

## **CEGEDIM BECOMES A GLOBAL PLAYER IN ELECTRONIC HEALTH RECORDS BY ACQUIRING PULSE SYSTEMS, INC., A LEADING US HEALTHCARE SOFTWARE PROVIDER**

**Paris, July 28, 2010** – [Cegedim](#), a global technology and services company specializing in the healthcare field, today announced the acquisition of [Pulse Systems, Inc.](#), a leading US healthcare software and services supplier. The move gives Cegedim access to the US market for the computerization of healthcare professionals in a very critical time for Electronic Health Records (EHR) and Practice Management (PM) software market. The Group's Cegedim Healthcare Software (CHS) division is already one of the leading European publishers of medical, paramedical and pharmacy management software, with a market share of 119,000 healthcare professionals and over 16,000 pharmacies using its solutions in seven countries. It will now be a global player.

### **Considerable opportunities in the US market**

The American Recovery and Reinvestment Act (ARRA), the stimulus plan proposed by President Obama and enacted by Congress in February 2009, provides around \$30 billion in incentives for physicians and hospitals to implement EHR solutions.

With the financial incentives set to start flowing in 2011, the market for equipping physicians with EHR software and services is likely to expand rapidly, providing a bright outlook for sector companies. According to a 2009 Congressional Budget Office (CBO) study, the penetration rate is likely to rise from 12% in 2006 to 90% in 2019. Today the rate is 17%, leaving ample room for growth.

*"Pulse provides Cegedim an optimal entry and platform into the rapidly growing US healthcare computerization market. We expect to capitalize on their superior healthcare software, vast market knowledge, excellent customer service and technological prowess to deliver EHR and PM solutions to healthcare professionals with the best possible chances of success,"* stated Alain Missoffe, Chairman of Cegedim Healthcare Software.

Building on the Target Software acquisition in 2005, the Dendrite acquisition in 2007 and the SK&A acquisition earlier this year, this new addition in the US is squarely in line with the Group's global strategy. It will enable the Group to leverage its complementary activities in North America and transform its European Cegedim Healthcare Software division into a global player by utilizing the Pulse solutions to expand its presence in the US market.

### **A first-rate acquisition**

Founded in 1997, Pulse has developed an extremely sophisticated and scalable ambulatory healthcare IT solution - *Pulse Patient Relationship Management*. This solution includes EHR, PM, e-Prescribing, Revenue Cycle Management services, etc.

The company is based in Wichita, Kansas, with offices in Dallas, Texas, Kansas City, Missouri and Boston, Massachusetts and has more than 100 employees.

With more than 20,000 workstations installed across the US in 35 specialties, the company is one of the leading actors in its field.

*Pulse Patient Relationship Management* has received comprehensive certifications from different US authorities. It is also ranked among the “Top Vendor Applications for EHR, PMS and customer satisfaction” in the 2010 survey by the AC Group, a leading authority in the field. Pulse is also among the seventeen EHR companies with Surescripts Solution Provider certification for e-prescriptions.

“Cegedim will provide a capital infusion to leapfrog our industry leading product portfolio while continuing to focus on superior customer support and on the performance and high end-user utilization that we have achieved over the years,” stated Alif Hourani, Pulse’s Executive Chairman. “In addition, it will be exciting to leverage Cegedim’s intellectual capital from their vast European EHR experience” he added.

Cegedim will entrust Pulse Systems’ continued growth in a rapidly evolving market to its current management, whose head office will remain in Wichita.

## **Financial aspects**

This acquisition is squarely in line with the external growth policy the Group laid out at the time of its December 2009 [capital increase](#). As a reminder, the €300 million [bond issue of 27 July 2010](#) was intended solely for the purposes of refinancing existing bank debt.

Pulse’s businesses represent estimated annual revenues of around \$16 million in 2010 and will make a positive contribution to the Group’s consolidated results from H2 2010 onwards. The company is profitable and will likely continue to grow in a rapidly expanding sector: it expects to increase its revenues more than four-fold by 2014.

To allow Pulse Systems to continue its R&D efforts and bolster its sales and marketing actions, Cegedim will inject \$13.5 million into Pulse. The total amount of the acquisition, excluding capital increase and including a portion in the form of an additional payment based on growth and profitability targets over 2 years will not exceed \$58 million.

The deal was finalized on 27 July 2010 by internal financing and will not prevent the Group from respecting its debt covenants.

The Group will hold a conference call this evening at 6:00 pm in French and 7:00 pm in English (Paris time) at the [following numbers](#):

- 01 72 30 02 03 from France
- 1616 018 915 (local number) from UK
- 703 62 19 122 (local number) from the US

Access code: 13648531#

Half-year revenues will be released on August 5<sup>th</sup> 2010, after the stock market closing.

**About Pulse:**

Pulse offers EHR, Practice Management, ePrescribing, and Revenue Cycle Management (Billing and Collection Services) used nationwide in 35 medical specialties and subspecialties. Pulse Patient Relationship Management, Version 4.1.02 is a CCHIT Certified® 2011 Ambulatory EHR, additionally certified for Child Health. Since 1997 Pulse has focused on its mission to develop market and support proprietary and fully integrated healthcare practice workflow solutions that are easier to purchase, implement, learn, utilize and upgrade.

For more information, visit [www.pulseinc.com](http://www.pulseinc.com)

**About Cegedim Healthcare Software (CHS):**

Created in 2009, the Cegedim Healthcare Software Business Unit encompasses nine Cegedim subsidiaries and more than 1,400 employees in seven countries: France, the UK, Spain, Italy, Belgium, Tunisia and Chile. The business unit produces software solutions for healthcare professionals. Pharmacies, general practitioners, specialists and paramedics – CHS caters to a broad range of healthcare professionals with a comprehensive range of IT solutions:

- medical and paramedical management (electronic patient files, schedules, accounting, etc.),
- pharmacy management (sales, inventory, electronic filing),
- publishing the Banque Claude Bernard drugs database (prescription assistance),
- installing care networks and Shared Medical Records projects.

**About Cegedim:**

Founded in 1969, Cegedim is a global technology and services company specializing in the healthcare field. Cegedim supplies services, technological tools, specialized software, data flow management services and databases. Its offerings are targeted notably at healthcare industries, life sciences companies, healthcare professionals and insurance companies. The world leader in life sciences CRM, Cegedim is also one of the leading suppliers of strategic healthcare industry data. Cegedim employs 8,600 people in more than 80 countries and generated revenue of €874 million in 2009.

Cegedim SA is listed in Paris (EURONEXT: CGM).

To learn more, please visit: [www.cegedim.com](http://www.cegedim.com)

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