisition of Farma3Tec, Mundofarma and Puntofarma in Italy.

Cash flow from financing amounted to EUR 24.8 million in the third quarter 2014 (previous year: EUR 31.8 million) and relates to the net cash inflow from assumption and repayment of loans.

Statement of financial position

Since the statement of financial position from 30 June 2014, total assets increased by EUR 34.5 million to EUR 749.8 million as at 30 September 2014. The largest changes to individual asset classes are a EUR 14.6 million increase in cash and cash equivalents and a EUR 17.0 million increase in intangible assets, which is primarily driven by changes in exchange rates. For all other assets there are only minor changes during the third quarter of 2014.

Group equity was EUR 193.0 million as at 30 September 2014, up from 179.7 million as at 30 June 2014. The increase in equity comes after consolidating EUR 10.7 million in net profit for the period from 01 July 2014 to 30 September 2014 plus EUR 3.7 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 swaps. The equity ratio is at 25.7 percent as at 30 September 2014.

The biggest changes to liabilities are increases in long and short term debt of EUR 11.9 million and a EUR 20.9 million decrease in current non-financial liabilities mostly related to a seasonal decrease in pre-payments of software maintenance contracts balanced under other liabilities.

Research & Development

Under IAS 38, development work on internally generated software must be capitalized if certain criteria are fulfilled. This generated EUR 2.9 million additional operating profit for the Group during the third quarter of 2014 (previous year EUR 2.3 million), less amortization and write-downs of EUR 1.7 million during the same period (previous year EUR 1.1 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.

REPORT ON EXPECTED DEVELOPMENTS

In summary, CompuGroup Medical reaffirms the guidance for 2014 as:

- + Group revenue is expected to be in the range of EUR 518 million to EUR 528 million.
- + Group operating income (EBITDA) is expected to be in the range of EUR 100 million to EUR 110 million.

Compared to the outlook issued at the beginning of the year, this guidance has been increased with EUR 8 million of revenue from companies acquired during 2014, with no significant EBITDA contribution net of transaction and integration costs.

For both revenue and EBITDA, the outcome is now expected to be towards the low end of these ranges. In terms of revenue per business segment, CGM has the following update:

- + AIS: Expected full year AIS revenue remains unchanged at EUR 294 million to EUR 300 million. Including approximately EUR 3 million from acquisitions made during the year (German dealers and Labelsoft in The Netherlands), revenue will most likely end up towards the high-end of the range.
- + PCS: The positive development for the pharmacy software business is expected to continue throughout the year and full year PCS revenue will most likely exceed the high end of the initial guidance range. In addition, revenue from acquisitions made during the year (Farma3Tec, Mondofarma and Puntofarma) is expected to be approximately EUR 5 million in 2014. With these new companies included, full year PCS revenue is now expected at EUR 79-80 million (up from previously estimated EUR 73 to EUR 74 million).
- + HIS: Expected full-year HIS revenue remains unchanged at EUR 80 million to EUR 82 million, most likely around the low-end of the range.
- + C&D: Full year C&D revenue is expected to end up at approximately EUR 20 million (down from previously estimated EUR 21 million).
- + W&DS: Expected full year W&DS revenue remains unchanged at EUR 26 million to EUR 27 million.
- + ISP: Due to some changed milestones in the overall Telematics Infrastructure project, unrelated to CGM's deliveries, the ISP revenue recognized from this project is expected to be approximately EUR 2 million lower than initially planned for 2014. Expected full year ISP revenue is now EUR 14 million (down from previously estimated EUR 16 million).

The foregoing outlook is given as at November 2014 and does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2014. The outlook for 2014 represents management's best estimate of the market conditions that will exist in 2014 and how the business segments of CompuGroup Medical will perform in this environment.

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 2013. It can be downloaded free of charge from the company's homepage at www.cgm.com.

With the exception of the factors described under "Financial and Operational Review", we see no changes compared to the risk and opportunities described in the group management report for the financial year 2013. Risks that may impact the company as a going concern were not evident during the first nine months of 2014, neither in form of individual risks nor from the total risk position for CompuGroup Medical as a whole.

Interim Statement of Financial Position

as at 30 September 2014

ASSETS

	30.09.2014 EUR '000	30.09.2013 EUR '000	adjusted 31.12.2013 EUR '000
Non-current assets			
Intangible assets	519,215	458,558	486,149
Tangible assets	62,559	60,320	61,224
Financial assets			
Interests in affiliates (valued as equity)	696	638	637
Other Investments	161	130	130
Trade receivables	8,901	8,762	8,915
Other financial assets	4,141	11,879	1,831
Derivative financial instruments	6,056	4,417	6,056
Deferred taxes	1,962	3,385	1,764
	603,691	548,089	566,706
Current assets			
Inventories	8,759	4,927	4,185
Trade receivables	92,446	68,387	75,861
Other financial assets	2,486	3,680	3,223
Other non-financial assets	11,176	8,432	8,771
Income tax claims	4,959	6,138	8,547
Securities (recognized as profit of loss as fair value)	100	99	165
Cash and cash equivalents	26,165	18,833	23,453
	146,092	110,496	124,205
Assets of disposal group classified as held for sale	0	5,018	381
	749,783	663,603	691,292

SHAREHOLDER EQUITY AND LIABILITIES

	30.09.2014 EUR '000	30.09.2013 EUR '000	adjusted 31.12.2013 EUR '000
Shareholder Equity			
Subscribed capital	53,219	53,219	53,219
Treasury shares	-20,292	-20,903	-20,292
Reserves	164,999	145,779	155,842
Capital and reserves allocated to the shareholder of the parent company	197,926	178,095	188,769
Minority interests	-4,475	78	-4,102
	193,451	178,173	184,667
Long-term liabilities			
Pension provision	13,128	14,036	10,500
Liabilities to banks	329,810	213,403	278,109
Purchase price liabilities	4,119	2,176	2,573
Other financial liabilities	9,818	2,872	1,396
Other non-financial liabilities	2,688	1,957	3,082
Derivative financial instruments	5,720	8,437	7,852
Deferred taxes	47,527	47,374	47,603
	412,809	290,255	351,114
Current liabilities			
Liabilities to banks	24,942	73,207	43,559
Trade payables	21,661	15,937	23,076
Income tax liabilities	4,969	11,193	14,645
Provisions	27,527	23,702	24,172
Purchase price liabilities	8,163	19,728	9,394
Other financial liabilities	7,586	5,487	6,315
Other non-financial liabilities	48,676	44,551	34,147
	143,522	193,805	155,308
Liabilities associated directly with non-current assets qualified as held for sale	0	1,370	203
	749,783	663,603	691,292

Interim Income statement

for the reporting period of 1 January - 30 September 2014

EUR '000	01.07.-30.09. 2014	01.07.-30.09. 2013	01.01.-30.09 2014	01.01.-30.09 2013	01.01.-31.12 2013
Continuing operations					
Sales revenue	125,834	111,439	374,245	334,476	459,555
Capitalized in-house services	2,873	2,308	7,317	6,186	9,651
Other Income	1,390	147	2,507	1,342	2,512
Expenses for goods and services purchased	-26,156	-18,058	-71,119	-57,094	-79,352
Personnel costs	-58,802	-52,859	-182,209	-160,967	-214,942
Other expense	-21,942	-17,713	-62,290	-54,493	-79,649
Earnings before interest, taxes depr, and amortization (EBITDA)	23,196	25,264	68,450	69,450	97,776
Depreciation of property, plants and tangible assets	-1,868	-1,851	-5,820	-5,607	-7,373
Earnings before interest, taxes and amortization (EBITA)	21,328	23,413	62,630	63,843	90,403
Amortization of intangible assets	-8,188	-7,982	-24,211	-23,443	-33,575
Earnings before interest and taxes (EBIT)	13,140	15,431	38,419	40,400	56,828
Results from associates recognised at equity	56	-7	652	7	-20
Financial income	10,383	-680	10,572	1,835	4,319
Financial expense	-9,037	-5,493	-18,643	-16,387	-25,918
Earnings before taxes (EBT)	14,541	9,251	30,999	25,855	35,208
Income taxes for the period	-3,882	-3,819	-9,321	-9,101	-13,033
Consolidated net income for the period from continuing operations	10,660	5,432	21,679	16,754	22,176
Discontinued operations					
Profit for the period from discontinued operations	0	87	-141	260	-457
Consolidated net income for the period	10,660	5,519	21,538	17,014	21,719
of which: allocated to parent company	10,853	5,613	22,196	17,262	23,148
of which: allocated to minority interests	-192	-94	-658	-248	-1,429
Earnings per share					
undiluted (EUR)	0.21	0.11	0.43	0.35	0.48
diluted (EUR)	0.21	0.11	0.43	0.35	0.48
Additional information:					
Cash net income (EUR)	17,966	12,398	43,513	37,899	51,663
Outstanding common shares at balance sheet day	49,724	49,618	49,724	49,618	49,724
Cash net income per share (EUR)	0.36	0.25	0.88	0.76	1.04

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

Interim Statement of Comprehensive Income

for the reporting period of 1 January - 30 September 2014

EUR '000	01.07-30.09. 2014	01.07-30.09. 2013	01.01-30.09 2014	01.01-30.09 2013	01.01-31.12 2013
Consolidated net income for the period	10,660	5,519	22,196	17,014	21,719
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	-3	-52	85	-156	461
Deferred taxes on Actuarial gains and losses on defined benefit plans	1	15	-24	47	-123
Items that will be reclassified to profit or loss at a future point in time when specific conditions are met					
Cash flow hedges					
of which: in equity	-1,303	402	0	3,849	4,496
of which: income	4,108	0	4,108	0	0
Deferred taxes on cash flow hedges	1,740	-121	1,349	-1,112	-1,349
Currency conversion differences	-1,458	-884	-854	-3,761	-1,316
Total comprehensive income for the period	13,745	4,879	26,861	15,881	23,887
of which: allocated to parent company	13,937	4,973	27,519	16,129	25,317
of which: allocated to minority interests	-192	-94	-658	-248	-1,429

Interim Cash Flow Statement

as at 30 September 2014

EUR '000	01.07 - 30.09 2014	adjusted 01.07 - 30.09 2013	01.01 - 30.09 2014	adjusted 01.01 - 30.09 2013	01.01-31.12 2013
Group net income	10,801	5,519	21,679	17,014	21,718
Amortization of intangible assets, plant and equipment	10,057	9,833	30,032	29,050	40,948
Earnings on sale of fixed assets	-90	0	-96	0	-56
Change in provisions (including income tax liabilities)	-4,992	-4,444	-5,436	-5,423	-5,284
Change in deferred taxes	-2,042	-1,539	-923	-3,599	-7,033
Other non-cash earnings/expenditure	-3,086	2,391	-1,717	3,097	8,593
	10,648	11,760	43,539	40,139	58,886
Change in inventories	-817	-309	-3,005	-917	-266
Change in trade receivables	1,197	9,283	-7,757	7,484	22
Change in income tax receivables	-511	-2,005	3,955	-2,046	-4,407
Change in other receivables	-1,184	1,593	-3,643	-234	2,538
Change in trade accounts payable	480	-2,584	-4,438	-3,403	1,619
Change in other liabilities	-3,761	-17,563	19,496	4,115	-6,061
Cash flow from operating activities	6,051	175	48,147	45,138	52,331
Cash flow on disposals of intangible assets	11	29	41	38	133
Cash outflow for capital expenditure in intangible assets	-6,051	-3,503	-15,341	-11,331	-16,506
Cash inflow on disposals of sales of property, plant and equipment	39	6	215	431	514
Cash outflow for capital expenditure in property, plant and equipment	-1,582	-1,114	-6,517	-4,391	-7,540
Cash flow for the acquisition of subsidiaries	-7,450	-14,075	-34,024	-18,106	-34,697
Cash outflow for the acquisition of subsidiaries from prior periods	0	0	-673	-12,415	-22,411
Cash inflow from the disposal of subsidiaries	-1,100	-8,817	-704	0	-22,411
Cash flow from investing activities	-16,133	-27,474	-57,003	-45,774	-80,507
Purchase of own shares	0	0	0	0	0
Dividends paid	0	0	-17,418	-17,366	-17,366
Capital contributions from non-controlling interests	0	125	0	125	125
Purchase of minority interests	-237	0	-237	0	-237
Cash inflow from assumption of loans	327,357	33,984	392,497	62,065	94,644
Cash outflow from the repayment of loans	-302,294	-2,342	-363,144	-44,432	-44,128
Cash flow from financing activities	24,825	31,767	11,697	392	33,038
Cash and cash equivalents at the beginning of the period	0	0	23,453	18,953	18,953
Change in cash and cash equivalents	14,743	4,468	2,841	-244	4,862
Changes in cash due to exchange rates	-139	5	-128	124	-476
Cash and cash equivalents at the end of the period	14,603	4,473	26,165	18,833	23,339
Interest paid	7,333	4,545	14,571	10,339	14,505
Interest received	118	238	422	692	402
Income tax paid	10,704	4,915	18,760	9,529	30,048
Income tax received	-313	0	4,140	0	0

Interim Changes in Consolidated Equity

as at 30 September 2014

EUR '000	Share capital	Treasury shares	Other reserves	Accumulated other comprehensive income		Attributable to owners of CompuGroup Medical AG	Non-controlling interest	Total equity
				Other Hedges	Cashflow conversion			
Balance as at 01.01.2013	53,219	-20,903	161,843	-8,604	-6,176	179,379	28	179,407
Group net income	0	0	23,148	0	0	23,148	-1,429	21,719
Other results								
Cashflow Hedges	0	0	0	3,147	0	3,147	0	3,147
Actuarial gains and losses	0	0	338	0	0	338	0	338
Currency conversion differences	0	0	0	0	-1,317	-1,317	0	-1,317
Total result of the period	0	0	23,486	3,147	-1,317	25,316	-1,429	23,886
Transactions with shareholders								
Capital contribution	0	0	0	0	0	0	125	125
Dividend distribution	0	0	-17,366	0	0	-17,366	0	-17,366
Stock options programm	0	0	0	0	0	0	0	0
Repurchase of treasury shares	0	611	1,389	0	0	2,000	0	2,000
Non-controlling interests from acquisitions	0	0	0	0	0	0	199	199
Additional purchase of shares from non-controlling interests after control	0	0	-73	0	0	-73	-164	-237
	0	611	-16,050	0	0	-15,440	160	-15,280
Changes in the scope of consolidation	0	0	-486	0	0	-486	-2,861	-3,348
Balance as at 01.01.2014	53,219	-20,292	168,792	-5,457	-7,493	188,769	-4,102	184,667
Group net income	0	0	22,196	0	0	22,196	-658	21,538
Other results								
Cashflow Hedges	0	0	0	5,457	0	5,457	0	5,457
Actuarial gains and losses	0	0	61	0	0	61	0	61
Currency conversion differences	0	0	0	0	-854	-854	0	-854
Total result of the period	0	0	22,257	5,457	-854	26,861	-658	26,203
Transactions with shareholders								
Capital contribution	0	0	0	0	0	0	0	0
Dividend distribution	0	0	-17,418	0	0	-17,418	0	-17,418
Stock options programm	0	0	0	0	0	0	0	0
Non-controlling interests from acquisitions	0	0	0	0	0	0	0	0
Additional purchase of shares from non-controlling interests after control	0	0	0	0	0	0	0	0
Repurchase of treasury shares	0	0	0	0	0	0	0	0
Issue of treasury shares	0	0	0	0	0	0	0	0
	0	0	-17,418	0	0	-17,418	0	-17,418
Balance as at 30.09.2014	53,219	-20,292	173,631	0	-8,347	198,211	-4,760	193,451

Explanatory notes

as at 30 September 2014

GENERAL ACCOUNTING PRINCIPLES FOR THE INTERIM FINANCIAL REPORT

General Accounting Principles

The accompanying condensed IFRS-Interim Financial Statements for the period ended 30 September 2014 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.

The third quarter consolidated financial statements as of 30 September 2014 have been prepared, like the Consolidated Annual Financial Statements for the year 2013, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This Consolidated Interim Financial Statements 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 Consolidated Financial Statements for the year ended 31 December 2013. Relevant information can be found in the Consolidated Financial Statements as of 31 December 2013. This Consolidated Interim Financial Statements and the Interim Management Report were not reviewed by any auditor.

The overview below gives information about the relevant foreign exchange rates for the condensed consolidated interim IFRS-financial statements:

1 € corresponds to	Fixed rates		Average rates January - September	
	30.09.2014	31.12.2013	2014	2013
Denmark (DKK)	7.44	7.46	7.46	7.46
Canada (CAD)	1.41	1.33	1.48	1.35
Malaysia (MYR)	4.13	4.04	4.39	4.13
Norway (NOK)	8.12	7.52	8.28	7.66
Poland (PLN)	4.18	4.18	4.18	4.2
Sweden (SEK)	9.15	8.53	9.04	8.58
Switzerland (CHF)	1.21	1.23	1.22	1.23
South Africa (ZAR)	14.26	12.12	14.54	12.5
Czech Republic (CZK)	27.5	25.7	27.5	25.75
Turkey (TRY)	2.88	2.38	2.93	2.46
USA (USD)	1.26	1.31	1.35	1.32

Unless otherwise stated, all figures refer to the first nine months of 2014 and 2013 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 of the financial year (1 October – 31 December).

When preparing the Consolidated Interim 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 for preparing the Consolidated Interim Financial Statements are identical to those used for the preparation of the Consolidated Financial Statements as at year end 31 December 2013. In addition, assumptions have been made in the determination of the personnel expenses and provisions for post-employment benefits.

Standards, interpretations and changes to published standards to be applied in 2014

As from 1 January 2014 the following new, revised and amended standards have to be applied for the first time. There will be no effects on the consolidated interim financial statements of CompuGroup Medical AG for the reporting period ending on the 30 September 2014 with the exception of the first time application of the IFRS 10.

Standard	Content	Applicable from
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosures of Interests in Other Entities	1 January 2014
IFRIC 21	Levies	1 January 2014
IFRS 10, IFRS 11 and IFRS 12, Amendments	IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interest in Other Entities - transitional provisions	1 January 2014
IFRS 10, IFRS 12 and IAS 27, Amendments	IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements - investment companies	1 January 2014
IAS 27, revised	Separate Financial Statements	1 January 2014
IAS 28, revised	IAS 28, Investment in Associates and Joint Ventures	1 January 2014
IAS 32, amendment	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36, amendment	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
IAS 39, amendment	Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014

Effects of the first time application of IFRS 10 – Consolidated Financial Statements

IFRS 10 focuses on the introduction of a single consolidation model of all companies based on the concept of subsidiaries by the parent company. The control concept is to be applied to both parent–subsidiary relations based on voting rights as well as to parent–subsidiary relations based on other contractual agreements. The control principle is defined and determined as the basis for consolidation. This definition is supported by comprehensive application guidance that indicates the different way in which a reporting entity (investor) can control another company (associated company). The accounting requirements are presented. IFRS 10 replaces the provisions regarding consolidated financial statements in IAS 27 "Consolidated and Separate Financial Statements (amended 2008)" as well as SIC-12 "Consolidation –Special Purpose Entities".

The CGM-Group management has reviewed and made an assessment of the impact of the initial adoption of IFRS 10 on 1 January 2014. It has verified whether changes will occur with regards to the control of subsidiaries and investments from the new definition of control and the IFRS 10 underlying application guidelines. Management estimates as a result of the review that the purchase of 100 percent of the shares of Imagine Editions SAS and Imagine Assistance S.a.r.l., France, with signing and payment on 16 December 2013 and closing on 16 January 2014, triggers an immediate control at the time of contract signing as a result of the seller's contractual restrictions (IFRS 10.B 24). As a consequence the consolidation of the acquired businesses would begin on the 16 December 2013.

This is different to the application of IAS 27 made in financial year 2013 where control occurs at the time of closing i.e. 16 January 2014. The differences on the consolidated balance sheet of the CGM-Group resulting from the consolidation of the two companies on the basis of the preliminary purchase price allocation for 2013 are as follows:

Explanatory Notes Continued

ASSETS

EUR '000	Adjusted 31.12.2013	IFRS 10 Adjustment Imagine-Group	Original 31.12.2013
Non-current assets			
Intangible assets	486,149	24,838	461,311
Property, plant and equipment	61,224	256	60,968
Financial assets			
Interests in affiliates (valued at-equity)	637	0	637
Other investments	130	0	130
Trade receivables	8,915	0	8,915
Other financial assets	1,831	0	1,831
Derivative financial instruments	6,056	0	6,056
Deferred taxes	1,764	0	1,764
	566,706	25,094	541,612
Current assets			
Inventories	4,186	20	4,166
Trade receivables	75,861	886	74,975
Other financial assets	3,223	500	2,723
Other non-financial assets	8,771	-19,586	28,357
Income tax claims	8,547	151	8,396
Securities (recognized though profit and loss at fair value)	165	0	165
Cash and cash equivalents	23,453	114	23,339
	124,206	-17,915	142,121
Non-current assets qualified as held for sale	381	0	381
	691,293	7,179	684,114

EQUITY AND LIABILITIES

EUR '000	Adjusted 31.12.2013	IFRS 10 Adjustment Imagine-Group	Original 31.12.2013
Equity			
Subscribed Capital	53,219	0	53,219
Treasury shares	-20,292	0	-20,292
Reserves	155,842	0	155,842
Capital and reserves allocated to the shareholders of the parent company	188,769	0	188,769
Minority interests	-4,102	0	-4,102
	184,667	0	184,667
Non-current liabilities			
Pensions	10,500	222	10,278
Liabilities to banks	278,108	0	278,108
Purchase price liabilities	2,573	0	2,573
Other financial assets	1,396	63	1,333
Other non-financial assets	3,082	103	2,979
Derivative financial instruments	7,852	0	7,852
Deferred taxes	47,605	5,108	42,497
	351,116	5,496	345,620
Current liabilities			
Liabilities to banks	43,558	44	43,514
Trade payables	23,076	174	22,902
Income tax liabilities	14,645	34	14,611
Other provisions	24,172	903	23,269
Purchase price liabilities	9,394	0	9,394
Other financial liabilities	6,315	265	6,050
Other non-financial liabilities	34,147	263	33,884
	155,307	1,683	153,624
Liabilities related to non-current assets held for sale	203	0	203
	691,293	7,179	684,114

The preliminary purchase price allocation for Imagine-Group, France is as follows:

EUR '000	Acquisition of Imagine-Gruppe IFRS 10, France
Acquisition date	16.12.2013
Voting rights acquired in %	100
Acquired assets and liabilities assumed and recognized at acquisition date	
Non-current assets	
Software	2,261
Customer relationships	12,395
Brands	665
Other fixed assets and office equipment	255
Current assets	
Inventories	19
Trade receivables	886
Cash and cash equivalents	114
Other financial assets	501
Other non-financial assets	565
Non-current liabilities	
Pensions	222
Other provisions	166
Deferred tax liabilities	5,107
Current liabilities	
Trade payables	174
Contingent liabilities	0
Liabilities to banks	45
Other liabilities	938
Other financial liabilities	265
Other non-financial liabilities	263
Net assets acquired	10,483
Purchase price paid in cash	18,000
Liabilities assumed	0
of which contingent consideration	0
Issued equity instruments	2,000
Total consideration transferred	20,000
Non-controlling interests	0
Goodwill	9,517
Acquired cash and cash equivalents	114
Purchase price paid in cash	18,000
Prepayments on acquisitions	0
Payments for acquisitions after date of acquisition	0
Cash outflow for acquisition (net)	17,886
Effects of the acquisition on Group result	
Sales revenue since acquisition date	6,098
Net result since acquisition date	400
Costs attributable to the acquisition	141

The Imagine-Group offers the software „HelloDoc“, one of the best recognized software for French general practitioners, pediatricians and dentists for more than 25 years. The software is currently used by 20,000 professionals. In addition to the „HelloDoc“ software the Imagine-group offers data and tele-secretary services to healthcare professionals. In fiscal year 2013 the Imagine-Group generated sales of EUR 7,706 thousand and an EBITDA of EUR 888 thousand. The company has 110 employees. The purchase price totaled EUR 20 million, of which EUR 18.0 million was paid in cash and EUR 2.0 million in treasury shares.

From this acquisition, CGM expects to significantly expand its business in France by offering the software products of the Imagine-Group and other value-added services.

Synergies are expected to be realized by gaining know-how and realizing cost efficiencies (e.g. within Hotline and sales partner network). The provisional goodwill of EUR 9,517 thousand results especially from the synergies within the group as a result of the inclusion of the Imagine-Group into CGM. The acquired goodwill is expected not to be applicable for income tax deduction.

The preliminary fair value of the acquired intangible assets amounted to EUR 15,321 thousand.

The receivables and payables assumed with the acquisition, which essentially consist of trade receivables and trade payables, are balanced at book values at the date of acquisition of control, which corresponds to fair value based on the expected collection period and the best estimate of access to contractual cash-flows. Uncollectable receivables were not identified of initial recognition. The preliminary fair value of pension liabilities or similar liabilities at the acquisition date amounts to EUR 221 thousand.

The initial disclosures for the acquisition of Imagine-Group was carried out in preliminary form, since the analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands due partly not received or evaluated information.

Amendments, standards and interpretation published by the IASB but not yet adopted into European legislation

The IASB and the IFRIC have adopted several additional standards and interpretations in 2013 and the previous years which were not yet compulsorily applicable in the financial year 2014 beginning on the 1 January. The application of these IFRS and IFRIC is depended on the adoption by the EU ("endorsement").

Standard	Content
IAS 19, amendment	Employee Contributions to Defined Benefit Plans
IFRS 9	Classification and Measurement - Financial Assets
IFRS 9	Classification and Measurement - Financial Liabilities
IFRS 9	Financial Instruments: Hedge Accounting
IFRS 7 and IFRS 9, amendment	Mandatory Effective Date and Transition Disclosures
IFRS 11, amendment	Acquisition of an interest joint operation
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
Various Standards	Improvements to the International Financial Reporting Standards (Improvements Project 2010 - 2012)
Various Standards	Improvements to the International Financial Reporting Standards (Improvements Project 2011 - 2013)

The possibility of an early application for particular standards is given. CompuGroup Medical does not make use of the possibility of an early application of these standards. Currently CompuGroup Medical evaluates the consequences which will arise from the first time adoption of these standards. However it is expected that IFRS 15 will have significant changes to the (interim-) consolidated financial statements due to the first time application. From the first time application of the other standards it is expected that there will be no significant changes to the (interim-) consolidated financial statements of CompuGroup Medical.

Selected explanatory notes

Consolidation group

The Consolidated Interim Financial Statements as of 30 September 2014 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, disposed or founded subsidiaries as described in section "Company acquisitions, disposals and foundations" in the selected explanatory notes below.

Changes in the business and the economic circumstances

In comparison to financial year 2013 there have been no significant changes to the business and the economic circumstances CompuGroup Medical AG is exposed to with the exception of the factors described in the Interim Management Report.

Company acquisitions, disposals and foundations

EUR '000	Acquisition of Vision4Health-Group	Acquisition of farma3tec S.r.l.	Acquisition of other companies
Acquisition date	06.01.2014	05.09.2014	-
Voting rights acquired in %	n.a.	80	100
Acquired assets and liabilities assumed and recognized at acquisition date			
Non-current assets			
Software	5,828	768	12
Customer relationships	9,126	5,633	3,577
Brands	2,434	318	41
Order backlog	314	0	0
Other fixed assets and office equipment	102	97	317
Other financial assets	16	33	54
Current assets			
Inventories	615	484	478
Trade receivables	6,195	4,068	386
Cash and cash equivalents	160	305	1,420
Other non-financial assets	248	168	71
Other assets	172	428	0
Non-current liabilities			
Pensions	305	1,075	224
Deferred tax liabilities	0	2,062	708
Current liabilities			
Trade payables	549	2,595	235
Liabilities to banks	94	4	37
Other liabilities	776	265	484
Other financial liabilities	291	317	89
Other non-financial liabilities	2,850	1,708	95
Net assets acquired	20,346	4,241	4,492
Purchase price paid in cash	23,551	6,400	5,906
Liabilities assumed	0	1,451	0
of which contingent consideration	0	0	0
Issued equity instruments	0	0	0
Total consideration transferred	23,551	7,851	5,906
Non-controlling interests	0	0	0
Goodwill	3,205	3,610	1,414
Acquired cash and cash equivalents	160	305	1,422
Purchase price paid in cash	23,551	6,400	4,606
Prepayments on acquisitions	0	0	1,100
Payments for acquisitions after date of acquisition	0	0	2,152
Cash outflow for acquisition (net)	23,391	6,095	6,436
Effects of the acquisition on Group result			
Sales revenue since acquisition date	7,626	1,117	2,573
Net result since acquisition date	-1,462	399	447
Costs attributable to the acquisition	230	75	20

Acquisition of the assets of the vision4health-Group, Germany

In January 2014, CompuGroupMedical Lab International GmbH, a wholly-owned subsidiary of CompuGroup Medical AG, acquired all material assets of vision4health-Group with operations in Germany, Switzerland, Belgium and France. With more than 200 installations in Europe, vision4health is one of the leading suppliers of laboratory information systems with some of the largest and most prestigious hospitals and private laboratory groups as reference customers.

The product suite of vision4health consists of the proven and market-established 'molis' laboratory information system which supports all relevant laboratory disciplines such as biochemistry and hematology, microbiology, histopathology, blood bank administration and transfusion/transplantation medicine. Significant investments have been made over the last years to develop a new product generation named 'molis vt' based on the latest technology and most innovative work process models. Supplementary to

this, the diagnostic portal 'molis vt channel' supports electronic ordering and results, paperless requests for information and findings as well as other value-added services between healthcare providers and laboratory services. The 'molis vt channel' is one of the corner stones of Diagnostic Wide Area Networks connecting doctors' offices, medical centers, wards, outpatient departments and laboratories.

The total sales revenue of the vision4health Group was in 2013 approximately EUR 13,393 thousand with an EBITDA of approximately EUR 79 thousand. The purchase price amounted to EUR 23,551 thousand was paid fully in cash.

The consolidation of vision4health Group began 6 January 2014.

From this acquisition, CGM expects to be able to significantly expand its laboratory information business in Germany, Switzerland, Belgium and France by offering innovative software products as well as services. Synergies are expected through the gaining of know-how and through cost efficiency opportunities. The preliminary goodwill of EUR 3,205 thousand results from the synergies within the Group as a result of the inclusion of vision4health Group into CGM. It is expected that the recognized goodwill will be partially deductible for tax purposes.

The preliminary fair value of the acquired intangible assets excluding goodwill amounts to EUR 17,700 thousand.

The initial consolidation of the acquisition of vision4health Group as at 6 January 2014 is carried out in preliminary form. The analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands is not yet completed due to some not yet fully received or evaluated information.

Acquisition of farma3tec S.r.l., Italy

In September 2014 CompuGroup Medical acquired 80 percent of the shares of farma3tec S.r.l. based in Rome and its subsidiary, Mondofarma S.r.l., located in Chiusi. Alliance Healthcare Italia will hold a minority stake of 20 percent in farma3tec and remain on board as a strategic partner. For the remaining 20 percent of the shares identical Call-Put-options are agreed. The options were valued by CGM and are reported as expected purchase price liabilities in the consolidated interim balance sheet (Euro 1,451 thousand). Non-controlling interest are not reported due to the put-options granted.

farma3tec develops software solutions for pharmacies in Italy and is, with its 5,000 customers, number two behind the CGM subsidiary, Studiofarma. Mondofarma is the main distributor of the farma3tec software solutions and has approximately 1,000 customers. Additionally, it sells hardware and other products. In 2013, the total turnover of both companies was approx. EUR 12 million and the EBITDA EUR 0.7 million.

The consolidation of farma3tec began 5 September 2014.

From this acquisition, CGM expects to be able to significantly expand its pharmacy information business in Italy by offering innovative software products and services. Synergies are expected through the gaining of know-how and through cost efficiency opportunities. The preliminary goodwill of EUR 3,610 thousand results from the synergies within the Group as a result of the inclusion of farma3tec into CGM. It is expected that the recognized goodwill will be not deductible for tax purposes.

The preliminary fair value of the acquired intangible assets excluding goodwill amounts to EUR 6,568 thousand.

The initial consolidation of the acquisition of farma3tec as at 5 September 2014 is carried out in preliminary form. The analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands is not yet completed due to some not yet fully received or evaluated information

Discontinued operations

As of 1 January 2013, CompuGroup Medical Deutschland AG, a 100 percent subsidiary of CompuGroup Medical AG, acquired control in Dr. Ralle Medienholding GmbH (formerly Perikles 2013 Vermögensverwaltung GmbH), Germany and its subsidiary Ärztenachrichtendienst Verlags-AG ("ÄND"), Germany.

CGM's establishment of control over "ÄND", went hand in hand with its intention to dispose of "ÄND" completely. Until November 2013, "ÄND" was reported as a subsidiary held for sale in accordance with IFRS 5. In November 2013, CGM abandoned its intention to dispose all of "ÄND", changing it to a partial disposal. The expected purchase price as at 31 December 2013 for the business segments "Online Portals" and "Publishing business", which are held for sale and classified as a disposal group, was EUR 210 thousand.

Effective by 31 March 2014 the assets and liabilities of the business segments "Online Portals" and "Publishing business" classified as held for sale were sold for a purchase price of EUR 396 thousand.

As a result of the purchase price being higher than expected on 31 December 2013, CGM has performed an appreciation in value on intangible assets impaired on the 31 December excluding Goodwill. Due to the sale of the discontinued operations, CGM has not realized any gain or loss.

Until sale 31 March 2014, the negative net result of EUR -141 thousand of business segments which were held for sale and classified as a disposal group, was included into CGM's consolidated net income for the period. In total assets of EUR 882 thousand and liabilities of EUR 486 thousand were sold.

Acquisitions and disposals of items of tangible assets

In the first nine months of the financial year 2014, CompuGroup Medical AG acquired tangible assets such as office buildings and office equipment for a total amount of EUR 6.5 million.

Related-party transactions

The related-party transactions are as follows:

EUR '000	Sale of goods		Purchase of goods		Receivables		Liabilities	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Related Persons	21	69	408	154	27	11	0	0
Related companies	1,777	3,040	2,907	4,297	1,216	987	203	389
Associated companies	35	37	16	29	28	45	3	35
SUM	1,833	3,147	3,330	4,480	1,270	1,043	207	424

Compliance with payment obligations and financial covenants

On the 23 September 2014 CGM entered into a new syndicated loan facility for a total sum of EUR 400.0 million. The syndicated loan facility consists of a "term loan facility" (also referred to in the following as "TLF") for EUR 225.0 million and a "multi currency revolving loan facility" (also referred to in the following as "RLF") for EUR 175.0 million. The syndicated loan facility has a duration of five years. The TLF must be repaid pro rata in equal instalments of EUR 15.0 million on 31 January and 31 July in each year, commencing on 31 July 2015, with a final payment of the balance of any outstanding term facility loans to be repaid on the termination date. 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 applicable EURIBOR rate for the interest period chosen plus a margin derived from the relationship between the consolidated net borrowings and the adjusted consolidated EBITDA (Leverage). The margin is 2.0 percent for the first six months. As of 30 September 2014 EUR 225.0 million of the TLF and EUR 94.1 million of the RLF were utilized. Loan origination fees totaling EUR 3.5 million were incurred related to these facilities. These fees will be charged as a financial expense over the term of the loan agreement. For this syndicated loan facility no hedge has been concluded. The grant of the loan is linked to the compliance of certain financial covenants.

The loan agreement includes joint and several guarantees for payment by a number of CGM's subsidiaries (contingent liability in case of non-payment of CompuGroup Medical AG).

Based upon the new syndicated loan facility CompuGroup Medical AG repaid at the end of September, the previously entered syndicated loan facility. In total EUR 285 million drawn loans from the previous syndicated loan facility has been repaid.

In the first nine months of the financial year 2014 CompuGroup Medical is compliant with all financial covenants entered in all of its loan agreements.

Other financial obligations and finance commitments

As at the 30 September 2014 the Group had open obligations from non-cancelable operating leases, maturing as follows:

EUR '000	30.09.2014	30.09.2013
Within 1 year	11,299	11,603
Between 2 and 5 years	22,360	17,525
Longer than 5 years	6,011	7,747
SUM	39,671	36,875

Payments from operating lease agreements include rent for the Group's office equipment and particularly for office buildings

Explanatory Notes Continued

(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 significantly during the first nine months of the financial year 2014 compared to 31 December 2013.

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 nine months of the financial year 2014 the same accounting policies and valuation methods that were applied in the Financial Statements as of year-end 2013 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:

Categories of financial instruments in accordance with IAS 39	Category according to IAS 39	Book value as at 30.09.2014	IAS 39 valuation			IAS 17 valuation	
			Acquisition costs (continued)	Fair Value through profit and loss	Fair value recognized in equity	Acquisition costs continued	Fair Value as at 30.09.2014
Financial assets							
Cash and cash equivalents	LaR	26,165	26,165	0	0	0	26,165
Trade receivables	LaR	66,458	66,458	0	0	0	66,458
Receivables from construction contracts (PoC)	LaR	19,994	19,994	0	0	0	18,135
Other receivables	LaR	5,945	5,945	0	0	0	6,094
Finance lease receivables	-	15,143	0	0	0	15,143	16,990
Other financial assets	AfS	31	31	0	0	0	31
Securities	FVtPL	100	0	100	0	0	100
Stock Options - held for trading	FVtPL	6,056	0	6,056	0	0	6,056
Total financial assets		139,892	118,593	6,156	0	15,143	140,030
Financial liabilities							
Liabilities to banks	oL	354,750	354,750	0	0	0	322,840
Purchase price liabilities	oL	12,282	12,282	0	0	0	12,282
Purchase price liabilities	FVtPL	0	0	0	0	0	0
Trade payables	oL	21,661	21,661	0	0	0	21,661
Other financial liabilities	oL	16,256	16,256	0	0	0	16,256
Financial lease obligations	-	1,147	0	0	0	1,147	1,219
Interest rate swaps – Cash flow hedge	-	5,720	0	0	5,720	0	5,720
Total financial liabilities		411,817	404,949	0	5,720	1,147	379,978
Total per category							
Assets available for sale	AfS	31	31	0	0	0	31
Loans and receivables	LaR	118,563	118,563	0	0	0	116,853
Assets at fair value through profit and loss	FVtPL	6,156	0	6,156	0	0	6,156
Other financial liabilities	oL	404,949	404,949	0	0	0	373,039
Liabilities at fair value through profit and loss	FVtPL	0	0	0	0	0	0

The fair value is not always available as a market value, which often necessitates a determination based on various measurement parameters. Depending on the availability of observable parameters and the relevance of these parameters for determining the fair value as a whole, the fair value is assigned to Level 1, 2 or 3. Assignment to these levels is effected under consideration of the following factors:

- + Level 1 parameters: Here, the market value of assets and liabilities is calculated based on quoted, unadjusted prices like those that arise for similar or identical assets and liabilities in active markets
- + Level 2 parameters: Here, the market value of assets and liabilities is calculated on the basis of parameters for which either directly or indirectly quoted prices are also available to an active market.
- + Level 3 parameters: Here, the market value of assets and liabilities is calculated on the basis of parameters for which there are no observable market data.

Fair value of financial assets and liabilities that are regularly measured at fair value according to the valuation hierarchies:

Assessed valuation hierarchies at fair value - financial instruments EUR '000	30.09.2014	Level 1	Level 2	Level 3
Assets recognized at fair value through profit and loss	6,156	100	0	6,056
thereof securities	100	100	0	0
thereof stock options - held for trading	6,056	0	0	6,056
Assets recognized at fair value directly in equity	0	0	0	0
Total	6,156	100	0	6,056
Liabilities recognized at fair value through profit and loss	5,720	0	5,720	0
Liabilities recognized at fair value directly in equity	0	0	0	0
thereof Interest rate swaps -Cash flow hedges	5,720	0	5,720	0
Total	5,720	0	5,720	0

1) **Securities (Level 1):** The fair value of securities in the amount of EUR 100 thousand (previous year: EUR 165 thousand) is based on quoted market prices in an active market at the balance sheet date. Significant unobservable input parameters are not available which is why there is no ratio of unobservable input parameters to the fair value of the securities.

2) **Stock options – held for trading (Level 3):** This pertains to CGM's existing call options to acquire 90 percent of the shares in KoCo Connector AG at a fixed market price (strike price) in the amount of EUR 45 thousand. The call options can be exercised at any time until 31 December 2016 whereby the writes are granted a right of refusal. The granted call option is a financial instrument according IAS 39.9. The value of call options depends on several variables. Among other things, it varies depending on KoCo Connector AG's enterprise value, the company's EBITDA and the fair value of the loan granted to KoCo Connector AG. The call options' fair value results from two possible scenarios (Scenario 1 and 2):

- + Scenario 1 "Transfer of shares from KoCo Connector AG to CGM AG" and
- + Scenario 2 "Writer exercises right of refusal"

The fair value of the call option in the amount of EUR 6,056 thousand (previous year: EUR 4,417 thousand) is calculated as the equally weighted value from Scenario 1 "Transfer of shares from KoCo Connector AG to CGM AG" and Scenario 2 "Writer exercises right of refusal".

The fair value was determined on the basis of business plans using the DCF method (enterprise approach). Reachable customers, the date on which the individual phase ("testing phase", "roll-out phase", replacement phase" and "maintenance phase") commence and the underlying cost structure (cost of materials and operational costs) constitute material unobservable input parameters for the business plans. In addition, the amount of loans granted by CompuGroup Medical AG to KoCo Connector AG on the relevant valuation date constitutes a significant input parameter. A discount rate of 11.4 percent (previous year: 10.9 percent) was applied for calculating the value of the option.

The relationship of the unobservable input parameters at their fair value can be described as follows: The more customers that can be acquired in the imputed phases (especially the "roll-out phase") of the underlying business plans, the higher the fair value of the call option provided that the status of the loans granted by CompuGroup Medical AG to KoCo Connector AG has not disproportionately increased in relation to it. Fluctuations can also arise due to changes in the parameters (e.g. discount rate).

3) **Interest rate swaps – Cash flow hedges (Level 2):** The interest rate swaps – cash flow hedges (2014: EUR 5,720 thousand; previous year: EUR 8,437 thousand) represent the negative market values of interest rate hedges (interest rate swaps), measured at fair value based on the mark-to-market method. The fair value is the present value of future cash flows based on observable yield curves. Derivative financial instruments are used to hedge against the effect of interest rate fluctuations.

Thus, the variable interest rates of the term and multi-currency revolving loan facility which has been repaid at the 29 September 2014 as part of the refinancing, were determined using interest rate swaps. The interest rate swaps (hedging transactions) were designated until termination of the hedge accounting at 29 September 2014 into a cash flow hedge under the heretofore existing term and multi-currency revolving loan facility. After the termination of the hedge accounting for these interest rate swaps, the change in the market value will hence be recognized through profit and loss.

The nominal value of the interest rate swaps amounts to EUR 250 million on the 30 September 2014 and thus remained unchanged from last year. On the 30 September 2014, the fixed interest rates ranged from 1.83 percent to 2.07 percent (unchanged from previous year), the variable interest rate is the 3-month EURIBOR:

Fair Value of financial assets and liabilities that are not regularly measured at fair value according to the valuation hierarchies:

EUR '000	30.09.2014	Level 1	Level 2	Level 3
Fair value of financial assets valuated at (continued) acquisition costs				
Trade receivables	66,458	0	66,458	0
Receivables from construction contracts (PoC)	18,135	0	18,135	0
Other receivables	6,094	0	2,285	3,810
Finance lease receivables	16,990	0	16,990	0
Other financial assets	31	0	0	31
Total	107,708	0	103,868	3,840
Fair value of financial liabilities valuated at (continued) acquisition costs				
Liabilities to banks	322,840	0	0	322,840
Purchase price liabilities	12,282	0	0	12,282
Trade payables	21,661	0	21,661	0
Other financial liabilities	16,256	0	9,773	6,483
Finance lease obligations	1,219	0	1,219	0
Total	374,258	0	32,653	341,606

Post balance sheet events

Acquisition Labelsoft BV, Netherlands

In October 2014, CompuGroup Medical Holding Cooperatief UA, a 100 percent subsidiary of the global leading eHealth company CompuGroup Medical AG, concluded a transaction to acquire Labelsoft BV based in Zoetermeer/ Netherlands. The purchase price for 100 percent of shares in Labelsoft amounts to EUR 5.5 Mio. With this acquisition, CompuGroup Medical has strengthened its position in the Dutch market for primary care software to more than 25 percent of the market share with GPs, and 75 percent of the market share with ambulatory extended care organizations (HAPs).

Labelsoft develops software solutions for HAPs in The Netherlands and is, with a 75 percent market share, the market leader in this segment. Labelsoft also has a 5 percent share of the Dutch GP ambulatory information systems (AIS) market. In 2013, its total turnover was approx. EUR 3.0 million with an EBITDA-margin of 20 percent.

The consolidation of Labelsoft will begin 2 October 2014.

From this acquisition, CGM expects to be able to significantly expand its primary care software business in the Netherlands by offering innovative software products and services. Synergies are expected through the gaining of know-how and through cost efficiency opportunities. The preliminary goodwill of EUR 1,739 thousand results from the synergies within the Group as a result of the inclusion of Labelsoft into CGM. It is expected that the recognized goodwill will be not deductible for tax purposes.

The preliminary fair value of the acquired intangible assets excluding goodwill amounts to EUR 4,397.

The purchase price allocation of Labelsoft as at 2 October 2014 is carried out in preliminary form. The analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands is not yet completed.

EUR '000

Acquisition Labelsoft BV

Acquisition date	02.10.2014
Voting rights acquired in %	100
Acquired assets and liabilities assumed and recognized at acquisition date	
Non-current assets	
Software	727
Customer relationships	3,609
Brands	95
Order backlog	0
Other fixed assets and office equipment	185
Other financial assets	22
Current assets	
Trade receivables	269
Cash and cash equivalents	679
Other financial assets	6
Other non-financial assets	115
Non-current liabilities	
Deferred tax liabilities	1,097
Current liabilities	
Trade payables	63
Contingent liabilities	0
Other liabilities	525
Other financial liabilities	121
Other non-financial liabilities	140
Net assets acquired	3,761
Purchase price paid in cash	5,500
Liabilities assumed	0
of which contingent consideration	0
Issued equity instruments	0
Total consideration transferred	5,500
Non-controlling interests	0
Goodwill	1,739
Acquired cash and cash equivalents	679
Purchase price paid in cash	5,500
Prepayments on acquisitions	0
Payments for acquisitions after date of acquisition	0
Cash outflow for acquisition (net)	4,821

Explanatory Notes Continued

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..

EUR '000	Segment I: Health Provider Services I (HPS I)			Segment II: Health Provider Services II (HPS II)			Segment III: Health Connectivity Services (HCS)		
	2014	2013	2013	2014	2013	2013	2014	2013	2013
	Jan - Sep	Jan - Sep	Jan-Dec	Jan - Sep	Jan - Sep	Jan-Dec	Jan - Sep	Jan - Sep	Jan-Dec
Sales to third parties	275,208	234,728	320,434	56,090	58,042	81,175	42,827	41,272	57,681
Sales between segments	5,306	5,526	7,597	8,993	8,460	12,928	4,211	4,853	4,608
Segment Sales	280,514	240,254	328.031	65,083	66,502	94,103	47,038	46,125	62,289
thereof recurring sales	204.014	164,091	244,806	27,189	28,062	38,432	13,300	14,482	19,328
Capitalized in-house services	656	607	1.975	0	0	0	2,080	0	734
Other income	952	538	1,552	277	822	1,277	31	1,181	1,573
Expenses for goods and services purchased	-57,485	-44,179	-60,340	-13,353	-14,025	-20,514	-10,717	-8,671	-14,075
Personnel costs	-105,859	-86,366	-114,256	-38,671	-36,646	51,402	-21,879	-22,577	-31,304
Other expense	-36,963	-38,424	-57,565	-5,374	-6,906	-11,785	-8,087	-9,578	-13,988
EBITDA	81,816	72,430	99,398	7,963	9,747	11,677	8,466	6,480	5,230
in % of sales	29.7	30.9	31.0	14.2	16.8	14.4	19.8	15.7.	9.1
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*	-	-	-	-	-	-	-	-	-

* 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		
2014	2013	2013	2014	2013	2013	2014	2013	2013	2014	2013	2013
Jan - Sep	Jan - Sep	Jan-Dec	Jan - Sep	Jan - Sep	Jan-Dec	Jan - Sep	Jan - Sep	Jan-Dec	Jan - Sep	Jan - Sep	Jan-Dec
120	114	265	374,245	334,156	459,555	0	0	0	374,245	334,476	459,555
345	173	417	18,855	19,013	25,550	-18,855	-19,013	-25,550	0	0	0
465	287	682	393,100	353,168	485,105	-18,855	-19,013	-25,550	374,245	334,476	459,555
9	9	12	244,512	206,644	302,578	0	0	0	244,512	206,644	302,578
4,581	5,579	6,942	7,317	6,186	9,652	0	0	0	7,317	6,186	9,651
89	1,401	1,414	1,350	3,943	5,817	1,157	-2,601	-3,304	2,507	1,342	2,512
-2	43	-6,525	-81,557	-66,832	-101,454	10,437	9,737	22,102	-71,119	-57,094	-79,352
-4,322	-4,949	-5,676	-170,730	-150,538	-202,638	-11,479	-10,429	-12,304	-182,209	-160,967	-214,941
-1,093	-7,989	-3,147	-51,517	-62,897	-86,485	-10,773	8,404	6,836	-62,290	-54,493	-79,649
-282	-5,627	-6,309	97,963	83,031	109,997	-29,512	-13,580	-12,220	68,450	69,450	97,776
0	0	0	26.2	24.8	23.9	0	0	0	18.3	20.8	21.3
-	-	-	-	-	-	-	-	-	-5,820	-5,607	-7,373
-	-	-	-	-	-	-	-	-	-24,211	-23,443	-33,575
-	-	-	-	-	-	-	-	-	0	0	0
-	-	-	-	-	-	-	-	-	38,419	40,400	56,828
-	-	-	-	-	-	-	-	-	652	268	-20
-	-	-	-	-	-	-	-	-	10,572	1,835	4,318
-	-	-	-	-	-	-	-	-	-18,643	-16,387	-25,918
-	-	-	-	-	-	-	-	-	30,999	26,115	35,208
-	-	-	-	-	-	-	-	-	-9,321	-9,101	-13,033
-	-	-	-	-	-	-	-	-	-141	248	-457
-	-	-	-	-	-	-	-	-	21,538	17,262	21,718
-	-	-	-	-	-	-	-	-	5.8	5.2	4.7
-	-	-	-	-	-	-	-	-	43,513	37,804	51,663

Additional Information

FINANCIAL CALENDAR 2014 / 2015

Date	Event
12 November 2014	Interim Report Q3 2014
05 February 2015	Preliminary Q4 / Full Year Report 2014
31 March 2015	Annual Report 2014
07 May 2015	Interim Report Q1 2015
20 May 2015	Annual General Shareholder Meeting, Koblenz
06 August 2015	Interim Report Q2 2015
09 October 2015	Analyst Conference
06 November 2015	Interim Report Q3 2015

SHARE INFORMATION

The CompuGroup share finished the third quarter with a closing price of EUR 18.96. The average closing share price in the third quarter was EUR 19.24, down from EUR 19.07 in Q2 2014.

The highest quoted price during the quarter was EUR 21.04 on 1 June 2014 and the lowest price EUR 18.09 on 6 August 2014.

The trading volume of CompuGroup shares was 0.8 million shares during the third quarter, down 62 percent compared to the previous quarter. On average, the daily trading volume was approximately 12,000 shares (daily average in 2013: approximately 34,000).

By the end of September 2014, a total of eight analyst companies were covering the CompuGroup Medical share on a regular basis. The forecast price targets ranged from EUR 19.00 to EUR 24.00. Three analysts rated the shares a "buy" and five analysts as "hold" or "neutral".

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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, 12 November 2014

CompuGroup Medical Aktiengesellschaft
The Management Board



Frank Gotthardt



Christian B. Teig



Uwe Eibich

CompuGroup Medical AG
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Synchronizing Healthcare



**CompuGroup
Medical**