CompuGROUP
HOLDING AKTIENGESELLSCHAFT

Annual Report 2009

Synchronizing the world of healthcare

Contents:

Welcome

CompuGROUP stands for relevant medical information, anytime, anywhere.

At CompuGROUP, we use the power of modern information technology to help all participants in healthcare use, share and store vital medical information. Our software and related services improve efficiency, reduce costs, eliminate errors and increase the quality of care.

We serve 330,000 doctors and other healthcare professionals worldwide. In addition, some of the largest and most prestigious healthcare insurance companies and pharmaceutical producers are our clients. Our offering also reaches out to the general public – helping every citizen get involved in better health.

Orphan diseases
The medical doctors of CompuGROUP have together with leading experts developed algorithms that automatically analyze the available patient data and draw the attention of the attending physician to higher probabilities of rare and special diseases.

Highlights (EUR million)

293.4	35.0
Revenue 2009	Cash net income 2009
59.2	0.24
EBITDA 2009	Earnings per share 2009 (EUR)

About CompuGROUP

CompuGROUP Holding AG is a leading international Healthcare IT company with 2009 revenues of EUR 293m and EBITDA of EUR 59m.

The company is exclusively focused on the healthcare sector and is the market leader in Germany and other key European countries. The company is listed on the Frankfurt Stock Exchange Prime Standard market (XETRA:COP) and is a member of the CDAX.

With headquarters in Germany and offices in 18 countries, we employ 2,800 people worldwide. We are also supported in the market by 300 sales and service partners in as many locations with an overall workforce of some 5,000 people.

Effective software for efficient care
For medical offices, CompuGROUP offers a total solution for practice management and electronic medical records. The solution is suited for any type and size of office-based provider, whether it is a generalist or specialist practice, healthcare centre/outpatient clinic, community care clinic, school healthcare or occupational healthcare organization.

All products and services are designed to support the best possible medical treatment through available, structured medical data, complemented by optimal workflow support and acknowledged medical decision support systems.

Our business activities are divided into three segments HPS, HCS and CHS – see pages 6 to 17 for further details.

History of CompuGROUP

Company founded
The company is founded and develops to become the market leader for dentist information systems in Germany under the name of Compudent AG

1979

Majority shareholder
The majority of the shares in Compudent AG are acquired by a group of shareholders led by the current Management Board Chairman, Frank Gotthardt

1993

Consolidation Germany
Begins consolidation of the German market for doctor information systems by acquiring ALBIS Ärzteservice GmbH

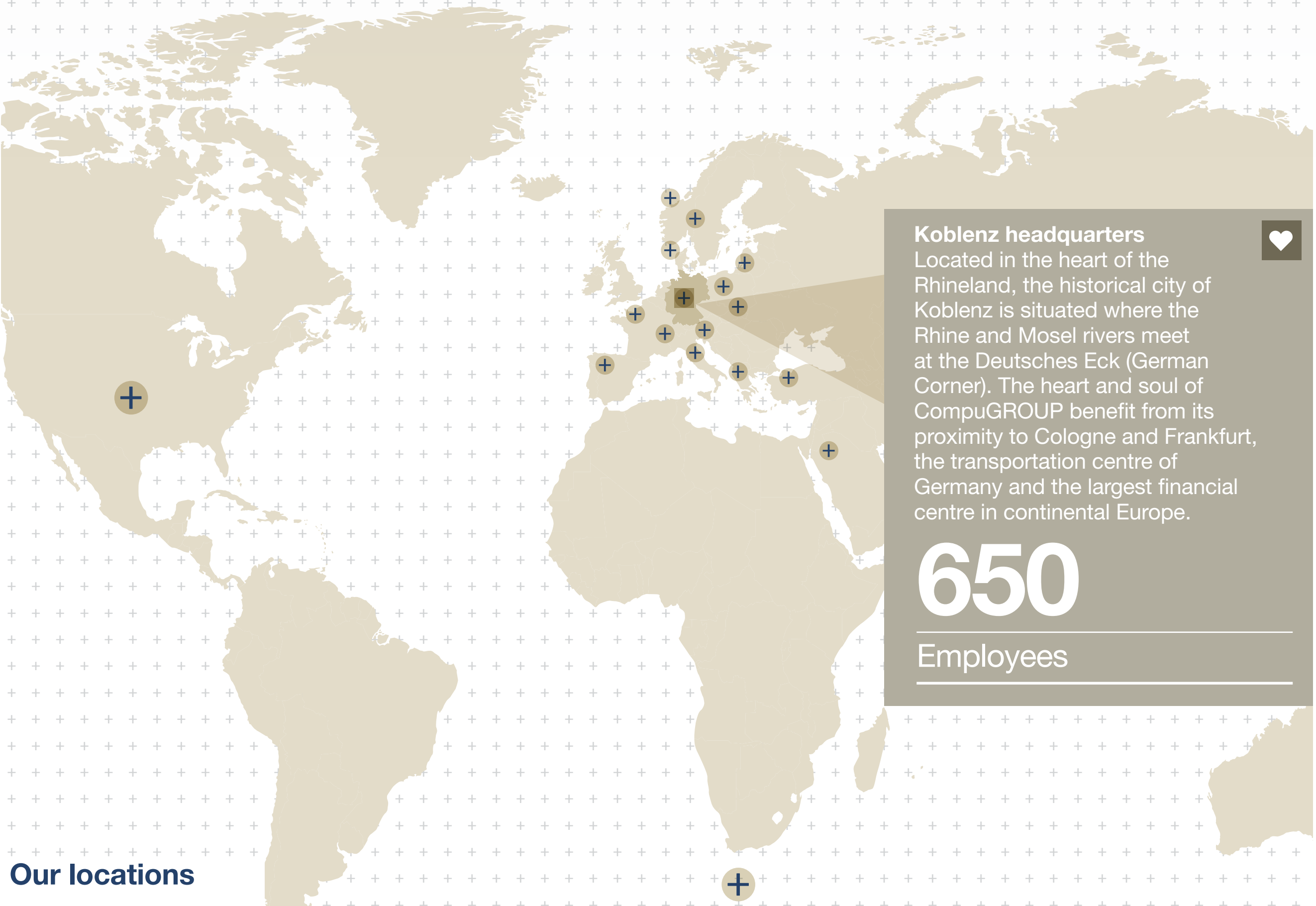
1996

Public to private
Frank Gotthardt, together with private equity company General Atlantic Partners, acquires 98% of outstanding shares and CompuGROUP delists from the Regulated Market of the Frankfurt Stock Exchange

2003

Where we are based

With 2,800 employees in 18 different countries we are developing intelligent software to empower healthcare all over the world



Koblenz headquarters
Located in the heart of the Rhineland, the historical city of Koblenz is situated where the Rhine and Mosel rivers meet at the Deutsches Eck (German Corner). The heart and soul of CompuGROUP benefit from its proximity to Cologne and Frankfurt, the transportation centre of Germany and the largest financial centre in continental Europe.

650
Employees

Our locations

+ Austria
+ Czech Republic
+ Denmark
+ France
+ Germany
+ Greece
+ Italy
+ Saudi Arabia
+ Latvia
+ Malaysia
+ Norway
+ Poland
+ Slovakia
+ South Africa
+ Spain
+ Sweden
+ Turkey
+ United States

2004

International strategy
Begins international strategy by acquiring market leaders in doctor information systems in other European countries

2006

Hospital business
Extends into the business of hospital information systems by acquiring the Austrian market leader Systema Group

2008

Acquisition of Profdoc
Launches public tender offer and completes acquisition of 100 percent of Profdoc ASA, a leading provider of IT solutions for office-based physicians, hospitals and laboratories in Scandinavia

2009

US market
CompuGROUP enters the US Market through the acquisition of Noteworthy Medical Systems Inc.

Marketplace & Strategy

What we offer

For healthcare providers (doctors, dentists and hospitals) CompuGROUP offers user friendly software applications to keep electronic medical records, manage activities and resources, generate billing and financial transactions etc.

Furthermore, CompuGROUP connects these providers with other important participants in the healthcare sector such as healthcare payers and pharmaceutical companies. Products are also offered to enable patients to store their personal medical data on their own electronic personal record and to manage this data through a family doctor.

2,800

Employees

The market

The global healthcare information technology market is now estimated to grow at 16 percent per year and will surpass USD 50 billion by 2014

There is a tremendous untapped demand for clinical and non-clinical systems driven by changing government regulation and initiatives to bring down the healthcare costs.

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on 17 February 2009. ARRA includes physicians' incentives of more than USD 20 billion over 5 years for healthcare information technology under the Health Information Technology for Economic and Clinical Health (HITECH) Act.

At a fundamental level, the world currently spends about USD 5 trillion on healthcare every year. If every nation spent the same amount per capita as the EU average, the figure would exceed USD 17 trillion. If all nations were to spend the same amount per capita as the US it would be astronomically USD 40 trillion – every year. We can only be optimistic about the future of our industry.

16%

Market growth

8 year group overview (EUR million)

	2002	2003	2004	2005	2006	2007	2008	2009
Revenue	52	69	87	116	140	180	229	293
EBITDA	16	18	31	40	38	51	49	59
Operating cash flow	10	15	23	24	17	25	26	44
Earnings per share (EUR)	0.12	0.03	0.22	0.33	0.26	0.46	0.03	0.24
Total Assets	51	97	138	141	220	279	417	452

Provider networking
CompuGROUP offers affordable solutions that allows providers to securely exchange clinical data, refer patients, provide consults, and access the entirety of a patient's community medical history (labs, radiology, prescriptions and more) – all within the normal workflow of seeing patients.

Mobility
Since 2003, the Norwegian Defence Medical Service has had access to vital patient data by logging on to a secured central database, connecting 35 medical units in Norway.

Today Norwegian military health professionals can access the central database via a satellite link from any corner of the globe.

A clear plan of action

CompuGROUP begins with an HPS business in a new country usually through an acquired customer base. Revenues and earnings are then increased through optimization of efficiency and by distributing centrally developed add-on products.

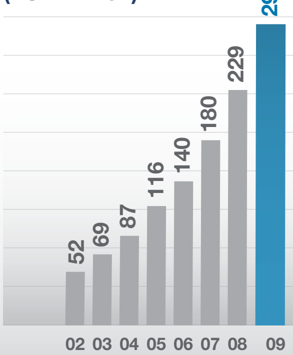
Further value is created by introducing CompuGROUP's unique HCS products to health insurance companies and pharmaceutical producers.

A nationwide consumer business is then developed through patient centered web-based EMR.

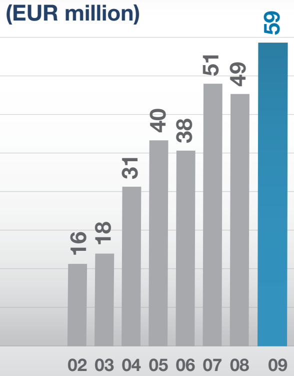
18

Countries

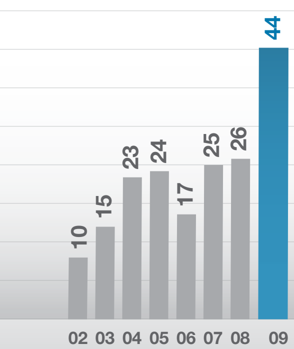
Revenue (EUR million)



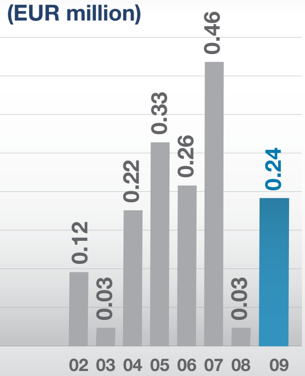
EBITDA (EUR million)



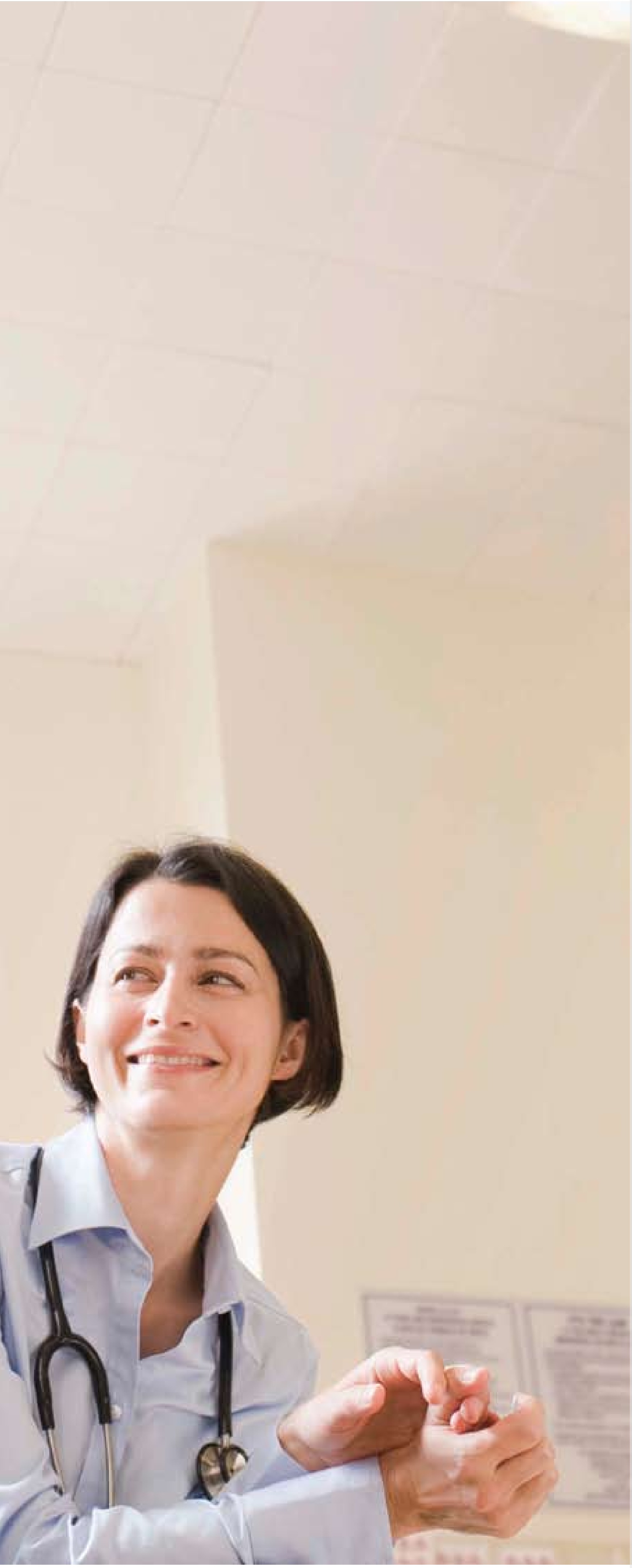
Operating Cash Flow (EUR million)



Earnings Per Share (EUR million)



HPS:
Health Provider Services



Proven leadership

Since the beginning in 1979, CompuGROUP has influenced the development of healthcare information technology in Europe and has emerged as a market leader. Every day, more than 220,000 doctors and dentists use our HPS software to manage clinical, administrative and financial tasks.

Health Provider Services: +

Software and services for healthcare providers

One region, one system
More than 16,000 healthcare workers of the Vienna Hospital Association will be supported by the new 'impuls. kis' hospital information system from CompuGROUP. With 12 acute hospitals and 11 geriatric hospitals the Vienna Hospital Association is Austria`s biggest health care institution and one of the biggest health care service providers in Europe.

The HPS segment is divided in two sub-segments:

Ambulatory Information Systems (AIS)

The customers in the AIS sub-segment are primary care providers (usually smaller office-based practices). The functions of AIS range from general practice management software and billing systems for doctors and dentists to integrated clinical solutions with electronic medical records including extensive administrative support and workflow functionality.

Hospital Information Systems (HIS)

The customers in the HIS sub-segment are secondary care providers (usually hospital-based). The HIS systems includes solutions for hospital management, personnel management, medical documentation and billing programs for the operation of hospitals in addition to a large number of clinical applications aimed at various specialized departments and laboratories.

Business model

Software maintenance and other recurring revenue is the primary source of income. Other revenue is up-front (one-time) charges coming from license sales, training/consulting and other sales such as 3rd party licenses, associated hardware and equipment etc.

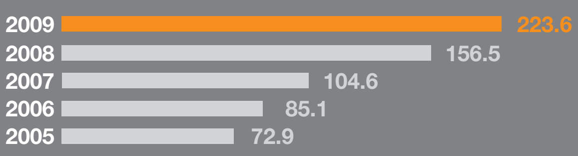
Over the last few years, the proportion of recurring revenue has been stable around 60%.

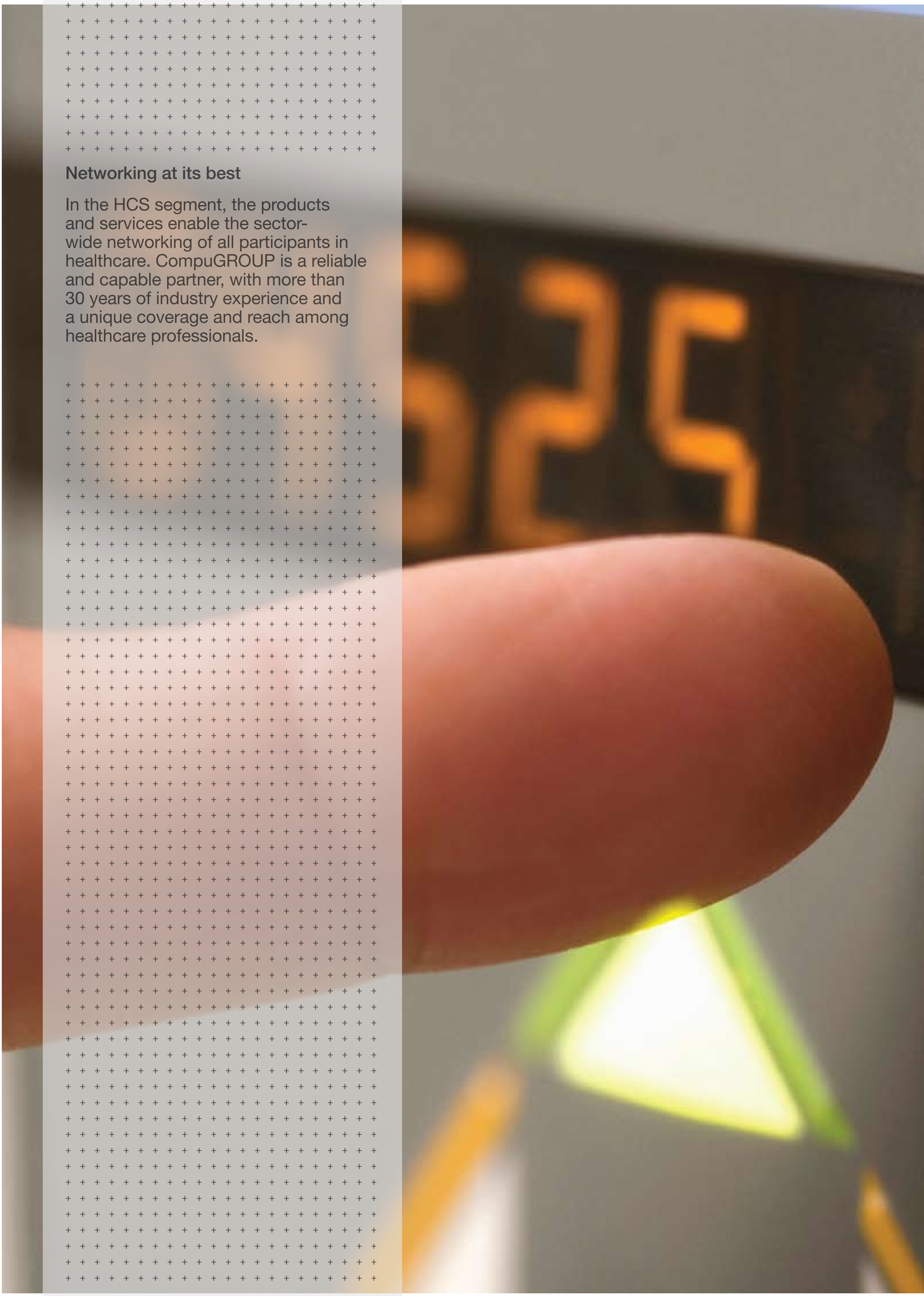
Position

Number of users

- **Dentists:** 25,444 (11%)
- **Office-based doctors:** 125,101 (56%)
- **Hospital Doctors:** 72,541 (33%)

Revenue (EUR million)





Networking at its best

In the HCS segment, the products and services enable the sector-wide networking of all participants in healthcare. CompuGROUP is a reliable and capable partner, with more than 30 years of industry experience and a unique coverage and reach among healthcare professionals.

HCS:

Health Connectivity Services

Business model

The business model in Communication & Data is based on co-operation agreements (typically with 12 months duration), ad-hoc advertising (on-going) and project revenue for collection and mediation of clinical data.

Revenue in Workflow & Decision Support is based on project sales (license and professional services), software maintenance and support, and performance-based revenue (cost and quality of care based).

The Internet Service Provider business model is based on subscriptions.

Position

Number of users

- **Doctors – ISP:***
  57,018 (52%)
- **Doctors – Decision Support:***
  52,000 (48%)

*Excluding HPS users counted as dentists, office-based doctors and hospital doctors

Revenue (EUR million)

Health Connectivity Services: +

Unique networking services based on the large HPS customer base

Diabetes care
The software-enabled diabetes management program of CompuGROUP, which has been running for more than three years, now supports nearly 10,000 patients on behalf of health insurance companies in two German states. What started as a pilot project with the aim to evaluate Medical Decision Support (MDSS) has by now become an outstanding success in terms of diabetes care.

HCS is separated into three sub-segments:

Communication & Data

CompuGROUP offers pharmaceutical producers and medical equipment manufacturers an information and advertising channel towards doctors and dentists. In addition, CompuGROUP collects and mediates anonymous clinical data for market studies, clinical trials etc.

Workflow & Decision Support

Information and guidelines from health insurers, managed care companies and public sector organizations is integrated in the workflow of the doctors. Other service examples from this sub-segment are clinical decision support systems, drugs and therapy databases and insurance fraud prevention tools.

Internet Service Provider ('ISP')

In this sub-segment, CompuGROUP offers internet and intranet solutions to doctors, through which a secure exchange of medical data is guaranteed.

CHS: Consumer Health Services

A personal matter

Modern healthcare can only reach its full potential if people are engaged in managing their own health. The CHS products and systems from CompuGROUP enable every citizen to have access to their health data, anytime and anywhere, for the purposes of lifestyle improvement, disease prevention and the best possible medical treatment.

Consumer Health Services: +

Secure access to personal medical information

vita-X at home
With vita-X home, the patient can fill out treatment diaries at home and send them to the doctor. It is also possible to schedule and manage appointments online, keep a vaccination card, and renew prescriptions electronically. All this is for a greater level of safety and health through Healthcare Information Technology (HIT) from CompuGROUP.

For the general public, CompuGROUP offers vita-X, a personal electronic health record containing private medical information. The web-based solution gives every citizen the opportunity to create and securely store a relevant medical history, including emergency data (blood group, allergies, over sensitivities etc.).

Information in vita-X is compatible with systems used by general practitioners and other healthcare providers, but the records can only be accessed with the patient's acceptance and direct participation. Exceptions to this are the emergency data, which can be read without the release of the patient.

vita-X allows for safe treatment in any medical situation, including an acute care scenario outside the patient's normal health care offering.

Business model

The CHS business model is based on consumer payment for membership and subscriptions. In addition, and indirect model exists where memberships and sponsored by health insurers and other participants in healthcare.

Chairman's Statement: Record results in spite of global economic crisis

"Thanks to our 2,800 employees who are inspired by our ideas, convictions and ultimately by our overall vision"

Dear Shareholders,

I am very happy now to be able to start this letter by expressing my thanks to our 2,800 employees who are inspired by our ideas, convictions and ultimately by our overall vision. We pursued and reached our goals again in 2009 among the difficult times in the global economy. Also, I would like to thank our customers for their faithfulness, cooperation and for sharing and often enriching our vision. Not least, I would like to thank you, our shareholders, for making share price development and the related success of our company possible.

Let me highlight some of the events in 2009 that were groundbreaking for CompuGROUP: We achieved our all-important entrance into the US market by acquiring majority holdings in NOTEWORTHY medical systems, Inc. We were also able to strengthen our presence in Italy. We acquired the remaining interests in FimeSan SpA and we acquired S.M.I. s.r.l and Microcosmos Multimedia S.r.l. and integrated these companies into the CompuGROUP. In Austria, we strengthened our position in the area of office-based physicians and consolidated these activities under the roof of CompuGROUP Österreich GmbH to our customers' advantage. This resulted in considerable increases in efficiency and a stronger brand appearance. By the end of the year, we were able to successfully conclude negotiations on the acquisition of majority holdings in INNOMED Gesellschaft für medizinische Softwareanwendungen GmbH, Wiener Neudorf, a supplier of doctor information systems, increasing our market share in the ambulatory and hospital sector to over 50 percent in Austria.

In Northern Europe, we experienced a similar positive development in our activities. Last year, we were able to successfully conclude the integration of Scandinavian Profdoc Group acquired in 2008 and release considerable synergies.

All this has contributed to a turnover of almost EUR 300 (293.4) million and earnings before interest, tax, depreciation and amortisation (EBITDA) of approximately EUR 60 (59.2) million. A record result. Moreover, we are looking forward to the continued expansion of our success from which our CompuGROUP has grown in the past six years on average by around 27 percent per year through consistent focus on the healthcare market and from our stable contract basis with around 330,000 medical customers. Last but not least, our acquisition strategy has made us a global leader in medical information technology (MIT).

The sources of organic growth are various. Many of our regional markets are still in the process of development – and we are part of it. In particular, the developed markets undergo constant changes and advances. They all have in common that they depend on the controlling power of intelligent software already operated in the computers of health service providers. The United States is an excellent example. There, a gigantic program has been initiated to support the development of a comprehensive use of intelligent medical software, the so-called 'Stimulus Package' of the Obama Program with a volume of around USD 20 billion, distributed over the next five years.

Today, we are 330,000 times in places that others would like to reach: In the workplaces and thus in the perception of physicians and treatment teams all over the world, which place their trust in us – every day.

Also in 2009, we decidedly came much closer to our vision. For the first time, several independent studies demonstrated that our software-enabled Medical Decision Support Systems (MDSS) make an impact. CompuGROUP's in-house physicians developed a medical decision support program against one of the largest threats to industrial societies, Diabetes mellitus. Approximately 10,000 patients in Germany subscribed to it and initial examination results have proven that patients live longer than with standard care and at the same time the program provides significant cost savings. Overall, the annual savings potential through the use of our technologies alone in the statutory health insurance sector in Germany is expected to exceed EUR 20 billion.

Being part of the objective to create 'more health' at a 'lower cost' by means of our supporting systems is our vision through which we as CompuGROUP already have initiated the next phase of our growth strategy. We would like to enable every legitimate participant to gain accurate access to all relevant medical information in all health systems – anywhere and anytime, and with maximum security of technical exemption from seizure. We are responsible for it. This is the only way of making extensive, intelligent networking and optimum use of medical progress available to the benefit for all patients.

We at CompuGROUP Holding AG would like to contribute to it.

In this sense, I wish you, our shareholders and customers, our partners and employees an exciting and successful 2010!

Sincerely yours,

Frank Gotthardt
CEO

Management Team:
Driving the business forward

1. Frank Gotthardt,
Chairman of the Management Board, CEO

Mr. Frank Gotthardt, born in Siegen, Germany in 1950, studied information technology in Bonn. He began his business career in healthcare technology and was one of the pioneers in the development of software for dentists. From these beginnings he founded CompuGROUP and under his leadership the Company has grown to become a leading European healthcare IT enterprise. Mr. Gotthardt is a main shareholder of CompuGROUP.

2. Christian B. Teig,
Financial Director, CFO

Mr. Christian B. Teig, born in Oslo, Norway in 1965, was appointed Financial Director (CFO) of CompuGROUP in October 2008. Prior to his appointment, Christian B. Teig held the position as CEO of Profdoc ASA, a Norwegian listed e-Health company. Before Mr. Teig started to work for Profdoc in 2000, he worked in the technology sector for Norsk Data and as a management consultant for McKinsey & Company. Christian B. Teig received his Bachelor of Science degree from the University of California (Santa Barbara) in 1990 and his Master of Business Administration degree from INSEAD (France) in 1995.

3. Jan Broer,
Executive Vice President, South Europe

Mr. Jan Broer, born in Boppard, Germany in 1970, has been a member of the Management Board of CompuGROUP since November 2003. Mr. Broer's appointment with CompuGROUP started in 1998, where the was first Sales Manager and Managing Director of ALBIS Ärzteservice Product GmbH & Co KG, before becoming the overall legal representative of the holding company. Jan Broer studied Business Sciences at the Bergische University Wuppertal.

4. Uwe Eibich,
Executive Vice President, Central Europe

Mr. Uwe Eibich, born in Duisburg, Germany in 1962, has been a member of the Management Board of CompuGROUP since January 2007. He joined CompuGROUP in 1998 and managed the dental division for many years, inter alia as Director of CompuDENT PraxisComputer GmbH & Co. KG and ChreMaSoft Datensysteme GmbH.

Mr. Eibich has accompanied the international expansion of CompuGROUP since 2004. Uwe Eibich received his degree in computer sciences from the University in Berlin and the University in Bonn.

5. Professor Dr. med. Stefan F. Winter, MD PhD,
Chief Medical Officer, CMO

Professor Dr. med. Stefan F. Winter, born in Remscheid, Germany in 1960, was appointed to the Board of CompuGROUP in October 2008. Prior to his appointment Professor Dr. med. Winter held the position as State Secretary of the Ministry for Labor, Health & Social Affairs in the State of North Rhine Westphalia Professor Dr. med. Winter has held positions as General Director at the Federal Ministry for Health, Germany's EU-Chief Medical Officer, Director for Science at the German Medical Association, Vice-President of the European Steering Committee for Bioethics and Head of the Health Technology Unit at the Federal Ministry. Since 2000 Winter is a consultant of WHO. Professor Dr. med. Winter has studied Medicine, Philosophy and Molecular- and Cell-Biology at the Universities Bonn, Marburg, Basel and Hamburg. Since 2004 he is Professor for Public Health at Hannover Medical School and contributes to Harvard Medical International.

1

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Report of the Supervisory Board

The Supervisory Board of CompuGROUP Holding AG carried out its duties under the law and its articles of association during 2009. The Supervisory Board regularly advised the Management Board in its management of the company and supervised the company's management team. The Supervisory Board was directly involved in all decisions of major significance to the company.

The Management Board informed the Supervisory Board regularly, comprehensively and promptly by means of verbal and written reports on all issues of relevance to corporate planning and strategic development, the course of business, the general situation of the group including any risks, and risk management.

The Supervisory Board obtained regular reports from the Management Board as to measures taken to improve results and possible, planned and completed company acquisitions. Deviations from the business plans and targets were explained to us in detail.

The Supervisory Board formed an audit committee from among its members whose chairman is the chairman of the Supervisory board. The audit committee held three meetings in total in the year under review and prepared the resolutions of the Supervisory Board. The Supervisory Board was regularly informed of the work of the audit committee.

The Supervisory Board held four ordinary meetings in the year under review. Furthermore, seven decisions were also taken in telephone conferences and in written procedures.

The 2009 financial statements of CompuGROUP Holding AG, the consolidated financial statements for 2009 and the reports of the Management Board were explained in the presence of the auditor in the meeting held for the purposes of approving the annual accounts. The annual financial statements of CompuGROUP Holding AG were approved and the consolidated financial statements were adopted. Further activities, plans and financings for the 2010 financial year were also presented to the Supervisory Board.

The Supervisory Board discussed compliance with the recommendations concerning the German corporate governance code and agreed to the statement of compliance issued by the Management Board. The statement of compliance was made permanently available to shareholders on the company's website.

The Supervisory Board was regularly informed on possible acquisitions in Germany and abroad during telephone conferences, meetings and in written form and approved the proposals put forward by the Management Board.

In August 2000 Mr. Jan Broer was reappointed to the Management Board until 31 December 2010. In November 2009, Mr. Uwe Eibich was reappointed to the Management Board until 31 December 2012.

In the year under review, the Supervisory Board discussed the new requirements of the German Act on the Appropriateness of Management Board remuneration and carried out an efficiency review on the work of the Supervisory Board.

The Management Board presented CompuGROUP's budget for 2010 to the Supervisory Board, which approved it.

The Supervisory Board received in due time the 2009 annual financial statements, the consolidated financial statements and the annual report of the AG and of the group that were prepared by the Management Board as well as the Management Board's recommended appropriation of net profit for the year and the corresponding auditor's reports. The audit committee also reviewed the documents in advance and prepared the respective resolution. At the meeting of the Supervisory Board held in March 2010 to approve the annual accounts, the auditors of PricewaterhouseCoopers AG (PWC), Frankfurt, answered all the questions of the Supervisory Board in person.

The auditors (PWC) elected by the Annual General Meeting and appointed by the Supervisory Board, audited the annual financial statements for CompuGROUP Holding AG, the consolidated financial statements and the respective annual reports of the AG and of the group for the year ended 31 December 2009, including accounting records, in accordance with statutory provisions and issued an unqualified audit opinion thereon.

The Supervisory Board took note of the audit's findings and did not raise any objection. In accordance with § 171 AktG, the Supervisory Board reviewed and adopted the annual financial statements of the parent company and the group, the annual reports of CompuGROUP Holding AG and the group, the Management Board's recommended appropriation of net earnings for the year and the risk management report. The financial statements of CompuGROUP Holding AG are therefore approved. The consolidated financial statements were adopted.

The Management Board submitted the report prescribed by § 312 AktG concerning relationships with related companies (dependency report) to the Supervisory Board together with the declaration required by § 312 Para. 3 AktG. The aforesaid auditor has checked the dependency report and issued the following certificate confirming the results of the audit:

"We have reviewed that

1. the actual details in the report are correct,
2. the payments made by the company were not unreasonably high for the legal transactions listed in the report."

The Supervisory Board noted and approved the result of the audit and reviewed the dependency report. Following the final results of the review by the Supervisory Board, no objections are raised either against it or against the Management board's declaration at the end of the dependency report.

The Supervisory Board would like to thank all the members of the Management Board and the employees of CompuGROUP Holding AG and those of its affiliated undertakings for their commitment and the work performed.

Koblenz, March 2010

The Supervisory Board

Professor Dr. Klaus Steffens
Chairman

Corporate Governance Report

The actions of CompuGROUP's Management Board and Supervisory Board are based on the principles of good and responsible corporate governance. In this statement, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate governance in the Company pursuant to sub-section 3.10 of the German Corporate Governance Code (GCGC) and pursuant to section 289a (1) of the German Commercial Code (HGB).

Declaration of conformity

This declaration of conformity relates to conformity with the recommendations of the GCGC in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act).

Since the last declaration of conformity dated March 2009, CompuGROUP Holding AG has conformed with the recommendations of the GCGC as amended on June 6, 2008, subject to the deviations mentioned in the aforesaid declaration.

In the future, CompuGROUP Holding AG will conform to the recommendations of the GCGC as amended on June 18, 2009, with the following exceptions:

According to Section 5.1.2 of the GCGC, an age limit for members of the Management Board shall be specified. CompuGROUP does not comply with this recommendation and has no age limit for its Management Board members. The company does not see age as a relevant criterion to evaluate the performance and ability of its corporate officers.

According to Section 5.3.3 of the GCGC, The Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting. CompuGROUP does not comply with this recommendation as has no nomination committee. It is not considered necessary to constitute a separate nomination committee as a working procedure has been established for the Supervisory Board to carry out the duties of a nomination committee in close cooperation with the largest shareholders of CompuGROUP.

According to Section 5.4.1 of the GCGC, an age limit for members of the Supervisory Board shall be specified. CompuGROUP does not comply with this recommendation and has no age limit for its Supervisory Board members. The company does not see age as a relevant criterion to evaluate the performance and ability of its Supervisory Board members.

According to Section 5.4.6 of the GCGC, Members of the Supervisory Board shall receive fixed as well as performance-related compensation. Performance-related compensation should also contain components based on the long-term performance of the enterprise. CompuGROUP does not comply with this recommendation and has only a fixed compensation of the members of the Supervisory Board. All Supervisory Board members are expected, regardless of their compensation, to perform their tasks with the highest level of engagement with focus on the company's long-term success.

According to Section 7.1.2 of the GCGC, the company shall publish the annual group financial report within 90 days after the closing period. According to the financial calendar for 2010, the company intends to publish the group financial report on 15 April 2010. The company considers this a sufficient time frame.

Furthermore, section 7.1.2 of the GCGC recommends the publication of quarterly reports within 45 days after closing of the reporting period. CompuGROUP does not comply with this recommendation regarding the publication of the Q3-report. As in recent years, the company intends to publish its Q3-report in the course of Medica in Düsseldorf, one of the world's largest medical fairs, on 17 November 2010.

Koblenz, March 2010

Professor Dr. Klaus Steffens
Chairman, Supervisory Board

Frank Gotthardt
Chairman, Management Board

Significant Corporate Governance practices beyond the legal requirement

CompuGROUP acknowledges the obligation to behave as a responsible member of society. Our business is based on trust and we are daily dealing with issues related to health care safety, patient privacy and public procurement processes. CompuGROUP's business activities will always comply with applicable laws and regulations and act in an ethical and socially responsible manner. This ethical foundation in some instances result in CompuGROUP's corporate governance principles to go beyond the requirements of law and the recommendations of the GCGC. There are written instructions with ethical guidelines which apply to all our staff, and to all those who act on CompuGROUP's behalf. We also expect our suppliers and partners to have ethical guidelines in their own enterprises, which are consistent with CompuGROUP's ethical values. The documents describing the CompuGROUP guidelines are permanently available from our website at www.compugroup.com.

Approach adopted by the management and supervisory boards

CompuGROUP Holding AG is a company under German law, which also represents the basis of the GCGC. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Management Board and the Supervisory Board, each of which is vested with independent competences. CompuGROUP Holding AG's Management Board and Supervisory Board cooperate closely and confiding in managing and monitoring the Company.

The Management Board is responsible for managing the enterprise. Its members are jointly accountable for the management of the enterprise. The Chairman of the Management Board coordinates the work of the Management Board and is also the group Chief Executive Officer (CEO). Underneath the CEO, the organizational design is a regional-functional matrix organization with senior executives reporting directly to the group CEO. This structure is supported by a detailed governance model that determines the way in which CompuGROUP operates. Two members of the Management Board are assigned to the regional line organization as Executive Vice Presidents and overall responsible for the regions of Central Europe and Southern Europe respectively. The remaining two Management Board members are assigned to the functional organization as Chief Financial Officer (CFO) and Chief Medical Officer (CMO). All members of the Management Board meet on a weekly basis to discuss a broad set of issues ranging from daily operations to the group strategy. The Management Board together with all regional managers compose the Strategic Management Group, which meets about 10 times per year to harmonize operations and ensure knowledge sharing across geographies and functions.

CompuGROUP supports the concept of an effective Supervisory Board in line with the company's needs for expertise, capacity, balanced decision-making and ability to independently evaluate the company's activities and the conduct of its management.

The Supervisory Board appoints, supervises and advises the members of the Management Board and is directly involved in decisions of fundamental importance to the enterprise. The chairman of the Supervisory Board coordinates the work of the Supervisory Board.

The duties of the Supervisory Board and its committees are regulated in the Articles of Association. In addition, the Supervisory Board has adopted terms of reference governing its work. The Supervisory Board does not comprise any former Management Board members. It comprises a sufficient number of independent members not maintaining any personal or business relationship with the Company or its Management Board. Supervisory board meetings are generally held 6 to 8 times per year, and during at least one of these meetings the corporate strategy is up for review. Every month, the Supervisory Board receives a financial review, management reports and forward-looking analysis. The Supervisory Board regularly reviews the efficiency of its work. The last efficiency review took place in November/December 2009. The efficiency of the Supervisory Board's work, including its cooperation with the Management Board, was determined on the basis of a list of questions and a subsequent discussion at a Supervisory Board meeting.

The Supervisory Board has established one committee from among its members: The Audit Committee consists of the Chairman of the Supervisory Board, one shareholder representative, and one employee representative. The Supervisory Board has appointed its Chairman, Dr. Klaus Steffens, as the independent Audit Committee financial expert. The Audit Committee monitors the Company's financial reporting process, discusses and examines annual consolidated financial statements and management reports prepared by the Management Board, as well as the quarterly financial reports. Based on the independent auditors' report, the Audit Committee gives recommendations with respect to the approval of the annual financial statements and the consolidated financial statements by the Supervisory Board. Furthermore, the Audit Committee engages the independent auditors elected at the General Shareholders' Meeting to audit the annual financial statements and the consolidated financial statements, determines the key audit areas, and is responsible for determining the independent auditors' compensation.

The Management and Supervisory Board members are obliged to act in CompuGROUP Holding AG's best interests. In the completed financial year, there were no conflicts of interest requiring immediate disclosure to the Supervisory Board. None of the Executive Board members of CompuGROUP Holding AG sat on more than three Supervisory Boards of listed non-Group companies.

Compensation of the Executive Board and Supervisory Board

CompuGROUP Holding AG complies with the recommendations of the GCGC to provide details of the compensation of each individual member of the Executive Board and Supervisory Board. The principles of the compensation systems and compensation amounts are outlined in the Compensation Report, which is part of the management report.

Risk management

Good corporate governance entails the responsible handling of company risks. The Management Board of CompuGROUP use general and company-specific reporting and monitoring systems to identify, assess and manage these risks. These systems are continually developed and adjusted to match changes in overall conditions. The risk management systems are reviewed by the auditors.

The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks. The Audit Committee deals in particular with monitoring the accounting process, including reporting, the efficiency of the internal control system, risk management and the internal auditing system, compliance and audit of the annual financial statements.

More detailed information about CompuGROUP's risk management is presented in the Risk Report. It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernization Act.

Accounting and auditing

CompuGROUP Holding AG prepares its consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The annual financial statements of CompuGROUP Holding AG are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared by the Management and audited by the auditors and the Supervisory Board. The interim reports are discussed between the Audit Committee and the Management Board prior to publication.

The consolidated financial statements and the financial statements of CompuGROUP Holding AG were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, the auditors elected by the 2009 Annual General Meeting. The audit was based on German auditing rules, taking account of the generally accepted auditing standards issued by the German Auditors' Institute as well as the International Standards on Auditing. It also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act.

In addition, a contractual agreement was concluded with the auditors to the effect that the auditors will immediately inform the Supervisory Board of any grounds for disqualification or partiality as well as of all findings and events of importance arising during the performance of the audit. There was no ground to provide such information in the framework of the audit of the financial year 2009.

Stockholders and Annual General Meeting

The shareholders of CompuGROUP exercise their rights in general meetings. The annual general meeting takes place during the first six months of the business year. The Chairman of the Supervisory Board is the chair of the general meeting. The general meeting performs all duties assigned by the law.

Our aim is to make the participation in general meetings as easy for the stockholders as possible. Thus, all reports and documents necessary to the participation, including the Annual Report, are published in an easily accessible way on the company's Internet site together with the agenda. The Management Board arranges for the appointment of a representative to exercise shareholders' voting rights in accordance with instructions.

Transparency

A standardized, comprehensive and prompt information flow is highly valued in CompuGROUP Holding AG. CompuGROUP's business situation and results will be outlined in the annual report, in the quarterly reports, at the annual investor and analyst conference and regular conference calls.

Furthermore, press releases or, if legally required, ad hoc-announcements will also provide information. All announcements and reports are available on the Internet at www.compugroup.com under the section Investor Relations.

CompuGROUP Holding AG has prepared the required directory of persons with insider information (insider list). The affected persons are informed about the legal obligations and penalties.

Auditor's Report

We have audited the consolidated financial statements prepared by the CompuGROUP Holding Aktiengesellschaft, Koblenz, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2009. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and/or the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU [, / and] the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 4 March 2010

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Ralf Worster
Wirtschaftsprüfer
(German Public Auditor)

ppa. Jürgen Körbel
Wirtschaftsprüfer
(German Public Auditor)

Group Management Report
for the Financial Year 2009

PRELIMINARY REMARKS
The management report of CompuGROUP Holding AG for the financial year 2009 shows certain differences in comparison with the prior year report with regard to its structure. The goal of these changes is to improve the informational value and to render the reporting more comprehensible.

5 YEARS OVERVIEW

Significant items	2009 EUR m	2008 EUR m	2007 EUR m	2006 EUR m	2005 EUR m
Group sales	293.41	229.19	180.19	140.12	115.96
Expenses for goods and services purchased	61.03	49.25	39.03	32.78	26.34
Personnel expenses	130.18	95.77	65.61	48.81	37.24
Other expenses	53.09	47.07	34.75	28.12	20.30
EBITDA	59.17	49.32	50.61	38.35	39.81
in %	20.17%	21.52%	28.09%	27.37%	34.33%
EBIT	24.80	12.80	27.44	21.91	26.76
in %	8.45%	5.58%	15.23%	15.64%	23.08%
EBT	18.32	6.98	23.02	19.83	24.67
in %	6.24%	3.05%	12.78%	14.15%	21.27%
Group net income	11.72	1.27	22.84	11.36	15.39
in %	3.99%	0.55%	12.68%	8.13%	13.27%

FINANCIAL REVIEW
Revenue
Consolidated revenue in 2009 was EUR 293.4 million compared to EUR 229.2 million in 2008. This represents an increase of 28 percent. Acquisitions contribute 20 percent to growth and organic growth was 8 percent (10 percent at constant exchange rates).

In the HPS segment, revenue was EUR 223.6 million compared to EUR 156.5 million in 2008. This represents an increase of 43 percent of which 15 percent is organic growth at constant exchange rates. Ambulatory Information Systems (AIS) grew strongly at 45 percent of which 13 percent is real organic growth at constant exchange rates.

Changes to the AIS business model in Germany make up 7 out of the 13 percent organic growth rate, and the remaining organic growth primarily stems from new value-added products and services sold to existing customers.

Within Hospital Information Systems (HIS) the year-on-year growth was 40 percent going from 2008 to 2009 of which 17 percent is real organic growth at constant exchange rates. The increased hospital business volume stems from large contract wins in 2008 and also from one-off deliveries of third party hardware and software in conjunction with these projects (EUR 3.5 million).

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

(EUR million)	2009	2008	Change
Ambulatory Information Systems	148.3	102.6	45%
Hospital Information Systems	75.3	53.9	40%
Sum	223.6	156.5	43%

Growth from acquisitions in HPS resulted from the first-time consolidation of the following acquired entities:

(EUR million)	First-time consolidated revenue 2009
Profdoc (acquired in 2008)	21.1
All For One (acquired in 2008)	12.4
Noteworthy Medical Systems	7.2
Fimesan/SMI/Microcosmos	2.0
Other	1.7
Sum	44.4

In the HCS segment, revenue was EUR 66.8 million compared to EUR 68.8 million in 2008. This represents a decrease of 3 percent. Revenue in Communication & Data contracted 11 percent, from EUR 36.9 million in 2008 to EUR 32.9 million in 2009. The decline in Communication & Data revenue is due to the effects of regulatory changes in Germany. The business volume in Workflow & Decision Support has remained relatively stable during 2009 with a 3 percent year-on-year growth coming primarily from the first time consolidation of revenue in the acquired company Promed (EUR 1.0 million). The 13 percent growth in Internet Service Provider revenue stems from the migration of customers to a new technical platform in France as well as the general uptake of online connections by CompuGROUP's AIS customers.

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

(EUR million)	2009	2008	Change
Communication & Data	32.9	36.9	-11%
Workflow & Decision Support	23.7	22.9	3%
Internet Service Provider	10.2	9.0	13%
Sum	66.8	68.8	-3%

In the CHS segment, there was no revenue from third parties within vita-X during 2009. This represents no change from 2008. Patient Content revenue was EUR 2.4 million, which is decline of EUR 1.1 million compared to 2008. It has been a difficult market for media productions in 2009 and CompuGROUP has sold all its shares (100 percent) in medi cine Medienproduktions GmbH at 1 January 2010.

Changes in currency exchange rates going from 2008 to 2009 reduced revenue by EUR 5.0 million.

Profit

Consolidated EBITDA amounted to EUR 59.2 million compared to EUR 49.3 million in 2008. This represents an increase of 20 percent. The corresponding operating margin was 20 percent compared to 22 percent in 2008.

- Expenses for goods and services purchased increased by EUR 11.8 million to EUR 61.0 million, which is an increase of 24 percent compared to 2008. The companies acquired in 2009 contributed EUR 2.3 million to the increase. The gross margin is 79 percent which is at the same level as in 2008 (79 percent). The stable gross margin is explained by only small changes to the revenue mix and business model going from 2008 to 2009.
- The increase in personnel expenses by EUR 34.4 million is attributable to the increase in number of employees by 488 between the two balance sheet dates. This is mainly due to the full-year consolidation of Profdoc and All For One and the further acquisitions done in 2009, which contribute EUR 23.8 million to the increase in personnel expenses going from 2008 to 2009.
- Other expenses increased by EUR 6.0 million to EUR 53.1 million. EUR 3.0 million is attributable to the companies acquired in 2009.

Depreciation of tangible fixed assets was EUR 5.5 million in 2009 compared to EUR 4.2 million in 2008. This increase follows from a one-off non-cash write-down of an office building which was vacated during 2009 after a reorganization and rationalization in Germany. Amortization of intangible fixed assets went from EUR 32.3 million in 2008 to EUR 28.9 million in 2009. This decline must be seen in light of the EUR 8.9 million one-off impairment-related write-down of goodwill from the Tepe acquisition in Turkey booked in 2008. Adjusted for this special impairment, the increased amortization is mostly attributable to the amortization of purchase price allocations arising from the company acquisitions as well as increased amortization of capitalized in-house services going from EUR 2.5 million in 2008 to EUR 5.6 million in 2009.

Financial income increased from EUR 2.0 million in 2008 to EUR 2.3 million this year due largely to a larger average cash balance held during the year. The financial expense of EUR 9.0 million during 2009 is composed of the following items:

(EUR million)	
Interest and expenses EUR 100 million debt facility	4.8
Interest and expenses other bank loans	1.0
Interest and expenses on normal bank accounts and currency	1.4
Interest for purchase liabilities	0.2
Fair value evaluation of interest swap contract (non cash)	0.4
Translation loss on non-Euro internal and external debt (non cash)	1.2
Sum	9.0

After tax earnings came in at EUR 11.7 million in 2009, compared to EUR 1.3 million in 2008. The tax rate was 36 percent in 2009 compared to 82 percent in 2008. The different tax rates are mostly due to non-cash changes in deferred tax assets and liabilities.

For the segment distribution of profit two inter-company charges have been introduced between 2008 and 2009. EUR 3.9 million is a charge from HPS to CHS for the further development of vita-X and adaptations of this service for the healthcare provider side. A further EUR 1.1 million is a charge from HSP to HCS for access to ISP services in Germany.

Cash flow

Cash flow from operating activities during 2009 was EUR 44.0 million compared to EUR 25.9 million in 2008. The changes compared to 2008 mainly come from the following positions:

- After tax earnings came in at EUR 11.7 million in 2009, which is an increase of EUR 10.4 million compared to 2008 (EUR 1.3 million).
- Change in provisions of EUR -1.8 million (2008: EUR 1.4 million).
- Change in deferred taxes of EUR -2.0 million (2008: EUR -5.7 million).
- Change in trade receivables of EUR -2.9 million (2008: EUR 4.4 million).
- Change in trade payables of EUR 3.3 million (2008: EUR -2.0 million).
- Change in other current liabilities of EUR -0.8 million (2008: EUR -16.3 million).

The large year-on-year difference in change in other current liabilities mainly results from a special effect in 2008: the companies acquired 1 July 2008 (Profdoc, All for one, Fliegel Dahm Group) had a high volume of deferred revenues at first consolidation that were exhausted until the end of 2008.

Cash flow from investment activities during 2009 amounted to EUR -42.9 million compared to EUR -136.4 million last year. In 2009, CompuGROUP's capital expenditure consisted of the following:

(EUR million)	
Initial acquisition of Noteworthy (USA)	4.4
Follow-up investment in Noteworthy (USA)	2.7
Follow-up investment in Profdoc LAB	1.8
Acquisition of Fimesan/Microcosmos/SMI (Italy)	9.5
Acquisition of CSP (Austria)	1.9
Purchase of remaining 20 percent in Gruber ÄDV (Austria) (non-cash)	2.3
Other acquisitions (Inmedea, Avenir, Sakura)	2.4
Capitalized in-house services	6.9
Office buildings and property	3.1
Investments in software for internal use (ERP, CRM etc.)	1.2
Other equipment and tangible fixed assets	6.2
Other investments	0.4
Sum	42.8

The expenditure for office buildings and property relate the purchase of existing office buildings in Koblenz that for many years have been rented and used by the operating units located there. The properties are now owned by CompuGROUP Beteiligungsgesellschaft mbH and are in process to be placed under a long-term financing structure.

Cash flow from financing amounted to EUR 11.9 million in 2009.

Statement of financial position

Since the statement of financial position of 31.12.2008, total assets increased by EUR 34.5 million to EUR 451.8 million. The largest changes to individual asset classes are EUR 15.9 million increase in intangible assets, EUR 13.0 million increase in cash and cash equivalents, EUR 6.7 million increase in property and a reduction in minority investments of EUR -6.3 million. The increase in intangible assets mainly arises from the new company acquisitions done in 2009. The increase in property arises from the purchase of the office buildings in Koblenz as well as office building owned by Fimesan that are now consolidated in the statement of financial position of CompuGROUP. The reduced minority asset relates to the initial minority holding in Fimesan which is now a consolidated Group company. For all other assets there are only minor changes during 2009.

Group equity was EUR 185.8 million as at 31.12.2009, up from EUR 182.8 million as at 31.12.2008. The increase in equity comes primarily from the addition of Group net income for 2009 (EUR 11.7 million) purchases of own shares (EUR -4.5 million), purchase of minority interest shares in Gruber ÄDV after control (EUR -2.3 million), purchase of minority interest shares in Profdoc LAB (EUR -1.8 million) and changes in equity from changes in currency exchange rates (EUR -4.3 million). The equity ratio has gone from 44 percent in 2008 to 41 percent in 2009.

The increase in long-term liabilities is due to the re-financing of the EUR 100 million bridge facility done in May 2009, which shifted debt under current liabilities to long-term liabilities. Other long-term liabilities increase stems from an additional sale-and-lease-back transaction carried out by Systema Austria in 2009. The incurred leasing liabilities with a cash value of EUR 3.1 million is included under other payables. Following this transaction the leased asset was subleased to a customer of Systema Austria under approximately the same conditions. The resulting long-term receivables with a cash value of EUR 3.1 million is included under Other long-term receivables. The increase in long-term liabilities is also due to new company acquisitions in 2009. For all other long-term liabilities there are only minor changes during 2009.

Under current liabilities, the changes from 31.12.2008 are related to the re-financing of short-term debt, an increase in prepayments of software maintenance contracts balanced under Other liabilities as well as the addition of newly acquired companies.

RESEARCH AND DEVELOPMENT

Software development at CompuGROUP is generally organized centrally and can be broken down into the four main areas specified below:

- Development of individual components of the existing information systems for physicians and dentists, development activity that occurs both centrally and locally.
- Development of platform products, which are independent products, plugged into the physician or dentist information systems via interfaces. Examples include electronic archiving systems or systems for managing appointments and optimizing organizational procedures.
- Development of a new generation of ambulatory information systems that clearly separates business logic from the user interface, as well as the development of a new international hospital information system following a structure similar to the development of the new generation of information system for physicians and dentists. The separation of business logic from user interface makes it possible to implement core functions through one-off development and maintenance work, these functions being subsequently deployed in different products and their individual product user interfaces.
- Development of Customer Relationship Management (CRM) software specifically for the use of the Group and Enterprise Resource Planning (ERP) software.

Individual components are increasingly being adapted by central teams of developers across the sector. Training sessions by external instructors ensure that the teams remain up to date with technological developments.

Group companies are continually working to provide customers with the currently most up to date software solutions and services. To ensure the quality of the products on offer, our development teams work with the latest tools in compliance with internationally recognized standards.

Future generations of software developed by CompuGROUP will be distinguished by having an individualized front-end solution adapted to the individual CompuGROUP product lines, while back-end modules are developed for all main product lines across platforms. This can be described as a “building block principle”. In the medium term, this means, especially for the back-end area, that those development activities will become as centralized as possible. The Company is accordingly organizing a central development department for back-end solutions in the area of Health Provider Services (HPS). In contrast, developing and updating the front-end area will remain the responsibility of the subsidiaries. The Company is already anticipating that, despite maintaining a multi-brand strategy in the HPS segment, it will shortly be able to generate synergy effects during development. The platform products are already being developed in accordance with this principle.

In financial year 2009, CompuGROUP made a big impression in introducing a number of new products on the market.

The product innovations described in brief below are the most significant for 2009:

conhIT 2009: CompuGROUP presents new eHealth solutions

During the conhIT, which took place from 21 to 23 April 2009 in Berlin, CompuGROUP presented their eHealth – Highlights for the electronic networking of all parties involved in the health sector. The core of the trade show was the CompuGROUP Future.net – a cross-sectoral based on valid data and service-oriented data structures, which sets new standards in the electronic networking. The solutions MEDISTAR, ISPro, systema.fd-klinika, MUSE and systema.life.CURE are incorporated into CompuGROUP’s Future.net. Thus, for the first time the entire eHealth-LifeCycle is displayed: From the doctor above the hospital and the hospital pharmacy through to the rehab clinic and back again to the doctor. Through the synchronization of data not only costs can be saved and resources can be planned at an early stage – also the basis for a faster recovery of the patient is provided.

Moreover, in addition to the complete solution CompuGROUP Future.net, other trend-setting product innovations were presented. The broad range of services of product lines systema.AKUT, systema.REHA and systema.SOZIAL is perfectly complemented by the innovative solutions from the enterprise network of CompuGROUP. With the products AMOR®, MUSE® and MUSE® medication CompuGROUP focuses on optimizing processes in materials management, pharmacy and medication supply in hospitals.

The drug databases, praxisCENTER® and ifap index® CLINIC always provide current and reliable drug information available. Jesaja.net Via the universal and particular jesaja.net telematics platform products and referrerportal CORDOBA CompuGROUP also allow the electronic exchange of data across medical information about installation and sector boundaries. Thus CompuGROUP provides a tailored product diversity and depth without media from one source, which extends across all sectors.

CompuGROUP: Partner of PharmaBrand Europe Summit 2009

CompuGROUP with its subsidiary INMEDEA supports the pharmaceutical Brand Europe Summit 2009 in Montreux. The aim of the Pharma Brand Summit Europe is to bring together Europe's key players in the pharmaceutical industry with a select group of leading service providers.

INMEDEA with the online learning system INMEDEA Simulator recently earned a second place in the European eLearning Award "eureleA 2009" in the categories of media didactics and overall impression.

Capitalized in-house services

In accordance with the provisions of IAS 38, the development work for capitalized in-house services (approximately 188,000 hours) is capitalized as an asset, which had a EUR 6.9 million effect on the Group result in 2009 (prior year EUR 5.7 million). The vast majority of this development work stemmed from the development work of CompuGROUP Software GmbH, vita-X AG, systema Kliniksoftware GmbH, and CompuGROUP Holding AG, as well as from two major development projects: G3.AIS (new development of ambulatory information system) and G3.HIS (new development of a hospital information system), the latter involving several group companies.

The larger item in terms of development hours (around 740,000 hours) has generated costs in the current year. This mainly involves adapting software products to new and/or amended legal or contractual requirements, work which cannot be recognized in assets. Depending on the area of expertise and/or current regulations, updates are generally required each quarter. Currently, 1,086 Group employees work in software development and quality assurance, with 741 in software development alone.

ACQUISITIONS AND MERGERS

Acquisition of Noteworthy Medical Systems Inc., USA

In February, CompuGROUP entered into an agreement with Noteworthy Medical Systems, Inc. for the purchase of 51.6 percent of the shares in the company. Noteworthy is a privately held company founded in 1996 and headquartered in Cleveland, Ohio, that provides a comprehensive set of tools to effectively manage and facilitate care in the ambulatory setting. Noteworthy's focus is to provide sophisticated applications for primary care as well as the technology to connect physicians, hospitals and healthcare communities for improved care and communication. Noteworthy serves a customer base of more than 1,300 practices, 5,000 healthcare providers and 13,000 users across 43 states. The purchase price for 51.6 percent of the shares was EUR 5.9 million.

A rights offering of new shares was offered to all shareholders of Noteworthy Medical Systems Inc. during August and September with closing of the issue in October. CompuGROUP subscribed to all shares offered pro-rata and in addition subscribed to all shares not subscribed by other shareholders. After the issue, CompuGROUP holds 76.2 percent of the shares of Noteworthy for an additional investment of EUR 2.7 million.

Acquisition of Avenir Télématique, France

In February, CompuGROUP acquired all shares of the French company Avenir Télématique, Avenir develops and distributes the software product 123Santé®, a solution for the ambulatory healthcare sector. The company was founded in 1987 with an office in Bourges (200km south of Paris). The number of invoiced customers corresponds to approximately 1000 doctors. The purchase price for 100 percent of the shares was EUR 0.6 million.

Additional share purchase medicine medienproduktionsgesellschaft mbH, Mainz

In April 2009, CompuGROUP Beteiligungsgesellschaft mbH acquired 21.1 percent of the shares in medi cine medienproduktionsgesellschaft mbH in Mainz that were outstanding according to the option contract. medi cine provides TV and multimedia productions of medical, scientific and non-fictional nature as well as 3D computer animations in the healthcare sector. The purchase price for 21.1 percent of the shares was EUR 1.00.

Additional share purchase Tepe, Turkey

In June 2009, CompuGROUP increased its share in Tepe International by 5 percent up to 100 percent. According to the assignment agreement, trade receivables of Tepe International amounting to TL 350,000 towards the minority shareholder were assigned to CompuGROUP Holding AG. At the same time, CompuGROUP Holding AG took over the outstanding 5 percent of the shares for TL 350,000 (EUR 162,507) according to a separate contract in order to set-off the transferred receivables.

Additional share purchase Promed, Turkey

In July 2009, CompuGROUP Beteiligungsgesellschaft mbH acquired the outstanding 10 percent of the shares in Promed Bilgi Yönetim Sistemleri ve Sağlik Danişmanlik A.Ş. in Turkey according to the option contract. Promed provides electronic solutions to the health insurance industry and other institutions active in the healthcare-reimbursement system. The purchase price for 10 percent of the shares was USD 0.4 Mio.

Additional share purchase Fimesan, Italy

As of 7 July 2009, CompuGROUP acquired 56.8 percent of the shares of the Italian company FimeSan SpA thereby expanding its shareholding to 90.1 percent. FimeSan is the second largest supplier of doctor information systems in the Italy. The details of the transaction are:

- In June 2006 CompuGROUP bought 33.3 percent of the shares in FimeSan S.p.A. for EUR 6.4 million.
- CompuGROUP bought an additional 56.8 percent of the shares in FimeSan S.p.A at 7 July 2009 for EUR 7.4 million for a total holding of 90.1 percent.
- 2008 revenue of FimeSan S.p.A was EUR 5.6 million with an EBITDA of EUR 2.2 million.
- Book equity of FimeSan S.p.A as at 31.12.2008 was EUR 5.8 million, of which intangible assets are EUR 0.9 million.
- FimeSan S.p.A has approximately 7,400 doctors and 100 dentists as at 31.12.2008 as clients with a software maintenance contract.
- Market share in Italy is approximately 10 percent for General Practitioners and 50 percent for pediatricians.
- Consolidation starts from 1 July 2009.
- The acquisition was financed with cash at hand and with existing credit facilities.
- The remaining 9.9 percent of FimeSan S.p.A. are part of option rights of the parties for a fixed price of EUR 2 million.

Additional share purchase Profdoc LAB AB, Sweden

In September 2009, Profdoc AB in Sweden acquired additional 24.5 percent of the shares in the Swedish company Profdoc LAB AB. Hence, Profdoc AB increased its share up to 75.5 percent. Profdoc LAB is a leading supplier of laboratory information systems in Scandinavia. The purchase price for 24.5 percent of the shares was SEK 18.4 million. Furthermore Profdoc AB holds a Call-Option for the purchase of the currently outstanding shares. In 2013 the minority shareholders of Profdoc LAB AB have a Put-Option at a minimum of SEK 22.1 million.

Additional share purchase ERUDIS s.r.o., Slovakia

In September 2009, CompuGROUP CZ & SK s.r.o. in the Czech Republic acquired additional 70.0 percent of the shares in the Slovakian company ERUDIS s.r.o. according to an option contract. The company that was renamed CompuGROUP Medical Česká republika s.r.o. in this context, increased its share in ERUDIS s.r.o. up to 80.0 percent. ERUDIS s.r.o. is specialized in developing and distributing medical practice software solutions.

Additional share purchase Inmedea GmbH, Tübingen

In November 2009, CompuGROUP Holding AG acquired additional 24 percent of the shares in Inmedea GmbH for a purchase price of EUR 24,000. CompuGROUP Holding AG now holds 99 percent of Inmedea GmbH, a software provider for the education of medical doctors and other healthcare personal with a special focus on the simulation of clinical processes with virtual patients.

Acquisitions of SMI and Microcosmos, Italy

On 29 October 2009, CompuGROUP acquired the two Italian companies SMI and Microcosmos as part of the strategy to expand the presence in the Italian HPS market. Through these transactions, the market share in Italy will be significantly increased and in addition to the strong market position in Southern Italy, CompuGROUP now also has a significant share of the market in Northern Italy. The details of the transactions are:

- CompuGROUP has bought 100 percent of the shares in SMI S.r.l. for EUR 1.7 million and Microcosmos Multimedia S.r.l. for EUR 2.2 million.
- The companies have approximately 2,800 doctors as clients with a software maintenance contract.
- Total software maintenance is currently approx. EUR 900,000 per year.
- Consolidation starts from 1 November 2009.
- The acquisition was financed with cash at hand and with existing credit facilities.

Merger of CCHC and systema HIS, Austria

In 2009 the company Competence Center Health Care GmbH was fully merged into systema Human Information Systems Gesellschaft mbH effective 01 January 2009.

Gruber ÄDV, CSPmed and medXpert merged to CompuGROUP Österreich GmbH

To improve overall efficiency and brand equity, the three current companies and brands for doctor information systems in Austria, Gruber ÄDV, CSPmed und medXpert have been merged into one company on 1 July 2009 with retrospective effect from 01 January 2009 under the common brand name of CompuGROUP. More than 2,600 Austrian doctors are now consolidated under one vendor organization that will focus and strengthen the knowledge base to the benefit of all clients, as well as enable a more effective product and service delivery over time. As part of the merger, CompuGROUP acquired the outstanding 40 percent minority shares in Gruber ÄDV with a deferred consideration in 2013.

CompuMED and DATA VITAL merged to CompuGROUP Medical Arztsysteme GmbH

To improve overall efficiency and brand equity, CompuMED Praxiscomputer GmbH & Co KG and DATA VITAL GmbH & Co KG have been merged to form CompuGROUP Medical Arztsysteme on 1 July 2009 with retrospective effect from 1 January 2009. With a combined total of over 10,500 users, the two subsidiaries of CompuGROUP Holding AG are among the leading producers of ambulatory information systems in Germany.

CompuDENT, ChreMaSoft und Z1 Software merged to CompuGROUP Medical Dentalsysteme GmbH
With the objective of combining core competencies, CompuDENT Praxiscomputer GmbH & Co KG und die ChreMaSoft Datensysteme GmbH & Co KG have been merged into Z1 Software GmbH on 1 July 2009 with retrospective effect from 1 January 2009. The company was subsequently renamed CompuGROUP Medical Dentalsysteme. The subsidiaries of CompuGROUP Holding AG are among the leading providers of ambulatory information systems in Germany.

Merger of CompuGROUP Services GmbH and GTI AG
On 1 July 2009, CompuGROUP Services GmbH was merged into GTI AG with retrospective effect from 1 January 2009 and renamed CompuGROUP Services GmbH afterwards.

Merger of Czech subsidiaries
On 1 July 2009, DIALOG MIS spol. s r.o., Medisoft International, spol. s r.o., SMS spol. s r.o. and SAKURA Software, spol. s r.o. (which was acquired for EUR 0.6 million from DIALOG MIS spol. s r.o. in March 2009) were merged with retrospective effect from 1 January 2009 into CompuGROUP CZ & SK spol. s r.o. and subsequently renamed in CompuGROUP Medical Česká republika s.r.o.

Merger of Ascott into Profdoc A/S, Denmark
In 2009, Ascott Software Danmark A/S was merged with retrospective effect from 1 January 2009 into Profdoc A/S. The company is one of the leading producers of doctor information systems in Denmark.

Additional share purchase and accretion IMMO GbR and IMMO II GbR
In April 2009, Dr. Daniel Gotthardt sold his 6 percent shares in IMMO GbR, Koblenz, to CompuGROUP Beteiligungsgesellschaft mbH, which now holds 100 percent in the company. As a consequence of this transaction, IMMO GbR is merged into CompuGROUP Beteiligungsgesellschaft mbH.

At the same time, Dagui Beteiligung GbR sold its 6 percent shares in IMMO II GbR, Koblenz, to CompuGROUP Beteiligungsgesellschaft mbH, which now holds 100 percent in the company. As a consequence of this transaction, IMMO II GbR is also merged into CompuGROUP Beteiligungsgesellschaft mbH.

Disposal of distribution companies in France
In the fiscal year 2009, CompuGROUP disposed of its French distribution companies Technosanté Lyon, Axiservice Grenoble and Technosanté Paris. Furthermore, the shares in Axiservice Nice were reduced from 100 percent to 28 percent.

Disposal of Profdoc Joliv, Sweden
In March 2009, Profdoc AB disposed of the 90 percent of its shares in Profdoc Joliv AB for SEK 0.9 million. At the same time, Profdoc Joliv AB repaid its loan to Profdoc AB, as contractually agreed. Furthermore, the buyer took over the outstanding capital contribution of SEK 1.1 million less an extraordinary short-term cash loan and an open account for provided consulting services on the part of Profdoc Joliv amounting to SEK 150,000.

Disposal of HC Advance, Sweden
In November 2009, Profdoc AS sold the 90 percent of its shares in HC Advance AB in Sweden for SEK 2.0 million. A separate asset deal stipulates the disposal of its business segment “Profdoc Online Business” to Profdoc AS.

ORDER SITUATION
Malaysian subsidiary installing Hospital Information System in public hospital
The Malaysian subsidiary of CompuGROUP Holding AG begun the implementation of a hospital information system at the Bintulu Hospital located in the state of Sarawak on the Borneo island. Within the scope of the 9th Malaysian 5-year-plan, several district and regional hospitals will be outfitted with digital information systems. After the evaluation process being completed at the beginning of 2009 CompuGROUP’s local subsidiary in Malaysia, Profdoc Sdn Bhd, was given the go-ahead to start implementation at Bintulu through a local government contractor. Bintulu is a 284-bed hospital owned and operated by the Ministry of Health of the Malaysian Federal Government.

Techniker Krankenkasse uses CompuGROUP technology to protect against chip-card abuse
CompuGROUP developed and launched a new system called ‘Cardtrust’ to prevent insurance card abuse during 2009. The health fund Techniker Krankenkasse is now using the new Cardtrust to further protect against abuse and enhance efficiency. The Techniker Krankenkasse has been using the Verax List, the predecessor of the present Cardtrust service, since 2004. Among other features, the well-known system developed by CompuGROUP identifies and blocks expired or cancelled health insurance identification cards.

Extension of HIS contract in Austria
Through a contract extension awarded in March 2009, the CompuGROUP subsidiary systema will continue to handle information technology for 57 Lower Austria nursing homes and state schools for adolescents. The contract runs for five years and has a total volume of approximately EUR 12.5 million.

Turkish subsidiary PROMED receives major order

In July, CompuGROUP's subsidiary PROMED emerged as the successful bidder in an invitation to tender issued by the major insurance group AXA. The order is worth a total of EUR 1.2 million over three years and will enable PROMED to continue the expansion of its cooperation with AXA.

DEVELOPMENTS WITHIN THE BUSINESS SEGMENTS

Changing landscape for HCS Communication & Data business in Germany

The AVWG regulations introduced in Germany in 2008 have led to significant changes in CompuGROUP's HCS Communication & Data business during 2009. Whereas the business volume with generic firms has been reduced, this has been partly compensated by increased revenues from original manufacturers. Total sales to pharmaceutical producers (all countries) amounted to EUR 32 million in 2009, representing a decline of 5-10 percent compared to the revenues realized in 2008.

Another significant change is that rebate contracts between German public health insurance funds and generic firms have become widespread during 2009. Under these contracts, the health insurance funds procure bulk supplies with generics firms that are willing to provide their drugs at a rebate. These drugs are then automatically substituted at pharmacy level in cases where patients are prescribed a drug for which there is a discounted version available. Rebate contracts have had limited impact on the generics industry and CompuGROUP in 2009. However, this appears to have a more pronounced influence from the beginning in 2010. The net effect from rebate contracts and other changes in HCS Communication & Data now leads CompuGROUP to expect Communication & Data revenue to decline 10-20 percent in 2010 relative to 2009.

Status of broader adoption of decision support products in Germany

In the financial report for the second quarter 2009, dated 13 August 2009, CompuGROUP described the intervention by the German Federal (Social) Insurance Office (BVA – Bundesversicherungsamt) regarding medical decision support products that had been offered by CompuGROUP to German public health insurance funds. The subsequent discussions between CompuGROUP and the BVA have not changed the BVA's position. Even though the BVA recognizes that CompuGROUP's software may help to increase the quality in ambulant care and that software-based patient coding and diagnosis tools make sense and are allowed for correct documentation and invoicing, the BVA has reaffirmed that health insurance funds are not allowed to invest or pay for software to be used by doctors as this is considered outside the funds' regulated scope of operations.

Despite the limitations imposed by the BVA CompuGROUP continues to develop its business relations with the health insurance funds in other areas. In addition, CompuGROUP is in constructive discussions with private insurance companies that are not regulated by the BVA. In total, a positive trend within Workflow & Decision Support is expected in 2010.

Pilot project "AOK aktiv+vital"

Since 2007, CompuGROUP has worked together with AOK Hessen, a health insurance fund in the Hessen region, to design and test a system for the complete electronic mapping of a contract for integrated care. With "aktiv+vital", doctors in Germany can for the first time access from a single source all relevant medical content and electronic tools to assist them in the day-to-day work in prevention and treatment of diabetes. More than 5,000 patients are now treated and monitored in the "aktiv+vital" disease management program supported by CompuGROUP's medical decision support software products and supervised by a board of independent medical expert teams. Data analysis done in association with subsidiaries of the universities of Dresden and Cologne prove the success by an improved quality of life for the patient combined with significantly savings in care costs. AOK Hessen and CompuGROUP published a first summary of those remarkable results in November at Germany's famous medical exhibition MEDICA in Düsseldorf.

United States HITECH program carries potential for CompuGROUP

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on 17 February 2009. ARRA includes more than USD 20 billion for healthcare information technology under the Health Information Technology for Economic and Clinical Health (HITECH) Act. Under the HITECH stimulus package, up to USD 44,000 (Medicare) or USD 65,000 (Medicaid) in extra incentive payments over a five-year period will be available to physicians who demonstrate "meaningful use" of a certified EHR.

CompuGROUP (through Noteworthy Medical Systems) is currently an IT supplier to approximately 5,000 doctors in the United States, out of a total number of office-based doctors of approximately 625,000. Since the acquisition of 52 percent of the shares in Noteworthy in February this year, a restructuring of the business has been undertaken such that Noteworthy can be profitable in its own right, independent from the potential impact from the HITECH stimulus. In the coming period, CompuGROUP will begin to increase the number of employees in a targeted effort to prepare for the expected business volume coming from HITECH. Based on experience and feedback from doctors so far, CompuGROUP expects a limited change in physicians' purchasing behavior during the first six months of 2010. A significant increase in business volume and increased growth rates is expected at the earliest during the second half of 2010. As a result from this, the margins will continue to be suppressed in the United States until the new resources can be shifted over to work related to material deliveries.

CompuGROUP sees more opportunity than ever in the United States healthcare IT market and it is now appropriate to expend the necessary resources to secure the market opportunities. This strategy is more expensive in the short-term, but management is convinced that the choices now made create the largest shareholder value.

US market opportunities in patient record business

In September, Arizona's Purchasing & Assistance Collaborative for Electronic Health Records, commonly referred to as PACeHR (pronounced "pacer"), has selected Noteworthy as one of only two preferred electronic health record (EHR) vendors for providers within the state of Arizona.

The unique PACeHR program was launched in response to the critical need of small and medium-sized medical practices to accelerate EHR adoption; improve healthcare quality, safety and efficiency; and promote a community of information sharing. PACeHR aims to leverage economies of scale, strategic partnering and the power of web-based technologies to ensure that every clinician in Arizona will have access to an affordable, interoperable, CCHIT Certified®, web-based electronic health record solution and services. Representing medical practices, clinics, facilities and other stakeholders, PACeHR's goal is to deliver software and services to three quarters of the Arizona primary care market – nearly 7,000 physicians in more than 2,000 practices — over the next three years.

The six-month-long evaluation process involved a selection panel comprising 16 clinicians, along with legal and information technology experts, who assessed 14 vendors against a myriad of high-level criteria. Although PACeHR pre-dated the ARRA, one of its key priorities now is the selection of systems that will enable clinicians to qualify for financial incentives in accordance with the HITECH Act.

vita-X patient portal and vita-X home for improved health management

Several initiatives have been launched to broaden the adoption of vita-X and vita-X technology during 2009. CompuGROUP launched a new patient portal and the 'vita-x home' web-based health record. Via the patient module 'vita-X home', patients have the possibility to play an active part in managing their health. The web-based health record with always up to date health information is a powerful tool to increase the awareness of relevant health issues for each individual and to improve personal health management. Especially in long-term treatment of chronic diseases, such as diabetes, the patients' active participation as well as the connection to relevant doctors plays a decisive role.

POST BALANCE SHEET EVENTS

Acquisition of Innomed shares

With the fulfilment of the agreed conditions precedent in the purchase contract concluded on 17 November 2009, CompuGROUP CEE GmbH will acquire 70.3 percent of the shares in Innomed Gesellschaft für medizinische Softwareanwendungen GmbH, Wiener Neudorf for EUR 9.3 million. Innomed has 2,500 doctors among its users in Austria and achieved sales of EUR 4.6 million in 2009, EUR 3.1 million of which were due for long-term software maintenance and annual licence income. CompuGROUP expects to be able to carry out the first consolidation of Innomed in April 2010.

The outstanding 29.7 percent of the shares continued to be held by the previous owners. However, CompuGROUP CEE has secured the option to acquire all the shares after 1 January 2013 at conditions that have already been set. The equity of this company was EUR 0.3 million on 1 January 2010.

Disposal of medicine

On 1 January 2010 CompuGROUP Beteiligungsgesellschaft mbH parted from its 100 percent holding in medi cine medienproduktions GmbH, Mainz (CHS segment). The main focus of the company is offering film and TV productions including distribution of medicine journalism services in the TV sector. The sales price was EUR 1. In addition, it was agreed that the purchaser and medi cine, as joint and several debtors, are obliged to pay a total amount of EUR 0.3 million from profits for the 2010 financial year up to the 2015 financial year inclusive as participation in profits.

TEPE arbitration proceedings

On 9 February 2010 the international arbitration tribunal formally confirmed the legitimacy of the proceedings. The amount in dispute (the Group is suing TEPE TEK, Meteksan and Bilkent – current proceedings) is about EUR 17 million. A decision is expected in March 2011.

CORPORATE GOVERNANCE REPORT

The actions of CompuGROUP's Management Board and Supervisory Board are based on the principles of good and responsible corporate governance. In this statement, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate governance in the Company pursuant to sub-section 3.10 of the German Corporate Governance Code (GCGC) and pursuant to section 289a (1) of the German Commercial Code (HGB).

DECLARATION OF CONFORMITY

This declaration of conformity relates to conformity with the recommendations of the GCGC in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act).

Since the last declaration of conformity dated March 2009, CompuGROUP Holding AG has conformed with the recommendations of the GCGC as amended on 6 June 2008, subject to the deviations mentioned in the aforesaid declaration.

In the future, CompuGROUP Holding AG will conform to the recommendations of the GCGC as amended on 18 June 2009, with the following exceptions:

According to Section 5.1.2 of the GCGC, an age limit for members of the Management Board shall be specified. CompuGROUP does not comply with this recommendation and has no age limit for its Management Board members. The company does not see age as a relevant criterion to evaluate the performance and ability of its corporate officers.

According to Section 5.3.3 of the GCGC, The Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting. CompuGROUP does not comply with this recommendation as has no nomination committee. It is not considered necessary to constitute a separate nomination committee as a working procedure has been established for the Supervisory Board to carry out the duties of a nomination committee in close cooperation with the largest shareholders of CompuGROUP.

According to Section 5.4.1 of the GCGC, an age limit for members of the Supervisory Board shall be specified. CompuGROUP does not comply with this recommendation and has no age limit for its Supervisory Board members. The company does not see age as a relevant criterion to evaluate the performance and ability of its Supervisory Board members.

According to Section 5.4.6 of the GCGC, Members of the Supervisory Board shall receive fixed as well as performance-related compensation. Performance-related compensation should also contain components based on the long-term performance of the enterprise. CompuGROUP does not comply with this recommendation and has only a fixed compensation of the members of the Supervisory Board. All Supervisory Board members are expected, regardless of their compensation, to perform their tasks with the highest level of engagement with focus on the company's long-term success.

According to Section 7.1.2 of the GCGC, the company shall publish the annual group financial report within 90 days after the closing period. According to the financial calendar for 2010, the company intends to publish the group financial report on 15 April 2010. The company considers this a sufficient time frame.

Furthermore, section 7.1.2 of the GCGC recommends the publication of quarterly reports within 45 days after closing of the reporting period. CompuGROUP does not comply with this recommendation regarding the publication of the Q3-report. As in recent years, the company intends to publish its Q3-report in the course of Medica in Düsseldorf, one of the world's largest medical fairs, on 17 November 2010.

Significant Corporate Governance practices beyond the legal requirement

CompuGROUP acknowledges the obligation to behave as a responsible member of society. Our business is based on trust and we are daily dealing with issues related to health care safety, patient privacy and public procurement processes. CompuGROUP's business activities will always comply with applicable laws and regulations and act in an ethical and socially responsible manner. This ethical foundation in some instances result in CompuGROUP's corporate governance principles to go beyond the requirements of law and the recommendations of the GCGC. There are written instructions with ethical guidelines which apply to all our staff, and to all those who act on CompuGROUP's behalf. We also expect our suppliers and partners to have ethical guidelines in their own enterprises, which are consistent with CompuGROUP's ethical values. The documents describing the CompuGROUP guidelines are permanently available from our website at www.compugroup.com.

Approach adopted by the management and supervisory boards

CompuGROUP Holding AG is a company under German law, which also represents the basis of the GCGC. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Management Board and the Supervisory Board, each of which is vested with independent competences. CompuGROUP Holding AG's Management Board and Supervisory Board cooperate closely and confiding in managing and monitoring the Company.

The Management Board is responsible for managing the enterprise. Its members are jointly accountable for the management of the enterprise. The Chairman of the Management Board coordinates the work of the Management Board and is also the group Chief Executive Officer (CEO). Underneath the CEO, the organizational design is a regional-functional matrix organization with senior executives reporting directly to the group CEO. This structure is supported by a detailed governance model that determines the way in which CompuGROUP operates. Two members of the Management Board are assigned to the regional line organization as Executive Vice Presidents and overall responsible for the regions of Central Europe and Southern Europe respectively. The remaining two Management Board members are assigned to the functional organization as Chief Financial Officer (CFO) and Chief Medical Officer (CMO). All members of the Management Board meet on a weekly basis to discuss a broad set of issues ranging from daily operations to the group strategy. The Management Board together with all regional managers compose the Strategic Management Group, which meets about 10 times per year to harmonize operations and ensure knowledge sharing across geographies and functions.

CompuGROUP supports the concept of an effective Supervisory Board in line with the company's needs for expertise, capacity, balanced decision-making and ability to independently evaluate the company's activities and the conduct of its management.

The Supervisory Board appoints, supervises and advises the members of the Management Board and is directly involved in decisions of fundamental importance to the enterprise. The chairman of the Supervisory Board coordinates the work of the Supervisory Board.

The duties of the Supervisory Board and its committees are regulated in the Articles of Association. In addition, the Supervisory Board has adopted terms of reference governing its work. The Supervisory Board does not comprise any former Management Board members. It comprises a sufficient number of independent members not maintaining any personal or business relationship with the Company or its Management Board.Supervisory board meetings are generally held 6 to 8 times per year, and during at least one of these meetings the corporate strategy is up for review. Every month, the Supervisory Board receives a financial review, management reports and forward-looking analysis. The Supervisory Board regularly reviews the efficiency of its work. The last efficiency review took place in November/December 2009. The efficiency of the Supervisory Board's work, including its cooperation with the Management Board, was determined on the basis of a list of questions and a subsequent discussion at a Supervisory Board meeting.

The Supervisory Board has established one committee from among its members: The Audit Committee consists of the Chairman of the Supervisory Board, one shareholder representative, and one employee representative. The Supervisory Board has appointed its Chairman, Dr. Klaus Steffens, as the independent Audit Committee financial expert. The Audit Committee monitors the Company's financial reporting process, discusses and examines annual consolidated financial statements and management reports prepared by the Management Board, as well as the quarterly financial reports. Based on the independent auditors' report, the Audit Committee gives recommendations with respect to the approval of the annual financial statements and the consolidated financial statements by the Supervisory Board. Furthermore, the Audit Committee engages the independent auditors elected at the General Shareholders' Meeting to audit the annual financial statements and the consolidated financial statements, determines the key audit areas, and is responsible for determining the independent auditors' compensation.

The Management and Supervisory Board members are obliged to act in CompuGROUP Holding AG's best interests. In the completed financial year, there were no conflicts of interest requiring immediate disclosure to the Supervisory Board. None of the Executive Board members of CompuGROUP Holding AG sat on more than three Supervisory Boards of listed non-Group companies.

Compensation of the Executive Board and Supervisory Board

CompuGROUP Holding AG complies with the recommendations of the GCGC to provide details of the compensation of each individual member of the Executive Board and Supervisory Board. The principles of the compensation systems and compensation amounts are outlined in the Compensation Report, which is part of the management report.

Risk management

Good corporate governance entails the responsible handling of company risks. The Management Board of CompuGROUP use general and company-specific reporting and monitoring systems to identify, assess and manage these risks. These systems are continually developed and adjusted to match changes in overall conditions. The risk management systems are reviewed by the auditors.

The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks. The Audit Committee deals in particular with monitoring the accounting process, including reporting, the efficiency of the internal control system, risk management and the internal auditing system, compliance and audit of the annual financial statements.

More detailed information about CompuGROUP's risk management is presented in the Risk Report. It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernization Act.

Accounting and auditing

CompuGROUP Holding AG prepares its consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The annual financial statements of CompuGROUP Holding AG are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared by the Management and audited by the auditors and the Supervisory Board. The interim reports are discussed between the Audit Committee and the Management Board prior to publication.

The consolidated financial statements and the financial statements of CompuGROUP Holding AG were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, the auditors elected by the 2009 Annual General Meeting. The audit was based on German auditing rules, taking account of the generally accepted auditing standards issued by the German Auditors' Institute as well as the International Standards on Auditing. It also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act.

In addition, a contractual agreement was concluded with the auditors to the effect that the auditors will immediately inform the Supervisory Board of any grounds for disqualification or partiality as well as of all findings and events of importance arising during the performance of the audit. There was no ground to provide such information in the framework of the audit of the financial year 2009.

Stockholders and Annual General Meeting

The shareholders of CompuGROUP exercise their rights in general meetings. The annual general meeting takes place during the first six months of the business year. The Chairman of the Supervisory Board is the chair of the general meeting. The general meeting performs all duties assigned by the law.

Our aim is to make the participation in general meetings as easy for the stockholders as possible. Thus, all reports and documents necessary to the participation, including the Annual Report, are published in an easily accessible way on the company's Internet site together with the agenda. The Management Board arranges for the appointment of a representative to exercise shareholders' voting rights in accordance with instructions.

Transparency

A standardized, comprehensive and prompt information flow is highly valued in CompuGROUP Holding AG. CompuGROUP's business situation and results will be outlined in the annual report, in the quarterly reports, at the annual investor and analyst conference and regular conference calls.

Furthermore, press releases or, if legally required, ad hoc-announcements will also provide information. All announcements and reports are available on the Internet at www.compugroup.com under the section Investor Relations.

CompuGROUP Holding AG has prepared the required directory of persons with insider information (insider list). The affected persons are informed about the legal obligations and penalties.

BUSINESS ACTIVITIES

CompuGROUP develops and sells efficient and quality-enhancing software solutions and services for participants in healthcare systems around the world and is one of the leading providers in the market for software solutions in the healthcare sector. CompuGROUP is represented internationally by subsidiaries and equity interests in Austria, France, Poland, Spain, Italy, Norway, Sweden, Denmark, South Africa, Malaysia, Greece, Luxembourg, Switzerland, Bulgaria, Latvia, Turkey, Czech Republic, Slovakia, USA, Canada and Saudi Arabia.

CompuGROUP earns top ranking in the Lünendonk List

CompuGROUP placed sixth in the newly introduced Lünendonk List of the "Top 25 Standard Software Suppliers in Germany" – testimony to the strength of the firm, which earned an outstanding second-place ranking in the list of small-and mid-sized businesses in 2008.

Segments

Integrated Health Provider Services (HPS)

The HPS segment includes the development, sales and service of specialised software and communications solutions for health service providers. About 220,000 physicians and dentists in their own practices and in hospitals use information systems supplied by CompuGROUP.

Health Connectivity Services (HCS)

In the HCS segment, our products and services enable the sector-wide networking of all those involved in healthcare. With its unique coverage in Europe amongst doctors, the focal point of the health system, CompuGROUP is a reliable and capable partner for all those involved.

Consumer Health Service (CHS)

The main product of the CHS segment is vita-X, the personal health record for all citizens.
vita-X stands for the continual improvement of the efficiency and quality of medical care by providing the necessary information. Health systems profit from being able to access medical information anytime, anywhere.

Opportunities for future development resulting from competitive strengths

Leading market position for ambulatory information systems (AIS)

CompuGROUP is the leader in the German market for ambulatory information systems, as well as one of the leading AIS providers in Denmark, France, Sweden, Norway, Austria, Italy and the Czech Republic.

The AIS business is predominantly marked by long-term service and software maintenance agreements and is therefore distinguished by stable, continually recurring revenues. These regular revenues form a stable basis for financing investments or developing new products.

The Company sees a stable core business in the ambulatory information system area, with its mostly long-term customer contacts, both as a strong market entry barrier and a key prerequisite for expanding the business activities to other areas and for the success of the offers in all segments.

Good positioning in the connectivity market
To reduce costs and ensure better quality of treatment, it is a stated policy objective in many European countries to improve the networking of participants in the healthcare sector. Due to the significant expansion of its Ambulatory information systems, CompuGROUP sees itself in a good position to interconnect physicians providing treatment, hospitals, cost bearers and industry, and is using its competitive advantage as regards the expansion of the connectivity market, which is still in the course of being built up.

The Company therefore holds a strong position for the future healthcare network in Germany and Europe, and is proceeding on the basis that it can benefit significantly from the expected growth in this area.

Good basis in hospital information system-sector
As a result of company takeovers in the area of hospital information systems for acute and rehab care facilities, particularly in Germany, the Czech Republic, Slovakia, Poland, Austria and Turkey, the hospital segment has expanded significantly in recent years. Due to the new systems and additional expertise gained as a result of these acquisitions, along with additional customers, CompuGROUP sees itself well-positioned for further growth in this segment.

Internationally applicable business model
Health systems in western industrialized countries, with the change in the age distribution to a larger number of elderly people, with medical advances and with the resulting steady increase in costs of treatment, are faced with essentially comparable challenges. As a matter of principle, there is accordingly a need in all these countries for efficiency-enhancing and cost-cutting IT solutions, such as the ones offered by CompuGROUP. For this reason, the Company considers that its business model, focused on products that improve the quality of treatment and simultaneously increase efficiency, will also carry over to the major foreign target markets.

Successful integration of acquired companies
Acquisition of leading HPS companies is a core element of CompuGROUP’s strategy. In 2007 and 2008, CompuGROUP took decisive steps to expand its European presence through the acquisitions of Systema in Austria and Profdoc in Scandinavia. The combination of talented local management and the systematic application of CompuGROUP’s best practices have substantially increased the profitability of these businesses while growth rates have been upheld. Based on the solid foundation laid down during 2009, both profitability and growth is expected to sharply increase in 2010 for these businesses. With a proven track record of integrating and increasing the value of HPS companies, CompuGROUP continues to look for similar acquisitions in all relevant markets.

Leadership in technology and innovation
Due to the highly developed technical features, practicality and user-friendly nature of its products, as well as to its innovative power, backed by an extensive R&D budget, the Company regards itself as a leader in its sector’s technology and innovation. The Group considers itself to be very well positioned, primarily with regard to high-quality products where the competitive difference is less about the price than about the user-friendly nature and reliability of the products, along with technical innovation and services.

Because of its understanding of customer needs, an understanding acquired over many years of collaboration, technologically ambitious products have been introduced in recent years in all three business units.

Corporate strategy
The strategic aim of CompuGROUP is to continue to expand its position as the leading international provider of IT solutions for the healthcare system and as one of the leading eHealth companies in Europe. The key elements of its corporate strategy can be summarized as follows:

- Expansion of the leading market position with office-based doctors and dentists.
- Implementation of a platform strategy for the development of Doctor Information Systems.
- Expansion of the hospital business.
- Expansion of activities aimed at networking healthcare stakeholders.
- Further global expansion.
- Further expansion of leadership in technology and innovation.

Principles of the corporate management
The management board controls the business areas by implementing strategic and operational standards and using various key financial indicators. An important variable is organic growth as part of our growth strategy. Earnings before interest and taxes (EBIT) constitute an effective parameter for measuring the earning capacity of the business units.

Earnings before interest, taxes, depreciation and amortization (EBITDA) are also seen as a good indicator of the business unit’s ability to generate positive cash flows and meet their financial obligations. Another indicator used for control purposes to optimize the operating cash flow is collection period.

Especially in light of our active investment activity regarding acquisitions of new enterprises, leverage represents an important statistic at the corporate level to optimize the cost of capital in the Group. Accordingly, capital procurement is understood to be a primary corporate responsibility that is not subject to the direct influence of the business units. Thus, interest paid for financing is not included in the agreed target variables of the individual business units. A similar procedure is followed for taxes.

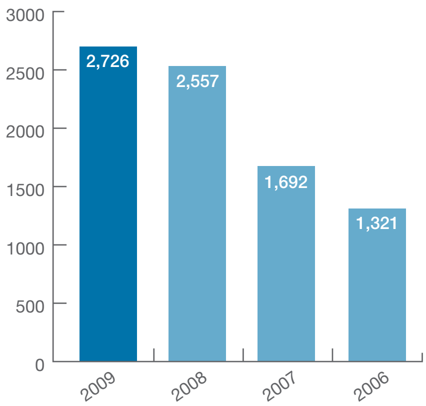
Our access to approximately 331,000 customers results in additional significant corporate control factors for the Group arising from our sales and marketing departments. The most important statistics in this area concern customer acquisition, customer profit potential and customer satisfaction.

Procurement
Procurement focuses on the purchase of software components and services. For intercompany purposes, the necessary investments primarily pertain to equipping the employees with EDP systems as well as the expansion or replacement of network components and telecommunication systems. The significant suppliers and service provider partners are subject to regular monitoring within the scope of the quality management system.

Employees
At year-end 2009, CompuGROUP employed 2,726 persons worldwide. Compared to the previous year, this reflected an increase of 169 employees or 6.6 percent. With regard to the development in the number of employees for the period 2006 to 2009, the average increase was approximately 27 percent per year.

In Germany alone CompuGROUP has employed 1,296 employees in the financial year 2009, what represents related to the total number of employees worldwide a percentage rate of 47.5 percent.

Number of employees 2006-2009

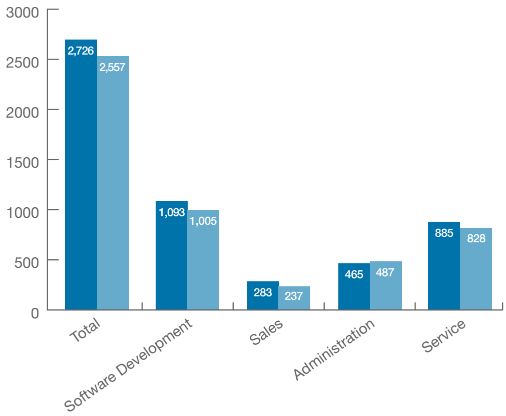


From a Group perspective, a significant part of human resources management involved integrating newly hired employees in the group of companies. The workforce grew by 169 employees, primarily as a result of acquisitions.

In the Group, the employees are broken down into the four areas of software development (therein included are the employees for software integration services), sales, administration and service.

The graph below shows the number of employees per area at the end of the reporting year and the changes compared to the year before.

Employee statistics by section (31 December 2009 and 2008)



Non-financial performance indicators

Personnel recruiting and development

Due to continuously rising qualifications for specialists and executives, the recruitment of new qualified employees is an important responsibility of human resources management.

To counteract the general shortage of highly qualified specialists and executives, CompuGROUP has implemented various processes to be able to act effectively. For one thing, CompuGROUP has set up its own internal Business Academy to prepare qualified employees already within the Group for a career in middle and upper management. By its nature and with respect to quality, the Business Academy of CompuGROUP is a unique internal continuing education facility in the area served by the Koblenz Chamber of Industry and Commerce. For two years, divided into four semesters, the participants receive training and further education in key management qualifications. During the financial year 2009 a new training program started where 15 employees will be trained for the upper management area.

Regular performance evaluation of the employees also takes place in the Group in order to evaluate whether training programs are needed and in what scope. The human resources department coordinates and supports employees in the selection and performance of their individually-coordinated training programs. The effectiveness of the training programs is also analyzed and measures taken to increase quality.

Employee satisfaction indicators and social institutions

At 3.45 percent, the group rate of employee absenteeism due to illness is at a low level. At 3.09 percent, the rate of employee absenteeism in Germany due to illness lies below the average rate of employee absenteeism due to illness of 3.32 percent for Germany (period: January to October 2009) calculated by the Federal ministry of health. The following method is used to calculate this performance indicator: conversion of the part-time employees to full-time employees and deduction of weekends, holidays and vacation. Moreover in cooperation with the company doctor, CompuGROUP regularly offers its employees the opportunity of having flu shots and eye examinations.

The low employee turnover in CompuGROUP is a clear indication of the Company's attractiveness, especially in light of the increasing competition for specialists and executives. Due to this low turnover rate, the Group has an experienced management team frequently ranging into the second and third management level and able to look back on many years of employment with the Company.

In 2009, the company, together with the city of Koblenz and the Evangelical Church of Koblenz-Lützel, opened a daycare center at CompuGROUP's headquarters in Maria Trost. The facility accommodates up to 32 children. Family-friendliness of a company is becoming increasingly important for young families. The daycare center with its broad and bright rooms offers all requirements that children need in their early childhood education and care. Since 4 September 2009 ten baby children and up to 22 kindergarten children can be cared by six experienced educators. For their physical well-being has taken although care: CompuGROUP's staff cafeteria provides not only the parents but also the nursery and kindergarten children with healthy freshly prepared food on a daily basis.

Customer satisfaction

Another significant success factor for CompuGROUP corporate group is the satisfaction of its customers. Currently, the Group has approximately 331,000 physicians, dentists and other healthcare service providers as its customers. The access to so many representatives of the health sector in the European healthcare market is unique. To maintain our customers' confidence in us in the future, we review Group-wide customer-related key figures and indicators that contain information concerning the acceptance and popularity of individual products, customer loyalty and satisfaction with services and the standards of quality provided. Internal surveys show that the customer churn rate was 5 percent, reflecting an average customer retention time of about 20 years.

COMPENSATION REPORT

The compensation report of CompuGROUP presents the principles for establishing management and supervisory board compensation as well as the amounts and structure involved.

Compensation of the management board

Total compensation of members of the management board comprises results-independent and results-dependent components. Criteria for the reasonableness of the compensation are in particular the responsibilities of the particular management board member, his or her personal performance, and the economic situation of the enterprise. In addition, the success and future prospects of the enterprise in the appropriate field of comparison are important criteria in determining the compensation.

The components of the results-independent compensation are a fixed salary and fringe benefits, while the results-dependent compensation components consist of management bonus payments. The fixed salary, a base compensation independent of performance, is paid out monthly as salary. In addition, the members of the management board receive fringe benefits in the form of in-kind compensations, which consist essentially of use of a company car. The use of a company car is taxable due to its attribution as a component of compensation for each member of the management board. Loans or advances were not made to members of the management board during the reporting year. The amount of the results-dependent compensation component depends on individually agreed goals.

Benefits that would have to be paid upon termination of a management board member's employment were not promised to the members of the management board. No member of the management board received benefits or corresponding commitments from a third party in the past financial year in consideration of his or her activity as a member of the management board. There are no pension commitments to any of the members of the management board.

In addition to the fixed salary, the variable compensation components (management bonus) and the fringe benefits (consisting of the non-cash benefit of the use of a car), the following compensation agreements were entered into contractually with Prof. Dr Stefan F. Winter and Christian B. Teig:

A value appreciation bonus based on the share price performance was agreed with Prof. Dr Stefan F. Winter, which is paid in cash. The agreement took effect on 15 October 2008 and expires automatically without need for termination on 15 October 2011. Calculation of the share price change used for the bonus is determined using two contractually fixed calculation formulas for the corresponding time periods. The underlying minimum price for the starting stock exchange value calculation is EUR 11 per share. The target value for appreciation is a weighted share price in 2011. The possible bonus is derived as a cash value from 0.05 percent of the net of the two determined values, whereby a 15 percent minimum calendar year appreciation from the starting stock exchange value per year, in relation to each previous year, is used as a basis. No provision has been set aside for the value appreciation bonus as at 31 December 2009.

Christian B. Teig holds an option to purchase CompuGROUP shares amounting to 375,000 shares, the duration of which is linked to his term of office as director (94,000 accrue after 12 months, 188,000 accrue after 24 months, 282,000 accrue after 36 months and 375,000 after 48 months). As at the balance sheet date the personnel expense in the income statement for this plan was EUR 61,000, of which EUR 43,000 was posted to equity after deduction of EUR 18,000 for deferred tax which was posted to tax expense. Calculation of the fair value was based on the Black-Scholes model and the following criteria. Christian B. Teig can exercise the option within two months following the 48th month of his term of office as director. Should Mr. Teig resign voluntarily from the Company prior to the end of the vesting period, he may only exercise the options that have accrued to that date. If, following the first six months and prior to the end of the vesting period, Mr. Teig's office as director be terminated for reasons not related to him breaching his duties, he may exercise all the 375,000 options within two months after his leaving date. The option exercise price amounts to EUR 5.50. The fair value as of the option grant date amounted to EUR 1.25 per option.

Compensation of the management board 2009

	Fixed salary EUR	Management bonus obtained EUR	Fringe benefits EUR	Total compensation EUR
Gotthardt, Frank	600,000	885,000	0	1,485,000
Broer, Jan	150,000	100,000	21,428	271,428
Eibich, Uwe	125,000	275,000	10,054	410,054
Teig, Christian B.	200,000	200,000	0	400,000
Prof. Dr. Winter, Stefan	250,000	100,000	13,538	363,538

Comparison: Compensation of the management board 2008

	Fixed salary EUR	Management bonus obtained EUR	Fringe benefits EUR	Total compensation EUR
Gotthardt, Frank	560,048	750,000	0	1,310,048
Broer, Jan	150,000	90,000	17,242	257,242
Eibich, Uwe	125,000	100,000	12,986	237,986
Teig, Christian B.	50,000	50,000	0	100,000
Prof. Dr. Winter, Stefan	52,083	20,833	6,766	79,682
Dr. Massmann, Erik	133,333	66,667	4,031	204,031

Compensation of the supervisory board

The compensation of the supervisory board was established by the annual shareholders' meeting and is regulated in § 16 of the Company's articles of association. The compensation is geared to the functions and the responsibilities of the members of the supervisory board as well as to the Group's economic success.

The compensation of the supervisory board is based on an annual fixed amount. In the past financial year, there was no change in the amount of compensation of the individual members of the supervisory board compared to the previous year. Furthermore, the composition and responsibilities of the supervisory board have changed. With effect from 14 May 2009 Ms. Ursula Keller's term of office as employee representative of the supervisory board ended. At the same time, Mr. Ralf Glass has been elected as employee representative of the supervisory board.

The chairman of the supervisory board receives one and a half times the compensation granted to the other members of the supervisory board. Accordingly, the chairman of the supervisory board receives a fixed amount of EUR 60,000, while all other members receive EUR 40,000 each. This results in the following allocation for the reporting year:

Name	Supervisory board compensation EUR
Prof. Dr. Steffens, Klaus	60,000
Dr. Esser, Klaus	40,000
Dr. Gotthardt, Daniel	40,000
Prof. Dr. Hinz, Rolf	40,000
Lange, Mathias	40,000
Glass, Ralf	26,667
Keller, Ursula	16,667

Comparison: Compensation of the supervisory board 2008

Name	Supervisory board compensation EUR
Prof. Dr. Steffens, Klaus	60,000
Dr. Esser, Klaus	40,000
Dr. Gotthardt, Daniel	40,000
Prof. Dr. Hinz, Rolf	40,000
Lange, Mathias	40,000
Keller, Ursula	40,000

TAKEOVER-RELATED DISCLOSURES (ACCORDING TO § 315 (4) HGB)

Composition of subscribed capital

The share capital of CompuGROUP Holding AG is EUR 53,219,350 and is subdivided into 53,219,350 no-par bearer shares with the security identification code 543730 (ISIN: DE0005437305). Since 4 May 2007, the shares have been traded on the regulated market of the Frankfurt Stock Exchange (Prime Standard). Taking into consideration the treasury shares held by the company in the amount of 3,022,868 shares, there is voting capital of 50,196,482 common shares.

Restrictions pertaining to voting rights or the transfer of shares

Restrictions of voting rights of the shares can result from the provisions of the German Companies Act (Aktiengesetz, hereinafter AktG). This primarily results in shareholders being subject, under certain conditions, to a voting prohibition and, in accordance with § 71b AktG, the Company is not entitled to vote on the basis of its treasury shares.

The shareholder group of the Gotthardt family/Dr Koop consisting of the natural persons Mr Frank Gotthardt, Dr Brigitte Gotthardt, Dr Daniel Gotthardt and Dr Reinhard Koop as well as the affiliated legal entities attributable to them hold a total of more than 50 percent of the voting shares.

Two effectively separate concluded pooling agreements, first between Mr Frank Gotthardt, GT1 Vermögensverwaltung GmbH, Dr Brigitte Gotthardt and Dr Daniel Gotthardt, and secondly between GT1 Vermögensverwaltung GmbH and Dr Reinhard Koop result in the attribution of 11,900,623 shares to the share pool, reflecting 23.71 percent of shares with voting rights.The purpose of both pooling agreements is, among other things, to safeguard a consistent exercise of the voting rights with respect to the shares of CompuGROUP Holding AG. Mr Frank Gotthardt as well as GT1 Vermögensverwaltung GmbH are holding additional shares which are not attributable to the share pool. Due to the high probability of a consistent exercise of the voting rights accordingly to the terms of the share pool it can be a proportion of voting rights of 48.15 percent assumed.

Half of the shares allocated to the members of the management board within the framework of the stock option program in May 2007 were subject to a holding period of two years. This holding period has ended in April 2009.

The treasury shares reported in the company assets does not have voting rights.

Interests in capital exceeding 10 percent of the voting rights

In addition to the major shareholder group Gotthardt family/Dr Koop, General Atlantic LLC holds 8,782,085 of the shares with voting rights. Based on all shares with voting rights, this results in a shareholding of 17.50 percent for General Atlantic LLC.

Shares with special rights that confer control powers

No shares with special rights that confer control powers have been issued by the Company.

Nature of voting-right controls in the event of employee participations

The management board is not aware of any Company employees holding interests in the Company in some manner in which they do not exercise their control rights directly for themselves.

Legal provisions and provisions of the articles of association concerning the appointment and dismissal of members of the management board and concerning amendments to the articles of association

§ 84 and § 85 AktG apply to appointments and dismissals of members of the management board. § 133 and § 179 AktG are to be applied to amendments to the articles of association.

Powers of the management board for issuance and repurchase of shares

With the approval of the supervisory board, the management board is authorized to increase the equity of the Company by up to EUR 15,598,775.00 through a one-time or multiple issuance of new shares for cash and/or in-kind capital contributions until 16 August 2011 (approved capital). Furthermore, the management board is authorized to establish, with the approval of the supervisory board, the additional details concerning the execution of capital increases from approved capital. In utilizing approved capital, the shareholders must in principle be granted a subscription right; however, the management board is also authorized, with the approval of the supervisory board, to exclude the statutory subscription right of the shareholders under certain conditions. Furthermore, the management board was authorized to establish, with the approval of the supervisory board, the additional details of the execution of the capital increases from approved capital.

In accordance with a resolution by the annual shareholders' meeting on 14 May 2009, the management board was authorized to acquire Company treasury shares in the amount of up to 10 percent of the equity recorded in the trade register in the amount of EUR 53,219,350. The authorization can be exercised in whole or in partial amounts, on a one-time basis or multiple times in the pursuit of one or several purposes by the Company or for its account by third parties. The authorization took effect on 15 May 2009 and remains valid until 14 November 2010.

At the discretion of the management board, the purchase will be made via the stock exchanges or by a public buy offer made to all shareholders or by a public request to all shareholders to issue offers for sale.

The management board is authorized to use the treasury shares acquired based on this authorization as follows:

(1) With the approval of the supervisory board, they can be sold via the stock exchange or by an offer to all shareholders. Furthermore, with the approval of the supervisory board, they can also be sold in another manner if the shares are sold in exchange for a cash payment and at a price that does not significantly fall short of the stock exchange price of

Company shares on the same terms at the time of sale. The combined amount of the equity accounted for by the number of shares sold under this authorization together with the pro rata amount of capital from new shares issued since the adoption of this authorization (i.e. from 14 May 2009) may not exceed a total of 10 percent of the Company's equity capital resulting from possible authorizations for the issue of shares from approved capital with exclusion of the subscription rights under § 186 (3) no. 4 AktG.

(2) With the approval of the supervisory board, they may be offered and transferred to third parties for the purpose of the direct or indirect acquisition of companies, divisions of companies or stakes in companies.

(3) With the approval of the supervisory board, they may be offered and sold in consideration of third-party industrial or intellectual property rights, such as patents or brands in particular, or licenses to such rights that are transferred to the Company or one of its subsidiaries for the marketing and development of CompuGROUP products.

(4) The shares can also be used for the fulfillment of option rights based on stock options issued by the Company.

(5) With the consent of the supervisory board, they can also be called in without the calling in or the execution requiring an additional resolution of the annual general meeting. The calling in does not raise the percentage of the other shares in the equity capital. Notwithstanding the above, the management board can determine that the equity is not reduced, but instead the percentage of the other shares in the equity is raised in accordance with § 8 (3) AktG. In this case, the management board is authorized to adjust the number of shares in the articles of association.

The authorizations of the preceding section can be utilized on a one-time basis or multiple times, in whole or in partial amounts, individually or jointly; the authorizations in numbers (1) to (4) can also be used by dependent enterprises or those in which the Company holds more than a 50 percent interest, or by third parties acting for the account of the Company.

The subscription right of the shareholders to treasury shares is excluded insofar as these shares are used according to the above authorizations in numbers (1) to (4).

The authorization to acquire treasury shares granted by the annual general meeting of 14 May 2009 will end when this new AGM resolution takes effect. The authorizations granted in the aforementioned AGM resolution to acquire treasury shares remain unaffected by this.

Significant agreements of the Company under the condition of a change of control and compensation agreements with the management board or employees in the event of a takeover offer.

With respect to reporting obligations under § 289 para. 4 no. 8 and 9 of the German Commercial Code (HGB), we herewith make a nil report. In addition to the terms, according to which Mr Teig is granted share options, as mentioned in the compensation report for members of the board above, said share options are subject to a "change of control" clause. Mr Teig may exercise the 375,000 share options immediately during his four year appointment period, if the company during this time experiences a "change of control". A "change of control" is defined as follows: Mr Frank Gotthardt and his family control less than 30 percent of the company shares or another natural or legal person controls a larger number of company shares than Mr Frank Gotthardt and his family.

SHARE REPURCHASE PROGRAM

Completed share buyback-program 05 January 2009 – 31 March 2009

As part of the completed share buyback program which had started on 05 January 2009, CompuGROUP has bought back a total of 403,876 shares or about 0,759 percent of the equity capital at an average price of 4.0960 Euro. This translates into an amount of 1,654,289 Euro.

Completed share buyback-program 1 April 2009 – 27 May 2009

As part of the completed share buyback program which had started on 1 April 2009, CompuGROUP has bought back a total of 500,000 shares or about 0.940 percent of the equity capital at an average price of 4.1708 Euro. This translates into an amount of 2,085,379 Euro.

Completed share buyback-program 4 June 2009 – 31 December 2009

As part of the completed share buyback program which had started on 4 June 2009, CompuGROUP has bought back a total of 125,746 shares or about 0.236 percent of the equity capital at an average price of 5.6852 Euro. This translates into an amount of 714,885 Euro.

CompuGROUP currently holds 3,022,868 treasury shares, or 5.68 percent of equity capital. As at 31 December 2009 the company holds 3,022,868 treasury shares with a purchase price of EUR 14,384 thousand.

FINANCIAL REPORTING

The following disclosure of the financial reporting process is made in accordance with § 315 (2) of the German Commercial Code (HGB) as revised by the German Accounting Modernization Act (BilMoG) at 29 May 2009.

The main features of the internal control system and the risk management system in relation to the (group) financial reporting process can be described as follows:

- Within the CompuGROUP Holding AG Group, a clear management structure and enterprise structure is implemented. The control of regional-covering and sector-covering key functions occurs centrally through the CompuGROUP Holding AG. Operational active subsidiaries have a high level of own responsibility. A clear separation of the functionalities of the areas Group “Accounting”, “Controlling”, “Business Services”, “Risk management”, “Procurement” and “Investor Relations” which are involved in the financial reporting process, is implemented with clearly defined responsibilities.

- To ensure a Group-wide analysis and control of income relevant risk factors and risks that endanger the continuing operations of the company, the Group uses standardized planning, reporting, control and early warning systems and processes.
- The departments which are involved in the financial reporting process are in line with the quantitative and qualitative requirements defined by the group.
- The used financial systems are protected against unauthorized accesses by adequate security mechanisms. The financial systems used are essentially standard software. If required, software certificates for the used software solutions are available.
- An internal written directive according to company requirements is implemented (amongst others a group-wide risk management directive and research and development directive).
- For all financial reporting processes, a ‘four-eye principle’ is applied.
- A review of the financial reporting process is performed in the form of revisions. An internal revision department has not been established so far.
- Required financial reporting processes are subject to regulated analytical tests. The group-wide risk management system is regularly updated to current developments and reviewed on adequacy in terms of quantity and quality. The risk management system is subject to the group year-end audit through our chartered accountants from PricewaterhouseCoopers AG, Frankfurt.
- For key issues in accounting, risk management and the audit mandate of the auditor, the Supervisory Board has established an Audit Committee.

The internal control and risk management system described above ensures that corporate balance-sheet issues are properly recorded, processed, assessed and incorporated in the external accounts. A strict organization-, company-, control- and monitoring structure forms the basis for efficient work processes. The staffing and equipment of the financial reporting process involved areas ensure effective and accurate work; both personnel and material. Legal and corporate directives and guidelines providing, that within the areas involved in the financial reporting, a common and proper financial reporting process is ensured. The clear delineation of responsibilities and various control and verification mechanisms ensure correct accounting and a reliable dealing with potential company risks. Here, the task of the group-wide risk management system, which is in accordance with the statutory requirements, is to identify risks at an early stage, to assess and communicate them appropriately.

The internal control system of CompuGROUP ensures that a consistent financial reporting through CompuGROUP in accordance with the legal and regulatory requirements and internal policies can be provided. The same is to be said for all companies which have to be included in the consolidated financial statements. Therefore, all relevant information are appropriately and dependable available for the addressees of report.

RISK REPORT

As an internationally operating company, CompuGROUP is subject to a variety of different risks that are linked directly to active entrepreneurial actions. The CompuGROUP corporate group is aware of the necessity to enter into risks, which also enable the Company to make use of presented opportunities. As the manufacturer and provider of software products and individual services for the healthcare sector, the Group is only subject to a minimum level of economic fluctuation. Moreover, the Group’s technological expertise and its extensive market knowledge form a durable foundation, making it possible to assess risks as early and as accurately as possible.

Risk management is understood by CompuGROUP as an ongoing endeavor to recognize, analyze and evaluate the extent of potential and actual developments and – to the extent possible – to take measures to reduce the risk factors to a minimum. CompuGROUP’s risk management principles, which are seen as an important part of managing the Group, have been organized in a set of fixed guidelines that are to be applied uniformly across the Group. They should enable management to identify, at an early stage, risks that that could endanger the growth or the continued existence of CompuGROUP and minimize their effects to the greatest extent possible. The Group’s established controlling systems form the risk management foundation with respect to the monitoring of operational as well as strategic risks. The responsible risk manager submits a risk report to the management board on a quarterly basis. The report contains qualitative and quantitative assessments with regard to the probability of occurrence and the potential financial loss resulting from the identified risks that could have a detrimental effect on the Company.

The management board will be informed immediately of any new risks identified during the year. High-quality reporting is the central basis for monitoring and management, as it facilitates prompt implementation of preventative measures. In this way, management of the CompuGROUP group is informed monthly and quarterly on the operational and non-operational business, and receives analyses of the assets, financial position and results. The following risk has been communicated to the Management Board:

Strategic Risks

Strategic risks are understood by CompuGROUP as risks, which can endanger the target achievement due to an insufficient orientation of the company to the respective market environment. Strategic risks may therefore result from inadequate strategic decision-making process, due to unforeseen market developments or from a faulty implementation of the chosen corporate strategy. For CompuGROUP the strategic direction of the Group is set at board level and subjected to regularly reviews.

Essential for the CompuGROUP-group are risks associated with changes in the healthcare market. This is mainly concerns the development of new products and services by competitors, the financing of health care systems and reimbursement in the health care sector.

The eHealth market is characterized by rapidly changing technologies, the introduction of new industry standards and new software introductions and new functionalities. This can lead to that existing products and services become obsolete and therefore losing their competitiveness.

Caused by regulatory changes or the introduction of new industry standards, could affect the market positioning of CompuGROUP in this way that the offered products and services are no longer suitable in its entirety to these new statutory requirements or industry standards. Also, new products or changes to existing pricing models of competitors could have a negative impact on the future market positioning of CompuGROUP.

The future success of CompuGROUP will partially depend on the ability to improve existing products and services to respond timely to the introduction of new products from competitors and to meet changing customer and market requirements. Furthermore, additional costs for product development would occur for CompuGROUP driven by quickly becoming obsolete products and services what could lead in adverse effects on net results.

Macroeconomic risks

The offered products and services by CompuGROUP are currently marketed in 18 countries. Both the development of business relations in these countries as well as the business activity itself is associated with the usual risks for international business dealings. This is in general and in particular related to the existing general economic or political situation of the single countries, the diversity of different tax systems, legal barriers as remedy and export restrictions, competition regulations and laws for the use of the internet or restrictions for the development and deployment of software products and services.

CompuGROUP antagonize against these risks that in both market entry and in the follow-up business activities in these countries a national consultants in form of lawyer’s offices and tax advisors will be regularly consulted and an information exchange with the resident public authorities takes place. In general risks that may arise from changes in macroeconomic factors can never be excluded completely.

Operational risks

Research and development

Generally, there is always a risk that products and modules will not be able to be realized within the specified time frame, adequate quality and cost budget constraints. To avoid this risk, the Group conducts systematic and regular reviews of project progress and compares the results at hand with the initially set targets. In case of deviations, measures can then be taken to compensate for impending damage.

Due to the broad range of our research and development activities, it is not possible to identify a risk concentration on specific products, patents or licenses.

Data protection

Our customers use the products and services offered by CompuGROUP to store highly confidential information about the health of their patients, to process and to transmit. Due to the sensitivity of this information security features are as an integral part of our products and services very important. If despite all efforts the security features offered by CompuGROUP products do not work regular, claims for damages, fines, penalties and other liabilities due to a violation of applicable laws or regulations could arise. Also extensive costs to rectify any deficiencies and re-engineering to prevent such vulnerabilities in the future could arise. Moreover, the image of CompuGROUP as a trustworthy business partner could suffer severe damage.

Market and customer risks

Due to the complexity and significant legal requirements of our products entails the distribution of sales and service partners, certain risks. To ensure also compliance with quality requirements by the sales and service partner special trainings will be offered. The selection of the sales and service partners is subject to strict requirements.

The eHealth market is characterized through strong competition and extensive saturation of the market. This intensive competition can lead to price erosion for our products and services as well as to increasing expenses to ensure customer loyalty and attraction. In the current fiscal year, we expect, as in the past fiscal year a consistently well business development with manageable risks which could have an impact on the profit situation.

Risks related to law and politics

CompuGROUP’s business activities are strongly influenced by the regulatory environment in the public healthcare systems of the individual national markets and thus also by the market structures that are formed by these regulations. The regulatory structure of the European healthcare sector, which is the Company’s primary market at this time, is based on regulations, such as the laws and directives issued by the respective national states and/or by supra-national structures, the latter primarily enacted by the European Union and/or quashed or amended by court decisions.

In particular, CompuGROUP hereby faces the risk that amendments to existing or the adoption of new regulations at a national or supra-national level (the latter primarily referring to the EU level) may adversely affect market conditions relevant to CompuGROUP and thus have a detrimental impact on the business activities of the Group or its individual subsidiaries.

It is not possible to make clear projections with regard to the introduction and extent of potential changes to national and supra-national regulatory bodies or their impact on the markets that are important for CompuGROUP. The introduction and extent of such regulations depend on the political process in the individual countries, and the subsequent impact of such regulations is strongly influenced by the reaction of the respective, affected market participants.

In the reporting year, the Group faced risks in Germany furthermore from legal changes (AVWG) impacting the business area of pharma communications (HCS segment). Based on our current assessments and the resulting analyses from the Management, the aforementioned situation will have a negative impact on our economic development in the 2010 financial year, specifically the results of the directly-affected subsidiaries.

The Group's subsidiary Tepe International A.S. make claims for indemnifications because of various infringements against contractual agreements. The litigation is pending at the ICC Court. Tepe International AS start proceedings – based on the regulated procedures from the asset purchase agreement in 2006 – a sum of USD 11,100,000 (Exchanged as at the 31 December 2009: EUR 7,744,200). These are attributable primarily (USD 8,000,000) for anti-competitive practices and a lack of transfer of shares, including its profits (USD 2,000,000). The 10 percent of the turnover of Tepe TEK according to the cooperative agreement for the years 2007 and 2008, sues Tepe International AS for an amount of TL 2,150,000 (Exchanged as at the 31 December 2009: EUR 991,384). Lost profits for the remaining eight years of cooperation agreement claims Tepe International AS with EUR 6,757,600. Tepe International A.S. also sues for a trade receivable amounting to TL 2,115,412 (Exchanged to the 31.12.2009: EUR 975,435), which has been provided to Tepe TEK.

In return, Tepe TEK has brought suit against mainly due to loss of reputation in the amount of U.S. $3,000,000 (Exchanged as at the 31.12.2009: EUR 2,093,030) and due to lost business in the amount of $6,950,000 (31.12.2009: EUR 4,848,850).

There are currently no known or threatened legal disputes in existence that might have a significant impact on the financial situation of the Group (with the exception of the active litigation proceedings of the subsidiaries Medistar Praxiscomputer GmbH and Tepe International AS).

CompuGROUP is largely dependent on its proprietary information and technology. CompuGROUP believes that the currently available options are sufficient to protect the property rights in order to prevent illegal use. In addition, the laws in other countries may not be designed to protect property rights.

Although our license agreements with customers attempt to prevent misuse of the source code or trade secrets, is there a residual risk that source code or trade secrets can get in the possession of third parties so that these benefit from them illegally. It is also conceivable that third parties thereby are able to develop independently similar or superior products, which are corresponding to the technology or design around the proprietary rights of CompuGROUP.

Financial risks
Business models that are not exclusively financed through equity capital generally face the risk that the leveraged portion of the business is dependent on the given refinancing situation in the capital markets. As a precaution against this specific risk factor, CompuGROUP implemented a support structure that is based on credit lines with national and international Company-affiliated banks.

Essentially CompuGROUP considered amendments in the interest rates as the primary market risk. Accordingly, the risk management strategy aims to offset relevant fair value and cash flow risks. Keeping in mind that most of the long-term financial liabilities of the Company have been closed on the basis of variable interest rates, an interest rate risk occurs, especially for cash flows. To hedge this risk, the company has entered in a swap contract, and therefore fixed the interest rates, rather than exposing them to market fluctuations. Through the closing of interest rate swaps a limitation of the interest rate risk on cash flows and steady payments can be ensured. As part of the interest rate swap payments were arranged at fixed intervals equal to the difference between the fixed and variable interest rate.

Despite all the preventive measures taken, it is not possible to entirely prevent certain refinancing interest rates that the Company must pay from undergoing unfavorable developments or refinancing through leverage from being refused. Considering our current situation, there is no evidence that upcoming refinancing or, generally, an increase in leverage might be subject to risk out of the ordinary.

Further financial risks refer to the risk of bad debt losses. Due to the diversified markets and customer structure of the Group, no agglomeration risks are evident. Given the high creditworthiness of the majority of our customers, the long-term average of bad debt risk is generally low.

Because of the international focus of the Group, incoming and outgoing payments are performed in various currencies. The Group conducts a comparison and balancing of payment streams in the individual currencies. The Company generally strives to achieve extensive natural hedging by its choice of locations and suppliers. Up to date the Company has not used derivative financial instruments to hedge the foreign currency exposure. The development of the relevant positions is monitored regularly to ensure adequate response to significant changes in the positions.

The Company plans to further develop its presence in the national and international market, through such means as the acquisition of companies. In this process, acquisitions are prepared and analyzed with the greatest possible care and diligence. Nonetheless, every acquisition carries its own inherent risk, which, if encountered, may have an impact on the Company's results.

A significant part of our assets from a group perspective are the intangible assets which were purchased by acquisitions. In accordance with mandatory applicable accounting standards the goodwill is at least annually and other intangible assets in the case of so-called "triggering events" are to evaluate. If from such a valuation an impairment of assets results, a corresponding adjustment to the carrying amount of these assets to the determined fair value less cost to sell has to be done. Hereby many different parameters like changes in legislation or the competitive environment can have a significant impact on the value of these intangible assets. If intangible assets are subject to any impairment charges, an extraordinary amortization has to take into the accounts, which leads to a corresponding reduction of the net results.

In the accounts of CompuGROUP deferred tax assets on losses carried forward considered. Future tax reliefs resulting from the utilization of tax losses carry forward are accounted under IFRS as an asset. In case of that expected profits that may be considered to utilize these losses, are not achievable in future, the approach of deferred tax assets has to be reduced in total or partly. Furthermore, possible future developments in legislation could have the effect that the deferred tax assets have to dissolve in total or partly.

Personnel risks
To a large degree, the economic success of the Group is related to the management and strategic leadership of previous and current management board members as well as to a few Company employees in key positions. Despite the fact that there are, aside from management board members, additional employees who perform management tasks, it can be safely assumed that in the event of individual persons leaving the circle of key position holders, the business activities of the Company and the results and financial position would be negatively impacted.

The Group considers the performance of its employees to be essential for its growth and development. Thus, the Group is in competition with other companies for highly qualified specialists and executives. As a result, the Group offers an attractive compensation system as well as individually tailored continuing education to be able to win employees and retain them over the long-term. Currently, no significant risks are known that may have an impact on the recruitment of specialists and executive personnel and that could thus endanger the growth targets we have set.

Risks from project business
The Company makes part of its sales in the project business. Here, there are longer time periods between the order assignment and the payment for the order, during which the Company has to take care of advance payments. The risk the Company faces in these periods is specifically the credit risk of its customers. Furthermore, the risk the Company faces in the project business is the continuous need for new orders/projects to be able to generate the necessary sales volume or sales volume growth. Resulting from the extremely high initial implementation costs of software solutions and the thus long-term product life cycle, the area of hospital information systems (HIS) is especially exposed to the risk that lucrative new business may require a long-term approach. Hence, the Company strives to establish long-term business relationships with its customers, often by taking over software maintenance, in order to be a contact partner and to be able to participate in the bidding process when new orders/ projects are awarded. Risks may also arise when the market is not sufficiently monitored, resulting in an inadequate bidding and order pipeline. In the absence of new business and the expiration of software maintenance contracts, the Company may suffer a loss in sales, which would have a negative impact on the Company's results.

Overall risk evaluation
The legal and political risks in 2010 are unchanged at a higher level. CompuGROUP expected to have a negative impact on revenue and income, especially in the HCS segment. In the foreign exchange and project risks, the trend continues upward, reflecting the proceeding internationalization the further increasing sales volume in the project business stemmed from obtained large contracts. Foreign exchange risks were currently calculated at a Value at Risk of approximately EUR 1.0 million related to the EBITDA of the Group.

Through operative measures and by taking financial precautions in the form of allowances and value adjustments we will likely be able to hedge these risks.

Risks that may impact the Company as a going concern were not evident in 2009, neither in form of individual risks nor from a total risk perspective for CompuGROUP as a whole.

OUTLOOK
CompuGROUP offers the following guidance for 2010:
- Revenue is expected to be in the range of EUR 315 million to EUR 330 million.
- Operating income (EBITDA) is expected to be in the range of EUR 67 million to EUR 73 million.

The outlook for 2010 represents management's best estimate of the market conditions that will exist in 2010 and how the business segments of CompuGROUP will perform in this environment.

In the HPS segment, the organic growth rate is expected to exceed 10 percent and acquisitions to date will grow HPS revenue by approximately 5 percent. The EBITDA margin is expected to improve relative to 2009. The portfolio of software maintenance from existing customers is approximately EUR 150 million at the beginning of 2010 compared to EUR 120 million at the beginning of 2009.

In the HCS segment, our forecast assumes a 10-20 percent loss of revenue in the Communication and Data business. Other HCS revenue is expected to more than compensate for this decline and in total, HCS revenue is expected to grow with stable EBITDA margin relative to 2009.

The foregoing guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2010.

Looking in the medium term beyond 2010, CompuGROUP expects to continue the growth in revenue and EBITDA. As a market leader in Europe, the company is ideally positioned to benefit from changes in healthcare systems all over the world with demand for software solutions and IT services less sensitive to economic climate. As such, CompuGROUP does not expect permanent or long lasting deterioration of the market conditions in the future. Our strategy is based on a highly resilient business model with high margins and high proportion of recurring revenue from software maintenance and related services combined with high costs for customers to switch and technological barriers preventing competitors to enter the market.

GENERAL ECONOMIC CONDITIONS

Global economic development

The 2009 financial year was characterised by the worst economic crisis since the end of the Second World War. While the world economy still grew by 3 percent in 2008, the IMF (International Monetary Fund) reported a decline of 0.8 percent in 2009. After an initial recovery in economic development in most industrialised states in summer 2009, this upwards trend strengthened noticeably in the second half year, mainly driven by state stimulus packages and automatic stabilisers.

The IMF is forecasting global growth of 3.9 percent for 2010. This is an upwards correction of 0.75 percent in comparison with the forecast in October 2009. In the industrialised states a rather sluggish recovery is expected (2.1 percent), while emerging markets and developing countries are expected to grow relatively strongly (6 percent).

The **Eurozone** was particularly badly hit by the economic crisis and at -4 percent had the strongest decline among the industrialised states, alongside Japan and the United Kingdom. After this contraction, the economy in the Euro area will expand slightly again by one percent overall in 2010.

While economic output in **Germany** still rose by 1.3 percent in 2008, economic output in 2009 was 4.8 percent below the level of the previous year. Here the decline in exports and sinking equipment investments were particularly noticeable, while private consumption remained stable, supported by state programmes (short time working money, car scrappage scheme).

However, since the second quarter of 2009 the German economy has recovered a good fifth of the preceding loss of production. The Deutsche Institut für Wirtschaftsforschung (DIW, or German Institute for Economic Research) has forecast economic growth of 2.1 percent for 2010. At the end of 2011 economic output will approximate the level in the middle of 2008 again.

Industry development

According to information from the Bundesverbandes Informationswirtschaft Telekommunikation und neue Medien e.V. (BITKOM, or Federal Association for Information Technology, Telecommunications and New Media) on the basis of data from the European Information Technology Observatory (EITO), worldwide ITC volumes were around EUR 2.4 trillion in 2009. The ITC market encompasses the information technology (hardware, IT services and software) and telecommunications (TC infrastructure, end appliances and telecommunications services) sectors. Among the strongest regions are the USA and the European Union with a share of world market volumes of one third each. In a comparison of individual countries Germany was in fourth place with 5.5 percent, after the USA, Japan and China.

The economic crisis has also left its mark on the ITC sector, even if it did not hit it as hard as other sectors. According to BITKOM the European market declined by 2.2 percent to EUR 718 bn. Germany posted a minus of 2.5 percent to EUR 129.7 bn. The information technology sector developed analogously to the overall market with a decline of 2.6 percent while the software sub-segment had to suffer a decline of -3.2 percent on the previous year.

The view of 2010 is optimistic. Forrester Research anticipates a worldwide plus of 8.1 percent for IT expenditure worldwide in 2010. Tending to be positive, but less euphoric, the International Data Corporation (IDC) forecasts an increase of 3.2 percent for the ITC sector, which would mean the growth rates achieved before the recession remaining out of reach.

According to BITKOM's forecast the ITC market will stabilise with expected growth to be moderate at 0.3 percent (EU) and 0.2 percent (Germany). The BITKOM sector barometer, a quarterly survey about the business situation and sales expectations in the German ITC sector, produced a positive trend. The large majority of providers of information technology and telecommunications (ITC) products and services expect growth in sales in 2010. Accordingly 57 percent of the surveyed companies anticipate growth and 17 percent stable business.

Healthcare industry and e-Health
According to the OECD, the health sector is a central constituent of European economies with an output of 10 percent of gross domestic product on average. By 2020 this share will increase to 16 percent, due above all to demographic developments, technological progress and stronger health awareness in the population. Greater financial pressure will force this development to become more efficient. To achieve this, the sector will have to utilise information and communication technologies. According to a study by Roland Berger Strategy Consultants the market for electronic health services (e-Health) has enormous future potential. This encompasses clinical information systems, integrated health information networks, systems related to the health service and telemedicine (e-Care).

Starting from an estimated EUR 24.6 billion in 2010, the EU Commission forecasts annual growth of 11 percent in the e-Health sector from 2010, which will subsequently accelerate still further. A strong political commitment is added to this. Thus the EU already defined the e-Health market as one of the six “lead markets” in 2007, i.e. a particularly promising economic sector, and hopes for up to 230,000 new jobs in Europe from this initiative.

CERTIFICATION OF LEGAL REPRESENTATIVES

We declare to the best of our knowledge that the Group financial statements give a true and fair view of the Company’s assets, financial position and results in accordance with applicable accounting policies and that the management report gives a true and fair view of the business operations, including the Company’s results and position, and presents the major opportunities and risks facing the Company in the foreseeable future.

Koblenz, 4 March 2010

CompuGROUP Holding AG
The Managing Board

Frank Gotthardt | **Christian B. Teig** | **Jan Broer**

Uwe Eibich | **Prof. Dr. Stefan Winter**

Consolidated Statement of Financial Position
as at 31 December 2009

ASSETS

	Notes	31.12.2009 EUR '000	31.12.2008 EUR '000
Non-current assets			
Intangible assets	(1)	311,472	295,601
Property, plant and equipment	(2)		
Land and buildings		22,601	15,878
Other facilities, furniture and office equipment		11,978	10,933
Assets under construction		2,055	368
Financial assets	(3)		
Interests in affiliates (valued at equity)		1,915	8,209
Other investments		111	175
Other receivables	(7)	4,092	508
Deferred taxes	(4)	9,338	13,355
		363,562	345,027
Current assets			
Inventories	(5)	2,992	2,491
Trade receivables	(6)	32,192	27,513
Other receivables	(7)	17,289	14,695
Income tax claims	(4)	5,675	11,376
Securities (recognized as profit of loss as fair value)	(8)	35	138
Cash and cash equivalents	(9)	29,110	16,086
		87,293	72,299
Non-current assets qualified as held for sale	(10)	927	0
		88,220	**72,299**
		451,782	417,326

(The appended notes are an integral part of the consolidated financial statement)

Consolidated Statement of Financial Position

as at 31 December 2009

SHAREHOLDER EQUITY AND LIABILITIES

	Notes	31.12.2009 EUR '000	31.12.2008 EUR '000
Shareholder equity	(11)		
Subscribed capital		53,219	53,219
Treasury shares		-14,384	-9,925
Reserves		146,183	137,740
Capital and reserves allocated to the shareholder of the parent company		185,018	181,034
Minority interests		810	1,790
		185,828	182,824
Non-current liabilities			
Pension provisions	(12)	865	1,386
Liabilities to banks	(13)	109,039	10,685
Purchase price liabilities	(14)	10,186	6,249
Other liabilities	(17)	4,120	508
Deferred taxes	(4)	37,246	40,734
		161,456	59,562
Current liabilities			
Liabilities to banks	(13)	35,131	114,088
Trade payables	(15)	16,859	12,211
Income tax liabilities	(4)	7,099	7,055
Provisions	(16)	14,841	15,437
Purchase price liabilities	(14)	2,334	2,009
Other liabilities	(17)	27,889	24,140
		104,153	174,940
Liabilities associated directly with non-current assets qualified as held for sale	(10)	345	0
		104,498	**174,940**
		451,782	417,326

(The appended notes are an integral part of the consolidated financial statement)

Total Comprehensive Income Statement
of the year 2009

	Notes	2009 EUR '000	2008 EUR '000
Sales revenue	(18)	293,409	229,191
Capitalized in-house services	(19)	6,879	5,725
Other income	(20)	3,182	6,494
Expenses for goods and services purchased	(21)	-61,031	-49,248
Personnel expenses	(22)	-130,178	-95,769
Other expenses	(23)	-53,089	-47,071
Earnings before interest, taxes, depr. and amortization (EBITDA)		**59,172**	**49,322**
Depreciation of property, plants and tangible assets	(24)	-5,461	-4,199
Earnings before interest, taxes and amortization (EBITA)		**53,711**	**45,123**
Amortization of intangible assets	(24)	-28,915	-32,323
Earnings before interests and taxes (EBIT)		**24,796**	**12,800**
Results from associates recognized at equity	(25)	193	577
Financial income	(26)	2,342	1,984
Financial expense	(26)	-9,014	-8,380
Earnings before taxes (EBT)		**18,317**	**6,981**
Income taxes for the period	(27)	-6,601	-5,713
Consolidated net income of the period		11,716	1,268
of which: allocated to parent company		**12,007**	**1,717**
of which: allocated to minority interests		**-291**	**-449**
Other results			
Stock option program		216	61
hereon allocated deferred tax		-64	-18
Currency conversation of the capital consolidation		-4,303	-6,674
Transitions consolidation		686	0
Total result of the period		8,251	-5,363
of which: allocated to parent company		**8,542**	**-4,914**
of which: allocated to minority interests		**-291**	**-449**
Earnings per share	(28)		
undiluted (EUR)		**0.24**	**0.03**
diluted (EUR)		**0.24**	**0.03**

Further information of the company:		
Cash Net Income*	**35,037**	**31,106**
Cash Net Income* per share (EUR)	**0.69**	**0.60**

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

Changes in Consolidated Equity
as at 31 December 2009

	Parent company				Minority interests	Consolidated equity
	Share capital EUR '000	Treasury shares EUR '000	Reserves EUR '000	Total EUR '000	EUR '000	Total EUR '000
Balance as at 31.12.2007	**53,219**	**-512**	**142,858**	**195,565**	**2,451**	**198,016**
Minority additions from acquisitions	0	0	0	0	305	305
Additional purchase of shares from minority interests after control	0	0	-120	-120	-601	-721
Reclassification of negative minority interests	0	0	-84	-84	84	0
Purchase of own shares	0	-9,413	0	-9,413	0	-9,413
Total result of the period	0	0	-4,914	-4,914	-449	-5,363
Balance as at 31.12.2008	**53,219**	**-9,925**	**137,740**	**181,034**	**1,790**	**182,824**
Dividend distribution on minority interests	0	0	0	0	-214	-214
Minority additions from acquisitions	0	0	0	0	3,639	3,639
Additional purchase of shares from minority interests after control	0	0	-87	-87	-4,126	-4,213
Reclassification of negative minority interests	0	0	-12	-12	12	0
Purchase of own shares	0	-4,459	0	-4,459	0	-4,459
Total result of the period	0	0	8,542	8,542	-291	8,251
Balance as at 31.12.2009	**53,219**	**-14,384**	**146,183**	**185,018**	**810**	**185,828**

(The appended notes are an integral part of the consolidated financial statement)

Consolidated Cash Flow Statement

as at 31 December 2009

	2009 EUR '000	2008 EUR '000
Group net income	11,716	1,268
Amortization of intangible assets, plant and equipment	34,376	36,522
Refund preliminary purchase price	330	0
Earnings on sales of fixed assets (set off)	-93	-117
Change in provisions (including income tax liabilities)	-1,774	1,411
Change in deferred taxes	-1,970	-5,732
Change in other non-cash items	-1,416	2,523
	41,169	**35,875**
Change in inventories	616	1,123
Change in trade receivables	-2,906	4,375
Change in other receivables	-2,916	145
Change in income tax receivables	5,826	2,060
Change in securities (stated at fair value)	103	171
Change in trade accounts payables	3,289	-2,026
Change in other short-term liabilities	-806	-16,319
Change in other long-term liabilities	-371	508
Cash flow from operating activities	44,004	25,912
Cash inflow on disposals of sales of property, plant and equipment	767	419
Cash outflow for capital expenditure in property, plant and equipment	-10,012	-8,575
Cash inflow on disposals of intangible assets	993	263
Cash outflow for capital expenditure in intangible assets	-9,185	-11,118
Cash inflow on disposal of financial assets	0	102
Cash outflow for investments in financial assets	-408	0
Acquisition of minority interests	-7,811	-416
Acquisition of companies less assumed cash and cash equivalents	-17,218	-117,075
Cash flow from investing activities	-42,874	-136,400
Cash inflow from assumption of loans	129,559	110,161
Cash outflow from the repayment of loans	-113,688	-2,498
Change in current purchase price liabilities	-3,647	-388
Change in non-current purchase price liabilities	3,937	-4,176
Purchase of own shares	-4,459	-9,413
Cash inflow from the repayment of loans receivables through externals	0	338
Dividends received	170	125
Cash flow from financing activities	11,872	94,149
Changes in cash due to exchange rates	22	-210
Change in cash and cash equivalents	**13,024**	**-16,549**
Cash and cash equivalents at the beginning of the period	16,086	32,635
Cash and cash equivalents at the end of the period	29,110	16.086
Interest paid (financing activities)	5,157	5,159
Interest received (operating activities)	943	915
Income tax paid (operating activities)	8,005	13,452
Dividends received (financing activities)	170	125

(The appended notes are an integral part of the consolidated financial statement)

Consolidated Notes
for the 2009 Financial Year

A. THE COMPANY
CompuGROUP Holding AG (parent company) is a company registered in Germany in the Commercial Register of the Koblenz Municipal Court under HRB No. 4358. The registered office of the company is located at Maria Trost 21 in Koblenz. The purpose of the company and its principal activities can be characterized as follows:

The group is currently divided into three divisions – Integrated Health Provider Services (HPS), Health Connectivity Services (HCS) and Consumer Health Services (CHS). These Areas form the basis for the company's segment reporting.

HPS Development and marketing of software solutions for office-based doctors, dentists and hospitals.
HCS Networking of the service providers (doctors, dentists and hospitals) with other key market participants in the healthcare sector, such as medical insurance companies, pharmaceutical companies and others.
CHS Products and services to cover the growing need for patient health information (electronic patient services).

The consolidated financial statement was prepared in compliance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and the supplementary regulations of § 315a HGB. The income statement for the Group and the consolidated balance sheet correspond to the organizational requirements of IAS 1, while the income statement is structured according to the total expense method.

The consolidated financial statement is presented in thousands of euros (EUR '000). In contrast to the German Annual Report, some values are shown in million EUR.

B. GENERAL PRINCIPLES
This consolidated financial statement combines the financial statements of CompuGROUP Holding AG and its subsidiaries (also referred to in the following as the "Company" or "CG Group"). It is a consolidated financial statement prepared in accordance with § 315a HGB, based on the IFRS. The application of the individual standards is described in the comments on the individual items in the consolidated financial statement. The Company has applied all mandatory IASB standards for the year ended 31 December 2009, as well as the mandatory interpretations of the International Financial Interpretations Committee (IFRIC).

The commercial regulations to be applied pursuant to § 315a HGB were also observed.

New accounting regulations:
The methods of accounting and evaluation applied correspond in principle to those used in the previous year with the following exceptions:

The new and revised IFRS standards listed below have been applied for the first time in the year under review. Their application had the following effects on the consolidated financial statements:

IAS 1 (rev. 2007) – Presentation of Financial Statements
The revision of IAS 1 means that the traditional profit and loss statement is replaced as a separate component of the financial statements by a statement of comprehensive income. The overall result consists of the income and expenses recorded in the traditional profit and loss statement and of the income and expenses recorded directly in equity. There is the option of presenting the statement of comprehensive income in the form of a single comprehensive account or in the form of two separate statements.

One of the major amendments is the strict separation of changes in equity resulting from transactions with minorities from those with parent company, such as capital increases and dividend payments. The income and expense recorded in equity must therefore be mandatorily taken up in the statement of comprehensive income as changes in equity attributable to minorities. A presentation made solely together with equity changes attributable to the parent company in a statement of changes in equity is no longer possible.

The revised version of the IAS 1 contains extended duties of disclosure. Among other things, the reclassification adjustments are to be declared for each component of the other comprehensive income and the income tax effects attributable to them – either in the notes or within the statement of comprehensive income. Reclassification adjustments are understood to be adjustment postings in other comprehensive income made during the restructuring of income and expenses previously posted in the profit and loss statement without effect there upon their realisation (so-called "recycling"). In case of changes to the methods of accounting and evaluation, of corrections of errors or reclassifying individual items, the statement of financial position must be extended to include an opening balance for comparative periods.

The first-time application of the revised standard influenced the presentation of the financial statements, although not the situation of the CG Group's assets, finances and earnings. The CG Group presents the statement of comprehensive income in the form of a single comprehensive statement.

IFRS 8 – Operating segments
The standard replaces the former IAS 14, Segment Reporting, and adapts the regulations on segment reporting to US-GAAP (FAS 131) as part of the convergence project.

The regulations of IFRS 8, Operating Segments, represent a substantially amended concept for segment reporting compared to the previous procedure under IAS 14. The new standard requires an entity to adopt a “management approach”. This means that segment reporting is oriented in its structure and content to the reports regularly submitted to the internal decision makers.

The operations of CompuGROUP are primarily organized on the basis of the differences of products and services. As in the previous year, three segments subject to reporting in accordance with IFRS 8 were identified. These cover all the group’s operative activities.

The methods of reporting these segments subject to disclosure correspond to the internal reporting to the chief operating decision maker. The evaluation is made under the same principles as those for the consolidated financial statements. EBITDA is the central control variable for measuring the success of the business. The chief operating decision maker is the Executive Board.

The following new or revised standards and interpretations applied for the first time had no or only insignificant effects on the consolidated financial statements

Amendment to IAS 23 – Borrowing Costs
The revised IAS 23, Borrowing Costs, dispenses with the option of immediate expensing of borrowing costs which can be attributed directly to a qualifying asset. Application of the revised IAS 23 means that these borrowing costs must be capitalized as acquisition or production costs. The duty of capitalization does not apply to borrowing costs connected with assets measured at fair value, nor to inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis and that take a substantial time to get ready for sale.

The revised standard must be applied to borrowing costs relating to qualifying assets for which the commencement date for capitalization was on or after the 1 January 2009. IAS 23 likewise has an impact on the accounting methods for construction contracts under IAS 11 as borrowing costs directly attributable to a construction contract now mandatorily belong to the order costs.

Amendment of IAS 32 and IAS 1 – Terminable financial instruments and Obligations arising on Liquidation
The revision standard, in particular, leads to changes in IAS 32, Financial Instruments: Presentation, which contains the central regulations for classifying equity and outside capital. Under certain prerequisites, these changes now enable financial instruments with rights of return and certain obligations arising on liquidation to be classified as equity instruments, whereas the previous regulations of IAS 32 prescribed that such financial instruments be carried as outside capital.

The new regulations could lead to an equity posting under IFRS in Germany in future, particularly for commercial partnerships. With regard to the wide-ranging degrees of freedom under German partnership law, no generally valid forecast can be made on the outcome of applying the amended standard in individual cases. In contrast, no change results to accounting for third party shareholdings in consolidated partnerships in the IFRS consolidated financial statements. These should continue to be carried as outside capital in accordance with the amended standard.

Amendment of IFRS 1 and IAS 27 – investments in subsidiaries, jointly controlled entities or associated enterprises in the separate financial statements of the parent entity
The amendment to IFRS 1, First-time Adoption of International Financial Reporting Standards, prescribes that in the IFRS opening balance sheet of its separate financial statements, an entity can carry the book value of participations in subsidiaries, jointly controlled entities or associated enterprises as substitute for acquisition or production costs (deemed cost) either at:
- the fair value of the interest attributable at the date of conversion to IFRS or
- the book value of the interest resulting from the accounting principles used in the past at the date of conversion to IFRS.

This simplification regulation is intended to avoid what can be the time-consuming and cost-intensive, retrospective determination of investments in subsidiaries being seen as a barrier to application of IFRS in the separate financial statements of the parent entity.

IAS 27, Consolidated and Separate Financial Statements, is amended as follows:
- The definition of the acquisition costs method is eliminated.
- Dividends from subsidiaries, jointly controlled entities and associated enterprises should be posted as net income in the parent entity's separate financial statements in future, even if the distributed profit originates from the time before acquisition of the subsidiary.
- In case the group structure is reorganised, the new parent company must determine the acquisition costs for the participation in the previously existing parent entity on the basis of the book value of its equity recognised in the separate financial statements at the date that the new parent company was established, insofar as the following prerequisites are fulfilled:
- The new parent company issues its own equity instruments in exchange for equity instruments of the previous parent entity and thereby gains control over this enterprise.
- The assets and debts of the new corporate group immediately after the reorganisation correspond to those of the previous corporate group before the reorganisation.
- The shareholders of the previous parent company participate directly before and after the reorganisation in the previous and in the new corporate group with the same relative and absolute shareholdings.

The elimination of the definition of the acquisition costs method dispenses with the regulation of offsetting distributions of profit from the time before acquisition of the subsidiary with the book value of the interest with no effect on net income. However, such distributions could be an indicator of value reductions.

Amendment of IFRS 2 – Share-based Payment: Vesting Conditions and Cancellations
The amendments of IFRS 2, Share-based Payment, concern the definition and the treatment of vesting conditions. The amendments furthermore concern the treatment of cancellations of a pledge by a party other than the entity itself.

The amendments clarify that vesting conditions are defined solely as those conditions which determine whether an entity receives services which entitle the opposing party to share-based remuneration. In this respect, the definition of vesting conditions now only recognises service conditions and performance conditions. In delimitation to non-vesting conditions, the opposing party must also grant a certain service time with performance conditions, i.e. performance conditions now additionally always contain a service requirement on the fulfilment of specified targets under the new regulations.

In case the entity or the opposing party can decide upon the fulfilment of a non-vesting condition, the amendments to IFRS 2 stipulate that non-fulfilment of this condition during the vesting period must be treated as a cancellation. Under the new regulations, a cancellation by a party other than the entity itself (e.g. employee) is to be treated in the same way as a cancellation by the entity itself, i.e. expenses not yet recorded are posted immediately with affect on net income (accelerated vesting).

IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions
IFRIC 11 was published on 2 June 2007 and is concerned with questions involving the treatment of share-based remuneration agreements, under which rights are granted by an entity or its shareholders to own equity instruments or to those of other group companies. IFRIC 11 also states that buying own equity instruments from another party in order to satisfy the obligation from a share-based pledge changes nothing in the categorisation as “equity-settled”. IFRIC 11 furthermore regulates that when rights to the equity instruments of the parent entity are granted to employees of a subsidiary, these must be subject to differential categorisation in the subsidiary’s financial statements as “equity-settled” or “cash-settled”, depending on whether the parent entity’s equity instruments are granted by the parent entity itself or by the subsidiary.’

Application of the interpretation is binding for reporting periods beginning on or after the 1 March 2007, and indeed retrospectively in accordance with the regulations of IAS 8. In deviation to this, however, the relevant EU adoption ordinance foresees first-time mandatory application for financial years beginning on or after the 1 March 2008.

Amendment of IFRS 7 – Improving Disclosures on Financial Instruments
The amendments prescribe enhanced disclosures on the evaluation of financial instruments to be measured at fair value and on liquidity risks. In particular, a three stage hierarchy is introduced for disclosures on fair value measurement, upon which the scope of additional duties of disclosure depend. Upon first-time application of the amendments, no comparative disclosures for previous years are required with regard to the additional duties of disclosure.

As this amendment of IFRS 7 solely concerns added disclosures, this has no effect on the result per share in the financial year 2009.

IFRIC 13 – Customer Loyalty Programmes
IFRIC 13 addresses accounting by entities which grant loyalty award credits (such as bonus points or travel miles) from sales transactions that customers can use in the future to obtain free or discounted goods and services (awards). IFRIC 13 prescribes an accounting method for the regulated cases as a so-called multi-component contract in the sense of IAS 18.13. This requires entities to allocate some of the proceeds of the initial sale to the award credits and recognize these proceeds as revenue only when they have fulfilled their obligations. The part of the purchase price attributable to the award credits granted should be determined by reference to the fair value of the award credits, i.e. the amount at which these could be sold separately.

Amendment of IFRIC 9 and IAS 39 – Embedded Derivates
The amendments to IFRIC 9 and IAS 39 require an assessment to be made of whether an embedded derivate needs to be split off from the basis contract and carried separately at fair value as a derivate at the date at which the entity first became a contractual party. A reassessment at a later date may be undertaken only if the contractual conditions are altered in such a manner that this produces a significant change in the payment flows resulting from the original contract.

In the revision standard, IASB clarifies that an assessment of embedded derivates is obligatory even for a reclassification of financial assets in the “fair value through profit or loss” category in accordance with the modifications to IAS 39 and IFRS 7 of October 2008. This is because the structured product did not need to be reviewed to date for the presence of embedded derivates to be split off as a result of measurement by fair value through profit or loss.

When making the review, the decisive circumstances are those prevailing at the date at which the entity first became a contractual party to the financial instrument, or at which a change was made in the contractual conditions that had significant effects on the flow of payments. If this review establishes the need to recognize the derivate separately, yet it is not possible to valuate the derivate separately because its fair value cannot be reliably determined, the complete structured instrument must then remain in the “fair value through profit or loss” category.

IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
The amendment deals with the question arising with the so-called “Asset Ceiling” of whether, and to what extent, refunds or future reductions in contribution are available for the entity, particularly if, for example, a minimum funding requirement for a pension plan or other employee benefits is created by law or by contractual regulations. Apart from a guideline for the interpretation of “availability” under IAS 19.58, IFRIC 14 primarily clarifies when a minimum funding requirement can lead to an onerous liability or influence the availability of future economic benefits.

In principle, a minimum funding requirement has no influence on accounting methods under IAS 19. However, if the necessary contribution payments are no longer available to an entity after it has established a plan, a minimum funding requirement can trigger a liability or influence the availability of future economic benefits.

In this context, IFRIC 14 differentiates between contribution payment requirements for services already provided in the past and contribution payment requirements for future services:

- If minimum funding requirements exist which refer to contribution payments for services already provided in the past, the entity must recognize a liability at the date the obligation arises in the scope in which the due contribution payments are not available after establishment in the plan. This leads to the reduction of a defined benefit asset or to the increase in the obligation of a defined benefit liability. The application of IAS 19.58A thereby assumes the determination of such a liability.
- If minimum funding requirements exist which refer to contribution payments for future services, the financial benefit available as a future reduction in contribution corresponds to the cash value from the estimated service cost in future, less the estimated minimum funding amounts in the years under review. If the future minimum funding exceeds the service cost in future, the cash value of this excess reduces the amount of the asset available as a future reduction in contribution at the statement of financial position date.

Improvements to IFRSs (2008)
The IASB published the first annual collective standard for making minor modifications to the IFRS, the so-called “Improvements to IFRSs”, on the 22 May 2008. A total of 20 IAS/IFRS were affected. With the exception of the changes to IFRS 5, all changes must be mandatorily applied for the first time to reporting periods beginning on or after the 1 January 2009.

The following standards and interpretations which have been published but need not be mandatorily applied have not been used yet.

IFRS 1 (rev. 2008) – First-time Adoption of the International Financial Reporting Standards
The new version of IFRS 1 published on 27 November 2008 by IASB contains the regulations of the previously applicable standard, although it differs in its breakdown in order to achieve better comprehensibility and to enable changes to be incorporated more easily in future. It was endorsed by the EU on 25 November 2009, whereby the date of application foreseen by the IASB was altered. Application is thus mandatory for financial years beginning on or after the 1 January 2010. This has no effects on the consolidated financial statements of the CompuGROUP.

IFRS 3 (rev. 2008) – Business Combinations and IAS 27 (rev. 2008) – Consolidated and Separate Financial Statements
IFRS 3 (revised), Business Combinations, and IAS 27 (revised), Consolidated and Separate Financial Statements, introduces a number of significant changes to the accounting practices to date with regard to business combinations, disposals of shareholdings and acquisitions of minority holdings. The changes concern both questions of accounting and evaluation. They could lead to greater volatility in results, even in periods after the acquisition of an operation.

The amendments of IFRS 3 particularly concern the determination of acquisition costs, accounting for the residual value of “goodwill”, depicting successive company acquisitions, and the recognition and measurement of identifiable assets and debts in individual operations.

In particular, the amendments of IAS 27 lead to changes related to transactions with minority interests and the losses attributable to the minority interests in the consolidated financial statements. In addition, shares retained in the transitional consolidation must be revaluated at fair value in future as a matter of principle. The resulting effects should be recorded in the profit or loss.

The new IFRS 3 (revised) should be applied prospectively to business combinations for which the acquisition date concerns financial years beginning on or after the 1 July 2009. The new IAS 27 (revised) should likewise be applied prospectively for financial years beginning on or after the 1 July 2009. Earlier application is admissible, provided both revised standards are applied earlier. Depending on the nature and scope of future transactions, the changes will have effects on the situation of the CG Group’s assets, finances and earnings which cannot be appraised at the present time.

Amendment of IAS 32 – Classification of Rights Issues
The IASB published amendments to IAS 32, Financial Instruments: Presentation, with regard to the classification of rights issues, on the 8 October 2009.

The IASB has supplemented IAS 32 to the effect that rights issues, options and warrants to acquire a fixed number of an entity's own equity instruments for a fixed price stated in a currency other than the entity's functional currency should be posted as equity instruments, provided these are offered pro rata to all its existing owners of the same class.

The change should be applied for the first time to financial years beginning on or after the 1 February 2010. With regard to first-time application, it can be said from what is known today that these changes are unlikely to have any effects on the consolidated financial statements of CompuGROUP.

Amendment of IAS 39 – Financial Instruments: Recognition and Measurement – Eligible Hedged Items
The supplements to IAS 39, Financial Instruments: Recognition and Measurement – Eligible Hedged Items, were published on the 31 July 2008.

In these, the IASB emphasises that inflation risks may only be hedged in the instance that payments are directly linked to an inflation index. It is furthermore made clear that effective hedging of one-sided risks is generally not possible by an option in its entirety.

The amendments should be applied retrospectively to financial years beginning on or after the 1 July 2009. The modifications to the standard will not affect the situation of assets, finance or earnings because the group does not enter into eligible hedged items.

Amendment of IFRS 5 – Plan to sell the controlling interest in a subsidiary
The Amendment of IFRS 5, Long-term Assets held-for-sale and Discontinued Operations, concerns situations in which an entity intends to sell a partial shareholding in a subsidiary which leads to the loss of control. An additional paragraph 8A now clarifies such a situation in that all the subsidiary's assets and debts must be classified as "held-for-sale", regardless of whether the entity continues to retain a shareholding in the subsidiary after the planned sale. The standard is additionally complemented by Paragraph 36A. This regulates the disclosure of information on operations to be discontinued if the subsidiary foreseen for sale represents an operation to be discontinued in the sense of IFRS 5. As a subsequent change to IFRS 1 (revised 2008), first-time Adoption of the International Financial Reporting Standards, the modifications to IFRS 5 should be applied prospectively from the date of the transition to IFRS.

The modifications of IFRS 5 should be applied to financial years beginning on or after the 1 July 2009. With regard to first-time application, it can be said from what is known today that these changes are unlikely to have any effects on the consolidated financial statements of the CompuGROUP.

IFRIC 12 – Service Concession Arrangements
IFRIC 12, Service Concession Arrangements, addresses the accounting and assessment of the obligations and rights of operators resulting from so-called service concessions. These were endorsed by the EU on 25 March 2009, whereby the date of application foreseen by the IASB was changed. Application thus becomes mandatory for reporting periods beginning on or after the 30 March 2009. The companies included in the consolidated financial statements are not operators in the sense of IFRIC 12, so this interpretation has no effect on the group.

IFRIC 15 – Agreements for the Construction of Real Estate
The IFRIC published the interpretation IFRIC 15 on the 3 July 2008. The interpretation stipulates the conditions under which entities concerned with the construction of real estate, IAS 11, Construction Contracts, and IAS 18, should apply earnings. IFRIC 15 was endorsed by the EU on 22 July 2009, whereby the date of application foreseen by the IASB was changed. IFRIC 15 should therefore be mandatorily applied at the latest at the start of the first financial year beginning after the 31 December 2009. As the CompuGROUP has no real estate construction contracts, no effects result from this standard.

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation
Under the regulations of IAS 39 on hedge accounting, it is possible to hedge against the foreign currency risk resulting from the different currencies used by companies in a group and to delimit the value changes of the hedging instrument in equity until the foreign operation in question has been sold. The requirements on such a hedging arrangement and the resulting consequences for the financial statements are set out by IFRIC 16.

IFRIC 16 was published on the 3 July 2008 and endorsed by the EU on the 4 June 2009, whereby the application date foreseen by the IASB was changed. IFRIC 16 should therefore be mandatorily applied at the latest to financial years beginning on or after the 1 July 2009. IFRIC was already amended as part of the improvements to IFRSs (2009). These still need to be endorsed by the EU. As no such hedging transactions exist at present, this interpretation will not have any effects on the group.

IFRIC 17 – Distributions of Non-cash Assets to Shareholders
The IFRIC published the interpretation IFRIC 17 on accounting for distributions of non-cash assets to shareholders on the 27 November 2008. The interpretation addresses topics concerned with unconditional distributions of non-cash assets to shareholders by the distributing entity.

The publication of IFRIC 17 is associated with an amendment of IFRS 5, Long-term Assets held-for-sale and Operations to be Discontinued. The regulations of classification, measuring and presentation of this standard also need to be applied in future to assets which are classified as “held for distribution to shareholders”.

IFRIC 17 was recognized by the EU on 26 November 2009, whereby the application date foreseen by the IASB was changed. IFRIC 17 must therefore be mandatorily applied at the latest to financial years beginning after the 31 October 2009. With regard to first-time application, it can be said from what is known today that these changes are unlikely to have any effects on the consolidated financial statements of CompuGROUP.

IFRIC 18 – Transfer of Assets from Customers
The IFRIC published the interpretation IFRIC 18 on the 29 January 2009. The interpretation applies in future to cases in which an entity receives property, plant or equipment (or the financial resources to manufacture or produce property, plant or equipment) from a customer, in order to provide the customer with access to a network or permanent access to services or the supply of goods. It contains regulations for the receiving entity to account for such transfer of assets from customers, although this does not necessarily have to be the entity which finally provides the supplies or services.

IFRIC 18 should by prospectively applied for the first time to transfers of assets which the entity receives on or after the 1 July 2009. An earlier application is permissible, insofar as the values and information required for the purpose are available. IFRIC 18 was recognised by the EU on the 27 November 2009, whereby the date of application foreseen by the IASB was changed. The interpretation should therefore be applied at the latest at the start of the first financial year beginning after the 31 October 2009. With regard to first-time application, it can be said from what is known today that these changes are unlikely to have any effects on the consolidated financial statements of CompuGROUP.

The following standards and interpretations which have been published but need not be mandatorily applied have not been used yet.

Amendment of IFRS 1 – Additional Exemptions for First-time Adoption
The IASB issued modifications to IFRS 1, First-time Adoption of the International Financial Reporting Standards, on 23 July 2009. These introduce additional exemptions to the mandatory, retrospective application of all the standards and interpretations applicable in principle at the balance sheet date of the first IFRS financial statements. The changes to IFRS 1 must be applied to financial years beginning on or after the 1 January 2010. These have no effects on the consolidated financial statements of CompuGROUP.

Amendment of IFRS 2 – Group Cash-settled Share-based Payment Transactions
The IASB published amendments to IFRS 2, Share-based Payment, on the 18 June 2009, which clarify the accounting methods for group cash-settled share-based payments.

Where a share-based payment agreement is concerned, the modifications differentiate between the entity which receives services and goods and the entity which settles the payments.

The receiving entity records the pledge as a transaction settled with equity instruments if one of the following conditions applies: The pledge is settled in equity instruments of the receiving entity, or the receiving entity is not obliged to settle the pledge. In all other cases, the pledge is accounted for under the regulations for cash-settled, share-based payment transactions. The settling entity settles a share-based transaction under which another company in the group receives services or goods. The transaction is not recognised in the financial statements under the regulations for share-based transactions settled with equity instruments unless the pledge is settled in equity instruments by the settling entity. Otherwise the pledge is accounted for as a cash-settled transaction.

In the course of the amendment of IFRS 2, the regulations of IFRIC 8, the scope of IFRS 2, and IFRIC 11, IFRS 2 – Group and Treasury Share Transactions, were integrated into the standard. The IASB has therefore withdrawn both interpretations.

The amendments to IFRS 2 enter force for reporting periods beginning on or after the 1 January 2010. They should be applied retrospectively in accordance with the transitional provisions of IFRS 2. Earlier application is admissible. These are expected to be endorsed by the EU in the first quarter of 2010. They have no effects on the consolidated financial statements of CompuGROUP.

IFRS 9 – Financial Instruments
The IASB published IFRS 9, Financial Instruments, on the 12 November 2009. The new standard fundamentally changes the previous regulations on the categorisation and valuation of financial instruments, whereby IFRS 9 is limited solely to financial assets at the present time.

IFRS 9 only foresees two categories for designating financial assets on their initial recognition: they are either measured at fair value or at amortized cost. Measurement at amortized costs thereby requires scheduled holding of the financial asset until the contractual payment flows are collected and that the contractual provisions of the financial asset lead to payment flows at specified dates which solely represent redemption and interest payments on the outstanding repayment sums.

Financial instruments which do not fulfil these two conditions should be stated at fair value. The categorisation made upon initial recognition cannot be revised in later periods, unless the business model under which the asset is held has changed.

With regard to embedded derivatives, the standard contains the alleviation that a separation is no longer required for financial basis contracts within the scope of the new standards, and thus the contract is measured as a whole. The same applies to a subsequent assessment at amortized costs. The previous regulations of IAS 39 should continue to be applied in cases in which the basis contract is beyond the scope of the standard.

There is a non-alterable choice of posting changes to fair value, including disposal results, in other comprehensive income upon initial recognition of equity instruments which are not held for trading purposes. These changes to fair value are then no longer recycled via profit or loss in the subsequent periods, but rather remain in other comprehensive income. The regulations on value reductions were also reversed accordingly for these financial instruments.

The standard foresees retrospective application for all existing financial assets, whereby the circumstances on the date of first-time application of the standard are relevant for categorisation under the new regulations. Additional alleviations were created by various transitional provisions.

Under the IASB regulations, IFRS 9 is mandatorily applicable to financial years beginning on or after the 1 January 2013. Earlier application is admissible. When the EU will endorse these is unknown at present. Effects on the consolidated financial statements of CompuGROUP cannot be foreseen at the present time.

IAS 24 (rev. 2009) – Related Party Disclosures
The IASB published a revised version of IAS 24, Related Party Disclosures, on the 4 November 2009.

In particular, the amendment of IAS 24 thoroughly revised the definition of related parties and made modifications concerning the definition of transactions (subject to disclosure).

The revised version of the standard applies mandatorily to financial years beginning on or after the 1 January 2011. The new regulations should be applied retrospectively. Earlier application is admissible. The effects on the consolidated financial statements of CompuGROUP are being reviewed at the present time.

Improvements to IFRSs (2009)
The IASB published the second annual collective standard for making minor modifications to the IFRS, the so-called “Improvements to IFRSs”, on the 16 April 2009. These amendments affect the following IFRS:

- Amendment of IFRS 2 – Scope of IFRS 2 and the revised IFRS 3.
- Amendment of IFRS 5 – Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations.
- Amendment of IFRS 8 – Disclosure of information about segment assets.
- Amendment of IAS 1 – Current/non-current classification of convertible instruments.
- Amendment of IAS 7 – Statement of cash flows from investment activities.
- Amendment of IAS 17 – Classification of leases of land and buildings.
- Amendment of IAS 18 – Determining whether an entity is acting as a principal or as an agent.
- Amendment of IAS 36 – Unit of accounting for goodwill impairment test.
- Amendment of IAS 38 – Measuring the fair value of an intangible asset acquired in a business combination.
- Amendment of IAS 38 – Additional consequential amendments arising from the revised IFRS 3.
- Amendment of IAS 39 – Various changes.
- Amendment of IFRIC 9 – Reassessment of embedded derivates.
- Amendment of IFRIC 16 – Hedges of a net investment in a foreign operation.
- Amendment of IFRIC 14 – Prepayments of a minimum founding requirements.
- IFRIC 19 – Extinguishing financial liabilities with equity instruments.

The above mentioned changes enter force at different dates, although at the earliest for financial years beginning on or after the 1 July 2009. No major effects are expected on the consolidated financial statements of CompuGROUP.

The consolidated financial statements are primarily based on the acquisition costs principal. Unless stated otherwise, assets and liabilities are carried on the basis of the historical costs of acquisition or production, less necessary value reductions.

The estimates and assumptions underlying the presentation of the consolidated financial statements under IFRS affect the valuation of assets (goodwill; deferred tax assets) and debts (accruals; purchase price liabilities), the declaration of contingent liabilities and liabilities at the respective balance sheet dates and the extent of income and expenses for the reporting periods. Although these assumptions and estimates have been made to the best of the Executive Board’s knowledge, the actual results can deviate from these estimations.

C. CONSOLIDATION PRINCIPLES

Effective date of consolidation

The consolidated balance-sheet date is 31 December, which corresponds to the effective date of the annual financial statement of the parent company and the subsidiaries.

Consolidation group

The financial statements of the Company and of the companies controlled by the company (its subsidiaries) are included in the consolidated financial statement as at 31 December of each year. The term control applies when the Company has the ability to determine the financial and business policy of a company, thereby deriving economic benefit.

All included financial statements of the CG Group are prepared according to uniform accounting and valuation methods. Holdings in associated companies on which the Company exercises a decisive influence (generally accompanied by a share of voting rights ranging from 20 to 50 percent) are accounted according to the equity method. For the year ended 31 December 2009, there were seven equity holdings in associated companies that are reported according to the equity method.

The consolidated financial statement is prepared at the level of CompuGROUP Holding AG, Koblenz (parent company).

The following changes have occurred within the consolidation group, as compared with the previous year:

	01.01.2009			Additions			Disposals			31.12.2009		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
Subsidiaries	35	50	85	0	13	13	10	15	25	25	48	73

Acquisition of Noteworthy Medical Systems Inc.

In February, CompuGROUP entered into an agreement with Noteworthy Medical Systems, Inc. for the purchase of 51.6 percent of the shares in the company. Noteworthy is a privately held company founded in 1996 and headquartered in Cleveland, Ohio, that provides a comprehensive set of tools to effectively manage and facilitate care in the ambulatory setting. Noteworthy's focus is to provide sophisticated applications for primary care as well as the technology to connect physicians, hospitals and healthcare communities for improved care and communication. Noteworthy serves a customer base of more than 1,300 practices, 5,000 healthcare providers and 13,000 users across 43 states. The purchase price for 51.6 percent of the shares was EUR 5.9 million.

A rights offering of new shares was offered to all shareholders of Noteworthy Medical Systems Inc. during August and September with closing of the issue in October. CompuGROUP subscribed to all shares offered pro-rata and in addition subscribed to all shares not subscribed by other shareholders. After the issue, CompuGROUP holds 76.2 percent of the shares of Noteworthy for an additional investment of EUR 2.7 million.

Acquisition of Avenir Télématique, France

In February, CompuGROUP acquired all shares of the French company Avenir Télématique, Avenir develops and distributes the software product 123Santé®, a solution for the ambulatory healthcare sector. The company was founded in 1987 with an office in Bourges (200km south of Paris). The number of invoiced customers corresponds to approximately 1000 doctors. The purchase price for 100 percent of the shares was EUR 0.6 million.

Acquisition of Sakura, Czech Republic

In March 2009, Dialog MIS acquired 100 percent of the shares of Czech company Sakura. Due to meanwhile executed mergers in the Czech Republic both companies are merged with CompuGROUP CZ & SK s.r.o. which is already renamed in CompuGROUP Medical Česká republika s.r.o. Sakura develops and distributes software for the ambulatory information systems market. The purchase price for the shares was CZK 13,000,000 plus the total net income of the company of 2008 which was CZK 2,597,000. Furthermore the total net income of 2009 until the date of acquisition which was CZK 600,000 was paid. This equals a total purchase price of around EUR 565,000.

Additional share purchase of medicine medienproduktionsgesellschaft mbH, Mainz

In April 2009, CompuGROUP Beteiligungsgesellschaft mbH acquired 21.1 percent of the shares in medicine Medienproduktionsgesellschaft mbH in Mainz that were outstanding according to the option contract. medicine provides TV and multimedia productions of medical, scientific and non – fictional nature as well as 3D computer animations in the healthcare sector. The purchase price for 21.1 percent of the shares was EUR 1.00.

Additional share purchase of Tepe, Turkey

In June 2009, CompuGROUP increased its share in Tepe International by 5 percent up to 100 percent. According to the assignment agreement, trade receivables of Tepe International amounting to TL 350,000 towards the minority shareholder were assigned to CompuGROUP Holding AG. At the same time, CompuGROUP Holding AG took over the outstanding 5 percent of the shares for TL 350,000 (EUR 162,507) according to a separate contract in order to set-off the transferred receivables.

Additional share purchase of Promed, Turkey

In July 2009, CompuGROUP Beteiligungsgesellschaft mbH acquired the outstanding 10 percent of the shares in Promed Bilgi Yönetim Sistemleri ve Sağlik Danişmanlik A.Ş. in Turkey according to the option contract. Promed provides electronic solutions to the health insurance industry and other institutions active in the healthcare-reimbursement system. The purchase price for 10 percent of the shares was USD 0.4 Mio.

Additional share purchase of Fimesan, Italy

As of 7 July 2009, CompuGROUP acquired 56.8 percent of the shares of the Italian company FimeSan SpA thereby expanding its shareholding to 90.1 percent. FimeSan is the second largest supplier of ambulatory information systems in the Italy. The details of the transaction are:

- In June 2006 CompuGROUP bought 33.3 percent of the shares in FimeSan S.p.A. for EUR 6.4 million.
- CompuGROUP bought an additional 56.8 percent of the shares in FimeSan S.p.A at 7 July 2009 for EUR 7.4 million for a total holding of 90.1 percent.
- 2008 revenue of FimeSan S.p.A was EUR 5.6 million with an EBITDA of EUR 2.2 million.
- Book equity of FimeSan S.p.A as at 31.12.2008 was EUR 5.8 million, of which intangible assets was EUR 0.9 million.
- FimeSan S.p.A has approximately 7,400 doctors and 100 dentists as at 31.12.2008 as clients with a software maintenance contract.
- Market share in Italy is approximately 10 percent for General Practitioners and 50 percent for pediatricians.
- Consolidation starts from 1 July 2009.
- The acquisition was financed with cash at hand and with existing credit facilities.
- The remaining 9.9 percent of FimeSan S.p.A. are part of an option agreement of the parties for a fixed price of EUR 2 million.

Additional share purchase of Profdoc LAB AB, Sweden

In September 2009, Profdoc AB in Sweden acquired additional 24.5 percent of the shares in the Swedish company Profdoc LAB AB. Hence, Profdoc AB increased its share up to 75.5 percent. Profdoc LAB is a leading supplier of laboratory information systems in Scandinavia. The purchase price for 24.5 percent of the shares was SEK 18.4 million. Profdoc AB has a put-option on the remaining shares in 2013 for a minimum price of SEK 22.1 million.

Additional share purchase of ERUDIS s.r.o., Slovakia

In September 2009, CompuGROUP CZ & SK s.r.o. in the Czech Republic acquired additional 70.0 percent of the shares in the Slovakian company ERUDIS s.r.o. according to an option contract. The company that was renamed CompuGROUP Medical Česká republika s.r.o. in this context, increased its share in ERUDIS s.r.o. up to 80.0 percent. ERUDIS s.r.o. is specialized in developing and distributing ambulatory information systems.

Additional share purchase Inmedea GmbH, Tübingen

In November 2009, CompuGROUP Holding AG acquired additional 24 percent of the shares in Inmedea GmbH for a purchase price of EUR 24,000. CompuGROUP Holding AG now holds 99 percent of Inmedea GmbH, a software provider for the education of medical doctors and other healthcare personal with a special focus on the simulation of clinical processes with virtual patients.

Acquisition of SMI and Microcosmos, Italy

On 29 October 2009, CompuGROUP acquired the two Italian companies SMI and Microcosmos as part of the strategy to expand the presence in the Italian HPS market. Through these transactions, the market share in Italy will be significantly increased and in addition to the strong market position in Southern Italy, CompuGROUP now also has a significant share of the market in Northern Italy. The details of the transactions are:

- CompuGROUP has bought 100 percent of the shares in SMI S.r.l. for EUR 1.7 million and Microcosmos Multimedia S.r.l. for EUR 2.2 million.
- The companies have approximately 2,800 doctors as clients with a software maintenance contract.
- Total software maintenance is currently approx. EUR 900,000 per year.
- Consolidation starts from 1 November 2009.
- The acquisition was financed with cash at hand and with existing credit facilities.

Disposals of fully consolidated subsidiaries

Merger of CCHC and Systema HIS, Austria

In 2009 the company Competence Center Health Care GmbH was fully merged into Systema Human Information Systems Gesellschaft mbH effective 1 January 2009.

Merger of Gruber ÄDV, CSPmed and medXpert to form CompuGROUP Österreich GmbH

To improve overall efficiency and brand equity, the three current companies and brands for ambulatory information systems in Austria, Gruber ÄDV, CSPmed und medXpert have been merged into one company on 1 July 2009 with retrospective effect from 1 January 2009 under the common brand name of CompuGROUP Österreich GmbH. More than 2,600 Austrian doctors are now consolidated under one competence center that will focus and strengthen the knowledge base to the benefit of all clients, as well as enable a more effective product and service delivery over time. As part of the merger, CompuGROUP acquired the outstanding 40 percent minority shares in Gruber ÄDV with a deferred payment plan until 2013.

CompuMED and DATAVITAL merge to form CompuGROUP Medical Arztsysteme GmbH & Co.KG
To improve overall efficiency and brand equity, CompuMED Praxiscomputer GmbH & Co KG and DATAVITAL GmbH & Co KG have been merged to form CompuGROUP Medical Arztsysteme GmbH & Co.KG on 1 July 2009 with retrospective effect from 1 January 2009. With a combined total of over 10,500 users, the two subsidiaries of CompuGROUP Holding AG are among the leading producers of ambulatory information systems in Germany.

CompuDENT, ChreMaSoft und Z1 Software to form CompuGROUP Medical Dentalsysteme GmbH
With the objective of combining core competencies, CompuDENT Praxiscomputer GmbH & Co KG and ChreMaSoft Datensysteme GmbH & Co KG have been merged into Z1 Software GmbH with retrospective effect from 1 January 2009. The company was subsequently renamed CompuGROUP Medical Dentalsysteme GmbH. The subsidiaries of CompuGROUP Holding AG are among the leading providers of ambulatory information systems in Germany.

Merger of CompuGROUP Services GmbH and GTI AG
CompuGROUP Services GmbH was merged into GTI AG with retrospective effect from 1 January 2009 and renamed CompuGROUP Services GmbH afterwards.

Merger of Czech subsidiaries
DIALOG MIS spol. s r.o., Medisoft International, spol. s r.o., SMS spol. s r.o. and SAKURA Software, spol. s r.o. (which was acquired for EUR 0.6 million from DIALOG MIS spol. s r.o. in March 2009) were merged with retrospective effect from 1 January 2009 into CompuGROUP CZ & SK spol. s r.o. and subsequently renamed CompuGROUP Medical Česká republika s.r.o.

Merger of Ascott into Profdoc A/S
In 2009, Ascott Software Danmark A/S was merged with retrospective effect from 1 January 2009 into Profdoc A/S. The company is one of the leading producers of ambulatory information systems in Denmark.

Additional share purchase IMMO GbR and IMMO II GbR
In April 2009, Dr. Daniel Gotthardt sold his 6 percent shares in IMMO GbR, Koblenz, to CompuGROUP Beteiligungsgesellschaft mbH, which now holds 100 percent in the company. As a consequence of this transaction, IMMO GbR is merged into CompuGROUP Beteiligungsgesellschaft mbH.

At the same time, Dagui Beteiligung GbR sold its 6 percent shares in IMMO II GbR, Koblenz, to CompuGROUP Beteiligungsgesellschaft mbH, which now holds 100 percent in the company. As a consequence of this transaction, IMMO II GbR is also merged into CompuGROUP Beteiligungsgesellschaft mbH.

Disposal of shares in French companies
In the fiscal year 2009, CompuGROUP disposed of its French distribution companies Technosanté Lyon, Axiservice Grenoble and Technosanté Paris. Furthermore, the shares in Axiservice Nice were reduced from 100 percent to 28 percent.

Disposal of Profdoc Joliv, Sweden
In March 2009, Profdoc AB disposed of the 90 percent of its shares in Profdoc Joliv AB for SEK 0.9 million. At the same time, Profdoc Joliv AB repaid its loan to Profdoc AB, as contractually agreed. Furthermore, the buyer took over the outstanding capital contribution of SEK 1.1 million less an extraordinary short-term cash loan and an open account for provided consulting services on the part of Profdoc Joliv amounting to SEK 150,000.

Disposal of HC Advance, Sweden
In November 2009, Profdoc AS sold the 90 percent of its shares in HC Advance AB in Sweden for SEK 2.0 million. A separate asset deal stipulates the disposal of its business segment “Profdoc Online Business” to Profdoc AS.

in EUR ’000	AxiService Nice	AxiService Grenoble	Technosanté Paris	Technosanté Lyon	Profdoc Joliv	HC Advance	Total
Assets	-89	-24	-18	-76	-179	-1,566	-1,952
Non-current assets	-11	-1	-1	-36	-2	-125	-176
Current assets	-55	-17	-17	-32	-31	-1,324	-1,476
Cash and cash-equivalents	-23	-6	0	-8	-146	-117	-300
Liabilities	108	106	39	96	175	1,301	1,825
Non-current liabilities	56	66	0	46	0	0	168
Current liabilities	52	40	39	50	175	1,301	1,657
Owner’s equity	19	82	21	20	-4	-265	-127
Minorities	0	0	0	0	0	127	127
Owner’s equity without minorities	19	82	21	20	-4	-138	0
Asset disposal	40	8	16	24	163	56	307
Disposal of assets identified in the Purchase Price Allocation	0	0	0	0	-133	0	-133
Purchase price	5	0	10	28	82	182	307
Result of deconsolidation	64	90	47	72	108	100	481

Associated companies

See Equity Investments, page 99 et seq.

Capital consolidation

In corporate takeovers, the assets and debts of the relevant subsidiaries are valued at the fair values at the time of acquisition. If the acquisition costs of the corporate takeover exceed the fair values of the acquired, identifiable assets and debts, the difference is reported as goodwill (new valuation method). Any difference, on the liabilities side, between the acquisition costs of the corporate takeover and the acquired, identifiable assets and debts is recognized as part of net income in the period of the acquisition.

The shares of minority shareholders are reported as the share of the fair values of the documented assets and debts that corresponds to the minority share. Subsequently, any losses to be attributed to the minority shares that exceed the minority share are directly offset against the equity attributable to the shareholders of the parent company.

The financial results of the subsidiaries acquired or sold in the course of the year are included in the Group income statement beginning on the actual date of acquisition or on the actual date of sale. If necessary, the annual financial statements of the subsidiaries are adjusted so that their accounting and valuation methods match those applied to the Group.

Transactions with not fully controlled shares (means acquisitions of minority interests) are treated as transactions with owner of equity of the Group. The difference (payment against book value of net assets) due to an acquisition of not fully controlled shares is accounted in the equity.

Debt consolidation

Receivables, liabilities and reserves between the companies included in the Consolidated Financial Statement were offset.

Consolidation of results

Internal sales between the consolidated companies were offset against the expenditures attributable to them. Other earnings (including earnings from equity investments) were offset against the corresponding expenditures with the recipient of the services.

Interim profits from deliveries and services within the Group were eliminated.

Foreign currency conversation

The functional currency is the respective national currency as the currency of the primary business environment.
The reporting currency is the EURO, the functional currency of the parent company.

Accordingly, the balance sheets of the foreign subsidiaries are converted on the basis of average rates on balance-sheet date, the equity capital at the historic rate, and the income statement on the basis of the annual average rates. Profits and losses that result from the conversion are included in equity, not affecting net income.

Foreign currency transactions are converted into the functional currency at the exchange rates in effect on the transaction date. Profits and losses resulting from the fulfillment of such transactions, as well as from the conversion, at the period-end exchange rate, of monetary assets and liabilities reported in the foreign currency, are included in the statement of the total comprehensive income.

D. SUMMARY OF THE PRINCIPAL ACCOUNTING AND VALUATION METHODS AND UNDERLYING ASSUMPTIONS

Statement of financial position headings are subdivided into short-term and long-term accounts. Accounts are disclosed as long-term if they are realized after more than 12 months or within a normal business cycle. Deferred taxes are always allocated to long-term accounts.

Software and other intangible assets

Software and other intangible assets, which principally result from corporate acquisitions, are stated at purchase and production costs, less cumulative straight-line amortization and impairment.

Amortization on	Estimated useful lifetime
Software and licenses	3-10
Customer relations, brands	10-30

Capitalized in-house services

Costs of research activities are written off as expenses for the year.

Capitalized in-house services that arise from the Group’s software development are only capitalized as an asset if the following conditions apply:

- the produced asset is identifiable (e.g. software and new methods);
- it is likely that the produced assets will provide future economic benefit, specifically that, in addition to the feasibility and intention to produce and introduce them into the market, sufficient technical and financial resources are available until the development and market introduction of the software is completed; and
- the development costs of the asset can be reliably determined (especially evidence of time worked).

Capitalized in-house services assets (generally software) are amortized on a straight-line basis over their estimated useful life of 1 to 6 years. Directly allocated costs are included in manufacturing costs. Borrowing costs are written off as expenses in the period in which they are incurred rather than being capitalized.

Goodwill/CGU

Goodwill is capitalized as an asset with an unlimited useful life. CompuGROUP Holding AG reviews any change in value of its equity portfolio on an ongoing basis. In addition, pursuant to IAS 36, the value of goodwill is periodically (at least once a year) subject to impairment tests.

Under the impairment tests, the book values of the units on which the goodwill is based, so-called Cash Generating Units (CGU), are compared with their market values as of the respective balance-sheet dates.

The subsidiaries (or group of subsidiaries) (each with different software) were defined as the value-driving units of CompuGROUP Holding AG. The Discounted Cash Flow (DCF) method is used to determine the values in use of the subsidiaries. The future cash flows of the companies, which are discounted under the DCF method, are determined based on the CompuGROUP Holding AG 2010 budget in respect of net assets, financial position and earnings and are verified on the basis of historical data. Then the results are extrapolated over four years by means of growth factors. After the five-year period, a growth rate of 1.5 percent (to reflect inflation) is assumed into infinity. To determine present values of future cash-flows, a weighted average cost of capital approach (WACC) was applied. The following assumptions were used:

Criteria	Assumption
WACC (pre tax) considering country specific risk factors	7.583%-13.073%
Beta-factor	0.89
Long-term growth rate	1.50%
Risk free interest rate	4.12%
Market risk premium	5.00%

The 2009 impairment test (as of 1 October 2009) resulted in no impairment charge in the financial statements against goodwill. All other impairment tests were positive.

At a one-percent higher WACC, there would be a need for an impairment charge of EUR 1.4 million for the subsidiaries Fimesan SpA and Tepe International Sağlik Bilgi Sistemleri A.Ş . The Group wide surplus in the test calculation would be reduced by EUR 123.8 million applying a one-percent higher WACC.

At a two-percent higher WACC, there would be a need for an impairment charge of EUR 3.8 million. The Group wide surplus in the test calculation would be reduced by EUR 240.0 million applying a two-percent higher WACC.

Tangible assets
Tangible assets are stated at acquisition and production costs less cumulative depreciation and impairment.

Depreciation is calculated by writing down the cost or the estimated value of assets, with the exception of land or facilities under construction, on a straight-line basis over their estimated useful lives, based on the following: buildings (2 percent) and other facilities and plant and equipment (10-30 percent), relative to the acquisition or production costs, in each case.

Impairment of long-term assets
As of each balance-sheet date, the Group reviews the book values of its fixed assets and intangible (depreciable) assets to determine whether there is a need to write them down. If there is evidence of such a need, the realizable value of the asset is estimated in order to determine the amount of the potential impairment charge required. If the realizable value for the individual asset cannot be estimated, the realizable value is estimated for the cash-generating unit to which the asset belongs. This also applies in the event of evidence for a reduction in value.

The realizable value is the higher value between the fair value less cost to sell and the value in use. When determining the value in use, the estimated future cash flows are discounted to present value based on the current pre-tax market interest rate, which reflects the specific risks of the asset, which are not taken into account in the cash flows.

If the estimated realizable value of an asset (or a cash-generating unit) is less than the book value, the book value of the asset (or of the cash-generating unit) has to be reduced to the realizable value. The impairment has to be recognized immediately and posted to the income statement.

If impairment is subsequently reversed, the book value of the asset (or cash-generating unit) is increased to the newly estimated realizable value.

The increase in the book value is limited to the amount that would have been determined if no impairment had been recognized for the asset (the cash-generating unit) in previous years. A reversal of the write down has to be recognized immediately and posted to the income statement. Goodwill impairment charges are never reversed.

Investments in associated companies
Pursuant to IAS 28, associated companies are stated in accordance with the equity method. At the time of acquisition they are stated at purchase cost. Investments in associates also include goodwill identified at the time of acquisition less impairment. Dividend payments of associated companies will be accounted in the year of payment as a reduction of the book value without any effects in the income statement. The Company’s share of earnings of associated companies in the period is posted to income.

Impairment test will be done in a so-called “triggering event” is given (essentially at high changes in net results).

Other financial assets
These consists primarily equity investments of less than 20 percent and amount to EUR 111,000.

Non-current other receivables
These are other receivables falling due in more than one year.

Financial assets available for sale
This category contains the equity investments of less than 20 percent which cannot valued reliably and therefore they are valued at purchase cost.

Financial assets stated at market value, affecting income (securities)
Securities are held exclusively for trading purposes or as short-term investments with the intention to sell. Therefore, they are assigned to the category of “Financial assets stated at market value, affecting income” (IAS 39.9). At the balance sheet date such assets are stated at fair value (market values).

Inventories
Inventories are valued at the lower of either purchase or manufacturing cost and net realizable value. Manufacturing costs include material costs and production costs, plus any production overheads. Purchase costs are calculated under the weighted-average cost method. The net realizable value represents the estimated selling price less all estimated costs to completion, as well as costs for marketing, sales and distribution.

Receivables
Trade receivables as well as other receivables contain no interest and are valued at market value when first recorded (category: Loans and Receivables). Thereafter receivables are stated at cost less impairment.

Bad debts and pending losses from irrecoverable debts are taken into account by means of estimated value adjustments. Foreign currency receivables are converted at the closing exchange rate.

Cash and cash equivalents

The Company considers all highly liquid financial investments with a contractual term of up to three months as cash equivalents. These are primarily bank balances with short-term maturities.

Provisions

Provisions are established for legal and actual obligations that existed as at the balance-sheet date or that arose for economic reasons if it is likely that the fulfillment of the obligation will lead to an outflow of funds or an outflow of other resources of the Company, and if there is uncertainty, resulting from estimating inaccuracies, with regard to due dates and amounts. Provisions are stated at the amount that, based on commercial appraisal, is necessary to meet the corresponding liability.

Pension provisions are determined in accordance with IAS 19 under the actuarial projected net present value method. In this method, biometric bases for calculation and the respective, current long-term capital market interest rate, as well as current assumptions regarding future salary and pension increases, are taken into account. Actuarial profits and losses are immediately recognized in the income statement.

Provisions for contingent are stated if the expected profit of the related contract in lower than the expected costs.

Provisions for warranties are recognized at the time of sale of the related product. The amount results from the estimated costs necessary to meet the Group's liability.

Share-based bonus plans

In 2008, the following share-based remuneration, as defined under IFRS 2, was agreed with board members Prof. Dr. Stefan Winter and Christian B. Teig:

Prof. Dr Stefan Winter's agreement provides for a variable bonus based on movements in the share price and is paid in cash. The agreement with effect from 15 October 2008 expires automatically without any need for termination on 15 October 2011. The expense for this agreement is accounted for pursuant to IFRS 2.31. For further details regarding the calculation and duration we refer to the notes on directors' remuneration.

Christian B. Teig holds an option to purchase CompuGROUP shares amounting to 375,000 shares, the duration of which is linked to his term of office as director (94,000 accrue after 12 months, 188,000 accrue after 24 months, 282,000 accrue after 36 months and 375,000 after 48 months). The fair value as of the option grant date amounted to EUR 1.25 per option. As at the balance sheet date the personnel expense in the income statement for this plan was EUR 216,000. The disclosure is shown in the statement of the total comprehensive income of which EUR 152,000 was posted to equity after deduction of EUR 64,000 for deferred tax which was posted to tax expense. Calculation of the fair value was based on the Black-Scholes model and the following criteria:

Weighted average share price	EUR 7.45
Exercise price per share	EUR 5.50
Expected volatility	35 percent
Duration of the options	4 years
Risk free interest rate	4.60 percent

The potential gain or loss of a share can be estimated based on the volatility, regardless of changes in the market price. This assumes that the values observed in the past are also valid for the future. The expected volatility gives the price volatility of the shares for the relevant duration of the options for five comparable companies.

No other restrictions varying from market conditions have been included in the above table.

Payables

Payables are valued at fair value when incurred.

Foreign currency payables are converted at the closing exchange rate. Borrowings are stated net of accrued arrangement fees. Arrangement fees are amortized over the term of the loan pursuant to the effective interest rate method.

There are no payables held for trading purposes.

Derivative financial instruments

In 2009, CompuGROUP has closed a contract for an interest rate swap, which is income statement-related measured at fair value. Over three years, this swap fixes the interest rate for EUR 100 million of the debt to credit institutions (less scheduled down payments in this period) at a fixed rate of 2.03 percent. As at 31 December 2009 the swap was balanced as a liability with a fair value of EUR 395,000. The evaluation of the fair value is posted to the income statement.

Combined financial instruments; Embedded derivatives
The Company currently does not hold any material combined financial instruments or embedded derivatives.

Hedging
The Company does not comply with the hedging rules of IAS 39.

Income recognition
Income from the sale of goods and rights is recorded once the risks and rewards of ownership of the goods and rights have been transferred to the buyer, the transfer of the economic use of the asset is likely and the amount can be reliably established.

Orders to install software in hospitals (project business) are accounted according to the percentage-of-completion method (“POC method”; IAS 11), such that the sales of this business are recognized according to the status of each project (based on costs incurred plus the profit margin).

The main types of sales and their recognition are presented below:
- Income from sales of licenses is booked on delivery.
- Income from software update agreements (maintenance) is booked over the period when the services are rendered.
- Discounts on sales of packages (software licenses and software maintenance) are always booked against the software sale. Accordingly, the customary price for software maintenance is recorded and the difference compared to the total price is offset against the software sale (“only the sale is discounted, never the maintenance”).
- Advertising revenues, which are always based on a given quarter, are subject to a precise quarterly cut-off for accounting purposes.
- Generally, the overall hospital business, which is a project business, uses the POC method.
- Interest income is posted to the correct accounting period based on the outstanding loan balance and the applicable interest rate. The applicable interest rate is the interest rate calculated on the estimated future cash to be received over the term of the financial asset and the net book value of the financial asset.

Dividend income from investments is recorded when the shareholder (the Company) is entitled to payment.

Corporation tax
The corporation tax charge consists of the current tax charge and deferred tax.

The current tax charge is based on the Company’s taxable income. The Group’s current tax liability is based on the applicable tax rates.

Deferred tax represents expected future tax savings or additional charges arising from the difference between the book values of assets and liabilities in the Group financial statements and the values adopted in the taxable income computation. The liability method is used in the deferred tax calculation. Deferred tax assets are only recognized for taxable timing differences insofar as it is probable that there will be sufficient taxable income to use the deductible timing differences. Deferred tax is not recorded if the timing differences arising from goodwill or another asset/liability do not affect either taxable income or Group earnings.

Deferred tax assets are recognized for tax losses carried forward. The deferred tax book values are based on the tax rates as at the balance sheet date, which will apply when the debt is paid or the asset is realized. Deferred tax entries generally impact income with the exception of first time consolidation.

E. EXPLANATION OF ITEMS ON THE STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

1. Intangible assets

	31.12.2009 EUR ’000	31.12.2008 EUR ’000
Goodwill	149,210	127,381
Software and other intangible assets	145,825	150,240
Payments on account for software	42	2,870
Capitalized in-house services	16,395	15,110
	311,472	295,601

The principal goodwill can be broken down as follows:

	31.12.2009 EUR '000	31.12.2008 EUR '000
Profdoc-Group	53,401	51,905
Systema-Group	14,304	14,304
Turbomed	14,152	14,152
Ifap	9,290	9,290
Fimesan	8,517	0
medistar	8,372	8,372
Fliegel-Dahm-Group	5,739	5,739
Noteworthy	5,097	0
Gruber	3,287	3,218
Axilog	3,092	3,092
ChreMaSoft	2,697	2,697
CompuMed (of medev Praxiscomputer GmbH & Co. KG)	2,325	2,325
CompuMed (of medev Praxiscomputer Verwaltungs-GmbH)	2,136	2,136
Microcosmos	1,960	0
CSP	1,603	0
SMI	1,595	0
Ispro	1,574	1,574
Datavital	1,435	1,435
NetPracticeGroup	1,196	0
All for One-Gruppe	1,193	1,193
medXpert	1,085	1,085
Dialog	801	801
UCF	746	573
Avenir	641	0
Erudis	337	0
Medicine	0	759
Tepe	0	0
Others	2,635	2,731
	149,210	127,381

The reduction of goodwill at medicine is the result of the subsequent reduction in purchase prices (corresponding adjustment of purchase price liabilities).

The principal additions made in the year related to the companies CSP, Noteworthy, Fimesan, Microcosmos and SMI.

	CSP EUR '000	Noteworthy EUR '000	Fimesan EUR '000	SMI EUR '000	Microcosmos EUR '000	Total EUR '000
Software	196	5,511	1,030	128	174	7,039
Customer relations	95	876	2,107	0	11	3,089
Trademarks	176	395	641	82	107	1,401
Goodwill	1,603	5,097	8,517	1,595	1,960	18,772
	2,070	11,879	12,295	1,805	2,252	30,301

Amortization of intangible assets amounted to EUR 28.9 million in 2009. This includes extraordinary impairment charges of EUR 1.8 million (to capitalized in-house services) that is shown in the fixed asset table at the acquisition or production costs and at the amortization as well as an asset disposal.

Capitalized in-house services
In the financial year EUR 6.9 million of in-house services (software development) were capitalized pursuant to the requirements of IAS 38. The valuation is based on directly attributable production costs.

Changes in intangible assets are detailed in the attached fixed asset table. Amortization on capitalized in-house services amounted to EUR 5.6 million (including impairment charges of EUR 1.8 million due to the necessity to change programming language, HPS segment) during the reporting year.

Cumulative impairment charges
A cumulative impairment charge of EUR 8.1 million from the 2008 financial year is included under intangible assets. This relates to "TEPE" (impairment charge cooperation agreement EUR 5.9 million, software EUR 0.8 million, goodwill EUR 1.4 million).

Furthermore, the "goodwill" item includes amortization and depreciation of EUR 5.4 million that resulted from financial years before the IAS/IFRS conversion.

2. Tangible assets
In Germany fixed assets individually costing up to EUR 150 are fully written off in the year of purchase. Fixed assets individually costing between EUR 150 and EUR 1,000 are posted to a specific account and are written down over five years on a straight line basis.

Fixed assets additions made during the year comprise EUR 3.1 million with respect to land and buildings and EUR 5.0 million with respect to other plant and equipment. Investments in land and buildings largely relate to expenditure by the subsidiary CompuGROUP Beteiligungs GmbH for the purchase of a building for its Koblenz head office amounting to EUR 2.8 million and expenditure for the extension of the main building.

An impairment charge (EUR 1.1 million; impairment charge HCS segment) is included in depreciation of land and buildings of an office building in Germany that is no longer required due to reorganisation and rationalisation measures. The market value was determined by an independent third party. There are no cumulative impairment charges from previous years to list under fixed assets.

The additions of other plant and equipment largely relate to expansions and replacements made in computer centres carried out by various subsidiaries.

We would like to refer you to the enclosed fixed asset table for the developments of the fixed assets.

3. Financial assets
Investments in associated companies
Valuation is based on IAS 28.

	31.12.2009 EUR '000	31.12.2008 EUR '000
HCS	981	980
medigest	514	540
Meco	400	0
Fimesan	0	6,676
Other	20	13
	1,915	8,209

The principle change during the year relates to Fimesan. In the past financial year the newly founded CompuGROUP Italy acquired an additional 56.8 percent of the shares in Fimesan. Together with the 33.3 percent of shares already acquired in 2006 from CompuGROUP Beteiligungs GmbH, the total percentage of shares held is now 90.1 percent. For this reason the holdings in associated companies were reduced by EUR 6.7 million. At the end of the financial year Fimesan was a company that had to be fully consolidated.

Since its foundation in 1995, HCS has set itself the target of realizing electronic communications between everyone involved in the health system. HCS operates the "medical net" as a basic infrastructure. This is a closed medical communications network in the Internet, where over 2,500 doctors, clinics and laboratories can exchange electronic doctor's letters, patient results and medical data with each other. In the past financial year the company achieved a profit of EUR 348,000 on sales revenues of EUR 1.8 million. The balance sheet total of EUR 1.2 million largely consists of trade receivables of EUR 0.5 million and cash and cash equivalents of EUR 0.4 million on the assets side. On the debt and equity side 'Other liabilities' of EUR 0.7 million were the largest item on the balance sheet. These mainly included marked down revenues. Equity amounted to EUR 0.2 million.

Medigest is a provider of doctors' information systems for the Spanish private doctor market. Medigest has about 4,500 doctors among its customers of whom about 2,500 have also concluded a maintenance contract. In the past financial year the company made an annual loss of EUR 53,000 on sales revenues of EUR 416,000. The balance sheet total of EUR 127,000 largely consists of assets of EUR 59,000, trade receivables of EUR 33,000 and currency and currency equivalents of EUR 18,000. On the debt and equity side 'Short-term liabilities' were the largest item on the balance sheet at EUR 74,000. Equity amounted to EUR 50,000.

Miscellaneous

Valuation is at acquisition cost and relates to the following investments and loans:

	31.12.2009 EUR '000	31.12.2008 EUR '000
Equity investments		
CD Software	54	54
IC med	25	25
BFL Gesellschaft des Bürofachhandels	12	12
AES Ärzteservice Schwaben	10	11
Axiservice Nice	4	0
Erudis	0	65
TechnoSante S.A.S., Toulouse	0	4
Third party loans	6	4
	111	175

4. Corporation tax receivables, deferred tax and corporation tax payables

Corporation tax receivables (EUR 5.7 million, prior year: EUR 11.4 million) comprise current corporation tax receivables of Group companies. Corporation tax payables (EUR 7.1 million, prior year: EUR 7.1 million) comprise current tax payables.

Deferred tax assets and liabilities as at 31 December are broken down as follows:

	Deferred tax assets		Deferred tax liabilities	
	31.12.2009 EUR '000	31.12.2008 EUR '000	31.12.2009 EUR '000	31.12.2008 EUR '000
Intangible and tangible assets	0	0	37,673	37,276
Consolidation adjustments	3,346	2,948	2,622	4,865
Tax losses carried forward	9,041	11,814	0	0
Offset vs. Deferred tax liabilities	-3,049	-1,407	-3,049	-1,407
	9,338	13,355	37,246	40,734

Deferred tax assets largely consist of tax losses carried forward (with no time limit).

Deferred tax liabilities largely consist of capitalized in-house services at Group level, allocated software, customer relationships and brand values from Company acquisitions and all deferred taxes from consolidation adjustments (particularly elimination of inter company profits).

Deferred taxes include long-term deferred tax assets of EUR 9.1 million and long-term deferred tax liabilities of EUR 34.6 million.

On the balance sheet date there were losses carried forward of about EUR 10.7 million that cannot be recognized due to utilization being improbable. Depending on the revenues situation and tax legislation the current assessment can change in future years making an adjustment necessary. These amounts are distributed as follows: Noteworthy EUR 8.7 million, CompuGROUP Beteiligungs GmbH EUR 0.8 million, Inmedea GmbH EUR 0.8 million, Avenir EUR 0.1 million and IfAp Neu-Golm EUR 0.3 million.

5. Inventories

	31.12.2009 EUR '000	31.12.2008 EUR '000
Raw materials	151	153
Work in progress	1,195	611
Goods	1,646	1,726
	2,992	2,491

Both individual and total provisions booked against inventories are immaterial overall.

6. Trade receivables

No trade receivables fall due in more than one year. Provisions for bad debt (including write downs) of EUR 2.2 million were made in the financial year (prior year: EUR 2.5 million).

Specific bad debt provisions are based on the age of receivables throughout the Group. Doubtful receivables are always written down on an individual basis.

Receivables resulting from the percentage of completion method (PoC)

Total PoC receivables amounted to EUR 5.4 million (prior year: EUR 2.5 million) less received POC payments of EUR 2.7 million (prior year: EUR 2.0 million). The corresponding sales are fully included in the income statement. These relate almost exclusively to projects in the hospital information system business.

Age of receivables, breakdown of provisions

	31.12.2008 EUR '000	Additions EUR '000	Used EUR '000	31.12.2009 EUR '000
Receivables ageing				
Due date of receivables:				
0-3 months	24,305			25,512
4-6 months	2,196			2,696
7-12 months	797			1,170
> 12 months	2,570			4,610
Specific provisions	-2,928	-2,260	661	-4,527
POC receivables	573			2,731
	27,513	-2,260	661	32,192
Regions				
Domestic receivables	12,228			12,298
Foreign receivables	18,213			24,421
Specific provisions	-2,928			-4,527
	27,513			32,192

Additions to provisions include a bad debt provision of EUR 1.3 million in the subsidiary Tepe A.S. (receivables from TEPE TEK were written down 100 percent).

7. Other receivables

Other receivables are broken down as follows:

	31.12.2009 EUR '000	31.12.2008 EUR '000
Short-term loan	5,898	4,980
APO-Bank	4,206	4,206
Payments on account	3,386	34
VAT receivables	2,800	4,653
Other	999	822
Short-term other receivables	**17,289**	**14,695**
Leasing receivables	3,110	508
Granted loan and other	982	0
Long-term other receivables	**4,092**	**508**

The receivables from APO-Bank are from 2007 and 2008. The legal process has not yet ended. According to information from the lawyers this amount is a realistic estimate.

Furthermore, there is a possible payable (that does not appear on the balance sheet) against TEPE TEK and Bilkent from a pending court of arbitration procedure (amount in dispute around EUR 17 million).

In 2009 Systema Austria carried out a further sale-and-lease-back transaction with a leasing company. The resulting leasing liabilities amounting to EUR 3.1 million are shown under 'Other payables' with their present value on 31 December 2009. Following this transaction the leased asset was sub-leased to a customer of System Austria under approximately the same conditions. The present value of EUR 3.1 million of the resulting receivable is shown under 'Other receivables'.

The following table gives an overview of the resulting leasing receivables and payables.

Future minimum lease payments	EUR '000
< 1 year	652
1 to 5 years	2,458
> 5 years	0
Total net present value	**3,110**
Unrealized financial income	305
Unsecured residual value due to lessor	75
Cumulative provisions for non-recoverable minimum lease payments	0
Rental income during the financial year	375
Rental expenses during the financial year	375

Around EUR 10,000 in leasing fees were paid and received per annum.

8. Investment securities (adjusted to present value affecting earnings)

Investment securities only consist of short-term fixed income securities held by the Group subsidiary Systema Austria. These are stated at fair value (market value).

9. Cash and cash equivalents

Positive balances at banks relate to current accounts and earn interest of up to 0.5 percent per year. Changes in cash and cash equivalents are detailed in the cash flow statement.

10. Long-term assets scheduled for disposal/liabilities relating to the long-term assets scheduled for disposal

"Neu Golm" disposal

A building in Neu-Golm used as an office building up to now and owned by the subsidiary IFAP Institut für Unternehmensberatung und Wirtschaftsdienste im Gesundheitswesen GmbH is for sale (HCS segment). During the year new business premises were occupied. Since then the building has not been let. Active efforts are being made to find a purchaser.

"medicine" disposal

On 1 January 2010 CompuGROUP Beteiligungsgesellschaft mbH parted from its 100 percent holding in medicine Medienproduktions GmbH, Mainz (CHS segment). The main focus of the company is offering film and TV productions including distribution of medicine journalism services in the TV sector. The sales price was EUR 1. In addition, it was agreed that the purchaser and medicine, as joint and several debtors, are obliged to pay a total amount of EUR 0.3 million from profits for the 2010 financial year up to the 2015 financial year inclusive as participation in profits. The annual profit in 2009 was EUR 0.7 million whereby EUR 1.4 million was consolidated as part of eliminating inter company profits.

	"Neu Golm" EUR '000	"medicine" EUR '000	Total EUR '000
Non-current assets			
Intangible assets	0	1	1
Land and buildings	300	0	300
Other facilities, plant and equipment	0	258	258
Other receivables	0	7	7
	300	**266**	**566**
Current assets			
Inventories	0	33	33
Trade receivables	0	281	281
Other receivables	0	28	28
Cash and cash equivalents	0	19	19
	0	**361**	**361**
Total assets	300	627	927
Current liabilities			
Trade payables	0	184	184
Income tax liabilities	0	56	56
Provisions	0	91	91
Other liabilities	0	14	14
Liabilities associated directly with non-current assets qualified as held for sale	0	345	345

11. Equity

Changes in equity are detailed in the schedule of changes to equity.

Share capital

	31.12.2009 EUR '000	31.12.2008 EUR '000
Issued and fully paid-in share capital		
53,219,350 shares at EUR 1.00 each	53,219	53,219
Authorized share capital		
15,598,775 shares at EUR 1.00 each	15,599	15,599

The Company only has one class of shares. These do not automatically entitle shareholders to dividends.

The share capital is divided into 53,219,350 bearer shares with the securities ID number 543730 (ISIN: DE0005437305). Following the 2007 IPO the Company's share capital increased by EUR 7,340,600.00 from EUR 45,878,750.00 to EUR 53,219,350.00 through a capital increase against capital contribution from authorized capital with subscription rights that was approved by the Management Board and the Supervisory Board.

Authorized share capital

In a resolution of the shareholders' meeting of 16 August 2006 the Management Board was authorized, with the approval of the Supervisory Board, to increase share capital by up to EUR 22,939,375.00 by one or more share issues in exchange for cash contributions and/or non-cash contributions by 16 August 2011. Due to the EUR 7,340,600.00 capital increase from authorized capital the authorized share capital has accordingly been reduced to EUR 15,598,775.00. With the approval of the Supervisory Board, the statutory priority subscription right of the shareholders may be excluded under various conditions. Furthermore, the Management Board was authorized, with the approval of the Supervisory Board, to determine the further details for capital increases from authorized share capital.

Treasury shares

The Company holds 3,022,868 treasury shares of which 532,350 were acquired in the 2001 financial year and a further 2,490,518 treasury shares were acquired as part of the buy back program between 23 January 2008 and 18 April 2008 (500,000 shares; purchase price per share in bands from EUR 8.6430 to EUR 12.6788; average weighted purchase price of EUR 10.3276 per share), between 22 July 2008 and 14 October 2008 (500,000 shares; purchase price per share in bands from EUR 3.8243 to EUR 5.4881; average weighted purchase price of EUR 4.8426 per share), between 15 October 2008 and 30 December 2008 (460,896 shares; purchase price per share in bands of EUR 3.1519 to EUR 4.4279; average weighted purchase price of EUR 3.8849 per share), between 5 January 2009 and 31 March 2009 (403,876 shares; purchase price per share in bands from EUR 3.4100 to EUR 4.7402; average weighted purchase price from EUR 4.0810 per share), between

1 April 2009 and 27 May 2009 (500,000 shares; purchase price per share in bands from EUR 3.8357 to EUR 4.5988; average weighted purchase price of EUR 4.1578 per share) and between 4 June 2009 and 31 December 2009 (125,746 shares; purchase price per share in bands from EUR 4.1853 to EUR 6.0000; averaged weighted purchase price of EUR 5.6852 per share).

The total purchase price of shares acquired during the year including expenses amounted to EUR 4,459,000.

The current proportion of the 3,022,868 treasury shares in relation to the total share capital of 53,219,350 is 5.68 percent.

In accordance with a resolution of the general shareholders' meeting of 14 May 2009 the Management Board was authorized to purchase up to 10 percent of the current share capital in accordance with Section 71 Paragraph 1 No. 8 Aktiengesetz (German Public Limited Liability Company Act). At no time may the purchased shares, together with the other treasury shares, which the Company holds or is due according to Section 71 et seq Aktiengesetz, exceed 10 percent of the share capital.

This authority may not be utilized for the purposes of trading in shares.

This authority may be exercised in full or in part, on one or more occasions, to achieve one or more objectives by the company or by third parties on the Company's behalf. This authority took effect on 15 May 2009 and is valid until 14 November 2010.

The Management Board may choose to purchase the shares on the stock exchange or by way of a public tender offer to all shareholders to submit sales offers.
1. If the share purchase is performed on the stock exchange, the purchase price for one share may not be more or less than 10 percent of the Company's unweighted average share price, as calculated by the closing auction of the Xetra trading system (or a corresponding successor system) on the Frankfurt am Main stock exchange in the five trading days prior to the purchase date.
2. If the share purchase is performed through a public purchase offer to old shareholders or through a public invitation to all shareholders to submit sales offers, the purchase price for one share (without ancillary purchase costs) may not be more or less than 20 percent of the Company's unweighted average share price, as calculated by the closing auction of the Xetra trading system (or a corresponding successor system) on the Frankfurt am Main stock exchange in the five trading days prior to the public notification of the invitation to submit such an offer.
3. The purchase offer or invitation to submit sales offers may stipulate further conditions. If the purchase offer is oversubscribed or, in the case of an invitation to submit sales offers of several equivalent offers, not all offers are accepted, the shares must be allocated proportionately to the shares respectively offered. A preferential acceptance of low numbers of tendered shares up to 100 shares per shareholder and rounding in accordance with commercial principles could be foreseen.

The Management Board is entitled to utilize the purchased treasury shares as follows:
1. With the approval of the Supervisory Board they may be sold on the stock exchange or offered to all shareholders. In addition, with the approval of the Supervisory Board they may be sold by another means provided the consideration for the sale is in cash and the sales price at the time of the sale is not significantly lower than the share price for the same class share on the stock exchange. The total proportion of the shares sold under this authorization in relation to the total share capital, together with the proportion of the share capital of new shares that have been issued since the shareholders' resolution for this authorization i.e. since 14 May 2009, due to any authorizations for share issues from authorized capital in accordance with Section 186 Paragraph 3 Sentence 4 Aktiengesetz, may not exceed 10 percent of the Company's share capital.
2. With the approval of the Supervisory Board they may be offered and transferred to third parties for the purposes of direct or indirect acquisition of companies, company shares or equity investments in companies.
3. With the approval of the Supervisory Board they may be offered and sold as consideration, so that the Company or one of its subsidiaries are issued copyright or third party property rights by third parties, particularly patents or brands, or licences to such rights, for the marketing and development of CompuGROUP products.
4. The shares may also be utilized to exercise options arising from share options granted by the Company.
5. In addition, with the approval of the Supervisory Board, they may also be cancelled without the cancellation requiring an additional general shareholders' meeting. The proportion of the remaining shares in relation to share capital will not be increased by a cancellation. By contrast, the Management Board may decide that the share capital will not be reduced but that the proportion of the remaining shares increases in relation to share capital in accordance with Section 8 Paragraph 3 Aktiengesetz. In this case, the Management Board is entitled to amend the number of shares stated in the articles of association.

The authorizations relating to the utilization of purchased treasury shares may be used on one or more occasions, in full or in part, individually or collectively, and the authorization in accordance with (1) to (4) may be used by independent companies or companies in which the Company holds a majority stake, or third parties acting on the Company's account.

The right of shareholders to subscribe to treasury shares shall be excluded insofar as such shares, in accordance with the authorizations mentioned above, are used for the purposes of treasury shares in accordance with (1) to (4).

The authorization for the purchase of treasury shares granted by the general shareholders' meeting of 14 May 2009 expires on this new general shareholders' meeting resolution coming into effect. The authorizations granted by the general shareholders' meeting mentioned above for the utilization of any purchased treasury shares remain unaffected by this resolution coming into effect.

The Company has informed the Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) as required under Section 71 Paragraph 3 Sentence 3 AktG.

Equity reserves
Changes to equity reserves are specified in the schedule of changes to equity. The principle changes were as follows:

The currency differences reserve stood at EUR 8.8 million on the balance sheet date and is primarily a reflection of fluctuations in exchange rates in Scandinavia, the USA and Turkey.

The consolidated net profit for the period of EUR 8.5 million was posted to equity reserves.

If a final dividend is recommended this will be conditional on shareholder approval at the general shareholders' meeting. Consequently this is not recorded as a liability in the consolidated financial statements. No corporation tax effects for the Company result from a dividend payment.

Minority interests

	31.12.2009 EUR '000	31.12.2008 EUR '000
Profdoc Group	386	389
Noteworthy	189	0
Turbomed	173	57
Erudis	50	0
Tepe	0	1,190
Gruber	0	151
Other	12	3
	810	1,790

A revaluation reserve of EUR 0.7 million originated from the transitional consolidation of Fimesan (from an associated company to a fully consolidated company) and from Erudis (from a company valued at acquisition costs to a fully consolidated company), which was posted directly to equity.

In the year Fimesan was first acquired (2006) no undisclosed reserves (software, customer relationships, brands, real estate) were known. As part of the temporary purchase price allocation of 1 July 2009 undisclosed reserves of EUR 2.6 million (for 100 percent) were temporarily identified. As a result of the information situation in 2006 (acquisition of the old shares) the whole difference was treated as goodwill. Consequently, the undisclosed reserves now identified were fully interpreted as an increase by the amount of the proportionate old holding and were consequently to be placed in the revaluation reserve in full.

12. Pension provisions
Pension provisions were calculated on the basis of a current actuarial report. The discount rate applied in the calculation as at 31 December 2009 was 5.2 percent (prior year 5.5 percent).

There are pension liabilities owing to eight employees of CompuGROUP Medical Arztsysteme GmbH & Co. KG (formerly DataVital GmbH & Co. KG) to pay fixed, retirement/disability or spousal pensions of 60 percent and to one employee of CompuGROUP Services GmbH (formerly GTI AG). There are also pension obligations to various employees of different French subsidiaries (defined benefit plans).

The following table provides a breakdown of pension provision balances and the underlying assumptions applied in the calculation of pension provisions.

	2009 EUR '000	2008 EUR '000
Provision 1.1.	1,386	1,386
Service cost	8	36
Interest cost	39	69
Actuarial gains/losses	34	-105
Provision 31.12.	1,467	1,386
DBO 31.12.	1,467	1,449
Plan assets	-602	-63
Provision 31.12.	865	1,386

Actuarial assumptions:	%	%
Discount rate	5.2	5.5
Future salary rises	2.0	2.0
Future pension rises	2.0	2.0
Estimated profit of the plan asset	5.2	4.0

Domestic pension obligations are based on the typical mortality rates applied in Germany (according to Heubeck 2005 G). 'Plan Assets' relate to pension liabilities to one CompuGROUP Services GmbH employee.

Changes in pension provisions (reserves) are given in the following table:

	31.12.2005 EUR '000	31.12.2006 EUR '000	31.12.2007 EUR '000	31.12.2008 EUR '000	31.12.2009 EUR '000
Gross liability	503	1,456	1,386	1,386	1,467
Experience-based adjustments to gross liability	-134	0	0	0	0
Present value of plan assets	0	-169	-220	-63	-602

Experience-based adjustments are the actuarial losses/profits recorded immediately in full. All items are shown under 'Personnel expenses'.

13. Liabilities to banks (short and long-term)

	Due in < 1 J. EUR '000	Due in 1-5 J. EUR '000	Due in > 5 J. EUR '000	Total EUR '000
Liabilities 31.12.2009	35,131	97,026	12,013	144,170
Liabilities 31.12.2008	114,088	10,219	466	124,773

No securities were given for liabilities to banks on 31 December 2009.

In June 2008 CompuGROUP received a loan limited to 12 months of EUR 100 million to finance the Profdoc acquisition. In the reporting period this loan was refinanced by the conclusion of several loan agreements for EUR 80 million in total (with a term of seven years) and a loan agreement for EUR 20 million (with a term of three years).

Repayments begin in March 2010 and will end in March 2016 (in March 2012 for the credit agreement for EUR 20 million). The maturities are as follows: 2010 and 2011 financial years EUR 14.3 million each; 2012 financial year EUR 25.7 million, 2013 to 2016 financial years EUR 11.4 million each.

The grant of the loan was linked to meeting financial key performance indicators (net debt, interest coverage and equity ratio).

The interest on the loan is variable, linked to the 3 months EURIBOR, which will be determined quarterly before the start of the new interest period. In addition, a margin will be calculated that is oriented on net gearing. This margin is currently 2.25 percent and 3.00 percent.

To secure the risks from the variable interest an interest swap was concluded with a term from 1 July 2009 to 30 March 2012. This swapped the variable interest (3 month EURIBOR) into a fixed interest position of an identical amount and term to the basic transaction. By balancing the variable interest to be paid and to be received, the Company bears fixed interest of 2.03 percent plus the margin. The expenditure and revenues from the securities transaction are balanced permissibly under 'Interest paid'. The market value of the interest swaps on 31 December 2009 was EUR -395,000.

So-called "upfront fees" were incurred for the refinancing as well as other consultancy services for concluding the credit agreement. The total amount of EUR 600,000 will be charged as an expense over the term of the financing agreement.

Furthermore, with effect from 1 July 2009, CompuGROUP has concluded two assignable loan agreements for a total of EUR 12.5 million. These have a total maturity of three years. The loans will be due in March 2012. The grant of the loan was linked to meeting financial key performance indicators (net debt, interest coverage and equity ratio). Interest is variable (3 month EURIBOR) plus a 3.30 percent margin. No security transaction has been concluded.

Profdoc has additional significant loan liabilities (EUR 6.0 million) with a remaining term of more than one year. The remaining liabilities to banks mainly relate to the use of current account credit lines.

Due to the refinancing and the conclusion of the assignable loan agreements, the relation between current and non-current liabilities to banks had changed significantly in comparison with 31 December 2008.

14. Purchase price liabilities (short and long-term)

	31.12.2009 EUR '000	31.12.2008 EUR '000
UCF	4,892	4,642
Gruber I	3,479	1,267
Profdoc LAB	1,815	0
Tepe	0	340
Total non-current purchase price liabilities	10,186	6,249
Fimesan	2,096	479
Gruber II	220	500
Sakura	18	0
Medicine	0	637
Promed	0	393
Total current purchase price liabilities	2,334	2,009

Non-current purchase price liabilities (due in more than one year):
UCF: Minority interests have a put option amounting to the nominal amount of the shares plus interest (discounted).

Gruber: The increase is due in part to the acquisition of the outstanding 20 percent of the shares. The contract to purchase the remaining shares was concluded on 26 May 2009 and includes a fixed payment plan until 2013.

Profdoc LAB: Call option from CompuGROUP and minority interests put option amounting to the discounted nominal value.

Tepe: discounted variable purchase price liability (earn out clause) dependent on sales and EBITDA developments in the 2007, 2008 and 2009 financial years. Because these developments were below expectations the purchase price liability was completely written off in the reporting year.

Current purchase price liabilities (due in less than year):
Gruber: purchase price liability in accordance with payment plan.

Fimesan: Purchase price payment conditional on proof of state project performance provided and the formation of a purchase price liability of EUR 2.0 million for the remaining 9.9 percent of the shares (put option).

Medicine: purchase price liability written off because the remaining shares in Medicine were acquired for EUR 1.00 in the reporting period.

Promed: Utilization as a result of the purchase of the remaining shares in the reporting period.

15. Trade payables

The trade payables of EUR 16.9 million (prior year EUR 12.2 million) all fall due in less than one year.

16. Provisions

	01.01.2009 EUR '000	Addition– first time consolidation EUR '000	Used EUR '000	Release EUR '000	Increase EUR '000	31.12.2009 EUR '000
Payroll costs	10,121	117	7,314	341	8,248	10,831
Guarantees	1,007	0	417	0	725	1,315
External year-end accounting costs	1,083	136	995	58	740	906
Legal charges	849	79	352	211	252	617
Other	2,377	0	1,854	126	775	1,172
	15,437	332	10,932	736	10,740	14,841

Payroll provisions largely relate to bonuses/commissions (EUR 6.1 million; prior year EUR 6.4 million), holiday pay (EUR 3.1 million; prior year EUR 3.5 million) and overtime (EUR 0.5 million; prior year EUR 0.7 million). These were calculated on the basis of the underlying hourly rates and social security deductions.

The provisions for guarantees relate to contractual commitments in connection with the installation of hospital software solutions.

17. Other liabilities (current and non-current)

	31.12.2009 EUR '000	31.12.2008 EUR '000
Deferred income	12,021	7,394
VAT, payroll tax	6,760	6,702
Employee payables	3,434	3,003
POC excess liability	2,658	3,933
Loan	1,083	1,241
Negative creditors	485	256
Negative fair value interest SWAP	395	0
Other	1,053	1,611
Total short-term other liabilities	27,889	24,140
Total long-term other liabilities	4,120	508

The non-current liabilities largely relate to leasing liabilities. Please refer to Number 7 for the leasing structure.

18. Sales revenues

	2009 EUR '000	2008 EUR '000
Software maintenance	137,101	97,367
Services	47,509	30,087
Network income	42,551	47,169
Software sales	28,810	27,611
Communication income	16,940	13,166
Hardware sales	16,965	10,023
Other income	3,533	3,768
	293,409	229,191

19. Capitalized in-house services

These relate exclusively to self-produced software. In the 2009 financial year this amounted to around 188,000 working hours in total (prior year around 163,000 working hours). The country specific hourly rate is between approx. EUR 15 and approx. EUR 42 per hour. In 2009 research and development costs amounted to approx. EUR 22.7 million.

20. Other operating income

	2009 EUR '000	2008 EUR '000
Purchase price liabilities write-off (Tepe)	667	2,903
One-time commission for provider change	450	0
Recharged administrative costs to third parties	335	333
Gain on deconsolidation	481	0
Investment grants	231	0
Gain on sale of fixed assets	139	76
Rental income	185	21
Compensation received for damages	45	95
Currency gains	65	437
Reversal of APO-Bank bad debt provision	0	900
Other	584	1,729
	3,182	6,494

21. Expenses for purchased goods and services

	2009 EUR '000	2008 EUR '000
External software maintenance/hotline/purchased services	36,037	29,142
Hardware	14,288	7,056
Software	4,631	4,962
Software maintenance/hotline	3,045	2,954
Equipment	1,193	1,255
Other	1,837	3,879
	61,031	49,248

The 'External software maintenance/hotline/purchased services' item primarily relates to external service providers operating the hotline and costs for all external marketing.

22. Personal expenses

	2009 EUR '000	2008 EUR '000
Salaries	109,040	79,364
Employer social security costs	20,828	16,086
Pension cots		
– defined benefit plans	223	238
– defined contribution plans	87	81
	130,178	95,769

2009 contributions to statutory health insurance organisations amounted to EUR 10.3 million (2008 7.9 million).

Employees
The average number of Group employees was 2,592 (prior year 2,104). This figure only relates to salaried employees. Apprentices have not been included.

23. Other operating expenses

Other operating expenses breakdown as follows:

	2009 EUR '000	2008 EUR '000
Administrative and selling costs	51,153	44,166
Bad-debt adjustments	1,599	2,513
Losses on disposal of fixed assets	232	193
Losses on currency exchange	105	199
	53,089	47,071

Breakdown of administrative and selling costs		
Legal and consulting fees	9,039	6,937
Occupancy costs	7,888	6,462
Travel expenses	5,584	4,163
Vehicle costs	5,515	4,796
Advertising	5,226	4,135
Trade fairs	2,565	2,579
Office and business equipment	2,517	2,049
Telephone costs	2,526	1,905
Commissions	2,147	1,525
IT costs (software, maintenance)	1,559	930
Insurances/fees/contributions	1,503	966
Postage	1,232	1,101
Other	3,852	6,618
	51,153	44,166

24. Amortization of intangible assets and depreciation of fixed assets

Please refer to the fixed asset schedule for more details.

25. Results from associated companies (at equity)

Breakdown:

	31.12.2009 EUR '000	31.12.2008 EUR '000
HCS	171	174
Fimesan	48	409
D3P	0	-37
Medigest	-26	31
	193	577

There were no financial statements available as at 31 December 2009 for Technosanté Nord-Picardie, Saintec, MECO and Mediaface.

HCS has 30 September as its balance sheet date every year.

26. Financial income and expenses

Financial income

	2009 EUR '000	2008 EUR '000
Currency gain on loans	1,287	904
Bank interest	943	915
Other	112	165
	2,342	1,984

Financial expenses

	2009 EUR ’000	2008 EUR ’000
Bank interest	6,637	5,685
Currency loss on loans	1,187	1,711
Loan origination fees	405	380
Market value of interest SWAP	395	0
Accrued interest from purchase price liabilities	153	266
Other interest expense	237	338
	9,014	8,380

27. Taxes on income

Taxes on income breakdown as follows:

	2009 EUR ’000	2008 EUR ’000
Current taxes	-9,115	-7,905
Deferred taxes	2,514	2,192
	-6,601	-5,713

The consolidated tax rate serves as the basis for corporation tax and legal structure planning. The consolidated tax rate is understood to be the rate that includes statements about the (income) tax charge of the Company. For accounting purposes the consolidated tax rate equals the actual income tax charge divided by the profit before tax.

Consequently, the consolidated tax charge is the sum of current and deferred tax whereby utilization of losses brought forward, the use of tax credits and tax allowances and the book value of deferred tax assets have a favourable impact on the final consolidated tax rate.

The reconciliation between the statutory tax rate (nominal) and the actual tax rate is shown below:

	2009 EUR ’000		2008 EUR ’000	
Earnings before taxes	18,317		6,981	
Nominal tax rate (29,65%) – theoretical tax expense	**5,431**	**29.65%**	**2,070**	**29.65%**
Tepe loss – no tax savings	436	2.4%	3,891	55.7%
Non-deductible expenses	383	2.1%	372	5.3%
Write off deferred tax assets	564	3.1%	277	4.0%
Lower foreign tax rates	116	0.6%	-455	-6.5%
Tax reimbursement for prior years	-469	-2.6%	-442	-6.3%
Other differences	140	0.8%	0	0.0%
Effective tax expense	6,601	36.1%	5,713	81.9%

Under German tax regulations taxes on income include the “Körperschaftsteuer” (corporation tax), “Gewerbesteuer” (local business tax) and the “Solidaritätszuschlag” (solidarity surcharge for the former East Germany).

The consolidated weighted average tax rate amounted to around 29.65 percent in the last financial year, as in the prior year.

No taxes arose in connection with the discontinuation of business divisions. In addition, income tax expenses do not include expenses or revenues from changes in accounting or valuation methods.

EUR 564,000 of deferred tax assets on losses brought forward was written off in the financial year due to intrinsic value no longer applying.

28. Earnings per share

	2009 EUR '000	2008 EUR '000
Earnings attributable to the shareholders of the parent company	12,007	1,717
Number of no-par value common shares	53,219,350	53,219,350
Number of own shares	-2,749,965	-1,194,268
Basis (number) from 4 May 2007	50,469,385	52,025,082
Earnings per share (EUR)		
– undiluted	0.24	0.03
– diluted	0.24	0.03

The share options program begun in the prior year (2008) will only affect the diluted earnings per share marginally.

F. SEGMENT REPORTING

For comparisons please see the separate details on page 97 and 98 of the notes.

To define the business segments the Management Board draws on reports that are also available to the Supervisory Board and analysts for their strategic decisions.

The Group is currently divided into three divisions and into six regional divisions derived from the matrix organisation.

- These divisions can be described as follows:

HPS (Integrated Health Provider Services): development and sale of software solutions for physicians and dentists in their practices and for use in hospitals

HCS (Health Connectivity Services): networking service providers (physicians, dentists and hospitals) with other important market participants in the health care sector such as sponsors, pharmaceutical companies and generic drug producers

CHS (Consumer Health Services): products and services for covering the growing demand for health-related information for patients (electronic patient services)

- The regional divisions encompass:

CE (Central Europe)	Germany, Luxemburg
CEE (Central Eastern Europe)	Austria, Poland, Czech Republic, Slovakia, Greece, Switzerland
NE (Northern Europe)	Norway, Sweden, Denmark, Latvia
SE (South Europe)	France, Italy, Spain
ALM (Asia, Latin America, Middle East)	Turkey, Malaysia, Saudi Arabia, South Africa
NA (North America)	USA, Canada

The 2008 secondary reporting figures were adjusted in accordance with the requirements of IFRS 8. The column 'All other segments' depicts the non-operational holding companies and the column 'Reconciliation reporting' depicts the consolidation measures between the segments. Business fields depicted that do not exceed that threshold set in IFRS 8 have nevertheless been treated as reportable operating segments, if in future they will probably contribute to Group growth to a significant extent. Transactions between the business divisions have in principle been carried out as if they were between external third parties.

The segment information is based on the same disclosure and valuation methods as the consolidated financial statements. The business relationships between the companies of the Group's segments are conducted at prices to which third parties have also agreed. In the segment reporting by region the breakdown of sales revenues is based on the country where the company providing performance is located. The segment assets and investments breakdown is based on the location of the Group subsidiary concerned.

G. OTHER NOTES

Notes on the cash flow statement

The cash flow statement was prepared under the indirect method (cash flow from operations). It shows how cash and cash flow equivalents have changed within the Group during the financial year. In accordance with IAS 7 cash flows are divided into operations, investments and financing.

Cash and cash equivalents

The cash and cash equivalents (stock of payments on the balance sheet date) shown in the cash flow statement total EUR 29.1 million (prior year EUR 16.1 million).

EUR 9.3 million was transferred to an escrow account in connection with the intended acquisition of 70.3 percent of the shares of INNOMED Gesellschaft für medizinische Softwareanwendungen GmbH, Wiener Neudorf, in Austria, which has been included under cash and cash equivalents. On the balance sheet date of 31 December 2009 there was a right of withdrawal from the purchase contract, because the contractually regulated conditions precedent had not yet been met.

Financial instruments

The Group has various financial assets, such as trade receivables and cash and cash equivalents, which result directly from operations.

Most of the financial liabilities utilized by the Group – with the exception of derivative financial instruments – are liabilities to banks, trade payables and purchase price liabilities. The main purpose of these financial liabilities is financing the Group's operations.

In accordance with an internal Group directive, no trading with derivatives has taken place up to now nor will take place in future. The most significant risks to the Group arising from financial instruments are interest risks. The board of management of the Company decides on strategies and procedures to control individual types of risks that are presented below.

The following tables present the book value and valuation approaches for the Group's financial instruments according to valuation categories in accordance with IAS 39 (no financial instruments in the category "held to maturity" or "available for sale" are held):

				Valuation financial instruments	
Valuation class Financial year EUR '000	Valuation category*	Book value 31.12.2009	Thereof non-financial instruments	continued historical costs	fair value income statement
Financial assets					
Cash and Cash equivalents	HC	29,110	0	29,110	0
Trade receivables	HC	32,192	0	32,192	0
Other receivables (short- and long-term)	HC	21,381	6,186	15,195	0
Investments	HC	2,026	0	2,026	0
Stocks and securities	FV	35	0	0	35
Total Financial assets		84,744	6,186	78,523	35
Financial liabilities					
Liabilities to banks (short- and long-term)	HC	144,170	0	144,170	0
Trade payables	HC	16,859	0	16,859	0
Other liabilities (short- and long-term)	HC	32,009	21,439	10,570	0
Interest rate hedge	FV	395	0	0	395
Total Financial liabilities		193,433	21,439	171,599	395
Valuation per Valuation category					
Loans and receivables	HC	84,709	6,186	78,523	0
Valuated at fair value income statement related	FV	35	0	0	35
Total financial assets		84,744	6,186	78,523	35
Loans and liabilities	HC	193,038	21,493	171,599	0
Valuated at fair value income statement related	FV	395	0	0	395
Total financial liabilities		193,433	21,493	171,599	395

Valuation class Preceding year EUR '000	Valuation category*	Book value 31.12.2008	Thereof non-financial instruments	Valuation financial instruments continued historical costs	 fair value income statement
Financial assets					
Cash and Cash equivalents	HC	16,086	0	16,086	0
Trade receivables	HC	27,513	0	27,513	0
Other receivables (short- and long-term)	HC	15,203	4,687	10,516	0
Investments	HC	8,384	0	8,384	0
Stocks and securities	FV	138	0	0	138
Total Financial assets		67,324	4,687	62,499	138
Financial liabilities					
Liabilities to banks (short- and long-term)	HC	124,773	0	124,773	0
Trade payables	HC	12,211	0	12,211	0
Other liabilities (short- and long-term)	HC	24,648	18,029	6,619	0
Total Financial liabilities		161,632	18,029	143,603	0
Valuation per Valuation category					
Loans and receivables	HC	67,186	4,687	62,499	0
Valuated at fair value income statement related	FV	138	0	0	138
Total financial assets		67,324	4,687	62,499	138
Loans and liabilities	HC	161,632	18,029	143,603	0
Valuated at fair value income statement related					
Total financial liabilities		161,632	18,029	143,603	0

HC = loans and receivables as well as liabilities valued at amortized cost carried forward (holdings in associated companies are shown in the balance sheet using the at-equity method)
FV = assets and debts valued at fair value with an effect on assets

The fair value of the individual valuation categories on the balance sheet date approximately correspond to the book values; for this reason no separate itemization has been prepared.

Write-downs on financial assets
With respect to trade receivables please see the valuation adjustment schedule. No write downs were reported with respect to financial assets in the reporting year.

Write-downs on financial liabilities
There were no write downs in 2009 or in 2008.

Net profits and losses from financial assets
With respect to valuation adjustments on trade receivables please see the valuation adjustment schedule. There were negligible net profits from securities and only negligible profits from interest on other financial investments.

Net profits and losses on financial liabilities
There were currency profits of EUR 1.3 million primarily from repayment of foreign currency loans by the Profoc Group, as well as foreign currency losses of EUR 1.2 million from repayments in Danish krone made by Profdoc. Loan provision fees (EUR 0.4 million) and a non cash valuation of an interest swap transaction (fair value EUR 0.4 million) continue to be due.

Overdue liabilities
Overdue trade payables are as follows:

	31.12.2009 EUR '000	31.12.2008 EUR '000
Overdue by:		
0-3 months	16,748	11,987
4-6 months	27	35
7-12 months	49	52
> 12 months	35	137
	16,859	12,211

Credit risk
The financial assets of the Group primarily comprise bank deposits, trade receivables, other receivables and securities that represent the maximum default risk to the Company from credit risk to financial assets. The default risk to the Group results primarily from trade receivables. The amounts indicated in the balance sheet are understood to include a valuation adjustment for receivables that probably cannot be collected, reflecting the senior management's judgement based on previous experience and the current economic environment. In addition, the age of the receivables can be classified as non-doubtful (see under trade receivables).

The default risk to liquid assets is limited, because these are held at banks to which credit rating agencies have assigned a high credit rating.

The Group does not have any significant concentration of default risks because these risks are distributed across a large number of contractual parties and customers.

Currency risk
Fluctuating exchange rates influence the market success and gross revenues of exporting companies. In 2009 about 62 percent of sales were achieved abroad; of this amount however, over 83 percent came from within the EU. No hedging of possible exchange rate risks was carried out.

The balance sheet includes the following items in foreign currency (Czech koruna, Polish zloty, Turkish lira, Swiss francs, Norwegian krone, Danish krone, Swedish krona, US dollars, Canadian dollars, Malaysian rinngits, South African rand, Latvian lats, Saudi Arabian riyals):

Balances	Foreign currency in EUR '000
Trade receivables	10,779
Tax and other receivables	3,284
	14,063
Trade liabilities	-4,999
Other liabilities	-8,007
Tax liabilities	-705
	-13,711
Net balance	352

The net item (receivable) after taking account of the various foreign currencies amounts to EUR 352,000 on the balance sheet date (prior year: EUR 99,000). Consequently, a change in exchange rates would not have a significant impact on consolidated income.

Interest-rate risk
During the reporting period CompuGROUP Holding AG concluded an interest hedging transaction (interest swap). This secures the interest rate for the EUR 100 m loan at 2.03 percent (taking account of the planned repayments) over a term of 3 years. The valuation of this interest hedging transaction has been done at fair value.

Capital management
CompuGROUP Holding AG has the aim of sustainably securing the equity basis and achieving a suitable yield on the capital utilized. However, the Group's accounting capital is only a passive risk control criteria, while sales and EBITDA are active control elements.

The Group equity ratio is 41.1 percent (prior year: 43.8 percent), which was primarily influenced by ongoing acquisitions.

In addition, there are so-called "covenants" for external Group financing. Interim calculations confirm compliance with these covenants.

Other financial obligations and commitments
As at the balance sheet date the Group had open obligations from operating leases that cannot be cancelled, maturing as follows:

	2009 EUR '000	2008 EUR '000
Within one year	8,176	8,287
Between two and five years	12,900	3,082
More than 5 years	3,750	383
	24,826	11,752

Payments from operating lease relationships involve rent for the Group's office equipment and particularly for office buildings (without purchase option). Leasing relationships are concluded for an average term of three years. The rents are fixed for three to seven years. Operating leasing relationships are shown in the balance sheet with a pro rata affect on income.

There are no larger purchase commitments from operations.

As part of a project contract concluded in November 2009 with the Vienna Hospital Group (KAV), Systema Human Information Systems GmbH gave a performance guarantee for EUR 3.6 million to KAV. Furthermore, the Company has deposited EUR 19,000 with the landlord for the rental of office space and a computer centre in St. Pölten.

CompuGROUP Holding AG has taken over a guarantee in favour of Meteksan Sistem ve Bilgisayar Teknolojileri A.S. for YTL 210,000 (EUR 97,000) for Tepe Teknolojik Servisler A.S.

In the course of its business "Tepe International A.S" responds to various invitations to tender domestically and abroad and normally has to provide a guarantee to participate in these tenders. To secure this deposit the Company has guaranteed US$ 5 million (EUR 3.5 million) for CompuGROUP Holding AG at Fortis Bank (Turkey).

Furthermore, "Tepe International A.S" has given several guarantees that are listed below:

- Ministry of Health in Saudi Arabia SAR 1.4 million (EUR 0.3 million).
- Finans Bank A.Ş. US$ 1.2 million (EUR 0.8 million).
- Anadolu Anonim Turk Sigorta Şti. US$ 0.2 million (EUR 0.1 million).
- Vehbi Koç Amerikan Vakfi Hastanesi US$ 0.1 million (EUR 0.1 million).
- Ankara Teknoloji Gel. Bölg. Kurucu ve Işi. A.Ş. YTL 0.2 million (EUR 0.1 million).
- Various hospitals YTL 28,750 (EUR 13,000).

Under the terms of the joint venture agreement of 15 November 2004 between United Pascal Holdings B.V. and CompuGROUP Beteiligungsgesellschaft to found UCF Holding S.a.r.l. Luxemburg, CompuGROUP Holding AG as the parent company is obliged to guarantee the liquidity of CompuGROUP Beteiligungsgesellschaft. The reason for this is that United Pascal Holdings B.V. has, at term, the right to sell its minority stake. As at 31 December 2009 this purchase obligation would have been valued at around EUR 4.9 million if the put right had been exercised.

The Company has taken over a guarantee for EUR 2.6 million in favour of the landlords Friedrich und Jan Christopher GmbH and Geschwister Christoffer GbR on behalf of the associate company Medistar Praxiscomputer as part of an existing rental agreement.

The Company has given a surety of EUR 15,000 to Gesmo Gesellschaft für Mobilfunkservices mbH, Marburg at Commerzbank.

Various credit guarantees amounting to EUR 10,000 are in place for a French subsidiary in favour of SEB AG.

The Company has taken over a guarantee of EUR 195,000 in favour of BECOM Electronics GmbH for Gesellschaft KoCo Connector AG.

The Company has taken over a rental deposit guarantee for EUR 50,000 in favour of the landlord for the existing rental agreements of the associated company medicine Medienproduktions GmbH with Haferkamp, Schirmacher, Wehen, Rasch GbR, Mainz.

In accordance with the declaration of 1 March 2010 the Company assumed an obligation to its indirect subsidiary Noteworthy Medical Systems Inc, USA to support it with sufficient funds for 12 months from the date of the declaration.

The Company has provided a comfort letter to the LGS Leasinggesellschaft der Sparkasse GmbH regarding leasing contracts entered into by the associate company ISPro GmbH. Future payments arising from these leasing contracts amount to EUR 15,000 in total. All payments will be due for final payment in 2010.

The Company has assumed joint and several liabilities for all leasing and service contracts concluded by associated companies with VR-Leasing AG. Liabilities arising from these contracts amounted to EUR 452,000 on the balance sheet date.

An interest and principle guarantee has been entered into in favour of Landesbank Saar Girozentrale on behalf of the associated company IMMO I GbR (in the course of the purchase of additional shares and subsequent merger with CompuGROUP Beteiligungsgesellschaft mbH) with relation to financing by Landesbank Saar Girozentrale. CompuGROUP Holding AG undertakes to ensure that the debtor assumes all present and future interest and principle payments on time or else substitute itself for them.

This refers to two loans with the following conditions:

Original credit amount EUR	Interest rate percent	Monthly repayment EUR	Duration
1,121,000.00	5.50	12,144.17	30.12.2012
1,879,000.00	5.50	0.00	30.12.2012
3,000,000.00		12,144.17	

Only interest will be paid for the loan for EUR 1,879,000 until 30 December 2012.

These loans were valued at EUR 2.3 million on 31 December 2009.

As part of the interest rate adjustment on 30 December 2012 a repayment agreement has to be made within 10 years so that the total term of 20 years is not exceeded.

Transactions with related parties
For legal transactions with associated companies and persons, the Company's services have been compensated according to reasonable commercial judgement.

Shareholder group "Gotthardt family/Dr. Koop": two effective pool contracts have been concluded: (1.) Between GT1 Vermögensverwaltung GmbH and Dr. Reinhard Koop; (2.) Between Mr Frank Gotthardt, GT1 Vermögensverwaltung GmbH, Dr. Brigitte Gotthardt and Dr. Daniel Gotthardt (the number of shares is partly limited to an upper limit).

By virtue of the limitation on shares to be counted in the pool contract, only 11,900,623 shares of pool members (from a total of 24,171,837 shares) can be assigned to the pool, which gives a percentage stake in terms of voting rights – i.e. minus 3,022,868 shares – of 23.71 percent. Both pool contracts set out to ensure equal treatment of voting rights for shares of CompuGROUP Holding AG. However, it must be assumed that voting rights are exercised identically i.e. that voting rights outside the pool are cast in the same way as by the pool. In this respect a 48.15 percent proportion of the voting rights can be assumed.

Mr Frank Gotthardt (Chairman of the Management Board) received EUR 687,000 from leasing various properties in Koblenz to CompuGROUP Holding AG.

During the reporting year Dr. Daniel Gotthardt leased parking spaces to CompuGROUP Holding AG (EUR 30,000). In addition, Dr. Daniel Gotthardt has an equity interest of 6 percent, together with CompuGROUP Beteiligungsgesellschaft mbH, in Immo I GbR and in Immo II GbR through DAGUI Beteiligungen GmbH (100 percent shareholder Dr. Daniel Gotthardt) respectively. Immo I GbR, CompuGROUP Beteiligungs-GmbH and Mr Frank Gotthardt, as well as Immo II GbR with CompuGROUP Beteiligungsgesellschaft, lease various properties and buildings to CompuGROUP Holding AG. During the reporting period Dr. Daniel Gotthardt disposed of his shares in CompuGROUP Beteiligungs-GmbH for EUR 20,000 (Immo I GbR) and EUR 6,000 (Immo II GbR). Since then CompuGROUP Beteiligungs-GmbH, together with Mr Frank Gotthardt, has been the sole landlord of the properties and buildings.

Furthermore, INFOSOFT Informations- und Dokumentationssysteme GmbH (shareholder Mr Frank Gotthardt) had granted CompuGROUP Holding AG a loan for EUR 220,000 that was repaid during the reporting period.

There continue to be various business relationships between CompuGROUP Holding AG and Group companies as well as INFOSOFT Softwareentwicklung GmbH, INFOSOFT Informations- und Dokumentationssysteme GmbH, GTS Praxisshop GmbH, CO-PRA Computer Praxisanwendungen GmbH & Co KG and Gotthardt Informationssystem GmbH (shareholder is |Mr Frank Gotthardt in each case). These transactions are based on services contracts as if they were between external third parties.

Declaration of compliance with the German Corporate Governance Codex
The declaration of compliance required by Section 161 AktG was approved by the Management Board and the Supervisory Board and made publicly accessible on the Company's website (www.compugroup.com/Investor/Governance/kodex.htm).

Auditing fees according to Section 314 Para. 1 No. 9 HGB (German Commercial Code)
The following table takes account of all fees due to PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft for the 2009 financial year.

The ‘Annual Financial Statement’ item includes the fees for auditing the individual annual financial statements, the consolidated statement and the dependent company report of CompuGROUP Holding AG, as well as the fees for auditing various subsidiaries.

	EUR
Final audit	245,000
Tax accounting services	12,961
	257,961

Post balance sheet events

Acquisition of Innomed shares

With the fulfilment of the agreed conditions precedent in the purchase contract concluded on 17 November 2009, CompuGROUP CEE GmbH will acquire 70.3 percent of the shares in Innomed Gesellschaft für medizinische Softwareanwendungen GmbH, Wiener Neudorf for EUR 9.3 million. Innomed has 2,500 doctors among its users in Austria and achieved sales of EUR 4.6 million in 2009, EUR 3.1 million of which were due for long-term software maintenance and annual licence income. CompuGROUP expects to be able to carry out the first consolidation of Innomed in April 2010.

The outstanding 29.7 percent of the shares continued to be held by the previous owners. However, CompuGROUP CEE has secured the option to acquire all the shares after 1 January 2013 at conditions that have already been set. The equity of this company was EUR 0.3 million on 1 January 2010.

Disposal of medicine

On 1 January 2010 CompuGROUP Beteiligungsgesellschaft mbH parted from its 100 percent holding in medicine Medienproduktions GmbH, Mainz (CHS segment). The main focus of the company is offering film and TV productions including distribution of medicine journalism services in the TV sector. The sales price was EUR 1. In addition, it was agreed that the purchaser and medicine, as joint and several debtors, are obliged to pay a total amount of EUR 0.3 million from profits for the 2010 financial year up to the 2015 financial year inclusive as participation in profits.

TEPE arbitration proceedings

On 9 February 2010 the international arbitration tribunal formally confirmed the legitimacy of the proceedings. The amount in dispute (the Group is suing TEPE TEK, Meteksan and Bilkent – current proceedings) is about EUR 17 million. A decision is expected in March 2011.

Management Board and Supervisory Board

Surname	First name	Occupation held/ Membership in Supervisory Boards and other Supervisory Bodies
Management Board		
Gotthardt	Frank	Chief Executive Officer – Chairman of the Supervisory Board of Rhein Massiv Verwaltung GmbH – Chairman of the Supervisory Board of vita-X AG – Member of the Supervisory Board of Amedes Holding AG – Member of the Supervisory Board of UHC SP.z.o.o.
Teig	Christian B.	Chief Financial Officer
Winter	Prof. Dr. med. Stefan F.	Chief Medical Officer
Broer	Jan	Executive Vice-President South-Europe – Member of the Supervisory Board of vita-X AG
Eibich	Uwe	Executive Vice-President Central-Europe
Supervisory Board		
Steffens	Prof. Klaus (Dr) (Chairman)	Businessman – Member of the Supervisory Board of MTU Aero Engines Holding AG – Member of the Advisory Board of Tyczak Totalgaz GmbH – Member of the Advisory Board of Poppe + Potthoff GmbH
Esser	Klaus (Dr) (Deputy Chairman)	Businessman – Chairman of the Supervisory Board of Navigon AG – Chairman of the Supervisory Board of Amedes Holding AG
Hinz	Prof. Rolf (Dr)	Orthodontist in private practice
Gotthardt	Daniel (Dr)	Doctor
Lange	Mathias (Employee representative)	Human Resources Assistant, CompuGROUP Holding AG
Glass (since 14 May 2009)	Ralf (Employee representative)	Commercial clerk, CompuGROUP Holding AG – Member of the Supervisory Board of vita-X AG – Member of the Supervisory Board of UHC Sp.z.o.o.
Keller (until 14 May 2009)	Ursula (Employee representative)	Training and Seminar Facilitator, CompuGROUP Holding AG

The total remuneration of the Management Board is as follows:

	2009 EUR '000	2008 EUR '000
Management Board		
Fixed compensation	1,325	1,070
Variable compensation	1,560	1,078
Fringe benefits	45	41
	2,930	**2,189**
Supervisory Board	263	260
	3,193	2,449

Prof. Dr Stefan F. Winter has an agreement providing for a variable bonus based on movements in the share price and is paid in cash. The agreement with effect from 15 October 2008 expires automatically without any need for termination on 15 October 2011. The calculation of admissible share price increases is carried out using two contractually agreed formulae. The calculation assumes a basic share value of EUR 11 per share. The calculation of the share value at the end of the period assumes a 15 percent minimum price increase p.a., compared to the previous year. Any bonus payable is calculated at a rate of 5 per mille on any increase over and above this. No provision has been made as at 31 December 2009 for any "increase in value" bonus.

Christian B. Teig holds an option to purchase CompuGROUP shares amounting to 375,000 shares, the duration of which is linked to his term of office as director (94,000 accrue after 12 months, 188,000 accrue after 24 months, 282,000 accrue after 36 months and 375,000 after 48 months).

Christian B. Teig may exercise this option within two months after the 48th month of his activity as Finance Director on the board. If he leaves the board before the end of the 4 year option period at his own request then he may only exercise the number of shares that have accrued to date. If after the first six months and before the end of the 4 year period Christian B. Teig is dismissed on reasons that do not lie with any breach of contract on his part then he may exercise the option to purchase the full 375,000 shares within two months of leaving the board. The exercise price for the share option is EUR 5.50. The current value of the option at the time of granting was EUR 1.25 per option.

The remuneration report in the Group management report provides an individual breakdown of remuneration of the Management Board and Supervisory Board members.

Release from disclosure requirement

All German incorporated companies with profit-transfer agreements take advantage of the exceptions under § 264 Para. 3 HGB in order not to publish their annual financial statements.

- CompuGROUP Beteiligungsgesellschaft mbH, Koblenz.
- Intermedix Deutschland GmbH, Koblenz.
- CompuGROUP Software GmbH, Koblenz.
- CompuGROUP Medical Dentalsysteme GmbH, Koblenz.
- MediStar Praxiscomputer GmbH, Hannover.
- Systema Deutschland GmbH, Koblenz.
- IfAp Service Institut für Ärzte und Apotheker GmbH, Martinsried.
- Telemed Online Service für Heilberufe GmbH, Koblenz.
- All for One Enterprise Solutions GmbH, Eberhardszell-Oberessendorf.
- Aescudata GmbH, Winsen.
- Turbomed EDV GmbH, Kiel.

The following non-incorporated companies take advantage of the release provision of § 264 HGB in order not to publish their annual financial statements:

- CompuGROUP Medical Arztsysteme GmbH & Co. KG, Koblenz.
- ALBIS Ärzteservice Product GmbH & Co. KG, Koblenz.

Company registered office

CompuGROUP Holding AG has ist registered office in Koblenz, Germany. The address is: Maria Trost 21, 56070 Koblenz.

Certification by the legal representatives

We certify that, to the best of our knowledge based on applicable accounting policies, the financial statements give a true and fair view of the Group's actual assets, financial situation and earnings. We furthermore certify that the Group management report gives a true and fair view of the business activities including the annual results and the condition of the Group, and that the inherent opportunities and risks for future development are explained.

Koblenz, 4 March 2010

CompuGROUP Holding AG
The Management Board

Frank Gotthardt | **Christian B. Teig** | **Jan Broer**

Uwe Eibich | **Prof. Dr. med. Stefan Winter**

Changes in Intangible and Tangible Assets

2009

	Purchase or manufacturing costs						
	01.01.2009 EUR '000	Initial consolidation additions EUR '000	Other additions EUR '000	Transfers EUR '000	Disposals EUR '000	Currency differences EUR '000	31.12.2009 EUR '000
Intangible assets							
Goodwill	134,190	19,350	139	1,603	-759	1,496	156,019
Software, licenses and other intangible assets	256,582	14,958	2,163	788	-3,177	1,585	272,899
Prepayments on software	2,870	31	5	-2,721	-143	0	42
Capitalized in-house services	19,036	0	6,879	0	-1,765	0	24,150
	412,678	34,339	9,186	-330	-5,844	3,081	453,110
Tangible assets							
Land and buildings	18,337	5,728	3,071	76	-1,650	27	25,589
Other assets, plant and office equipment	17,928	226	4,973	205	-2,373	13	20,972
Assets under construction	368	0	1,968	-281	0	0	2,055
	36,633	5,954	10,012	0	-4,023	40	48,616
	449,311	40,293	19,198	-330	-9,867	3,121	501,726

2008

	Purchase or manufacturing costs						
	01.01.2008 EUR '000	Initial consolidation additions EUR '000	Other additions EUR '000	Transfers EUR '000	Disposals EUR '000	Currency differences EUR '000	31.12.2008 EUR '000
Intangible assets							
Goodwill	74,220	61,097	1,281	0	-296	-2,112	134,190
Software, licenses and other intangible assets	166,634	98,226	1,385	425	-2,713	-7,375	256,582
Prepayments on software	143	0	2,727	0	0	0	2,870
Capitalized in-house services	13,311	0	5,725	0	0	0	19,036
	254,308	159,323	11,118	425	-3,009	-9,487	412,678
Tangible assets							
Land and buildings	10,661	3,984	2,577	1,138	-2	-21	18,337
Other assets, plant and office equipment	12,303	1,907	4,531	1,219	-2,019	-13	17,928
Assets under construction	1,683	0	1,467	-2,782	0	0	368
	24,647	5,891	8,575	-425	-2,021	-34	36,633
	278,955	165,214	19,693	0	-5,030	-9,521	449,311

Depreciation						Book values	
01.01.2009 EUR '000	Additions EUR '000	Disposals EUR '000	Currency differences EUR '000	31.12.2009 EUR '000		31.12.2009 EUR '000	31.12.2008 EUR '000
6,809	0	0	0	6,809		149,210	127,381
106,342	23,321	-3,084	495	127,074		145,825	150,240
0	0	0	0	0		42	2,870
3,926	5,594	-1,765	0	7,755		16,395	15,110
117,077	28,915	-4,849	495	141,638		311,472	295,601
2,459	1,828	-1,285	-14	2,988		22,601	15,878
6,995	3,633	-1,507	-127	8,994		11,978	10,933
0	0	0	0	0		2,055	368
9,454	5,461	-2,792	-141	11,982		36,634	27,179
126,531	**34,376**	**-7,641**	**354**	**153,620**		**348,106**	**322,780**

Depreciation						Book values	
01.01.2008 EUR '000	Additions EUR '000	Disposals EUR '000	Currency differences EUR '000	31.12.2008 EUR '000		31.12.2008 EUR '000	31.12.2007 EUR '000
5,40	1,409	0	0	6,809		127,381	68,820
81,839	28,429	-2,699	-1,227	106,342		150,240	84,795
0	0	0	0	0		2,870	143
1,441	2,485	0	0	3,926		15,110	11,870
88,680	32,323	-2,699	-1,227	117,077		295,601	165,628
1,848	633	-2	-20	2,459		15,878	8,813
5,046	3,566	-1,529	-88	6,995		10,933	7,257
0	0	0	0	0		368	1,683
6,894	4,199	-1,531	-108	9,454		27,179	17,753
95,574	**36,522**	**-4,230**	**-1,335**	**126,531**		**322,780**	**183,381**

Company Acquisitions

Company Purchase date	Inmedea 18.12.2008 EUR '000	CSP 01.01.2009 EUR '000	Sakura 01.04.2009 EUR '000	Noteworthy 01.03.2009 EUR '000	Avenir 01.02.2009 EUR '000	Fimesan 01.07.2009 EUR '000	Erudis 01.10.2009 EUR '000	SMI 01.11.2009 EUR '000	Microcosmos 01.11.2009 EUR '000	Total 31.12.2009 EUR '000
1) Assets										
I. Non-current assets	81	550	34	396	10	8,647	35	148	227	10,047
II. Current assets, without cash and cash equivalents	68	156	13	2,644	69	2,623	89	0	-51	5,543
III. Current assets – cash and cash equivalents	0	187	195	1,954	5	1,659	1	34	69	4,104
2) Liabilities and Equity										0
I. Non-current liabilities	0	0	0	79	0	4,692	0	0	0	4,771
II. Current liabilities	529	660	97	5,523	229	4,556	106	221	206	11,598
3) Acquisition of shareholder's equity	-285	233	145	-314	-145	3,681	19	-39	39	3,619
Minorities	-95	0	0	-294	0	0	0	0	0	-294
Purchase price allocation										
Goodwill, business value	235	1,603	6	5,097	641	8,517	342	1,595	1,960	19,761
Goodwill, customer relationship	0	95	433	876	35	2,107	146	0	11	3,703
Goodwill, software	202	196	43	5,511	46	1,030	103	128	174	7,231
Goodwill, brand	143	176	48	395	0	641	9	82	107	1,458
Goodwill, minorities	10	0	0	-3,920	0	0	-51	0	0	-3,971
Offset against financial assets	0	0	0	0	0	-6,676	-65	0	0	-6,741
Deferred tax assets on loss carried forward	0	0	0	1,013	0	0	0	0	0	1,013
Deferred tax liabilities on goodwill	-103	-202	-110	-2,306	-27	-1,187	-49	-66	-91	-4,038
Offset against reserves	0	0	0	0	0	-713	0	0	0	-713
Purchase price	202	2,101	565	6,352	550	7,400	454	1,700	2,200	21,322
according to allocation	202	2,101	565	6,352	550	7,400	454	1,700	2,200	21,322
4) percentage of voting rights acquired (%)	75	100	100	52	100	100	80	100	100	
5) Acquired funds	n.a.	187	195	1,954	5	1,659	1	34	69	4,104
6) Result following initial consolidation	n.a.	n.a	n.a	-2,822	-85	-44	-1	-5	11	-2,946
7) Result under the premise that no takeover had taken place under the period 1.1.-31.12.2009	n.a.	n.a	n.a	-3,726	-93	-187	-4	-30	66	-3,974
Step up depreciation	n.a.	33	44	512	8	120	4	3	4	728
8) Sales revenues since initial consolidation	n.a.	n.a	n.a	6,365	179	1,552	106	46	74	8,322
9) Sales revenues under the premise that no takeover had taken place under the period 1.1.-31.12.2009	n.a.	n.a	n.a	7,603	195	3,422	424	276	444	12,364

All purchase price allocations for the reporting period of 2009 are preliminary.

Segment Report by Business Areas

All values in EUR '000

	Segment I: Integrated Health Provider Services (HPS)		Segment II: Health Connectivity Services (HCS)		Segment III: Consumer Health Services (CHS)		All other segments		Consolidation adjustments		CompuGROUP Group	
	2009 Jan-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec
Sales to third parties	223,648	156,508	66,758	68,761	2,425	3,572	578	350	0	0	293,409	229,191
Sales between segments	2,222	1,500	1,137	1,422	5,676	4,365	4,450	6,566	-13,485	-13,853	0	0
SEGMENT SALES[1]	**225,870**	**158,008**	**67,895**	**70,183**	**8,101**	**7,937**	**5,028**	**6,916**	**-13,485**	**-13,853**	**293,409**	**229,191**
EBITDA	**44,804**	**30,166**	**25,961**	**27,394**	**169**	**-828**	**-11,762**	**-7,410**	**0**	**0**	**59,172**	**49,322**
in percent of sales	20.0%	19.3%	38.9%	39.8%	–	–	–	–	–	–	20.2%	21.5%
Depreciation on tangible assets	-3,415	-3,251	-1,422	-418	-86	-88	-538	-443	0	0	-5,461	-4,200
Amortization on intangible assets	-25,091	-29,100	-3,023	-2,241	-587	-899	-214	-82	0	0	-28,915	-32,322
EBIT	**16,298**	**-2,185**	**21,516**	**24,735**	**-504**	**-1,815**	**-12,514**	**-7,935**	**0**	**0**	**24,796**	**12,800**
Earnings from associated companies	193	614	0	-37	0	0	0	0	0	0	193	577
Interest income	–	–	–	–	–	–	–	–	–	–	2,342	1,984
Interest expenses	–	–	–	–	–	–	–	–	–	–	-9,014	-8,380
EBT											**18,317**	**6,981**
Income taxes	–	–	–	–	–	–	–	–	–	–	-6,601	-5,713
GROUP NET INCOME											**11,716**	**1,268**
in percent of sales	–	–	–	–	–	–	–	–	–	–	4.0%	0.6%
GROUP NET INCOME before amortization on intangible assets											**40,631**	**33,590**
Segment assets	396,615	377,186	42,543	34,611	10,113	4,674	113,471	100,447	-126,900	-124,323	435,842	392,595
thereof associated companies	2,021	8,379	0	0	0	0	0	0	0	0	2,021	8,379
Deferred tax assets	–	–	–	–	–	–	–	–	–	–	9,338	13,355
Income tax claims	–	–	–	–	–	–	–	–	–	–	5,675	11,376
Other assets	–	–	–	–	–	–	–	–	–	–	927	0
Group assets											**451,782**	**417,326**
Segment liabilities	132,592	109,076	22,079	16,699	238	5,884	28,557	40,293	-107,238	-111,397	76,228	60,555
Deferred tax liabilities	–	–	–	–	–	–	–	–	–	–	37,246	40,734
Income tax liabilities	–	–	–	–	–	–	–	–	–	–	7,099	7,055
Current liabilities	–	–	–	–	–	–	–	–	–	–	35,131	114,087
Non-current liabilities	–	–	–	–	–	–	–	–	–	–	109,039	10,685
Other liabilities	–	–	–	–	–	–	–	–	–	–	1,211	1,386
Group liabilities											**265,954**	**234,502**
Other data:												
Capital expenditure	50,617	177,636	2,110	2,393	757	120	6,007	4,758	0	0	59,491	184,907
Investments in minority interests	0	0	0	0	0	0	401	0	0	0	401	0
Non-cash expenses (excluding depreciation)	7,928	6,634	1,825	2,097	360	233	2,979	2,354	0	0	13,092	11,318

According to changes in the organization, CompuGROUP Software GmbH was shifted from the segment HCS to HPS. All related figures of the previous year were adjusted.

The consolidation adjustments mainly contains the consolidation of revenue and costs and also receivables and liabilities.

1) Total sales (excluding change in inventory, own work capitalized and other operating income)

Segment Report by Regions

all values in EUR ’000

	CE		CEE		NE		SE	
	2009	2008	2009	2008	2009	2008	2009	2008
Sales[1]	164,008	144,828	52,863	40,496	44,109	22,493	17,665	14,946
Non-current assets[2]	99,469	109,422	55,302	54,483	124,154	126,475	32,946	9,375

	ALM		NA		All other segments		Group	
	2009	2008	2009	2008	2009	2008	2009	2008
Sales[1]	6,642	5,945	7,545	134	577	349	293,409	229,191
Non-current assets[2]	10,624	11,033	13,404	0	18,891	20,884	354,790	331,672

1) Total sales (excluding change in inventory, own work capitalized and other operating income)
2) Non-current assets without deferred taxes (EUR 9.3 million, previous year: EUR 13.4 million)

Report on Equity Investments

	Company name		Registered office	Equity voting rights in %	Equity EUR	Earnings EUR
Direct and indirect subsidiaries						
Subsidiaries in Germany						
1	AESCU DATA Gesellschaft für Datenverarbeitung mbH*	1)	Winsen	100.0	1,770,120.55	0.00
2	ALBIS Ärzteservice Product GmbH & Co. KG		Koblenz	100.0	25,564.59	4,408,222.85
3	ALBIS Product Verwaltungs-GmbH		Koblenz	100.0	53,048.61	3,199.22
4	All for One Enterprise Solutions GmbH*	2)	Eberhadszell-Oberessendorf	100.0	292,148.61	0.00
5	CompuGROUP Beteiligungsgesellschaft mbH*		Koblenz	100.0	21,348,635.88	0.00
6	CompuGROUP Medical Arztsysteme GmbH & Co. KG (formerly: CompuMED Praxiscomputer GmbH & Co KG)		Koblenz	100.0	7,609,544.80	1,419,409.56
7	CompuGROUP Medical Dental Systeme GmbH (formerly: Z1 Software GmbH*)		Koblenz	100.0	5,593,981.89	0.00
8	CompuGROUP Services GmbH (formerly: GTI Aktiengesellschaft für Informationstechnologien)		Koblenz	100.0	-603,699.64	168,018.4
9	CompuGROUP Software GmbH*	4)	Koblenz	100.0	9,077,495.58	0.00
10	CompuMED Praxiscomputer Verwaltungs-GmbH		Koblenz	100.0	100,417.46	3,584.56
11	GIV Gesellschaft für angewandte integrierte Versorgungsformen GmbH		Koblenz	100.0	-1,989,954.96	436,439.94
12	IfAp Institut für Unternehmensberatung und Wirtschaftsdienste im Gesundheitswesen GmbH	5)	Neu-Golm	93.0	-502,209.15	-209,255.08
13	IfAp Service Institut für Ärzte und Apotheker GmbH*		Martinsried	100.0	7,929,673.96	0.00
14	Inmedea GmbH		Tübingen	99.0	-810,297.27	-429,389.64
15	Intermedix Deutschland GmbH*	6)	Koblenz	100.0	2,719,604.22	0.00
16	ISPro GmbH Gesellschaft für Realisierung und Beratung von Kommunikations- und Informationstechnologien		Hattingen	100.0	-234,115.25	316,117.62
17	medi-cine medienproduktions GmbH	3)	Mainz	100.0	510,920.94	745,280.69
18	MediStar Praxiscomputer GmbH*		Hannover	100.0	5,244,149.36	0.00
19	SIC Pflege- und Betreuungsmanagement GmbH	2)	Augsburg	100.0	-139,841.92	-120,989.43
20	Systema Deutschland GmbH*		Koblenz	100.0	320,542.51	0.00
21	Systema Kliniksoftware GmbH (formerly Fliegel Data GmbH)	2)	Höxter	100.0	361,988.17	-96,524.62
22	Systema Services GmbH*	2)	Koblenz	100.0	14,833.02	0.00
23	Telemed Online Service für Heilberufe GmbH*		Koblenz	100.0	2,322,125.81	0.00
24	TurboMed EDV GmbH*	7)	Molfsee	99.0	7,168,038.29	0.00
25	vita-X AG		Koblenz	100.0	31,169,638.12	10,112,894.98
Subsidiaries of the “Profdoc-Group”						
26	Profdoc (Pty) Ltd.	8)	Stellenbosch/South-Africa	66.0	-850,666.98	-313,091.72
27	Profdoc A/S	8)	Randers/Denmark	100.0	2,363,204.48	1,283,864.78
28	Profdoc AB	8)	Uppsala/Sweden	100.0	3,273,667.79	1,976,555.56
29	Profdoc AS		Lysaker/Norway	100.0	13,319,968.61	3,900,765.55
30	Profdoc Care AB	10)	Stockholm/Sweden	51.0	1,853,061.64	922,410.31
31	Profdoc Lab AB	10)	Borlänge/Sweden	76.0	634,484.23	394,914.32
32	Profdoc Link AB	8)	Uppsala/Sweden	100.0	1,822,124.56	698,696.13
33	Profdoc Work AB	9)	Farsta/Sweden	100.0	-50,860.65	-277,950.77
34	Profdoc Norge AS	8)	Lysaker/Norway	100.0	1,494,101.73	906,813.21
35	Profdoc Sdn Bhd	10)	Kuala Lumpur/Malaysia	66.0	-1,642,750.25	-358,100.46
36	Profdoc SIA	8)	Riga/Latvia	100.0	-404,052.83	104,133.15

	Company name		Registered office	Equity voting rights in %	Equity EUR	Earnings EUR
Direct and indirect subsidiaries						
Subsidiaries in Austria						
37	AESCU DATA Gesellschaft für Datenverarbeitung mbH	[11]	Steyr/Austria	100.0	165,804.79	-5,305.08
38	CompuGROUP CEE GmbH		Wien/Austria	100.0	12,597,363.93	4,942,886.89
39	CompuGROUP Österreich GmbH (formerly: Gruber Ärztliche Datenverarbeitung GmbH)	[13]	Steyr/Austria	100.0	1,209,687.06	1,267,704.41
40	Intermedix Österreich GmbH	[13]	Wien/Austria	100.0	-33,053.34	-19,782.16
41	Systema HIS Human Information Systems Gesellschaft mbH	[13]	Steyr/Austria	100.0	7,804,220.73	5,432,402.81
Subsidiaries in France						
42	AXILOG S.A.	[14]	Montpellier/France	100.0	3,461,573.22	1,807,082.53
43	CompuGROUP France SAS (formerly D3P SAS)	[15]	Rueil-Malmaison/ France	100.0	-20,943.14	-61,954.22
44	Intermedix France S.a.r.l.	[14]	Rueil-Malmaison/ France	100.0	-537,057.89	46,079.05
45	Le Reseau Sante Sociale SAS		Rueil-Malmaison/ France	100.0	-277,797.88	551,106.02
46	MedicalNet SAS	[14]	Montpellier/France	100.0	-284,666.48	-872,418.14
47	Avenir Telematique S.a.r.l.	[14]	Bourges/France	100.0	-115,944.63	-85,206.29
Subsidiaries in Italy						
48	Fimesan S.p.A.	[27]	Molfetta/Italy	90.1	5,642,269.15	-43,503.29
49	DATASUN S.r.l.	[22]	Molfetta/Italy	100.0	300,936.22	-49,457.29
50	Intermedix Italien	[3]	Mailand/Italy	100.0	32,311.58	-57,950.66
51	CompuGROUP Italia Srl		Mailand/Italy	100.0	7,406,806.20	-3,193.80
52	Societá di Medicina e Informatica s.r.l.	[22]	Bari/Italy	100.0	-21,566.50	-4,843.18
53	Microcosmos Multimedia S.r.l.	[22]	Turin/Italy	100.0	73,997.84	10,951.34
Subsidiaries in Turkey						
54	Promed Bilgi Yonetim Sistemlerive Saglik Danismanlik Anonim Sirketi	[16]	Istanbul/Turkey	100.0	356,074.25	222,880.11
55	Tepe International Sağlık Bilgi Sistemleri A.Ş.	[17]	Ankara/Turkey	100.0	7,778,378.18	-1,470,783.92
56	Tipdata Bilgi Islem Sistemleri Danismanlik ve Ticaret Limited Sirketi	[23]	Istanbul/Turkey	100.0	-173,556.61	-49,824.53
Subsidiaries in Czech Republic						
57	CompuGROUP Medical Ceska republika s.r.o (CompuGROUP CZ & SK s.r.o.)		Prag/Czech Republic	100.0	2,984,148.11	1,293,633.07
58	CompuGROUP vita X s.r.o.	[18]	Prag/Czech Republic	100.0	3,130.90	-1,177.68
59	Intermedix Tschechien	[19]	Prag/Czech Republic	100.0	147,331.68	109,180.34
Subsidiaries in USA						
60	All for One Software, Inc.	[2]	Los Angeles/USA	100.0	136,591.13	43,060.78
61	CompuGROUP Holding USA, Inc.	[3]	Delaware/USA	100.0	-452,265.76	-464,877.79
62	NetPractice Group, Inc.	[25]	Phoenix/USA	100.0	469,031.47	-78,306.80
63	Noteworthy Medical Systems, Inc.	[24]	Phoenix/USA	76.19	-2,353,637.96	-2,822,084.96
Subsidiaries in other countries						
64	All for One Software, Inc.	[21]	Vancouver/Canada	100.0	101,658.90	2,603.53
65	SMS Slovenska spol. s.r.o. (formerly: SMS Slovakia spol. s.r.o.)	[20]	Bratislava/Slowakia	100.0	345,544.01	162,500.08
66	Erudis s.r.o.	[20]	Bratislava/Slowakia	80.0	77,864.01	-1,271.16

Company name		Registered office	Equity voting rights in %	Equity EUR	Earnings EUR
Direct and indirect subsidiaries					
Subsidiaries in other countries					
67 Intermedix Spanien s.r.l.		Madrid/Spain	100.0	-61,368.63	-36,019.78
68 UHC Sp.z.o.o.		Lublin/Poland	100.0	1,468,528.17	557,946.21
69 UCF Holding S.a.r.l.	3)	Luxemburg	74.9	16,201,409.47	386,069.68
70 Tepe Riyadh	23)	Riad/Saudi Arabien	100.0	118,532.53	12,760.27
71 CompuGROUP Schweiz AG (formerly: Med-IT AG)	13)	Rapperswill/ Switzerland	100.0	-85,050.88	-38,998.42
72 Konsortium CompuGROUP&Contrax OOD	13)	Sofia/Bulgaria	100.0		No operating business
73 Profdoc AE	13)	Thessaloniki/Greece	66.0	13,000.00	-126,000.00
Associated companies (at equity)					
73 HCS Health Communication Service Gesellschaft m.b.H.	12)	Altlengbach/Austria	50.0	166,557.83	342,504.55
74 Sanità Innovacione – Tecnologia s.rl.	26)	Mailand/Italy	50.0		No information
75 Technosanté Nord-Picardie SAS	14)	Lille/France	20.0		No information
76 AxiService Nice S.a.r.l.	14)	Nice/France	28.0	6,668.00	2,560.00
77 Medigest Consultores, S.L.		Madrid/Spain	49.0	50,106.57	-53,603.61
78 Mediaface GmbH		Hamburg	25.0		No information
79 MECO Medizinische Computersysteme GmbH	3)	Duisburg	50.0		No information
Other equity investments (at cost)					
80 ic med EDV-Systemlösungen für die Medizin GmbH	3)	Halle	10.0		No information
81 AES Ärzteservice Schwaben GmbH	3)	Bad Wimpfen	10.0		No information
82 CD Software GmbH	2)	Lampertheim	9.1		No information
83 BFL Gesellschaft des Bürofachhandels mbH&Co.KG	3)	Eschborn	< 1.0		No information
84 Technosanté Toulouse S.A.S.	14)	Toulouse/France	10.0		No information

* The companies marked with * have a profit-pooling agreement with CompuGROUP Holding AG or an other subsidiary.
1) Subsidiary of GIV Gesellschaft für angewandte integrierte Versorgungsformen GmbH
2) Subsidiary of Systema Deutschland GmbH
3) Subsidiary of CompuGROUP Beteiligungs GmbH
4) Subsidiary of CompuGROUP Medical Arztsysteme GmbH & Co. KG (formerly CompuMED Praxiscomputer GmbH & Co KG)
5) Subsidiary of IfAp Service Institut für Ärzte und Apotheker GmbH
6) Subsidiary of CompuGROUP Medical Dentalsysteme GmbH
7) Subsidiary of vita-X AG
8) Subsidiary of Profdoc AS
9) Subsidiary of Profdoc AB
10) Subsidiary of Profdoc Work AB
11) Subsidiary of AESCU DATA Gesellschaft für Datenverarbeitung mbH
12) Subsidiary of Systema HIS Human Information Systems Gesellschaft m.b.H.
13) Subsidiary of CompuGROUP CEE GmbH
14) Subsidiary of UCF Holding S.a.r.l
15) Subsidiary of Le Reseau Sante Sociale SAS
16) Subsidiary of CompuGROUP Beteiligungs GmbH and also with one share CompuGROUP Holding AG, Albis Ärzteservice Product GmbH & Co. KG, Systema Deutschland GmbH, CompuGROUP Software GmbH
17) Subsidiary of CompuGROUP Holding AG (93%), furthermore shares are held by CompuGROUP Software GmbH (5%), CompuGROUP Beteiligungs-GmbH (1%) and Systema Deutschland GmbH (1%)
18) Subsidiary of vita-X AG (90%) and Dialog MIS spol. s.r.o. (10%)
19) Subsidiary of TeleMED Online Service für Heilberufe GmbH (90%) and CompuGROUP Medical Ceska republika s.r.o. (10%)
20) Subsidiary of CompuGROUP Cezka republika s.r.o.
21) Subsidiary of All for One Software Inc.
22) Subsidiary of Fimesan S.p.A.
23) Subsidiary of Tepe A.S.
24) Subsidiary of CompuGROUP Holding USA Inc.
25) Subsidiary of Noteworthy Medical Systems Inc.
26) Subsidiary with 25% of Microcosmos Multimedia S.r.l. and Societá di Medicina e Informatica s.r.l.
27) Subsidiary of CompuGROUP Beteiligungs GmbH (33.3%) and CompuGROUP Italia (56.8%)

Share Information

The CompuGROUP share is listed on the Frankfurt Stock Exchange, Prime Standard, under the ticker COP (FRA: COP). The shares are traded through the world-wide electronic trading system XETRA. As at 31 December 2009, there were 53,219,350 shares outstanding, each with a nominal value of EUR 1.00, with a market capitalization of EUR 396.5 million.

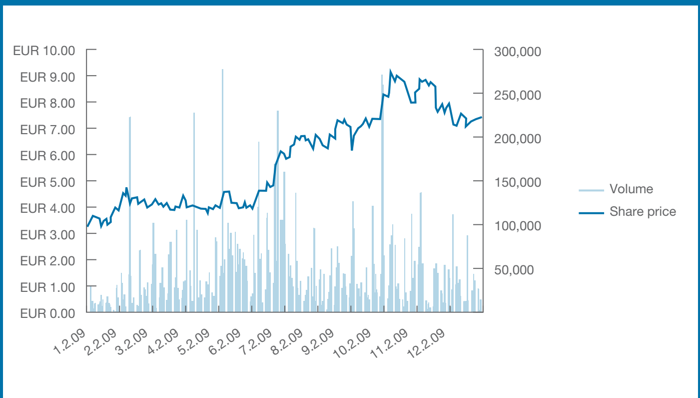
KEY DATA PER SHARE

	2009	2008
Year-end price	EUR 7.45	EUR 3.02
Year high	EUR 9.30	EUR 13.00
Year low	EUR 3.24	EUR 3.01
Year average	EUR 5.86	EUR 6.41
Yearly trade	EUR 69,180,206	EUR 87,415,317
Yearly trade (units)	11,813,575	13,629,481
Outstanding shares (units)	53,219,350	53,219,350
Market capitalization	EUR 396,484,158	EUR 160,722,437
Earnings per share	EUR 0.24	EUR 0.03
Dividend per share	EUR 0.00	EUR 0.00
Dividend yield	EUR 0.00	EUR 0.00

SHARE DEVELOPMENT

The share price increased significantly throughout 2009, bringing the total market capitalization from EUR 160.7 million at the beginning of the year, to EUR 396.5 million at the end of the year.

The share price development during 2009 can be seen below:



Share liquidity is important to our investors as this will reduce the cost of capital, and further attract major German and international investors. In 2009 the total trading in the CompuGROUP share was 11.8 million shares.

ANNUAL SHAREHOLDERS' MEETING 2009

The Annual Shareholders' Meeting of CompuGROUP Holding AG was held in Koblenz on 14 May 2009. 80.3 percent of capital stock was represented during the voting. The shareholders adopted all resolutions on the agenda with majorities over 99 percent. The Management Board was authorized to buy back up to 10 percent of the company's shares in the period up to 14 November 2010.

INVESTOR RELATIONS

The Supervisory Board of CompuGROUP has approved a shareholder policy to ensure the provision of accurate, relevant and timely information to the capital market.

Investors and capital market participants are to be provided consistent, timely and precise information simultaneously. As CompuGROUP is an international enterprise, with investors across the globe, all news and press releases are and will be published in English as well as German.

The Investor Relations section of CompuGROUP's website is an important tool containing up-to-date information on the company's financial performance and stock market information. User may also find financial reports, an updated financial calendar, detailed company information and other important data for the financial markets.

In conjunction with the release of its interim and full year financial results, CompuGROUP gives a public presentation to investors, analysts and press.

During the year, CompuGROUP held numerous physical meetings and phone calls with German and international investors and analysts and participated in international capital market conferences. The cities covered by CompuGROUP during road shows in 2009 include: Copenhagen, Edinburgh, Frankfurt, Geneva, London, Munich, Oslo, Paris, Stockholm, Stuttgart, Vienna and Zurich.

At the world's largest medical fair MEDICA in Düsseldorf on 18 November 2009, CompuGROUP held an investor and analyst conference. In the context of a guided tour around CompuGROUP's trade show booth, the participants had the possibility to learn more about CompuGROUP's products and solutions.

At the end of the year, the number of analysts that regularly follow CompuGROUP amounted to five, all of them based in Germany. With three buy, one outperform and one reduce recommendation, the analysts presented a predominantly positive view of CompuGROUP shares.

FINANCIAL CALENDAR 2010

Date	Event
12 May 2010	Q1 Report
19 May 2010	Annual General Meeting
12 August 2010	Q2 Report
17 November 2010	Q3 Report/Analyst conference

Regional Headquarters

Country	Company Name	Office address	Phone	Telefax
Austria	systema Human Information Systems Gesellschaft m.b.H.	Pachergasse 4 A-4400 Steyr	+43 72 52/587-0	+43 72 52/587-9300
Czech Republic	CompuGROUP Medical Ceska Republika s.r.o.	Jeremiášova 1422/7 155 00 Praha 5	+420 246 007 913	+420 246 007 915
Denmark	Profdoc A/S	Haraldsvej 60 8960 Randers	+45 88 61 20 00	+45 69 80 46 00
France	Axilog SAS	59a Avenue de Toulouse 34070 Montpellier	+33 825 013333	+33 467 470979
Germany	CompuGROUP Holding AG	Maria Trost 21 56070 Koblenz	+49 261 8000 0	+49 261 8000 1166
Greece	Profdoc A.E.	Soumela str. 23 Kalamaria 55 132 Thessaloniki	+30 2310 432 885	+30 2310 432 840
Italy	FimeSan SpA	Via A. Olivetti Zona ASI 70056 Molfetta (BA)	+39 080 33 83 111	+39 080 33 83 880
Kingdom of Saudi Arabia	Tepe International Health Information. Systems A.S	Al Khozama Center P.O. Box 53215 11583 Riyadh	+966 1 465 4650 – ext. 7324	+966 1 465 4650 – ext. 7325
Latvia	Profdoc SIA	Duntes 6-312 Riga LV-1013	+371 6779 8802	+371 6779 8801
Malaysia	Profdoc SDN BHD	Unit L3-I-2, Level 3 Enterprise 4 Technology Park Malaysia Lebuhraya Puchong-Sg. Besi Bukit Jalil 57000 Kuala Lumpur	+603 899 66 700	+603 899 66 707
Norway	Profdoc Norge AS	Lysaker Torg 15 Postboks 163 1325 Lysaker	+47 21 93 63 70	+47 21 93 63 71
Poland	UHC Sp. z o.o.	ul. Do Dysa 9 20-149 Lublin	+48 81 444 2015	+48 81 444 2018
Slovakia	SMS Slovakia, spol. s r.o.	Sarisska 6 82109 Bratislava	+421 253 418 073	+421 253 418 074
South Africa	Profdoc (PTY)	LTD 37 Herte Street P.O Box 6089 7612 Stellenbosch	+27 21 88 66 160	+27 21 88 66 150
Spain	Medigest Consultores S.L.	C/General Perón 26 esc. 2ª, 3ºA 28020 Madrid	+34 91 5569716	+34 91 5569716
Sweden	Profdoc AB	Bäverns gränd 17 Box 1841 75 148 Uppsala	+46 14 470 26 00	+46 18 15 00 20
Turkey	PROMED A.S.	Profilo Plaza B Blok Zemin Kat Cemal Sahir Sokak No: 26-28 34394 Mecidiyeköy/İSTANBUL	+90 212 306 00 00	+90 212 355 84 49
United States of America	Noteworthy Medical Systems, Inc.	3300 N. Central Avenue Suite 2100 Phoenix, Arizona 85012	+1 888.627.7633	+1 602.258.3530

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SHARE INFORMATION

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