CompuGROUP
HOLDING AKTIENGESELLSCHAFT

Annual Report 2008

Synchronizing the world of healthcare

CompuGROUP stands for relevant medical information, anytime, anywhere.

The quantity of information handled every day in modern healthcare is overwhelming, and the rate at which new medical knowledge is being created is simply beyond the capacity of any human being.

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 320,000 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.

Making time

General Practitioners

The proportion of medical consultations that take place in general practice is close to 90 percent. More than three consultations per citizen per year put tremendous pressure on family doctors in every society. On top of this comes an increasing administrative workload and reporting duties.

Health Provider Services: Treating more patients using electronic medical records

For general practitioners, CompuGROUP offers market-leading electronic medical records software. The system retrieves any patient file in seconds and highlights the most important information through instant overviews – to minimize preparation time before seeing each new patient.

The solution allows for safe and structured delegation to nurses and assistants, automates reporting to government and policymakers, and has advanced scheduling and resource management tools to make the most of every minute.

Hours can be saved every day through electronic ordering from clinical laboratories and radiology, the re-use of information in structured templates and powerful results review mechanisms.

These electronic medical records seamlessly feed into compatible and often built-in billing systems to improve charge capture and decrease billing errors.

Scrum

Marius Ingjer moderates one of many weekly scrums at a CompuGROUP development center. Scrum is an agile process used to manage and control complex software development.
It significantly increases productivity and reduces time to market for new products.

Diabetes

New cases of diabetes are soaring, and medical experts say the rise is due to higher obesity rates caused by unhealthy diet and lack of exercise. The disease can lead to heart disease, strokes and kidney failure and results in hundreds of amputations a week. It costs billions every year to treat, and children are increasingly susceptible to it.

Containing cost

Medical Advisory Board

Dr. Dierk Heimann leads the CompuGROUP Medical Advisory Board. The members are recruited from leading university hospitals and research institutions. Together they design successful prevention and treatment programs for diabetes and other chronic diseases.

Health Connectivity Services: Preventing and treating diabetes the modern way

Diabetes is a disease that can be managed. With relevant information available in the electronic medical records of general practitioners, CompuGROUP has designed a complete solution to connect this information to care managers and insurance companies, giving them an opportunity to interact with the doctors and their patients and apply real changes to how diabetes is prevented and treated.

A patient scanner identifies suitable patients in the electronic medical records of doctors, and patient data transferred automatically online to the central 'path server' where knowledge-based algorithms checks and steers all processes.

Benchmarking of providers

+ The centralized database checks all steps and gives feedback
+ Surgeries are compared transparently relative to each other (ranking)
+ Significant under-performers are discussed in quality-circles

Special programs motivate patients

+ Personalized print-outs for patients in every surgery
+ Compliant patient behavior is rewarded through reduced premiums
+ Focus on educational programs for lifestyle modification

Keeping control

Recreational injuries

According to a recent study, the most dangerous outdoor sport is snowboarding, with 26 percent of all injuries, and most of those to young men. The next two most dangerous outdoor activities are sledding with 11 percent of injuries and hiking with 6 percent. Climbing, including both rock and mountain climbing, accounts for 5 percent of outdoor injuries.

Electronic Patient Services: Secure access to personal medical information

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.

Usability

Creating intuitive, easy to learn and user friendly software is a core value in CompuGROUP. vita-X is currently undergoing market trials and usability studies that involve both doctors and patients. The goal is to make complex healthcare issues accessible to the general public and facilitate and simplify patient-doctor communication.

About CompuGROUP

CompuGROUP Holding AG is a leading international Healthcare IT company with 2008 revenues of €230m and EBITDA of €49m. 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 over 2,700 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.

Our software and related services help doctors, dentists, hospitals, insurance companies, pharmaceutical producers and other participants in healthcare improve efficiency, reduce costs, eliminate errors and increase the quality of care.

All products and systems are directed at a single goal: enabling every citizen to have access to their health data, anytime and anywhere, for the purposes of the best possible medical treatment.

Our business activities are divided into three segments HPS, HCS and EPS – see pages 16 to 17 for further details.

7 year group overview

	2002 €M	2003 €M	2004 €M	2005 €M	2006 €M	2007 €M	2008 €M
Group Sales	51.8	68.8	87.4	116.0	140.1	180.2	229.2
EBITDA	15.5	17.8	30.5	39.8	38.3	50.6	49.3
(in %)	30%	26%	35%	34%	27%	28%	22%
Group Net Profit for the year	5.2	1.3	10.0	15.4	11.4	22.8	1.3
(in %)	10%	2%	11%	13%	8%	13%	1%
Earnings per Share (€)	0.12	0.03	0.22	0.33	0.26	0.46	0.03
Total Assets	**51.2**	**96.6**	**137.6**	**140.8**	**220.1**	**279.3**	**417.3**

History of CompuGROUP

1979
The company is founded and develops to become the market leader for dentist information systems in Germany under the name of CompuDENT AG

1988
Admission of the shares of CompuDENT AG to the regulated market (Geregelter Markt) of the Frankfurt Stock Exchange

1993
The majority of the shares in CompuDENT AG are acquired by a group of shareholders led by the current Management Board Chairman, Frank Gotthardt

1995
Incorporation of CompuMED Praxis computer Gmbh & Co KG to enter the market for doctor information systems

1996
Begins consolidation of the German market for doctor information systems by acquiring ALBIS Ärzteservice GmbH

2003
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

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.

Where we are based

CompuGROUP has offices in 18 countries, including many emerging growth regions

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

The market

The market research firm Frost & Sullivan forecasts a total volume of €8 to 9bn in Europe for IT applications in healthcare by the year 2010, up from €6.9bn in 2007. Kalorama Information, a renowned market research firm, expects the US market for electronic medical records to grow with more than 13.5 percent per year through 2009 and then accelerate to 19.5 percent growth through 2015. Other emerging markets will also grow strongly. There is no indication that a recession will slow spending.

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.

2004
Begins international strategy by acquiring market leaders in doctor information systems in other European countries

2005
The product range is steadily being expanded with sector-wide networking of all those involved in healthcare and personal health records for all citizens

2006
Extends into the business of hospital information systems by acquiring the Austrian market leader Systema Group

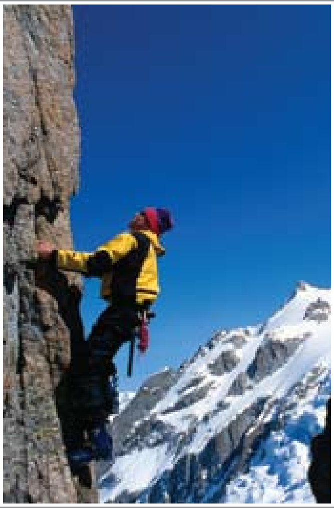
2007
Official trading in the CompuGROUP shares on the Frankfurt Stock Exchange commences

2008
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
CompuGROUP emerges as the clear market leader in healthcare IT in Europe, having grown almost 30% per year, since 2002

Market Segments

	Description
HPS: Health Provider Services	**Software and services for healthcare providers is included in the HPS segment. The HPS segment is divided in two sub-segments:** **Doctor Information Systems (DIS)** The customers in the DIS sub-segment are primary care providers (usually smaller office-based practices). The functions of DIS 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, 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.
HCS: Health Connectivity Services	**Unique networking services based on the large HPS customer base, 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.
EPS: Electronic Patient Services	**Solutions are offered to the general public, to enable each individual to get involved in treatment and care spending decisions and help them to manage lifestyle and disease prevention. The EPS segment is divided into two different sub-segments:** **vita-X** The vita-X system enables patients to store personal medical data in their own web-based electronic patient records and to manage the data through their own doctor. **Patient Content ('PC')** This sub-segment segment offers media production and marketing services for medical television channels.



Business Model	Position

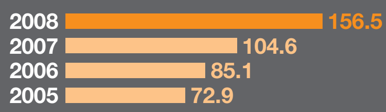
Software maintenance and other recurring revenue is the primary source of income. Other revenue is up-front (one-time) charges coming from license sales, training/consulting and other sales such as 3rd party licenses, associated hardware and equipment etc.

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

Number of users (healthcare professionals)

- **Dentists:** 24,656 (12%)
- **General Practitioners:** 121,236 (61%)
- **Hospital Doctors:** 24,609 (27%)

Sales (€M)

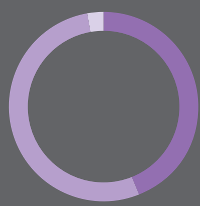


The business model in Communication & Data is based on co-operation agreements (typically with 12 months duration), ad-hoc advertising (on-going) and project revenue for collection and mediation of clinical data.

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.

Number of users (healthcare professionals)*



- **Doctors – ISP:** 54,959 (44%)
- **Doctors – Decision Support:** 66,350 (53%)
- **Doctors – other:** 3,297 (3%)

*Excluding HPS clients counted above

Sales (€M)

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

vita-X is still in an investment phase and does not yet generate revenue.

Sales (€M)

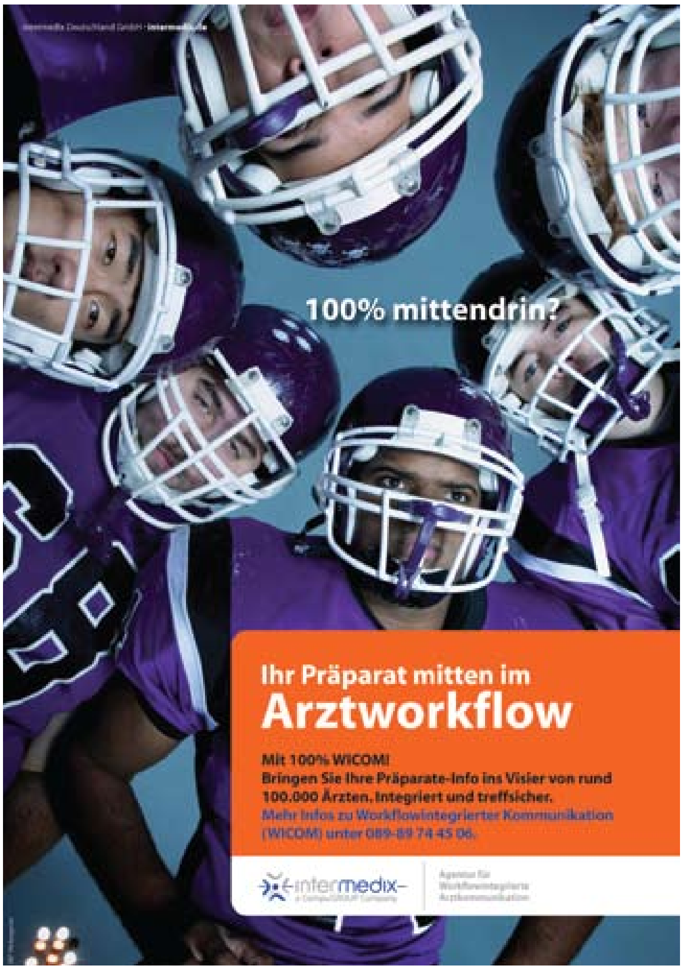
HCS: Effective distribution of pharmaceutical information

One of the offerings in the HCS segment is to connect pharmaceutical producers and doctors through an information and advertising channel on the doctors' desktop PC. The solution saves both parties considerable time and effort compared with traditional paper-based communication.

100% in the middle?
Your medication in the middle of the workflow. Place your information within sight of approximately 100,000 doctors. Integrated and targeted.

100% hit rate?
Doctor communication with a guaranteed hit. Place your information in the workflow of approximately 100,000 doctors. Right on target.

100% presence?
Your medication deserves more reach. Place your information on the computer screen of approximately 100,000 doctors. Perfectly presented and guaranteed to be seen.

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Agentur für Workflowintegrierte Arztkommunikation

HPS: Also for hospitals

In the market for Hospital Information Systems, CompuGROUP holds a leading position in Austria (50 percent market share) and also strong positions in Sweden (15 percent), Germany (6 percent, 30 percent in rehabilitation clinics), Slovakia (15 percent), Poland (10 percent), the Czech Republic (10 percent), and Turkey (2 percent)*. In total, more than 52,000 doctors in more than 1,500 hospitals and clinics use HIS systems from CompuGROUP.

2008 was a year when CompuGROUP secured several important new contracts for software and solutions to hospitals, including the largest contract in company history with the Vienna Hospital Association in Austria.

The Vienna contract was awarded by the Wiener Krankenanstaltenverbund with a net value of up to €58 million to perform the IMPULS KIS project. Approximately €42 million of this amount is already under binding contract. The delivery project runs until the end of 2013.

In Saudi Arabia, a contract to implement a hospital information system at the King Fahad Medical City Hospital in Riyadh was signed. The KFMC is the largest healthcare complex in the Middle East. The contract value is around €5.2 million and has a term of 4 years.

In August, a CompuGROUP subsidiary entered into an agreement with the largest military hospital in Poland. Located in Warsaw, the 1,100-bed hospital is the central training site for all hospitals in Poland.

* Market shares are approximate figures based on number of hospital clients.

The Vienna Hospital Association is Austria`s biggest health care institution and one of the biggest health care service providers in Europe

+ 13 acute hospitals and 16 geriatric hospitals
+ 13,000 beds
+ 650 departments/wards
+ 380 outpatient departments and medical institutions

"Our Company is in the hands of some outstanding people who I am confident will ensure that we capitalize on the bright future ahead of us"

Chairman's Statement: Strong prospects ahead

Dear Shareholder

It gives me great pleasure to report to you on another significant year for your Company, in what has itself been a very significant year for the world's economies.

Important steps were taken in 2008 to affirm CompuGROUP's position as the number one healthcare IT company in Europe. The acquisition of Profdoc in June was the largest so far in our history and brings CompuGROUP to absolute market leadership in Scandinavia. An even broader reach in German healthcare was secured through the acquisitions of Fliegel Dahm and All for One. With the impressive track record we have in building businesses in our established markets, I am confident that we will be able to further grow and develop these acquisitions in the years to come and add to the financial and operating strength of CompuGROUP. With the new acquisitions included for parts of the year we reached revenues of €230 million in 2008 and operating profits of almost €50 million with a strong operating cash flow. We now serve more than 320,000 healthcare professionals worldwide and are becoming a truly global company with offices in 18 countries of which 12 are emerging growth regions.

We are truly proud of the important goals achieved in 2008. However, there were also setbacks we need to recognize and learn from. We experienced a challenging regulatory environment and decreasing revenues in our HCS business, despite significant investments in our organization. Our ability to forecast this decline was not good enough and led to a revised earnings outlook in the middle of the year, and understandable disappointment in the investor community. Also, the 2007 acquisition of Tepe in Turkey experienced adverse changes during 2008 and is performing less well than expected, which lead to a write-off of goodwill and intangibles of €8 million at the end of 2008. These setbacks are not taken lightly and I can assure you that we will take the knowledge and experience gained from these episodes to improve and do better in the future.

Extraordinary economic and financial events have rocked the worlds of commerce and industry over the last six months or more. We are living in an unprecedented and unforeseen business climate right now and, by its very nature, this is a time of great change. Change brings more uncertainty, and for some businesses it will bring pressures that are too great to bear. But for others, like CompuGROUP, change represents an opportunity. Not many sectors have the luxury of the fundamental footings that we enjoy in the healthcare industry – in harsh economic climates the world's population may rein in its discretionary spending on various consumer items. But people will still get sick, and give priority to healthcare spending over almost any other alternative. The world may have changed, but CompuGROUP's fundamentals remain the same.

I am sure that the next year will be challenging for all businesses in lots of ways, but I am optimistic that CompuGROUP is well positioned to take advantage of the opportunities that the current uncertainties will present to us. We are a strong company, with a market leading position in Europe, in a sector which promises exceptional growth. We have built an outstanding base of some 320,000 healthcare professionals who provide a growing income stream which is largely recurring and which therefore brings the benefits of high visibility; we have cutting edge technology products which make our offer better than that of our competitors; and importantly our Company is in the hands of some outstanding people who I am confident will ensure that we capitalize on the bright future ahead of us. We have never been stronger and we have never had so many opportunities to further develop our business.

Yours sincerely,

Frank Gotthardt
March 2009

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, Marketing Director, CMO

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 he 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, Technology Director, CTO

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.


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1. Frank Gotthardt
2. Christian B. Teig
3. Jan Broer
4. Uwe Eibich
5. Prof. Dr. med. Stefan F. Winter

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 2008. 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.

There were no changes in the members of the Supervisory Board during the year under review.

The audit committee comprises the chairman, Prof. Dr. Klaus Steffens, the vice-chairman, Dr. Klaus Esser and Mrs. Ursula Keller. 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 six ordinary meetings in the year under review. Decisions were also taken in ten telephone conferences.

The 2008 financial statements of CompuGROUP Holding AG, the consolidated financial statements for 2008 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 2009 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.

At the Annual General Meeting on 09/07/2008 Dr. Klaus Esser, Prof. Dr. Rolf Hinz and Dr. Daniel Gotthardt were re-elected to the Supervisory Board for the period until the Annual General Meeting deciding upon the Supervisory Board for the 2009 financial year.

In August 2008 Mr. Prof. Dr. Stefan F. Winter was appointed to the Management Board from 16/10/2008 for three years. The same month, Mr. Christian B. Teig was appointed Chief Financial Officer with effect from 25/08/2008 until 30/09/2012.

The Management Board presented CompuGROUP's budget for 2009 to the Supervisory Board, which approved it.

The Supervisory Board received in due time the 2008 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 accounting committee also reviewed the documents in advance and prepared the respective resolution. At the meeting of the Supervisory Board held in March 2009 to approve the annual accounts, staff of the audit firm answered all the questions of the Supervisory Board in person.

PricewaterhouseCoopers AG (PWC), the auditors 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 31/12/2008, 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 2009

The Supervisory Board

Professor Dr. Klaus Steffens
Chairman

Corporate Governance Kodex Report

"CompuGROUP identifies with the goals of the Kodex, in which the demand for a responsible, transparent management and supervision as well as for one that aims at a sustainable increase of the holding's value is stipulated. Moreover, according to § 161 AktG, the holding explains with which recommendations or, respectively, suggestions of the ‚Deutsche Corporate Governance Kodex' in its effective version as of June 6, 2008 it has not complied so far and intends to continue not to comply with the listed issues.

The suggestion made in number 2.3.4 of the Kodex will not be realized (providing an option to follow the proceedings of the shareholders' meetings via modern communications media). This is not considered appropriate for economic reasons.

Also, the holding does not agree with the recommendation made in number 3.8 of the Kodex (agreement on an adequate deductible upon entering into a directors and officers liability insurance contract). The holding assumes that its agencies as well as its employees fulfill their tasks with the utmost diligence. It is the holding's opinion that a deductible will have no further effect.

Furthermore, the holding does currently not act on a recommendation stipulated in number 5.1.2 of the Kodex (definition of an age limit for the members of the board), because to date this recommendation has been irrelevant for the holding. In addition the company does not comply with recommendation number 5.4.1 regarding the definition of an age limit for its members of the supervisory board.

Moreover, the holding does currently not act on a recommendation stipulated in number 5.2 of the Kodex (no heading of the audit committee by the chairman of the board), because such a restriction is not considered appropriate given the staffing of the board of directors.

Currently the holding does not act on a recommendation stipulated in number 5.3.3 of the Kodex, which suggests the formation of a nomination committee.

Finally, the holding plans not to act on a recommendation stipulated in number 5.4.6 of the Kodex (performance-based compensation for the board members), because all members of the board perform their tasks with the highest level of engagement and the willingness to work hard as well as with a focus on the holding's long-term success. Therefore, we are of the opinion that it is not necessary to issue an additional, performance-based premium to guarantee a responsible fulfillment of the board members' tasks."

Koblenz, March 2009

Prof. Dr. Klaus Steffens
Chairman, Supervisory Board

Frank Gotthardt
Chairman, Management Board

Auditor's Report

We have audited the consolidated financial statements prepared by the CompuGROUP Holding AG, Koblenz, comprising the balance sheet, the income statement, 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 2008 to 31 December 2008. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB („Handelsgesetzbuch": German Commercial Code) and supplementary articles of incorporation are 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 supplementary articles of incorporation 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, 23 February 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Ralf Worster
Wirtschaftsprüfer
(German Public Auditor)

ppa. Jürgen Körbel
Wirtschaftsprüfer
(German Public Auditor)

Group Management Report

for the Financial Year 2008

PRELIMINARY REMARKS

The management report of the CompuGROUP Holding AG for the financial year 2008 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 YEAR OVERVIEW

Significant items	2008 €M	2007 €M	2006 €M	2005 €M	2004 €M
Group sales	229.19	180.19	140.12	115.96	87.42
Expenses for goods and services purchased	49.25	39.03	32.78	26.64	16.80
Personnel expenses	95.77	65.61	48.81	37.24	26.35
Other expenses	47.07	34.75	28.12	26.34	16.76
EBITDA	**49.32**	**50.61**	**38.35**	**39.81**	**30.53**
in %	**21.52%**	**28.09%**	**27.37%**	**34.33%**	**34.92%**
EBIT	**12.80**	**27.44**	**21.91**	**26.76**	**19.08**
in %	**5.58%**	**15.23%**	**15.64%**	**23.08%**	**21.83%**
EBT	**6.98**	**23.02**	**19.83**	**24.67**	**16.92**
in %	**3.05%**	**12.78%**	**14.15%**	**21.27%**	**19.35%**
Group Net Income	**1.27**	**22.84**	**11.39**	**15.39**	**10.02**
in %	**0.55%**	**12.68%**	**8.13%**	**13.27%**	**11.46%**
Cash Flows					
from operating activities	25.91	24.79	16.50	24.06	22.51
from investment activities	-136.40	-48.43	-57.29	-9.29	-19.31
from financing activities	94.15	45.75	43.65	-12.51	-1.60
Investments	**175.27**	**52.34**	**63.91**	**10.86**	**34.95**
in intangible assets	5.39	39.64	54.36	3.27	29.15
in self-developed software	5.73	5.13	4.71	3.47	0.00
in tangible assets	8.56	7.56	4.84	4.12	5.80
in company acquisitions	165.21	n/a	n/a	n/a	n/a
Amortization and Depreciation	**36.52**	**23.18**	**15.84**	**12.82**	**11.45**
on intangible assets	29.84	18.92	13.68	11.27	10.77
on self-developed software	2.49	1.17	0.27	0.00	0.00
on tangible assets	4.20	3.09	1.89	1.55	0.68
Equity	**182.82**	**198.02**	**59.08**	**44.98**	**28.87**
in %	**43.81%**	**70.91%**	**26.84%**	**31.95%**	**20.98%**
Total balance sheet	**417.33**	**279.26**	**220.12**	**140.77**	**137.60**

FINANCIAL REVIEW

Consolidated sales in 2008 were €49.00 million higher than the sales revenues in 2007, which corresponds to a percentage increase of 27.19%. The sales were achieved with a total of 2,557 employees (employee figures as of 31 December 2008) in all national and international locations. Aside from the positive development of business activities in the HPS segment, the reason for the increase in sales is attributed to the sales revenues of €43.42 million earned by the companies acquired in 2008 from the time of their acquisition (Profdoc Group, All for One Group, Fliegel Dahm Group, Promed). Similarly, the sales of the companies acquired in 2007 are presented for the first time across the entire reporting period, while the prior year reporting period merely presented a pro rata allocation starting with the acquisition date. This is primarily attributable to the two Austrian companies Gruber ÄDV (2008: €3.37 million; prior year €0.60 million) and medXpert (2008: €1.46 million; prior year: €0.21 million).

	€M
Profdoc Group	22.49
All for One Group	13.94
Fliegel Dahm Group	5.03
Promed	1.96
Sales	**43.42**

Consolidated EBITDA amounted to €49.32 million, down €1.29 million in comparison to the previous year.

- Expenses for goods and services purchased increased by €10.22 million to €49.25 million, which is an increase of 26.18% compared to 2007. The companies acquired in 2008 contributed €9.32 million to the increase. The gross margin is at the same level in 2008 as in 2007.
- The increase in personnel expenses by €30.16 is attributable to the fact that the number of employees increased by 807 between the two balance sheet dates. This is mainly due to the acquisitions done in 2008. The personnel expenses of the acquired companies were €23.07 million at the consolidation date. The personnel expenses of the companies acquired in 2007 (Tipdata, Gruber ÄDV and medXpert) cover the entire reporting period in the current reporting period and are at €2.84 million (prior year: €0.60 million).

	€M
Profdoc Group	11.92
All for One Group	6.41
Fliegel Dahm Group	3.50
Promed	1.24
Personnel expenses	**23.07**

- Other expenses increased by €12.32 million or 35.45% to €47.07 million. €7.77 million is attributable to the companies acquired in 2008. Also, other issues need to be considered: A write-off of uncollectable accounts at the Turkish subsidiary, Tepe, in the amount of €1.55 million, as well as a write-off of uncollectable accounts at the German subsidiary, GTI AG, in the amount of €0.55 million.

Based on an EBITDA that is lower by €1.29 million (2008: €49.32 million; prior year: €50.61 million) – higher depreciation and amortization of intangible and tangible assets in the amount of €13.34 million in comparison to the financial year 2007 leads to an EBIT of €12.80 million in 2008 (prior year: €27.44 million). This is a decrease of €14.64 million or 53.35%. The considerably higher depreciation and amortization in comparison to financial year 2007 result from an impairment-related write-down at the Turkish subsidiary Tepe A.S. in the amount of €8.90 million, and additionally, from mandatory write-downs of intangible assets that were recognized during purchase price allocations (customer relations, software, trademark rights), which were incurred with the acquisitions undertaken and were prorated from their acquisition date on (€4.29 million). Also included in these numbers are the total annual write-downs of the identified intangible assets for the 2007 acquisitions (2008: €0.47 million; prior year €0.15 million).

The financial results of the reporting period (€-6.40 million) stem from financing expenses (€8.38 million), primarily from interest payments on loans as well as financial income (€1.98 million).

The Group net income in the reporting period decreased in comparison to the prior year period by €21.57 million to €1.27 million (prior year: €22.84 million). The higher tax percentage in comparison to the prior year was particularly influenced by the write-downs on investments and receivables conducted by CompuGROUP Holding AG, which are not tax-deductible. The low tax rate of the prior year was a result of the share-based bonus program for members of the management board.

Financial positions

The financing policy of the Group aims to possess sufficient liquidity reserves at all times so as to fulfill its financial obligations. In general, the financing of the Group is conducted centrally through the CompuGROUP Holding AG, which manages the liquidity of the Group primarily through the allocation of funds within the framework of the Group cash management.

Cash and cash equivalents decreased in comparison to the prior year by €16.55 million to €16.09 million.

Cash flows from operations in the amount of €25.91 million were €1.12 million higher than the prior year value of €24.79. In comparison to the prior year results, significant changes can be found in the following items:

- The Group net income of €1.27 million in the reporting period is €21.57 million lower than in the prior year period (€22.84 million).
- Depreciation and amortization on tangible and intangible assets in the amount of €36.52 million increased by €13.35 million in comparison to prior year results (€23.18 million); primarily as a result of the write-downs at Turkish subsidiary, Tepe, as well as higher mandatory amortization of intangible assets identified during purchase price allocations of new acquisitions.
- The change in provisions (including income tax liabilities) in the amount of €1.41 million (prior year €-3.27 million).
- The change in deferred taxes by €-5.73 million (prior year €-8.33 million).
- The change in accounts receivables in the amount of €4.38 million (prior year €-3.43 million).
- The change in income tax receivables in the amount of €2.06 million (prior year €-5.04 million).
- The change in other current liabilities in the amount of €-16.32 million (prior year €2.56 million).

Cash outflows from investing activities increased by €87.97 million to €136.40 million, which was primarily caused by the increased cash outflow in the amount of €111.50 million to €117.08 million for company acquisitions, in which the cash and cash equivalents assumed have been deducted. This refers in particular to the acquisitions of the company groups of Profdoc, All for One and Fliegel Dahm. In addition, the investing outflows for fixed assets in the amount of €2.96 million to €8.58 million resulted primarily from the expansion of the company building at the Group's headquarter in Koblenz. The investing outflows for the acquisition of intangible assets decreased by €25.31 million to €11.12 million. The previous year saw investing outflows for intangible assets primarily through intangible assets acquired in an "asset deal" during the formation of Tepe International Health Information Systems A.S., in Ankara.

The financing cash inflows in the amount of €94.15 million were €48.40 million higher than prior year levels. In the financial year 2007, significant cash inflows resulted from the initial public offering. As a result of the IPO, the company received cash in the amount of €132.21 million. In addition, the major shareholders paid in capital in the amount of €9.0 million. Aside from the stock option program granted to the members of the management board, which led to cash outflows in the amount of €17.33 million, the company incurred expenses in the amount of €7.91 million, which were primarily incurred in connection with the IPO. Simultaneously, part of the cash inflows generated in 2007 were used to retire loans that were taken out in the past, which in 2007 led to a cash outflow in the amount of €80.97 million. In the reporting year 2008, cash inflows from newly taken out loans amounted to €110.16 million, while there were cash outflows in the amount of €9.41 million for the acquisition of treasury shares, outflows in the amount of €2.50 million for the repayment of loans, as well as a change in long-term purchase price liabilities in the amount of €-4.18 million.

Net asset position
Intangible assets have the largest value among asset items (2008: €295.60 million; prior year: €165.63 million). Their share of the balance sheet total is 70.8% (prior year: 59.3%) as of the balance sheet date. The predominant part of the assets reported on the balance sheet results from purchase price allocations of identified intangible assets from company acquisitions (customer relations, software, trademark rights and goodwill as "residual value"). The increase of intangible assets in the reporting period in the amount of €129.97 million is primarily the result of the acquisitions of the company groups Profdoc, All for One and Fliegel Dahm. With the periodically conducted impairment test (test of sustainable value), the valuations of the business and company values are tested for their sustainable value on every balance sheet date. In this context, the book values of the cash generating units are compared to their market values. In the reporting period, an impairment in the amount of €8.90 million was discovered at the Turkish subsidiary Tepe International Health Information Systems A.S., Ankara, which increased the depreciation and amortization amounts for intangible and tangible assets for the financial year accordingly.

The increase in the value of property, plant and equipment in the amount €7.07 million to €15.88 million is a result of the new construction at the Group's headquarters in Koblenz and of the addition in office buildings at the Koblenz location as well as of the company acquisitions carried out in 2008 in regard to All for One and Fliegel Dahm for a total amount of €6.89 million. The assets resulting from other assets, plant and equipment increased by €2.36 million to €11.30 million.

Deferred tax assets increased by €4.71 million to €13.56 million. The increase primarily resulted from Profdoc-Group's balance sheet assets (€2.70 million), as well as an increase of losses at medicine (€0.61 million) and GIV (€1.20 million).

The increase in trade receivables in the amount of €6.63 million to €27.51 million primarily stems from the company acquisitions carried out in 2008 (Profdoc €3.90 million and All for One €2.43 million).

The percentage of shareholders' equity decreased in comparison to the prior year from 70.91% to 43.81%. One the one hand, this results from the increase in total assets by €138.07 million or 49.44% to €417.33 million; It is also a result of the smaller shareholders' equity amount compared to the previous year (31 December 2008, €182.82; prior year €198.02), caused by the repurchase of treasury shares and foreign currency conversions.

The increase in deferred tax liabilities by €25.45 million to €40.73 million is a result of intangible assets identified during purchase price allocations for which deferred tax was accrued. Primarily, this refers to accruals incurred with the acquisition of the Profdoc Group (€21.76 million), All for One Group (€3.61 million) and Fliegel Dahm Group (€1.68 million) – The values mentioned refer to the situation at the time of acquisition.

The increase in liabilities to banks in the amount of €111.20 (31 December 2008, €114.09; prior year €2.89 million) is primarily a result of the loan taken out for the acquisition of the Profdoc Group in the amount of €100.00 million. The Profdoc Group itself reports further liabilities to banks in the amount of €7.86 million.

Segment reporting
Segment I (HPS) posted a sales increase of €56.76 million to €161.41 million (prior year €104.65 million) for the reporting period 2008, and an increase of EBITDA by €7.28 million to €29.95 million in comparison to the prior year (€22.67 million). The increase in sales was primarily caused by the first time consolidation of the Profdoc Group (€22.49 million), the All for One Group (€13.94 million) and the Fliegel Dahm Group (€5.03 million). In addition, positive developments of companies within the segment contributed to the increase in sales; in particular by systema HIS (€5.50 million) and Gruber/medXpert (€5.00 million). Furthermore, the broad customer base in Germany contributes to a high degree of planning reliability and sales potential, which is further bolstered by the foreign acquisitions that were undertaken.

Segment II (HCS) had to post a sales decrease in comparison to prior year results (€72.80 million) of €2.62 million to €70.18 million in the reporting period, as well as an EBITDA decrease in comparison to prior year results (€37.48 million) of €9.39 million to €28.09 million. This decrease was caused, on the one hand, by the changed regulatory market situation in Germany, as well as by Group's cost increases aimed at creating future customer added value and revenue.

The considerable increase in sales revenues in Segment III (EPS) by €2.72 million to €7.94 million (prior year €5.22 million), as well as the significant decrease of negative EBITDA by €1.76 million to €-0.83 million (prior year €-2.59 million) was primarily caused by the Group's internal invoicing.

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 information systems for physicians and dentists 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.

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 2008, 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 2008:

CompuGROUP Future.net

For many years, numerous stakeholders in the healthcare field have called for sector-wide exchange of data, and various concepts are currently being discussed and tested. With CompuGROUP Future.net, the Group shows what the daily interconnected routine of healthcare and social service professionals may look like in the near future. The sector-wide exchange of medical data impressively demonstrated by CompuGROUP companies Systema Deutschland GmbH, All for One Systemhaus AG, ISPro GmbH, Aesqudata GmbH, vita-X AG and Ifap GmbH represents a new breakthrough in German healthcare. CompuGROUP Future.net is based on valid data from service providers and service oriented structures, and provides the fastest and most efficient way of exchanging discharge letters.

Techniker Krankenkasse and CompuGROUP subsidiary GTI win Financial Times Germany competition

GTI AG, a subsidiary of CompuGROUP Holding AG, and Techniker Krankenkasse won “Ideenpark Gesundheitswirtschaft competition held by Financial Times Germany. The communications and knowledge platform DocPortal, which was selected by an independent jury from 63 applicants, is thus one of the leading innovations on the target market.

ISPro wins prize for jesaja.net®

Hattingen-based ISPro GmbH’s telemedicine portal jesaja.net® has received the Hospital Award 2008 for the “Best Referral Concept” at the 4th Hospital Communication Congress 2008. From approximately 200 applicants from Germany, Austria and Switzerland a total of five hospitals were nominated for this award. The Evangelische Krankenhaus Düsseldorf (EVK), which uses the portal, was successful in beating these top-class competitors and received the award for best referral concept.

Ifap klinikCENTER

In times of ever tightening budgets hospitals are facing growing cost pressure. At the same time legal regulations are requiring enhanced quality and a continued high or even improved standard of patient care. From May 2008 onward, the new Ifap klinikCENTER software will help physicians, hospital pharmacists, nursing staff and hospital administrators to comply with the partially legally prescribed restrictions (increase in quality and high level of patient care) while operating under increasingly smaller budgets and the associated cost pressure. The Ifap klinikCENTER offers a comprehensive and up-to-date knowledge database covering all aspects of the pharmaceutical therapy and its safety. All drugs licensed in Germany as well as numerous other treatment-related products can be looked up in this resource. An integrated price comparison and a search option for equivalents facilitate the search for economic drugs that guarantee a specific therapy designed for the patient. The Ifap klinikCENTER simplifies the involved in the entire drug supply between hospital ward and the hospital pharmacy – i.e. it covers the whole hospital. The integrated order module optimizes drug micro-logistics. Drug orders for the ward can be placed with just a few clicks and passed on to the supplying pharmacy over an order server, independent of physical location.

Capitalized in-house services
In accordance with the provisions of IAS 38, the development work for self-developed software (approximately 163,000 hours) is capitalized as an asset, which had a €5.7 million effect on the Group result in 2008 (prior year €5.1 million). The vast majority of this development work stemmed from the development work of CompuGROUP Services GmbH, All for One Systemhaus AG (which merged on 23 December 2008 with retroactive effect to 30 September 2008 to become Systema Deutschland GmbH), and CompuGROUP Holding AG, as well as from two major development projects: NSWG (New Software Generation: new development of information systems for physicians and dentists) and G3 (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, 1,005 Group employees currently work in software development and quality assurance, with 656 in software development alone.

Business activities
CompuGROUP develops and sells efficiency 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, the Czech Republic, Slovakia, the USA, Canada and Saudi Arabia.

Segments
Integrated Health Provider Services (HPS)
The HPS segment comprises the development and sale of software solutions for the practices of registered physicians and dentists, as well as hospitals.

Health Connectivity Services (HCS)
Based on its large customer base in the HPS segment, CompuGROUP operates in the HCS segment to connect healthcare providers (physicians and hospitals) with other key market players in the healthcare sector such as cost bearers or pharmaceutical companies.

Electronic Patient Service (EPS)
In addition to the media production and marketing services for medical niche broadcasters offered in this segment, CompuGROUP has created a position in the future electronic patient record market with its vita-X product. The vita-X system, which is still at the investment phase, will allow patients to store their personal medical data on their own electronic patient file and have it managed by a physician.

Opportunities for future development resulting from competitive strengths
Leading market position for doctor information systems (DIS)
CompuGROUP is the leader in the German market for doctor and dentist information systems, as well as on the leading DIS providers in Denmark, France, Sweden, Norway, Austria and the Czech Republic.

The DIS 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 the stable core business in the physician 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 a growing 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 physician 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 for developing the hospital information system
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 consider 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.

Extensive experience with corporate acquisitions
In the past, a significant portion of CompuGROUP's growth results from acquiring companies in Germany and abroad. The Company was always able to quickly integrate the acquired companies into CompuGROUP, while retaining the existing brands and product lines without a significant loss of customers. By using its own infrastructure and its own marketing channels, CompuGROUP also managed to increase the earning power and competitive position of the companies it had acquired. The acquisitions expanded the customer base in selected strategic growth markets, which CompuGROUP now uses to sell additional products and services.

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) is also seen as a good indicator of the business units' 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 320,000 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

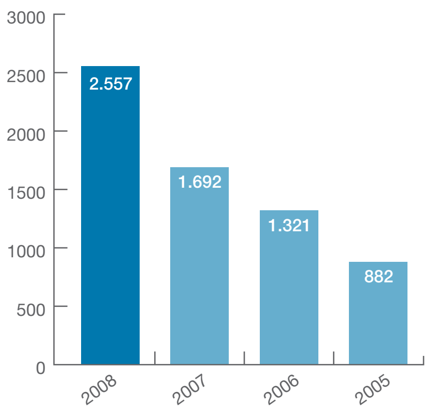
At year-end 2008, the CompuGROUP corporate group employed 2,557 persons worldwide. Compared to the previous year, this reflected an increase of 865 employees or 51.1%. With regard to the development in the number of employees for the period 2005 to 2008, the average increase was approximately 43% per year.

The personnel costs of CompuGROUP Holding AG consist primarily of salary payments and social security benefits. In addition, partially variable profit-based income components exist in the executive and sales areas. In the reporting year, personnel costs were €7.45 million and hence 21.2% higher than in the previous year.

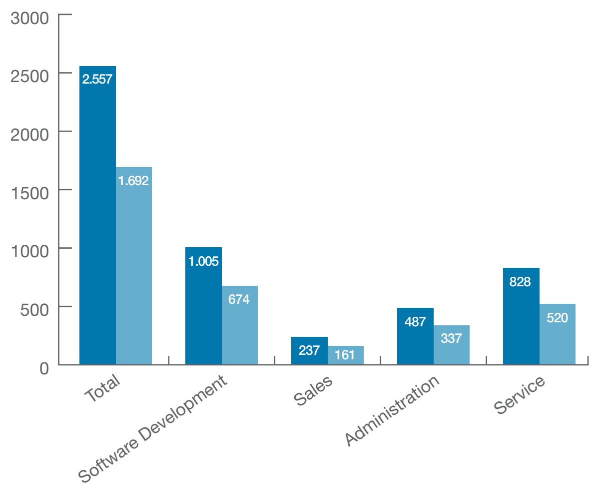
From the Group perspective, a significant part of human resources management involved integrating newly hired employees in the group of companies. The workforce grew by (+833 persons), primarily as a result of acquisitions.

In the Group, the employees are broken down into the four areas of software development, 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.

Number of employees 2005-2008



Employee statistics by section (31 December 2008 and 2007)



The number of employees in 2008 was considerably higher than in the year before in, especially in software development and service. This development is primarily due to the acquisitions made during the year.

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. In the reporting year, 18 employees successfully completed the internal Business Academy, including eleven graduates of the Greenbelt training for middle management and seven graduates of the Blackbelt course for upper level executives.

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 2.9%, the rate of employee absenteeism due to illness in Germany is at a very low level. 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.

The decision has already been made to set up an “in-house” child-care centre at the Koblenz location. This should make it easier for employees with small children to deal with the challenge of combining family and employment.

Customer satisfaction
Another significant success factor for CompuGROUP corporate group is the satisfaction of its customers. Currently, the Group has approximately 320,000 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%, 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 Winter and Mr Christian B. Teig:

A value appreciation bonus based on the share price performance was agreed with Prof. Dr Stefan 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 €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% of the net of the two determined values, whereby a 15% 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 2008.

Mr 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 €61,000, of which €43,000 was posted to equity after deduction of €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. Mr 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 €5.50. The fair value as of the option grant date amounted to €1.25 per option.

Compensation of the supervisory board

Name	Fixed salary €	Management bonus obtained €	Fringe benefits €	Total compensation €
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

For purposes of comparison, the 2007 breakdown is as follows:

Name	Fixed salary €	Management bonus obtained €	Fringe benefits €	Total compensation €
Gotthardt, Frank	500,000	800,000	5,859	1,305,859
Broer, Jan	150,000	100,000	2,429	252,429
Eibich, Uwe	154,167	100,000	1,870	256,037
Dr. Massmann, Erik	133,333	75,000	1,506	209,839

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 economic success of the CompuGROUP corporate group. 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 not changed. 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 €60,000, while all other members receive €40,000 each. This results in the following allocation for the reporting year:

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

For purposes of comparison, the 2007 breakdown is as follows:

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

Disclosures under § 315 para. 4 of the German Commercial Code (HGB)

Composition of subscribed capital

The share capital of CompuGROUP Holding AG is €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 1,993,246 shares, there is voting capital of 51,226,104 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% of the voting shares.

Two effectively 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 24,005,510 shares to the share pool, reflecting 46.86% of shares with voting rights. The purpose of both pooling agreements is, among other things, to safeguard a uniform exercise of the voting rights with respect to the shares of CompuGROUP Holding AG.

The shares allocated to the members of the management board within the framework of the stock option program are subject to a holding period of two years, whereby, however, 10% of half of the shares acquired may be sold between the 7th and 12th month. An additional 10% may also be sold between the 13th and 24th month. The members of the management board can decide freely about the use of the second half of the acquired shares. They may consequently sell only a part or all of these shares on a short-term basis in order to thus comply with their obligations to pay the wage tax that is triggered by the special bonus.

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

Interests in capital exceeding more that 10% 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 17.14% 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 €15,598,775.00 through a one-time or multiple issuance of new shares for cash and/or in-kind capital contributions by 16 August 2001 (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 9 July 2008, the management board was authorized to acquire Company treasury shares in the amount of up to 10% of the equity recorded in the trade register in the amount of €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 10 July 2008 and remains valid until 9 January 2010.

At the discretion of the management board, the acquisition 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 9 July 2008) may not exceed a total of 10% 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. 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.
(2) 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.
(3) The shares can also be used for the fulfillment of option rights based on stock options issued by the Company.
(4) 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 authorised 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% 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 19 June 2007 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% 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 repurchase program 23/01/2008-18/04/2008

In the completed share repurchase program that began on 23 January 2008, CompuGROUP repurchased a total of 500,000 shares or approximately 0.94% of capital at an average price of €10.3276 per share. This corresponds to €5,163,776. Following completion of the share repurchase program, treasury shares held by CompuGROUP Holding AG totalled 1,032,350 shares or 1.94% of equity. These holdings are comprised of the 532,350 shares CompuGROUP held at the time of the 2007 Annual General Meeting plus the share repurchased through the completed program. No shares have been taken out of circulation since the 2007 Annual General Meeting.

Completed share repurchase program 22/07/2008-14/10/2008

In the completed share repurchase program that began on 22 July 2008, CompuGROUP repurchased a total of 500,000 shares or approximately 0.94% of the capital at an average price of €4.8426 per share. This corresponds to €2,421,279. CompuGROUP Holding AG is holding a total of 1,532,350 treasury shares, or 2.88% of equity capital.

Completed share repurchase program 15/10/2008-30/12/2008

During the completed share repurchase program which began on 15 October 2008, CompuGROUP repurchased a total of 460,896 shares or approximately 0.87% of capital at an average price of €3.8849 per share. This corresponds to €1,790,524.

CompuGROUP currently holds 1,993,246 treasury shares, or 3.75% of equity capital. The treasury shares were valued at €6,019,602.92 as at the reporting date, whereby a revaluation decrease of the market value in the amount of €3,867,524.63 was recognized as at 31 December 2008.

Dependency report

The Company prepared a dependency report in accordance with § 312 AktG, in conjunction with § 17 AktG.

The management board is making the following assessment in accordance with § 312 (3) AktG:

“We state that, under the conditions known at the time that the stated legal transactions were made, our Company received equitable consideration for each transaction. During financial year 2008, no legal transactions of the CompuGROUP Holding AG or its affiliated companies were entered into or omitted at the instigation or in the interests of the controlling shareholder group or its affiliated companies, nor were any measures taken at their instigation or in their interests.”

BUSINESS DEVELOPMENT

Order situation

Referral-portal order

In February 2008, the Hattingen-based Group subsidiary ISPro GmbH announced the signing of a groundbreaking contract. The HELIOS Clinic Group has decided to utilize the jesa-ja.net referral portal throughout the group. By using this leading software product, the HELIOS acute care facilities will be able to optimize their communications with registered doctors. According to ISPro GmbH, this most recent success now means that jesaja.net has a referral portal market share in excess of 85 per cent. HELIOS Clinic Group is part of the Fresenius Healthcare Group. With over 60 private clinics, 17,300 beds, 500,000 in-patients annually and 700,000 out-patients annually, HELIOS is one of Germany’s leading hospital chains.

Medigest obtains order in Spain

In February 2008, the Spanish equity interest Medigest Consultores S.L. was awarded a contract by the Madrid Medical Council (ICOMEM) to electronically network more than 15,000 physicians. In this project, CompuGROUP’s vita-x electronic patient records and its Cordoba networking solution will enable approximately one million patients to be provided for. The Madrid region is the third largest of Spain’s 17 regions. The project can be expanded to additional regions at any time.

Systema HIS GmbH optimizes HR management

In March 2008, systema Human Information Systems GmbH announced implementation of its “on duty” shift-planning system at the Allgemeines Krankenhaus (AKH) in Vienna. The AKH, together with the Vienna University Clinics, has more than 2,100 beds and is one of Austria’s largest hospitals and is considered a centre for state-of-the-art healthcare in Austria. It is also considered one of the most important drivers of medical progress in Austria. Through the implementation of “on duty”, systema is providing AKH with a comprehensive software package that will help increase the efficiency of shift scheduling and the administration of 7,000 employees.

Systema HIS GmbH obtains large order in Vienna
In November 2008, Systema Human Information Systems GmbH, Austria, announced the acquisition of an order with a net order value of €58.0 million from the Wiener Krankenanstaltenverbund [Vienna Network of Hospitals] for the realization of the IMPULS HIS project. A portion of this amount, totaling approximately €41.7 million, is already secured in a binding contract. The remainder will be released over the term of the agreement for the rendering of additional services. The project will run until the end of 2013.

Large order for UHC
In August 2008, UHC Sp. z.o.o. entered into a contract with the largest military hospital in Poland. The 1,100-bed hospital in Warsaw is the central training location for all the hospitals in Poland. The hospital's users will soon be working with an innovative UHC solution. UHC provides a cutting-edge web-based software solution to depict all common medical applications. UHC's software also improves the medical service provider's workflow. The software solution also processes reimbursements from the national healthcare funds. The military hospital will utilize the full range of UHC's information systems.

Contract with KFMC (King Fahad Medical City Hospital)
In 2008, Tepe International Health Information Systems A.S. entered into a contract to implement its hospital software at the KFMC in Riyadh, Saudi-Arabia. The contract's value is around €5.2 million and has a term of 4 years.
Acquisitions and Mergers during the Financial Year

Mergers and acquisitions

Acquisition of the Fliegel Dahm Group
In February 2008, the CompuGROUP subsidiary systema Deutschland GmbH signed a purchase agreement to acquire the all the shares of herbert dahm datensysteme Gmbh, Duesseldorf, and around 89% of Fliegel DATA GmbH, Hoexter. Moreover, its offer to purchase the remaining approximate 11% of Fliegel DATA GmbH was accepted.

Fliegel DATA and herbert dahm jointly offer a complete hospital information system called fd-klinika for acute-care hospitals and rehabilitation clinics. These also include a lab information system, materials management and radiology information system (RIS).

Acquisition of Promed
In May 2008, Tepe International Health Information Systems A.S., a CompuGROUP subsidiary, acquired 90% of the equity of Promed A.S. located in Ankara, Turkey.

Promed is a company in the Health Connectivity Service segment that provides electronic solutions to the health insurance industry and other institutions active in the healthcare-reimbursement system. It offers product management services to the financiers of the healthcare sector, such as the registration of all information pertaining to health insurance members, printing/imprinting of cards, entering compensation amounts and performance analyses.

All service provider expenses related to healthcare (such as health insurance, bank funds, foundations, and the public) can be centrally managed by a software solution used from Promed. In cases in which healthcare insurance covers services, the directly involved institutions are linked to the system via Internet and all of the processes associated with payments (particularly legal and medico-technical processes) are settled electronically.

Acquisition of All for One Group
With the 26 June 2008 acquisition of 90% of the shares of All for One-Systemhaus AG by the CompuGROUP subsidiary systema Deutschland GmbH (effective 1 July 2008), the Group has significantly expanded its market position and is now, by far, the leading provider of information systems for rehabilitation clinics. CompuGROUP acquired the remaining 10% of the shares of All for One from the company's founder Franz Härle on 30 September 2008. At its headquarters in Oberessendorf, All for One develops software solutions for the healthcare, social service and caregiving sectors as well as for public administrations. Its wholly-owned subsidiary, All for One Documents, offers document management and data entry systems.

In July, All for One acquired 100% of sic Pflege- und Betreuungsmanagement GmbH in Augsburg. The sic employees will soon strengthen All for One's social facilities division. Further development of sic pflegeassistent and sic betreuungsassistent solutions will continue from the Augsburg location.

Acquisition of the Profdoc Group
In June 2008, CompuGROUP acquired 10,543,004 shares of Profdoc ASA ("Profdoc") in a tender offer and subsequently entered into a purchase commitment for additional shares of Profdoc at NOK 40 per share. Including the 10.32% stake held since the end of April 2008, this corresponds to a total shareholding of 68.78% of the equity capital of Profdoc ASA (63.4% excluding the submitted purchase commitment). As at 30 June 2008, CompuGROUP Holding AG had 16,973,004 shares, representing 85.45% of Profdoc's equity capital.

By the reporting date on 31 December 2008, CompuGROUP Holding AG had been able to acquire an additional 2,891,268 shares (1,176,300 shares via the stock exchange and 1,714,968 in the course of a squeeze out). As a result, CompuGROUP held 100% of the shares of Profdoc as at the reporting date.

Profdoc is a leading provider of healthcare-sector information technology for physicians, hospitals and laboratories. Profdoc's success is based on its profitably constructed business model and strong brand name, which has been designed for the efficient, intuitive, user-friendly and reliable IT solutions for healthcare service providers. More than 52,000 users in more than 5,750 locations work with Profdoc's systems.

Merger of GTI AG and Unicomputer GmbH
The merger of GTI AG und Unicomputer GmbH, both of which are active in Germany's public health insurance system, took place on 1 July 2008. For over a year, they have successfully worked together in the interests of the health insurers under the umbrella of CompuGROUP Holding AG. The legal structure of both companies has now also been consolidated. GTI AG and Unicomputer Software GmbH, both solution providers for the government-regulated public health insurance market, merged under the umbrella of GTI AG, whereby GTI AG assumed all of the rights and obligations of Unicomputer Software GmbH. CompuGROUP Holding AG anticipates this step will enable it to further focus its activities in the government health system market and thus secure synergy potentials. Moreover, the objective hereby is to improve CompuGROUP's ability to exploit its overall networking potential and to attain single-source capability in order to competently provide advice to its customers.

Integration of Systema Deutschland
In September 2008, Systema Deutschland GmbH and its subsidiaries All for One Systemhaus AG and Fliegel data GmbH implemented a reorganization. As a result of intensive discussions, the strategic orientation and the future market positioning will take place under a joint Systema Deutschland GmbH umbrella. The merger provides the foundation for the bundling and networking of sector-wide activities in order to become a comprehensive eHealth provider for healthcare and social services.

Systema HIS GmbH takes over CSP's software activities
As at 1 November 2008, Systema HIS GmbH, Steyr, Austria entered into an extensive strategic partnership with the Vienna-based CSP Computer Software Production Gesellschaft m.b.H. During the first stage, Systema will take over the operational management of CSP's physician information systems division. It has been agreed that the takeover of this area will be completed within the first half of 2009. CompuGROUP has hereby taken another decisive step in expanding its customer platform in the Austrian market and has increased its market share by more than 500 customers in the physician information system segment.

Acquisition of INMEDEA GmbH
In December 2008, CompuGROUP Holding AG acquired 75.05% of the shares of INMEDEA GmbH, Tubingen. INMEDEA GmbH produces interactive software for the medical professions. It concentrates on the simulation of clinical procedures using virtual patients. INMEDEA was founded in 2006 and currently has 14 employees. The company has an international focus and offers the INMEDEA Simulator, its most important product, in a number of languages. The company's customers include medical colleges, pharmaceutical companies and public institutions.

Personnel changes and management board expansion

Profdoc's CEO Christian B. Teig is named the Group's new CFO
In August 2008, the supervisory board of CompuGROUP Holding AG appointed Christian B. Teig as the Group's CFO with immediate effect. Christian B. Teig takes over the CFO functions of Dr Erik Massmann, who is assuming the position of Chairman of the management board at the vita-X AG subsidiary. Christian Teig had previously been the CEO of Profdoc ASA, a Norwegian, Oslo-listed company, which was taken over and is now a wholly-owned subsidiary of CompuGROUP.

Prof. Dr Winter strengthens management board of CompuGROUP Holding AG
The supervisory board has appointed Professor Dr med. Stefan F. Winter to the management board of CompuGROUP effective 16 October 2008. Prof. Dr Winter will have specific responsibility for the areas of product management, product development and research, with a focus on medical decision support systems.

Until mid-August 2008, Prof. Dr Winter was a State Secretary in the Ministry of Labor, Health and Social Security in the State of North Rhine Westphalia. The physician and molecular biologist held various managerial positions at the Federal Ministry of Health from 1992 through 2005. He managed, inter alia, the department "Prevention, Disease Control and Biomedicine". Prof. Dr Winter also has extensive international public healthcare experience and contacts in the scientific community. From 1992 to 2004, he was a member of the Council of Europe's European Steering Committee for Biomedical Ethics. He has also been a consultant to the World Health Organisation (WHO) since 2000.

Business segment developments

AOK Bavaria's family physician centered care
CompuGROUP intends to actively participate in the call for proposals and implementation of AOK Bavaria's family physician centered care. The Group is not seeking a direct contractual partnership in this case; rather, it wants to provide expertise and solutions to potential bidders and implement existing platforms.

AVWG certification in Germany
All of CompuGROUP's relevant software products have been certified pursuant to the Economic Optimization of Pharmaceutical Care Act (Arzneimittelversorgungswirtschaftlichkeitsgesetz, hereinafter AVWG). Various HCS products offered to the pharmaceutical industry have been adapted to meet the requirements of the AVWG. Although the certification had only a limited effect on income in 2008, the value of some HCS products will fall in the future, although it is unclear to what extent. HCS product innovation development and business development will continue within the framework of the AVWG.

CompuGROUP – A functioning eHealth network
In healthcare and social services, the central topics for the future are networking and transgression of sector limits. With its forward-looking, sector-wide portfolio of solutions, CompuGROUP now already fulfils these demanding requirements, as it demonstrated in October 2008 at the MEDICA (Word Forum for Medicine International Trade Fair, Duesseldorf). Firstly, the leading providers of physician information systems such as ALBIS, CompuMED, DATA VITAL, MEDISTAR and TurboMed, jointly representing a market share of approximately 50%, exhibit their companies in an area nearly 1,200 square meters large. They supported the vita-X personal health records, which are jointly managed by physicians treating the patients. Participants could see the system for themselves at every booth and not just at the vita-X booth. And, for the first time, Systema Deutschland, with its two subsidiaries fliegel-data GmbH and All for One Systemhaus AG, exhibited its entire portfolio of solutions for healthcare and social services. The solutions offered by CompuGROUP were topped off by the solutions offered by specialist providers Aesqudata GmbH, IfAp GmbH and ISPro GmbH.

Introduction of health insurance funds in Germany
A national health insurance fund was introduced in Germany on 1 January 2009. The health insurance fund represents a new concept whereby health insurance schemes and healthcare service providers are remunerated in accordance with the principle of disease management and integrated care. The interest in CompuGROUP's products and services in this area continues to be strong, as evidenced by the continuation of the pilot project with AOK Hessen and the new pilot project for 2009 with the Social Insurance for Knappschaft Bahn See, (KBS). In the course of 2009, a significant increase in the product and service demand from health insurance companies is expected.

Significant Post Balance Sheet Events

Share buy-back programme dated 5 January 2009
On 5 January 2009, the management board of CompuGROUP Holding AG resolved pursuant to section 71 (1) no. 8 AktG to utilize the authorization it was granted by the annual general meeting to continue to repurchase its own shares.

A total of up to 500,000 of the Company's shares can be repurchased, which corresponds to 0.94% of the current equity capital. The purpose of the share buyback is to partially or fully utilize the treasury shares repurchased for the acquisition of companies or to acquire equity interests in companies.

Loan agreement refinancing
Since the beginning of the year, the Company has been negotiating with various banks with respect to follow-up financing for the €100 million SEB loan that falls due in June 2009. The negotiations have so far been positive.

Acquisition of Avenir Telematique, France
The company Avenir Telematique was acquired in the middle of January 2009. The company is active in Segment HPS (physician information systems). The purchase price is €0.6 million.

Acquisitions of Noteworthy Medical Systems Inc., USA
On 18 February, CompuGROUP Holding AG entered into a purchase agreement with Ohio-based Noteworthy Medical Systems Inc. to acquire 51.6% of its shares for a purchase price of US$7.5m. Noteworthy is a provider of networked technologies for primary healthcare. The applications it offers range from web-based practice management to software and tools for electronic patient records and turnkey communications platforms for personal health information.

The negotiated contract also includes an option-to-buy the remaining outstanding shares at fixed terms and conditions, which may be exercised in 2011. The transaction was completed following the satisfactory conclusion of the due diligence analysis. The shares in Noteworthy Medical Systems, Inc. are now held by CompuGROUP Holding USA, Inc., a wholly-owned entity of CompuGROUP Holding AG. In 2008, Noteworthy increased its 43-state wide customer base by nearly 500 new providers and 1,800 new users.

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 recognise, 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.

Presentation of significant individual risks:

Market and customer risks

Of significant importance to CompuGROUP are the risks that arise in connection with changes in the healthcare market. This primarily concerns the development of new products and services by competitors, the financing of healthcare systems as well as the reimbursement of costs in the healthcare sector.

In the reporting year, the discussion about the introduction of a healthcare fund in the German health insurance sector led to health insurers being increasingly reluctant about awarding new contracts. The healthcare fund is a new concept in Germany, in which health insurance companies and health service companies are reimbursed according to the principles of disease management and integrated care. CompuGROUP expects a significantly improved order situation in 2009. This evaluation is based on the strong interest of this part of the healthcare sector in CompuGROUP products and services.

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 primarily faced risks in Germany from legal changes (AVWG) impacting the business area of pharma communications (HCS segment). Based on our current assessments and the resulting analyses, the aforementioned situation will have a negative impact on our economic development in the 2009 financial year, specifically the results of the directly-affected subsidiaries.

In addition, CompuGROUP was obliged to pay €320,000 to the claimant as stipulated in a court settlement resulting from a legal dispute on unpaid royalties.

There are currently no known nor 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 that the subsidiary Medistar Praxiscomputer GmbH has filed against the German Apotheker- und Ärztebank eG, Düsseldorf).

Risks related to technology as well as 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.

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. 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 credit-worthiness of the majority of our customers, the long-term average of bad debt risk is generally low. In the past financial year, two significant value adjustments involving receivables from affiliated companies were undertaken. We adjusted our receivables for the Turkish subsidiaries, Tepe International Sağlik Bilgi Sistemleri A.Ş (€4.9 million) and Tipdata Medical Software Ltd. (€0.3 million).

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.

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. In the reporting year, an unplanned write-down on the group level had to be conducted as a result of a goodwill impairment test in the amount of €8.9 million (€5.77 million partial share book value write down at CompuGROUP Holding AG) for our Turkish subsidiary, Tepe International Sağlik Bilgi Sistemleri A.Ş. The need for the impairment write-down resulted primarily from the generally negative economic development of the subsidiary company as well as from the delay of the assignment of a large contract in Saudi Arabia that had been expected for this year, but was delayed for an undetermined period of time.

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

There are increased legal and political risks in 2009. The company expects a negative impact on revenue and income, specifically in the HCS-segment. The currency and project risks are trending upward as a result of the growing internationalization and an increase in sales in the project business.

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

Risks that may impact the Company as a going concern were not evident in 2008, neither in form of individual risks nor from a total risk perspective for CompuGROUP as a whole.

Outlook

The outlook for 2009 represents management's best estimate of the market conditions that will exist in 2009 and how the business segments of Compugroup will perform in this environment.

In total, revenue growth is expected to reach or exceed 25% on a year-on-year basis and the 2009 EBITDA result is expected to reach or exceed €59 million.

In the HPS segment, the market for doctor information systems (dental and human) is expected to develop at historical organic growth rates and with stable EBITDA margins relative to 2008. Following significant new contract wins, the market for hospital information systems is expected to accelerate growth and improve margins in 2009. In addition, the acquisitions of Profdoc, All4One and Fliegel Dahm will contribute significantly to growth and lift the portfolio of software maintenance from existing customers to approximately €120 million at the beginning of 2009 compared to €80 million at the beginning of 2008. In total, year-on-year growth in the HPS segment is expected to exceed 30% in 2009.

In the HCS segment, our forecast assumes a significant loss of revenue in the communication and data business following the AVWG regulations in Germany. In total, the HCS segment is expected to decline in revenue and EBITDA result by approximately 10% relative to 2008.

The EPS segment is expected to experience negative operating margin also in 2009 as this business area is still in an investment phase.

General economic conditions

Global economic development

In the 2008 financial year, the global economic growth was 3.4% and thus 1.8% below that of 2007. The reasons for this significant decrease in global growth are primarily to be found in the effects of the global financial crisis. According to expert opinion, the major consequences from the financial crisis, which according to first estimates has already led to damages in the amount of US$2.2 trillion, will in large part be felt in 2009. The International Monetary Fund (IMF) projects a global economic growth of merely 0.5% for 2009 (in November 2008, the estimate was still 2.2%).

The economies of the industrialized countries in particular will shrink by 2% in 2009. The projection for the Euro zone (minus 2.0%) and for Japan (minus 2.5%) is worse than the projection for the U.S. (minus 1.6%).

It is also expected that economic growth in China will be considerably weaker in 2009. The IMF estimates a growth of 6.7%, while the projection in November 2008 was 1.8 percentage points higher.

The expectation is that Russia as well as Central and Eastern European countries will find themselves in a recession in 2009.

As a result of the already enacted measures by governments and central banks and the subsequent recovery of economic activity, the IMF projects a global economic growth of 3%.

German economic development

As a result of the financial crisis, German economic growth decreased by almost half in 2008. According to the German Federal Statistical Office, the GDP grew by only 1.3%, while 2007 still had shown an increase of 2.5% and the boom-year 2006 as much as 3%.

The economic growth in 2008 occurred primarily due to the strong growth at the beginning of the year, whereas the year-end showed an accelerating downward trend. The GDP decreased in the fourth quarter by 1.5 to 2.0%. The two previous quarters also registered a shrinking economic performance. Between April and June, the GDP decreased by 0.4% and in the third quarter by 0.5% in real numbers. According to calculations of the German Federal Statistical Office, Germany will once again post a budget deficit for 2008. Thus, the Federal Government and the German Federal Lands spent more money than they took in, whereas the municipalities achieved a surplus of €8.77 billion. The financing deficit of the federal government was approximately €1.59 billion. Therefore, in 2008, the federal budget deficit was 0.1% of the GDP in comparison to minus 0.2% in the prior year. Germany thus fulfilled, as in the two previous years, the Maastricht criterion of a maximum deficit of 3.0% of GDP.

For 2009, a decrease of economic performance of 2.25% is estimated, which would mean the worst recession in the existence of the Federal Republic of Germany. According to expert opinions, the number of unemployed will grow to 3.5 million by the end of 2009. A reverse trend is expected from 2010 on as a result of the stimulus package that was passed by the Federal government in 2008, during which economic growth as well as employment should start increasing again.

Industry developments

Impact of the financial crisis in the industry

According to poll data gathered by the German Association for Information Technology, Telecommunications and New Media (BITKOM), the turbulences on international financial markets did not affect the information technology industry in 2008. The association polled 300 primarily medium-sized member companies. 86% did not feel any direct impact of the financial crisis. 13% reported that sales volume developed slower than expected or that the order volume was smaller. Many companies had a positive outlook even beyond 2008. Approximately 60% assume that their business will not be impacted by the financial crisis in the near future. Approximately the same number of companies expects stable sales numbers for 2009 in comparison to the current financial year.

Investment and growth market

The investment potential for the eHealth market is estimated to be €21 trillion for the 15 EU-core countries. This involves hospital information systems, telemedical services, integrated supply networks as well as secondary services. Investing in telemedicine makes sense because it helps save lives, increases the efficiency of medical measures and makes cost optimization possible. The global market growth potential just for telemedical systems is estimated to be €4.7 trillion (2007) to more than 11.2 trillion in 2012 (annual growth rate: 19%).

The lead market initiative of the EU

The joint initiative of the EU Directorate General for Information Society and Media (DG INFSO) and the EU Directorate General for Enterprise & Industry (DG ENTR) had a major part in the realization of the economic potential of eHealth and telemedicine.

Thus, in early 2008 the initiative “A Lead Market Initiative for Europe” was launched to advance the six leading innovation and growth markets of the future. It is expected that within a short period of time it will be possible to tap large market potentials in these markets, which will provide excellent opportunities especially for small and medium-sized companies, since they are the driving force behind innovation processes. The choice of these six markets was based also on their strong economic and societal benefits.

These markets currently have an annual sales volume of more than €120 billion and provide employment for 1.9 million people in the EU. By 2020, the sales volume is expected to increase, due to the launched initiative, to more than €300 billion in the EU and the number of jobs should have grown to more than 3 million.

Electronic health services (eHealth and TeleHealth) were identified as the leading market among these six European leading markets. The term ‘health service provider’ soon will not only refer to strictly medical activities, but also to providers of medical or indirectly medical services and products that can contribute to illness prevention, illness diagnosis, treatment or health maintenance. In addition, there will be cross-over zones that may extend into the food sector, cleaning services or building automation.

The market for hospital information systems
According to the consulting company Frost & Sullivan, the European market for hospital information systems (HIS) is projected to undergo a positive development.

According to analyses, the sales volume of the total market containing IT-systems for the medical and administrative part of hospitals is expected to grow despite increased challenges. The implementation of IT-systems for hospital tasks in large European countries such as Great Britain, Germany and France should have a significant part in this positive development. Large growth opportunities are projected especially in the hospital segment. The reason this area offers providers the largest growth opportunities is due to the increased attempts within the healthcare system to improve quality, hospital procedures and to achieve desperately needed cost savings with the help of systems that support medical decisions.

The hospital systems that have been met with increasing interest are the picture archiving and communications systems (PACS), radiology information systems (RIS), electronic medical records (EMR) and computerized physician order entry systems (CPOE).

Concluding summary of the economic situation
Despite the ongoing global financial crisis, CompuGROUP does not expect to suffer significant negative effects in its businesses within the 2009 financial year.

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, 23 February 2009

CompuGROUP Holding AG
The Managing Board

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

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

Consolidated Balance Sheet

as at 31 December 2008

ASSETS

	Notes	31/12/2008 (€´000)	31/12/2007 (€´000)
Long-term assets			
Intangible assets	(1)	295,601	165,628
Property, plant and equipment	(2)		
Land and buildings		15,878	8,813
Other facilities, furniture and office equipment		10,933	7,257
Assets under construction		368	1,683
Financial assets	(3)		
Holdings in affiliates at equity		8,209	7,917
Other		175	455
Other receivables	(7)	508	0
Deferred taxes	(4)	13,355	8,641
		345,027	**200,394**
Short-term assets			
Inventories	(5)	2,491	3,577
Trade receivable	(6)	27,513	20,833
Other receivables	(7)	14,695	10,551
Income tax receivables	(4)	11,376	10,910
Securities (applied to net income at actual cash value)	(8)	138	309
Cash and cash equivalents	(9)	16,086	32,635
		72,299	**78,865**
		417,326	**279,259**

DEBT AND EQUITY

	Notes	31/12/2008	31/12/2007
Equity	(10)		
Share capital		53,219	53,219
Treasury shares		-9,925	-512
Reserves		137,740	142,858
Capital and reserves due to partners of the parent company		**181,034**	**195,565**
Minority interests		1,790	2,451
		182,824	198,016
Long-term liabilities			
Pension provisions	(11)	1,386	1,386
Liabilities to banks	(12)	10,685	3,228
Purchase price liabilities	(13)	6,249	10,425
Other liabilities	(16)	508	0
Deferred taxes	(4)	40,734	15,284
		59,562	**30,323**
Short-term liabilities			
Liabilities to banks	(12)	114,088	2,891
Trade accounts payables	(14)	12,211	9,612
Income tax liabilities	(4)	7,055	7,191
Reserves	(15)	15,437	9,877
Purchase price liabilities	(13)	2,009	2,397
Other liabilities	(16)	24,140	18,952
		174,940	**50,920**
		417,326	**279,259**

(The appended Notes are an integral part of the Consolidated Financial Statement)

Consolidated Profit and Loss Statement

for the 2008 Financial Year

	Notes	2008 €´000	2007 €´000
Sales revenues	(17)	229,191	180,189
Capitalized in-house services	(18)	5,725	5,134
Other income	(19)	6,494	4,691
Expenditures for purchased goods and services	(20)	-49,248	-39,032
Personnel expenses	(21)	-95,769	-65,614
Other expenses	(22)	-47,071	-34,754
Earnings before interest, taxes and depreciation (EBITDA)		**49,322**	**50,614**
Amortization of intangible assets and property	(23)	-36,522	-23,177
Earnings before interest and taxes (EBIT)		**12,800**	**27,437**
Results from associates recognized at equity	(24)	577	0
Financial income	(25)	1,984	2,794
Financial expenses	(26)	-8,380	-7,209
Earnings before taxes (EBT)		**6,981**	**23,022**
Taxes on income and earnings	(25)	-5,713	-183
Group net income		**1,268**	**22,839**
thereof applicable to the parent company		1,717	23,032
thereof applicable to minority interests		-449	-193
Earnings per share	(27)		
undiluted (€)		**0.03**	**0.46**
diluted (€)		**0.03**	**0.46**

(The appended Notes are an integral part of the Consolidated Financial Statement)

Changes in Consolidated Equity

for the 2008 Financial Year

	Parent company				Minority interests	Consolidated equity
	Share capital €´000	Treasury shares €´000	Reserves €´000	Total €´000	€´000	Total €´000
Balance on 31/12/2006	**45,879**	**-512**	**9,006**	**54,373**	**4,702**	**59,075**
IPO	7,340	0	124,870	132,210	0	132,210
IPO costs (after income tax)	0	0	-4,927	-4,927	0	-4,927
Incoming payments from majority shareholders	0	0	9,000	9,000	0	9,000
Incoming payments from minority interests	0	0	0	0	2,985	2,985
Transfer of negative minority interests	0	0	-103	-103	103	0
Purchase of additional shares from minority interests after control	0	0	-2,552	-2,552	-5,146	-7,698
Stock option program	0	0	-17,638	-17,638	0	-17,638
Group net income	0	0	23,032	23,032	-193	22,839
Currency conversion	0	0	2,170	2,170	0	2,170
Balance on 21/12/2007	**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 additional shares from minority interests after control	0	-9,413	0	-9,413	0	-9,413
Group net income	0	0	1,717	1,717	-449	1,268
Stock option program (after deferred tax)	0	0	43	43	0	43
Currency conversion	0	0	-6,674	-6,674	0	-6,674
Balance on 31/12/2008	**53,219**	**-9,925**	**137,740**	**181,034**	**1,790**	**182,824**

(The appended Notes are an integral part of the Consolidated Financial Statement)

Consolidated Cash Flow Statement

for the 2008 Financial Year

	2008 €´000	2007 €´000
Group net income	1,268	22,839
Amortization of intangible assets, plant and equipment	36,522	23,177
Earnings on sales of affiliates (net)	-117	-473
Earning on sales of fixed assets	0	-398
Change in provisions (including income tax liabilities)	1,411	-3,270
Change in deferred taxes	-5,732	-8,329
Other non-cash earnings/expenditures	2,523	-171
	35,875	**33,375**
Change in inventories	1,123	-1,507
Change in trade receivable	4,375	-3,431
Change in other receivables	145	-3,370
Change in income tax receivables	2,060	-5,040
Change in securities (valued at actual cash value)	171	1,312
Change in trade accounts payable	-2,026	1,343
Change in other short-term liabilities	-16,319	2,558
Change in other long-term liabilities	508	-454
Cash flow from operating activities	**25,912**	**24,786**
Cash inflow on disposals of sales of property, plant and equipment	419	1,586
Cash outflow for capital expenditure in property, plant and equipment	-8,575	-5,618
Cash inflow on disposal of intangible assets	263	2,475
Cash outflow for capital expenditure in intangible assets	-11,118	-36,433
Cash inflow on disposal of financial assets	102	2,534
Cash outflow of investments in financial assets	0	-80
Acquisition of minority interests	-416	-7,698
Cash inflow from sales of affiliates	0	379
Acquisition of companies less assumed cash and cash equivalents	-117,075	-5,575
Cash flow from investing activities	**-136,400**	**-48,430**
Cash inflow from the assumption of loans	110,161	0
Cash outflow for the amortization of loans	-2,498	-80,972
Change in short-term purchase price liabilities	-388	312
Change in long-term purchase price liabilities	-4,176	7,449
Purchase of own shares	-9,413	0
Cash inflow from the amortization of loans receivables through externals	338	0
Dividends received	125	0
Cash inflow from capital increase	0	132,210
Cash inflow from majority shareholders	0	9,000
Cash inflow from other shareholders	0	2,985
Cash outflow for stock option program	0	-17,325
Cash outflow for IPO costs	0	-7,910
Cash flow from financing activities	**94,149**	**45,749**
Changes in cash due to exchange rates	-210	93
Change in cash and cash equivalents	**-16,549**	**22,198**
Cash and cash equivalents at the beginning of the period	32,635	10,437
Cash and cash equivalents at the end of the period	**16,086**	**32,635**
interest paid	5,159	3,552
interest received	915	1,936
income tax paid	13,452	16,743
dividends received	125	67

(The appended Notes are an integral part of the Consolidated Financial Statement)

Consolidated Notes

for the 2008 Financial Year

A. THE COMPANY

CompuGROUP 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 Electronic Patient Services (EPS). These divisions serve as the basis for the primary format of segment reporting.

HPS Development and distribution of medical practice and hospital software solutions for doctors and dentists in private practice, as well as hospitals

HCS Networking of the service providers (doctors, dentists and clinics) with other significant market players in the healthcare sector, such as cost carriers or pharmaceutical and generic drug companies

EPS Products and services to meet the growing demand 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 cost method.

The consolidated financial statement is presented in thousands of euros (€´000).

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 2008, 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:

- **In this financial year the new and revised IFRS standards listed below were applied for the first time. Their application had the following consequences for the consolidated financial statement:**

not applied

- **The new or revised IFRS standards and interpretations that were applied for the first time had no, or no substantial, consequences for the consolidated financial statement**

not applied

- **The following published but not yet mandatory standards and interpretations were not yet applied**

Amendment of IFRS 1 "First-Time Adoption Of International Financial Reporting Standards" and IAS 27 "Consolidated And Separate Financial Statements"

The standards govern simplifications in the valuation of investments in subsidiaries, jointly controlled entities, and associates in a separate financial statement being prepared based on the IFRS for the first time. The amendments are to be applied for the first time in the financial years beginning on or after 1 January 2009.

Amendment of IFRS 2 "Share-based Payment"

It clarifies that vesting conditions are service conditions and performance conditions only. It also specifies that the early cancellation provisions should apply to all cancellations, regardless of whether the share-based payment plan is cancelled by the entity or by other parties. The application of the amendment is mandatory for the first time for financial years beginning on or after 1 January 2009.

IFRS 8 "Operating Segments"

IFRS governs which financial information a company has to present about its operating segments in its reports. IFRS replaces IAS 14 "Segment Reporting," adopts with a few exceptions the rules of SFAS 131 "Disclosures about Segments of an Enterprise and related Information" and is mandatory for the first time for financial years beginning on or after 1 January 2009.

Revision of IAS 1 "Presentation of Financial Statements"

A revised version of IAS 1 was published in September 2007. The amendments basically have to do with the separate presentation of owner changes in equity. In addition, the titles of some parts of financial statements were changed. The application of the amended standard is mandatory for the first time for financial years beginning on or after 1 January 2009.

Amendment of IAS 23 "Borrowing Costs"

The amendment provides for the mandatory capitalization of borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The option of immediately recognizing such borrowing costs as an expense was removed. The application of the amendment is mandatory for the first time for financial years beginning on or after 1 January 2009.

Amendment IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements"
The change essentially relates to the conditions for classifying puttable instruments as equity or liabilities. The new version is intended to allow German partnerships to classify their partnership capital as equity as a rule. The application of the amendment is mandatory for the first time for financial years beginning on or after 1 January 2009.

Amendment IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"
The amendments permit reclassification of some financial instruments out of the fair-value-through-profit-or-loss category into other categories where financial liabilities are measured at amortized cost in consideration of impairment losses. The change can be applied retroactively as of 1 July 2008.

Updates to the amendments to IAS 39 and IFRS 7
At the end of November 2008 the IASB published an update to the amendments to IAS 39 "Financial instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures," with respect to the reclassification of financial assets. It clarifies that reclassifications performed on or after 1 November 2008 take effect on the day of the reclassification. On the other hand, reclassifications prior to 1 November can be performed with effect as of an earlier time, but not earlier than 1 July 2008.

IFRIC 11 "Measurement Issues With Share-Based Payments"
This interpretation clarifies how to account for group-wide share-based payment. IFRIC 11 must be applied to financial years beginning on or after 1 March 2008 at the latest.

IFRIC 13 "Customer Loyalty Programmes"
IFRIC governs how to account for customer loyalty award credit programs offered by producers or service providers themselves or third parties. The application of IFRIC 13 is mandatory for financial years beginning on or after 1 January 2009.

IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 14 addresses the interaction between a minimum funding requirement and the rules in IAS 19 regarding the asset ceiling. The application of IFRIC 14 is mandatory for financial years beginning on or after 1 January 2009.

Annual amendment process
A series of clarifications of individual standards was passed on 22 May 2008 in the course of the annual amendment process. The amendments relate to a total of 15 IFRS/IASs and are mostly mandatory for financial years beginning on or after 1 January 2009.

These new accounting rules are currently not expected to have any, or any substantial, effects on future consolidated financial statements with the exception of IFRS 8 and IAS 1. New standards and interpretations and amendments of existing standards are generally implemented by the Company when mandatory.

- The following published standards and interpretations which are not yet mandatory in the EU were not applied

Revision of IFRS 1 "First-Time Adoption of International Financial Reporting Standards"
Since its publication in 2003, IFRS 1 "First-Time Adoption of International Financial Reporting Standards" has undergone numerous modifications to newly published and amended standards, which made the standard ever more complex. The new version of IFRS 1 published by the IASB on 27 November 2008 contains the same rules as the previous standard but is structured differently. The application of the new version of IFRS 1 is mandatory for entities whose first IFRS-based financial statement is prepared for years beginning on or after 1 July 2009.

Revision of IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements"
Revised versions of IFRS 3 and IAS 27 were published in January 2008. This was the culmination of the "Business Combinations II" project that was begun in November 2001, which the IASB carried out in close cooperation with the US standards board. The important changes consist in a comprehensive revision regarding the application of the acquisition method. The application of the revised standards is mandatory for financial years beginning on or after 1 July 2009.

Amendment of IAS 39 "Financial Instruments: Recognition and Measurement"
This amendment clarifies how to apply the principles contained in IAS 39 regarding hedge accounting to two specific situations. It addresses the unilateral risk relative to a hedged item (e.g. the risk of changes in fair value or cash flows above or below fixed price or some other variable) and inflation in a financial hedged item. The application of the amendment is mandatory for financial years beginning on or after 1 July 2009.

IFRIC 12 "Service Concession Arrangements"
IFRIC 12 governs how operators should apply existing IFRS in the context of service concession arrangements in order to recognise the obligations and rights arising from these arrangements. The application of IFRIC 12 is mandatory for the first time for financial years beginning on or after 1 January 2008.

IFRIC 15 "Agreements for the Construction of Real Estate"
IFRIC 15 governs the recognition of real estate sales where a contract with the buyer is executed before the building work is completed. The interpretation initially clarifies the conditions under which IAS 11 and/or IAS 18 apply. It is also regulates the time at which the proceeds are realized and what has to be disclosed in notes. The application of IFRIC 15 is mandatory for financial years beginning on or after 1 January 2009.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"
IFRIC 16 responds to doubts in connection with hedging foreign operation. The application of IFRIC 16 is mandatory for financial years beginning on or after 1 October 2008.

IFRIC 17 "Distributions of Non-cash Assets to Owners"
On 27 November 2008 the IFRIC published the interpretation regarding the recognition of distributions of non-cash assets to owners on the distributing entity's balance sheet. IFRIC 17 addresses two topics related to distributions of non-cash assets to owners. The application of the interpretation is mandatory for financial years beginning on or after 1 July 2009.

IFRIC 18 "Transfers of Assets from Customers"
On 29 January 2009 the IFRIC published the interpretation governing how to recognize transfers of assets from customers. IFRIC 18 is particularly relevant to the utilities sector. It clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both). The application of the interpretation is required for financial years beginning on or after 1 July 2009.

These new accounting rules are currently not expected to have any, or any substantial, effects on future consolidated financial statements with the exception of the revision of IFRS 3. New standards and interpretations and amendments of existing standards are generally implemented by the Company when mandatory.

No standards or IFRIC interpretations were applied prematurely.

The consolidated financial statement is generally based on the cost acquisition principle. Unless otherwise noted, assets and liabilities are reported on the basis of the historic acquisition and manufacturing costs less necessary write downs.

The estimates and assumptions on which the preparation of the consolidated financial statement according to IFRS is based affect the valuation of assets (goodwill; deferred taxes representing assets) and debt (reserves; purchase price liabilities), the declaration of contingent assets and liabilities on the respective balance-sheet dates, and the amounts of earnings and expenditures for the reporting periods. Although these assumptions and estimates were prepared to the best of the knowledge of management, actual results may diverge from these estimates.

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%) are reported according to the equity method. For the year ended 31 December 2008, there were four 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:

	01/01/2008			Additions			Disposals			31/12/2008		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
Subsidiaries	32	28	60	7	22	29	4	0	4	35	50	85

Fliegel Dahm Group

The Fliegel Dahm Group, 100% of which was acquired in February 2008, includes Fliegel Data GmbH, Höxter, Herbert dahm Datensysteme GmbH, Düsseldorf, and dahm service GmbH, Düsseldorf. The company Herbert dahm Datensysteme GmbH was merged into systema Deutschland. The company dahm service GmbH was renamed systema services GmbH but still exists as a legally independent company. The companies are in the business of selling hospital information systems for acute care hospitals and rehabilitation clinics in Germany. The initial consolidation occurred on 1 March 2008.

Promed

90% of Promed A.S., Ankara (Turkey) was acquired by the subsidiary company Tepe International Health Information Systems A.S., Ankara (Turkey). Promed is a provider of electronic solutions to the hospital insurance industry and other institutions involved in the reimbursement system in the healthcare industry. The first-time consolidation occurred as of 1 June 2008.

Profdoc Group
The Profdoc Group comprises 15 companies that operate in the Norwegian, Swedish, Danish, Latvian, Greek, South African and Malaysian markets. The parent company Profdoc ASA was listed on the Oslo Stock Exchange. CompuGROUP acquired all shares in financial year 2008 following a successful squeeze-out. The company was renamed from Profdoc ASA to Profdoc AS. CompuGROUP has held a majority stake in the group since 16 June 2008. First-time consolidation occurred as of 1 July 2008. The Profdoc Group sells information technologies in the health sector for physicians in private practice, hospitals and laboratories.

In the half-year financial report as of June 2008 and the financial report for the period from 1 January to 31 December 2008, the acquisition of the Profdoc Group was still reported according to the economic entity model with respect to the additional purchase of minority shares. In the meantime, however, it has turned out that the entire purchase process should be treated like one unified transaction. Its presentation has been changed accordingly for the annual financial statement.

All for One Group
100% of the unlisted company All for One Systemhaus AG with its two domestic and two foreign subsidiaries was acquired on 18 June 2008. First-time consolidation occurred as of 1 July 2008. The parent company was then merged into systema Deutschland. The All for One Group sells software solutions for the healthcare industry, the social and care sector and the nursing sector, along with document management and data entry systems. The division for software solutions for public administrations was sold.

Inmedea
75.05% of Inmedea was acquired on 18 December 2008. First-time consolidation occurred as of 31 December 2008. Inmedea makes interactive software and simulates clinical processes for medical professionals.

The “Fliegel Dahm Group”, “Promed”, “Profdoc Group”, “All for One Group” and “Inmedea” acquisitions are based on preliminary purchase price allocations.

D3P SAS
In December 2008 all the shares of the French associated company were acquired. D3P is included in the consolidated financial statement as a fully consolidated company for the first time as of 31 December 2008. The purpose of D3P is the sale of electronic patient files in France.

Tepe Riyadh
Tepe Riyadh was founded by the Company itself through Tepe A.S. The incorporation allowed the Company to win and now execute a contract in the hospital sector in Saudi Arabia.

Intermedix Österreich
Intermedix Österreich was founded by CompuGROUP CEE and will market pharmaceuticals in Austria.

CompuGROUP & Kontrax OOD consortium
The consortium was newly formed in Sofia, Bulgaria by CompuGROUP CEE jointly with the outside company Kontrax OOD. The shares were all purchased by CompuGROUP by 31 December. So far there are no active operations.

Disposals to fully consolidated subsidiaries
Besides the mergers already mentioned above involving sytsema vertriebs and service GmbH and All for One Systemhaus AG being merged into systema Deutschland GmbH, the company Novacom GmbH were also merged into systema Deutschland GmbH and the company Unicomputer GmbH was merged into GTI AG.

Associated companies
See Equity Investments 2007, page 67 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.

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 conversion
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 capital, 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 income statement.

The foreign currency loss resulting from the conversion of the loan to Tepe A.S. was reported in equity capital so as not to affect net income (€865,000), because repayment is not anticipated for the foreseeable future.

D. SUMMARY OF THE PRINCIPAL ACCOUNTING AND VALUATION METHODS AND UNDERLYING ASSUMPTIONS
Balance sheet 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 life in years
Software and licenses	2-15
Customer relations, customer contracts, brands	10-30

Internally-produced intangible assets
Costs of research activities are written off as expenses for the year.

An internally-produced intangible asset that arises from the Group's software development is 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).

Internally-produced intangible assets (generally software) are amortized on a straight-line basis over their estimated useful life of 2 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 2009 budget in respect of net assets, financial position and earnings and are verified on the basis of past 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% (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)	8.08%-12.02%
Beta factor	0.86
Long-term growth rate	1.50%
Risk free interest rate	4.60%
Market risk premium	5.00%

The 2008 impairment test (as of 1 October 2008) resulted in an impairment charge in the financial statements against the goodwill value of the Turkish subsidiary Tepe International Health Information Systems A.S. amounting to €8.9 million. All other impairment tests were positive.

At a one-percent higher interest rate, there would still be no need for an impairment charge. The surplus in the test calculation would be reduced by €55 million applying a one-percent higher interest rate.

Tangible assets

Tangible assets are stated at acquisition and production costs less cumulative depreciation and impairment. Borrowing costs are not capitalized as assets; instead, they are written off as expenses in the period in which they are incurred.

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%) and other facilities and plant and equipment (10-30%), 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 of the present value of the sales proceeds less selling costs 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) is reduced to the realizable value. The impairment is recognized immediately and posted to income.

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 is recognized immediately and posted to income. Goodwill impairment charges are never reversed.

Financial assets

Holdings 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. Holdings in associates also include goodwill identified at the time of acquisition less impairment. The Company’s share of earnings of associated companies in the period are posted to income.

Other financial assets

These consist primarily of equity investments of less than 20% and amount to €171,000.

Long-term other receivables

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

Financial assets available for sale

The Company currently has no assets in this category.

Derivative financial instruments

The Company currently does not use any derivative financial instruments.

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. The corridor rule has not been applied since 2006. Actuarial profits and losses are immediately recognized in the income statement.

Provisions for warranties are recognized at the time of sale of the product in question. 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 directors Prof. Dr Winter and Mr 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 began with effect from 15 October 2008 and 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.

Mr 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 €1.25 per option. As at the balance sheet date the personnel expense in the income statement for this plan was €61,000, of which €43,000 was posted to equity after deduction of €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:

Calculation criteria	
Weighted average share price	€4.58
Exercise price per share	€5.50
Expected volatility	35%
Duration of the options	4 years
Risk free interest rate	4.60%

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.

In 2007 share-based bonus plans for members of the management board were granted in conjunction with the IPO and accounted for under IFRS 2. An expense corresponding to the fair value of the services rendered for the options granted was recorded. For this purpose, the total expense over the vesting period was calculated based on the fair value of the issued options (these comprise solely 'equity-settled' plans). All options were exercised in conjunction with the May 2007 IPO. All plans expired on 31 December 2007.

Payables
Payables are valued at fair value when incurred. Foreign currency payables are converted at the historical 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.

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, however, are accounted for 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 are 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 BALANCE SHEET AND INCOME STATEMENT

1. Intangible assets

	31/12/2008 €´000	31/12/2007 €´000
Goodwill	127,381	68,820
Software and other intangible assets	150,240	84,795
Payments on account for software	2,870	143
Self-developed software	15,110	11,870
	295,601	**165,628**

The principal goodwill can be broken down as follows (for details of abbreviations see from page 67 of the notes).

	31/12/2008 €´000	31/12/2007 €´000
Profdoc Group	51,905	0
Systema Group	14,304	14,304
Turbomed	14,152	14,152
Ifap	9,290	9,290
medistar	8,372	8,372
Fliegel Dahm Group	5,739	0
Gruber	3,218	3,265
Axilog	3,092	3,092
ChreMaSoft	2,697	2,697
CompuMed (from medev Praxiscomputer GmbH & Co. KG)	2,325	2,325
CompuMed (from medev Praxiscomputer Verwaltungs-GmbH)	2,136	2,136
Ispro	1,574	1,574
Datavital	1,435	1,435
All for One Group	1,193	0
medXpert	1,085	0
Dialog	801	801
medicine	759	767
Tepe	0	1,409
Other	3,304	3,201
	127,381	**68,820**

The reduction in the goodwill for medicine and Gruber is a result of the subsequent reduction in the purchase price with a corresponding reduction in the purchase price liability. The goodwill for Tepe was written off in accordance with impairment accounting policies.

The principal additions during the year related to the Fliegel Dahm, Profdoc" and "All for One" company groups.

	Fliegel Dahm €´000	Profdoc €´000	All for One €´000	Total €´000
Software	652	33,515	2,854	37,021
Customer relations	3,887	38,585	7,021	49,493
Trademarks	1,156	3,322	2,932	7,409
Goodwill	5,739	51,905	1,193	58,837
	11,434	**127,326**	**14,000**	**152,760**

2008 amortization of intangible assets amounted to €31,096 including €8,872 in respect of an impairment charge against the value of the Turkish subsidiary Tepe, within the HPS division because Tepe's sales and EBITDA did not meet expectations. The impairment charge was calculated based on an estimated value in use assuming a pre-tax WACC of 10.5%. The amortization included €0.8m in respect of software, €6.7m in respect of customer relations and €1.4m in respect of goodwill.

Capitalized in-house services
€5,725,000 was capitalized during the year for self-developed software 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 (notes 1 and 2 in the notes). Depreciation on capitalized self-produced software amounted to €2,485,000 during the year.

2. Tangible assets

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

Fixed asset additions and transfers comprise €3,715,000 in respect of land and buildings and €5,750,000 in respect of other plant and equipment. Additions to land and buildings largely relate to expenditure by the subsidiary Immo II for the purchase of a building for its Koblenz head office amounting to €3,552,000 and expenditure for the extension of the main building. Additions to other plant and equipment largely relate to expansion and renovation of the accounting centers.

Changes to tangible fixed assets are detailed in the attached fixed asset table (see pages 78 and 79).

3. Financial assets

Investments in associated companies.
Valuation is based on IAS 28.

	31/12/2008 €´000	31/12/2007 €´000
Fimesan	6,676	6,332
medigest	540	509
HCS	980	930
medatis	0	78
Other	13	68
	8,209	**7,917**

The principle associated company is Fimesan, which in the year posted net profit of €1,226,000 on sales of €4,661,000. Less the company's retained losses CompuGROUP's share amounts to €334,000. Material assets of the company consist of land and buildings of €5,755,000 and work in progress of €1,147,000. Fimesan's material liabilities and equity comprise shareholders' equity of €5,476,000 and bank debt of €2,214,000.

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

	31/12/2008 €´000	31/12/2007 €´000
Equity investments	**65**	**65**
Erudis	54	0
CD Software	54	0
IC med	25	25
BFL Gesellschaft des Büfachhandels	12	7
AES Ärzteservice Schwaben	11	11
TechnoSante S.A.S., Toulouse	4	4
Third party loans	**4**	**343**
	175	**455**

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

Corporation tax receivables (€11,376,000; prior year: €10,910,000) comprise current tax receivables of Group companies (€8,188,000) and prior year tax receivables (€3,188,000). Corporation tax payables (€7,055,000; prior year: €7,191,000) comprise current tax payables.

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

	Deferred tax assets		Deferred tax liabilities	
	31/12/2008 €´000	31/12/2007 €´000	31/12/2008 €´000	31/12/2007 €´000
Intangible and tangible assets	0	0	37,276	17,663
Consolidation adjustments	2,948	144	4,865	135
Other (net)	0	0		-709
Tax losses carried forward	11,814	10,302	0	0
Offset vs. deferred tax liabilities	-1,407	-1,805	-1,407	-1,805
	13,355	**8,641**	**40,734**	**15,284**

Deferred tax assets largely consist of tax losses carried forward (with no time limit) as follows:

	31/12/2008 €´000	31/12/2007 €´000
Axilog	3,344	3,902
vita-X	2,475	2,355
CompuGROUP Holding AG	2,449	1,506
GTI AG	836	0
GIV	726	0
MedicalNet	495	193
RSS	189	373
Ifap	11	26
UCF	0	268
CompuGROUP-Beteiligungs GmbH	0	246
Other companies	1,289	1,433
	11,814	**10,302**

Deferred tax liabilities largely consist of self-produced software capitalized in the Group balance sheet, software acquired from Company acquisitions and all deferred taxes from consolidation adjustments.

The deferred tax assets from tax losses carried forward largely relate to the French companies. The largest item relates to a deferred tax asset of €3.3 million from tax losses carried forward by Axilog, which posted positive 2008 PBT of €1.3 million. Furthermore, €2.5 million relates to vita-X and €2.4 million to CompuGROUP AG. Following an internal Group restructuring Turbomed shares were transferred to vita-X such that in the future any vita-X losses will be utilized. Tax restructuring measures (mergers with profitable subsidiaries) are planned for 2009 with regard to GTI AG.

5. Inventories

	31/12/2008 €´000	31/12/2007 €´000
Raw materials	153	87
WIP	611	1,711
Traded goods	1,726	1,779
	2,491	**3,577**

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

6. Trade receivables

No trade receivables fall due in more than one year. 2008 bad debt provisions (including bad debts written off) amounted to €2,513,000 (prior year: €707,000).

Specific bad debt provisions are based throughout the Group on the age of receivables. Doubtful receivables are always written down on an individual basis. Because of their short-term maturity, the book value of the trade receivables net of provisions is close to the fair value.

Receivables resulting from the percentage of completion method (POC)

POC receivables amounted to €2,546,000 (prior year: €4,084,000) less received POC payments on account of €1,973,000 (prior year: €3,283,000). The corresponding sales are fully included in the income statement. This relates almost exclusively to the hospital project business.

Age of receivables, breakdown of provisions 2008

	31/12/2007 €´000	Additions	Used	31/12/2008 €´000
Receivables ageing				
Due date of receivables:				
0-3 months	16,508			24,304
4-6 months	1,246			2,196
7-12 months	1,160			797
> 12 months	2,665			2,570
Specific provisions	-1,497	-2,513	1,082	-2,928
POC receivables	801			573
	20,883			**27,513**
Region				
Domestic receivables	10,613			12,228
Foreign receivables	11,767			18,213
Specific provisions	-1,497			-2,928
	20,883			**27,513**

The provision increase includes a bad debt provision in the subsidiary Tepe A.S. amounting to €1.6m in respect of a customer's receivable balance

7. Other receivables

Other receivables are broken down as follows:

	31/12/2008 €´000	31/12/2007 €´000
Short term loan	**4,980**	**2,164**
VAT receivables	4,653	1,826
APO-Bank	4,206	3,162
Payments on account	34	1,028
Other	822	2,371
Short term other receivables	14,695	10,551
Leasing receivables	508	0
Long term other receivables	**508**	**0**

In 2008, Systema Austria carried out a sale-and-lease-back transaction with a leasing company. The present value as at 31 December 2008 of the resulting leasing liability amounting to €508,000 is included under 'Other payables'. Following this transaction, the leased asset was sub-leased to a customer of Systema Austria under approximately the same conditions. The present value as at 31 December 2008 of the resulting receivable amounting to €508,000 is included under 'Other receivables'. Consequently Systema Austria is both a lessee, towards the customer, and a lessor, towards the leasing company, pursuant to IFRIC 4 "Establishing whether an agreement contains a leasing relationship".

Future minimum lease payments	€´000
< 1 year	123
1 to 5 years	410
> 5 years	0
Unrealized financial income	0
Unsecured residual value due to lessor	0
Cumulative provisions for non-recoverable minimum lease payments	0
Rental income during the year	0

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

Investment securities only consist of short-term fixed income securities held by Group subsidiaries Systema Austria, Systema Germany and Aescu Data Austria and are stated at fair value.

9. Cash and cash equivalents

Positive balances with banks relate to current accounts and earn interest at 0.5% per year. Changes in cash and cash equivalents are detailed in note III.

10. Equity

Changes in equity are detailed in note IV.

Share capital

	31/12/2008 €´000	31/12/2007 €´000
Issued and fully paid-in share capital:		
45,878,750 shares at €1.00 each		
53,219,350 shares at €1.00 each	53,219	53,219
Authorized share capital:		
22,939,375 shares at €1.00 each		
15,598,775 shares at €1.00 each	15,599	15,599

The Company only has one class of shares, which does 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 May 2007 IPO, the Company's share capital increased by €7,340,600.00 from €45,878,750.00 to €53,219,350.00 through a capital increase through cash contribution that was approved by the Management Board and the Supervisory Board.

Authorised share capital

With the decision of the shareholders general meeting dated 16 August 2006, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital by up to €22,939,375.00 by one or more share issues in exchange for cash contribution and/or non-cash contributions until 16 August 2011. Due to the €7,340,600.00 capital increase, from authorized share capital, the authorized share capital is reduced accordingly to €15,598,775.00. With the approval of the Supervisory Board, the statutory priority subscription right of the shareholders may be excluded due to various premises. Furthermore, the Management Board was authorized with the approval of the Supervisory Board to determine the details for capital increases from authorized share capital.

Treasury shares

The Company holds 1,993,246 treasury shares including 532,350 shares purchased in 2001. 1,460,896 shares were purchased under the completed share buy-back program between 23 January 2008 and 18 April 2008 (500,000 shares; purchase price in bands from €8.643 to €12.6788 per share; weighted average purchase price of €10.3276 per share), between 22 July 2008 and 14 October 2008 (500,000 shares; purchase price in bands from €3.8243 to €5.4881 per share; weighted average purchase price of €4.8426 per share) and between 15 October 2008 and 30 December 2008 (460,896 shares; purchase price in bands from €3.1519 to €4.4279 per share; weighted average purchase price of €3.8849 per share).

The total purchase cost of shares acquired during the year including expenses amounted to €9,413,000.

The current proportion of the 1,993,246 treasury shares in relation to the total share capital of 53,219,350 shares is 3.75%.

Pursuant to the resolution of the general meeting of shareholders dated 9 July 2008 the management board was authorized to purchase up to 10% of the current share capital in accordance with section 71 paragraph 1 no. 8 Aktiengesetz (German public limited company act). At no time may the purchased shares together with the other treasury shares, which the Company holds or is due pursuant to sections 71 et seq. Aktiengesetz, exceed 10% of the share capital. This authority may not be utilized for purposes of trading in treasury shares.

The authorization may be exercised in whole 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. The authorization takes effect from 10 July 2008 and is valid until 9 January 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 or a public invitation to all shareholders to submit sales offers.

If the share purchase is performed on the stock exchange, the purchase price for one share may not be more or less by over 10% than the Company's un-weighted average share price, as calculated by the closing auction via the Xetra trading system over five trading days prior to the purchase date, or via any future system, of Deutsche Börse AG (Frankfurt Stock Exchange).

Should the share purchase be performed via a public tender offer to all shareholders or a public invitation to all shareholders to submit sales offers, the offered purchase price or the limited value of the purchase price range per share (excluding purchasing expenses) may not be more or less by over 20% than the Company's un-weighted average share price, as calculated by the closing auction via the Xetra trading system over five trading days prior to the purchase date, or via any future system, of Deutsche Börse AG (Frankfurt Stock Exchange).

The purchase offer or invitation to submit sales offers may stipulate other conditions. Insofar as the purchase offer is subscribed, or in the case of an invitation to submit sales offers of several equivalent offers not all shares are subscribed, the shares must be allocated by quota.

The Management Board is entitled to utilize the purchased treasury shares as follows:

With the approval of the Supervisory Board, they may be sold on the stock exchange or via an offer to all shareholders. With the approval of the Supervisory Board, they may also 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 less than the share price for the same share class 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 9 July 2008, due to any authorizations for share issues from authorized share capital without pre-emptive subscription rights pursuant to section 186 paragraph 3 sentence 4 Aktiengesetz, may not exceed 10% of the Company's share capital.

With the approval of the Supervisory Board, they may be offered and transferred to third parties for purposes of the indirect or direct acquisition of companies, company shares or equity investments in companies.

With the approval of the Supervisory Board, they may be offered and sold as consideration for the Company or one of its subsidiaries to be granted licenses or similar rights for the marketing and development of CompuGROUP products under copyright or third party property rights.

The shares may also be utilized for the exercise of options arising from options granted by the Company.

With the approval of the Supervisory Board, they may also be cancelled without the cancellation requiring an additional shareholders' general meeting. The proportion of the remaining shares in relation to the share capital is not increased by a cancellation. By contrast, the Management Board may decide that the share capital shall not be reduced and that the proportion of the remaining shares in relation to the share capital increases pursuant to section 8 paragraph 3 Aktiengesetz. In this case, the Management Board is entitled to amend the number of the shares stated in the articles of association.

The authorizations regarding the utilization of the purchased treasury shares may be used on one or more occasions, in whole or in part, individually or collectively, and the authorization under (1) to (4) may be used by independent companies or companies, in which the Company holds a majority stake.

The right of the shareholders to subscribe to treasury shares shall be excluded insofar as such shares pursuant to the aforementioned authorizations are used for purposes of treasury shares pursuant to (1) to (4).

The authorization for the purchase of treasury shares granted by the general meeting resolution dated 19 June 2007 expires as from this resolution taking effect. The authorizations granted by the aforementioned general meeting for the utilization of any purchased treasury shares are not affected by this resolution taking effect.

The Company has informed the Bundesanstalt für Finanzdienstleistungsaufsicht (German financial services regulator) as required under section 71, Para. 3, page 3 AktG.

Following the Management Board resolution dated 5 January 2009, in accordance with section 71 paragraph 1 no. 8 AktG, to utilize the authorization granted by the general meeting for the purchase of treasury shares. In total, 500,000 Company shares are to be bought back representing some 0.94% of the current share capital. The purpose of the share buyback, in whole or in part, is to acquire companies or equity stakes in companies.

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

The currency differences reserve stood at €4,498,000 as at the balance sheet date and is primarily a reflection of currency fluctuations in Scandinavia and Turkey.

The consolidated net profit for the year amounting to €1,717,000 was posted to equity reserves.

If the Board recommends a final dividend, this will be conditional on shareholder approval at the annual shareholders' meeting. Consequently, the proposed dividend is not recorded as a liability in the consolidated financial statements.

Minority interests

	31/12/2008 €´000	31/12/2007 €´000
Tepe	1,190	2,328
Profdoc Group	389	0
Gruber	151	45
Turbomed	57	0
Tipdata	0	48
Other	3	30
	1,790	**2,451**

11. Pension provisions

The pension provisions were calculated based on a current actuaries report. The discount rate applied in the calculation as at 31 December 2008 was 5.5% (prior year 5.7%).

There are pension liabilities owing to eight employees of Data-Vital GmbH & Co. KG to pay a fixed, 60% retirement/disability and spousal pension to one GTI AG employee and to one CompuGROUP Services GmbH employee. There are also pension obligations for various employees of certain French subsidiaries under defined benefit plans.

The following table breaks down the pension provision balances and the underlying assumptions applied in the calculation of the pension provisions:

	31/12/2008 €´000	31/12/2007 €´000
Provision 1.1.	1,386	1,456
First-time consolidation	0	0
Service cost	36	112
Interest cost	69	148
Actuarial gains	-105	-330
Provision 31.12.	**1,386**	**1,386**
DBO 31.12.	1,449	1,606
Plan assets	-63	-220
Provision 31. 12.	**1,386**	**1,386**

Actuarial assumptions:	%	%
Discount rate	5.5	5.70
Future salary rises	2.0	2.00
Future pension rises	2.00	1.75

Domestic pension liabilities are based on the typical mortality rates applied in Germany (under Heubeck 2005 G). Plan assets relate to assets for pension liabilities for one CompuGROUP Services GmbH employee.

Changes in the pension provisions over the past five years are given in the following table:

	31/12/2004 €´000	31/12/2005 €´000	31/12/2006 €´000	31/12/2007 €´000	31/12/2008 €´000
Gross liability	n.a.	503	1,456	1,386	1,386
Experience-based adjustments to gross liability	n.a.	-134	0	0	0
Present value of plan assets	n.a.	0	-169	-220	-63

IFRS data for 2004 do not exist given that the Company did not begin reporting under IFRS until 2005. Experience-based adjustments to gross liability include the full impact of the actuarial gains and losses.

12. Current and long-term liabilities due to banks

	Due in < 1 year €´000	Due in 1-5 years €´000	Due in > 5 years €´000	Total €´000	Of which insured €´000
Liabilities	114,088	10,219	466	124,773	110,805

Insurance:
The liabilities are secured through property mortgages, pledges, interest and repayment guarantees with various banks.

Liabilities to bank relate to a loan of €100,000 that arose from the Profdoc Group acquisition. Profdoc Group also has liabilities to banks of €7,860,000.

13. PURCHASE PRICE LIABILITIES

	31/12/2008 €´000	31/12/2007 €´000
UCF	4,642	4,387
Gruber I	1,267	2,397
Tepe	340	3,641
Total long-term purchase price liabilities	**6,249**	**10,425**
medicine	637	633
Gruber II	500	1,050
Fimesan	479	479
Promed	393	0
Dialog	0	235
Total short-term purchase price liabilities	**2,009**	**2,397**

Long-term purchase price liabilities (due in more than one year)

UCF: minority interests have a put option amounting to the nominal value of the shares plus interest (interest bearing).

Tepe: interest bearing earn-out clause based on sales and EBITDA in financial years 2007, 2008 and 2009. Given that actual results are lower than expectations, the purchase price liability was reduced accordingly.

Gruber I: minority interests have a put option at a fixed price plus an interest bearing earn-out clause.

Short-term purchase price liabilities (due in less than one year)

Gruber II: interest bearing variable purchase price liability (earn-out clause).

Medicine: options and purchase price based on company results (earn-out clause).

Promed: interest bearing variable purchase price liability (earn-out clause) based on actual sales and EBITDA in financial years 2007, 2008 and 2009.

Firmesan: purchase price payment conditional on proof of actual government project services performed.

14. Trade payables

The trade payables of €12,211,000 (prior year €9,612,000) all fall due in less than one year.

15. Provisions

	1/1/2008 €´000	Addition – first time consolidation €´000	Used €´000	Release €´000	Increase €´000	31/12/2008 €´000
Payroll costs	6,452	2,778	4,315	303	5,509	10,121
Guarantees	1,178	0	685	6	520	1,007
External year-end accounting costs	737	172	643	75	892	1,083
Legal charges	874	0	228	215	418	849
Other	636	1,228	896	56	1,465	2,377
	9,877	**4,178**	**6,767**	**655**	**8,804**	**15,437**

The payroll cost provisions relate largely to bonuses/commissions of €5,448,000 (prior year: €2,644,000), holiday pay of €3,468,000 (prior year: €1,562,000) and overtime of €726,000 (prior year: €543,000).

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

The other provisions largely consist of various provisions of Profdoc Group and claims for compensation received in conjunction with the acquisition of a German group during the year.

16. Other liabilities

	31/12/2008 €´000	31/12/2007 €´000
Deferred income	7,394	8,066
VAT, payroll tax	6,702	4,817
POC excess liability	3,933	0
Employee payables	3,003	2,487
Loan	1,241	600
Purchase price balance, trademarks	0	700
Other	1,867	2,282
Total short-term other liabilities	**24,140**	**18,952**
Total long-term other liabilities	**508**	**0**

The long-term liabilities relate to leasing in accordance with IFRIC 4. For lease accounting see number 7.

17. Sales revenues

	2008 €´000	2007 €´000
Software service/maintenance	97,367	68,073
Network income	47,169	45,984
Sales of software	30,087	21,148
Services	27,611	24,051
Communication income	13,166	9,053
Hardware sales	10,023	8,209
Other income	3,768	3,671
	229,191	**180,189**

18. Capitalized in-house services

Company-produced additions of capitalized in-house services relates exclusively to self-produced software, which in 2008 amounted to a total of 163,236 working hours (prior year: 125,482 working hours). The hourly rate depends on the German state and varies between €14.00 and €42.00 per hour. In 2008 research and development costs amounted to €19,591.

19. Other operating income

	2008 €´000	2007 €´000
Tepe purchase price liabilities written off	2,903	0
Reversal of APO-Bank bad debt provision	900	1,500
Currency gains	437	245
Recharged administrative costs to third parties	333	0
Compensation received for damages	95	850
Gain on sale of fixed assets	76	98
Rental income	21	24
Gain on first-time consolidation Medistar Vertrieb	0	498
Other	1,729	1,476
	6,494	**4,691**

20. Expenses for purchased goods and services

	2008 €´000	2007 €´000
External software maintenance/ hotline/purchased services	29,142	25,367
Hardware	7,056	5,366
Software	4,962	2,769
Supplies	1,255	1,286
Software maintenance /hotline	2,954	1,284
Medical technology	0	6
Other	3,879	2,954
	49,248	**39,032**

External software maintenance/ hotline relates primarily to outside service providers to run the hotline service and costs for all external marketing.

21. Payroll costs

	2008 €´000	2007 €´000
Salaries	79,364	53,813
Employer social security costs	16,086	11,541
Pension costs		
– defined benefit plans	238	189
– defined contribution plans	81	71
	95,769	**65,614**

2008 contributions to the statutory pension insurance amounted to €7,901,000 (2007: €4,988,000).

Employees
The average number of Group employees amounted to 2,104 (prior year: 1,527). Only salaried employees are included, not apprentices.

22. Other operating expenses

Other operating expenses are broken down as follows:

	2008 €´000	2007 €´000
Administrative and selling costs	44,365	33,946
Bad-debt adjustments	2,513	707
Losses on disposal of fixed assets	193	101
	47,071	34,754

Breakdown of administrative and selling costs:		
Legal and consulting fees	6,937	5,040
Occupancy costs	6,462	4,600
Vehicle costs	4,796	3,422
Advertising	4,163	2,532
Travel expenses	4,135	3,345
Trade fairs	2,579	1,902
Office and business equipment	2,049	1,797
Telephone costs	1,905	1,285
Postage	1,525	1,006
Commissions	1,101	1,011
Other	8,713	8,006
	44,365	**33,946**

23. Depreciation

Please refer to the fixed assets table (pages 78 and 79).

24. Results from associated companies

Breakdown:

	2008 €´000	2007 €´000
Fimesan	409	-26
HCS	174	-24
Medigest	31	9
D3P	-37	37
Technosante Nord-Picardie	0	4
	577	**0**

There were no financial statements as at 31 December 2008 for Technosante Nord-Picardie.

25. Financial income and expenses

Financial income

	2008 €´000	2007 €´000
Bank interest	915	1,936
Currency gains	904	671
Other	165	187
	1,984	**2,794**

Financial expense

	2008 €´000	2007 €´000
Bank interest	5,685	3,289
Currency losses on loans	1,711	0
Loan origination fees	380	1,852
Accrued interest from purchase price liabilities	266	555
Compensation payments from loan agreements	0	1,250
Other interest expense	339	263
	8,381	**7,209**

26. Taxes on income

Taxes on income are comprised as follows:

	2008 €´000	2007 €´000
Current taxes	-7,905	-10,467
Deferred taxes	2,192	10,284
	-5,713	**-183**

The consolidated tax rate serves as the basis for corporation tax and legal structure planning. The consolidated tax rate is the rate that reflects the Group's actual tax charge on income. For accounting purposes, the consolidated tax rate equals the actual income statement tax charge divided by the profit before tax. Consequently, the consolidated tax charge is the sum of current and deferred tax and utilization of losses brought forward, use of tax credits and tax allowances and the book value of deferred tax assets have a favorable impact on the final consolidated tax rate.

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

	2008		2007	
	€´000	%	€´000	%
Profit before taxes	6,981		23,022	
Nominal tax rate (29.65%; prior year: 38.5%) – theoretical tax expense	2,070	29.65%	8,863	38.5%
Tepe loss – no tax savings	3,891	55.7%	653	2.8%
Non-deductible and other expenses	372	5.5%	144	0.6%
Special expense for internal audit	277	4.0%	0	0.0%
Other and lower foreign tax rates	-455	-6.5%	-981	-4.3%
Tax reimbursement for prior years	-442	-6.3%	-377	-1.6%
Share-based incentive plan	0	0.0%	-6,670	-29.0%
Change in tax rate for deferred tax liabilities	0	0.0%	-2,492	-10.8%
Tax-free income from the sale of equity interests	0	0.0%	-298	-1.3%
No tax revenue/expense for share-based incentive plan	0	0.0%	-121	-0.5%
Change in tax rate for deferred tax assets	0	0.0%	1,462	6.4%
Effective tax expense	**5,713**	**81.8%**	**183**	**0.8%**

Under German tax regulations, taxes on income include Körperschaftsteuer (corporation tax), Gewerbesteuer (local business tax) and the Solidaritätszuschlag (solidarity surcharge).

The consolidated weighted average tax rate amounted to around 29.65% in 2008 and 38.5% in 2007. The lower 2008 rate is due to the German tax reform under which the corporation tax rate was reduced from 25% to 15%.

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

27. Earnings per share

	2008 €´000	2007 €´000
Earnings attributable to the shareholders of the parent company € (in thousands)	1,717	23,032
Number of no-par value common shares	0	45,878,750
Own shares (number)	0	-532,350
Basis (number) until 3 May 2007	0	45,346,400
Number of no-par value common shares	53,219,350	53,219,350
Own shares (number)	-1,194,268	-532,350
Basis (number) starting 4 May 2007	52,025,082	52,687,000
Earnings per share (€)		
– undiluted	0.03	0.46
– diluted	0.03	0.46

The new stock option program for Mr Teig introduced during the year will only affect diluted earnings per share marginally.

F. SEGMENT REPORTING

Primary segments (divisions)

See the chart on page 81.

For operational reasons the Company is currently divided into three divisions: Integrated Health Provider Services (HPS); Health Connectivity Services (HCS); and Electronic Patient Services (EPS). The EPS division began operations in 2005. Primary segment reporting is based on these divisions.

Their main activities can be described as follows:

HPS Development and sale of software solutions for physicians and dentists at their practices and hospitals

HCS Networking of service providers (physicians, dentists and hospitals) with other important market participants in the health care sector such as sponsors, pharmaceutical companies and generic drug manufacturers

EPS Products and services for covering the growing demand for health-related information for patients (electronic patient services)

Transactions between divisions are systematically transacted on an arms-length basis.

Secondary segments (regions)

See the chart on page 81.

The segment information is based on the same disclosure and valuation methods as the consolidated financial statements. The business relations between the Group’s segments are conducted at prices to which third parties have also agreed. The segment reporting by region the sales breakdown is based on the location of the unit making the delivery. The segment assets and investments breakdown is based on the location of the subsidiary concerned.

The column “Consolidation and other” in both primary and secondary segment reporting includes the non-operating holding companies and consolidation adjustments.

G. OTHER NOTES

Notes on the cash flow statement

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

Cash and cash equivalents

The cash and cash equivalents indicated in the cash flow statement (stock of instruments of payment as at the balance sheet date) total €16,086,000 (prior year: €32,635,000).

Present value of financial assets

Securities are valued on a present value basis. Equity interests are valued according to the equity method. The present value of other financial investments corresponds to their book value because the item primarily consists of loans at market interest rates.

Trade receivables, other receivables and tax receivables are valued at book value as at the balance sheet date. These receivables are non-interest-bearing and come due within a year. Due to their short-term maturities, the present value corresponds approximately to the book value. Foreign currency receivables are valued at the exchange rate as at the reporting date. Consequently, there is no essential difference between book value and present value arising from the currency.

Present value of financial liabilities

Long-term liabilities
Pension provisions are discounted at the indicated interest rates. Amounts owed to banks carry a variable interest rate. Purchase price liabilities are discounted at the market rate.

Due to the discounting of the above items at the effective market rate or based on the variable interest rate of amounts owed to banks, book values correspond approximately to present values as at the balance sheet date.

Short-term liabilities
As a rule, trade payables, provisions and other liabilities are not discounted. Due to their short-term maturities, the present value corresponds approximately to the book value. Foreign currency liabilities are valued at the exchange rate as at the reporting date. Consequently, there is no essential difference between book value and present value arising from the currency. Amounts owed to banks carry a variable rate of interest. Purchase price liabilities are discounted at the market rate. Due to the discounting of the above items at the effective market rate, book values correspond approximately to present values as at the balance sheet date.

Overdue liabilities
Overdue trade payables are as follows:

	2008 €´000	2007 €´000
Overdue by:		
0-3 months	11,987	9,292
4-6 months	35	51
7-12 months	52	110
> 12 months	137	159
	12,211	**9,612**

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 financial year.

Write downs on financial liabilities
There were no write downs in 2008 or 2007.

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 profit from interest on other financial investments.

Net profits and losses from financial liabilities
A currency gain of €904,000 mainly from repayment of a foreign currency loan by the subsidiary Tepe as well as a currency loss of €1,711,000 from repayments of a Danish Kroner loan by Profdoc are reported here. There were also loan origination fees (€380,000).

Credit risk
The financial assets of the Company primarily comprise bank deposits, trade receivables and other receivables and securities that represent the maximum risk to the Company from credit risk related to financial assets.

The credit risk of the Company results primarily from trade receivables. The amounts indicated in the balance sheet are understood to include a valuation adjustment for presumably uncollectible receivables, reflecting Management's judgment based on previous experience and the current economic environment. In addition, the age of receivables is irrelevant (see trade receivables).

Credit risk is limited with liquid assets because they are held at banks to which international rating agencies have assigned a high credit rating.

The Company does not have any significant concentration of credit risk because this risk is distributed across a large number of contractual partners and customers.

Currency risk
Fluctuating exchange rates influence the market success and gross revenues of exporting companies. In 2008 about 40% of sales were achieved abroad; of that amount, however, over 80% came from within the EU. The Company does not hedge possible risks from currency exchange rates.

The balance sheet includes the following items in foreign currency (Czech krona, Slovakian krona, Polish złoty, Turkish lira, Swiss francs, Norwegian krona, Danish krona, Swedish krona, US dollars, Canadian dollars, Malaysian ringgit, South African rand and Latvian lats):

Balances	Foreign currency €´000
Trade receivables	9,768
Tax and other receivables	3,180
	12,948
Trade liabilities	-3,425
Other liabilities	-4,650
Tax liabilities	-4,774
	-12,849
Net balance	99

The net item (receivable) after taking into account the various foreign currencies, amounts to €99,000 as at the balance sheet date. Consequently, a change in exchange rates would not have a significant impact on consolidated income.

Interest-rate risk
Currently, variable-rate loans are not hedged for interest-rate risk.

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

	2008 €´000	2007 €´000
Within a year	8,287	7,141
Between two and five years	3,082	5,970
After five years	383	253
	11,752	13,364

Payments from operating lease relationships involve rent for office equipment and particularly rent for office buildings. Lease relationships are established for an average term of three years. The rents are fixed for three to seven years.

UHC sp. z.o.o. has assumed loan guarantees on behalf of several hospitals, with which it has contractual relationships. These guarantees total €236,000.

Immo II GbR has yet to pay the purchase price of €1,575,000 for a property situated on Karl Mand Street in Koblenz.

As part of a project contract with the Vienna Hospital Grouping (KAV), Systema Human Information Systems GmbH has given a performance guarantee to KAV in the sum of €3,602,000. Furthermore the company has deposited €19,000 with the landlord for the rental of office space and a computer suite in St Polten. The company has also given a guarantee to the Zwettl hospital regarding services to the sum of €20,000.

The CompuGROUP Holding AG has taken over from Tepe Teknolojik Servisler AS a guarantee in favor of Meteksan Sistem ve Bilgisayar Teknolojileria AS to the sum of YTL 210,000 (€98,000).

In the course of its business Tepe International AS responds to various invitations to tender both at home and abroad and, normally, must provide a guarantee to back up their quotation. The CompuGROUP Holding AG has provided a guarantee for these guarantees with the Fortis Bank (Turkey) in the sum of €3,500,000.

In the terms of the Joint Venture Agreement of 15 November 2004 between United Pascal Holding bv and the CompuGROUP Beteiligungsgesellschaft for the set up of UCF Holding sarl Luxembourg, the CompuGROUP Holding AG, as parent company, is committed to guarantee the liquidity of the CompuGROUP Beteiligungsgesellschaft. The reason for this is that the United Pascal Holding bv has, at term, a right to sell its minority stake. As at 31 December 2008 this purchase obligation would have been valued at €4,800,000 if the put right had been exercised.

The company has taken over a guarantee to the sum of €3,445,000 in favor of the landlords Friedrich und Jan Christoffer GbR and Geschwister Christoffer Gbr on behalf the associate company MediStar Praxiscomputer as part of an ongoing rental agreement.

The CompuGROUP Holding AG has assumed a guarantee in favor of the Innungskrankenkasse Sickness Fund to the sum of €178,000 in favour of the Commerzbank to cover payments already made by the Sickness Fund.

Various credit guarantees are in place in favor of SEB AG for several French subsidiaries to the sum of €39,000. Furthermore, several stakes in subsidiaries were made over by way of security to SEB AG for the acquisition of the ProfDoc Group. The stakes involved are those in MediStar Praxiscomputer GmbH, TurboMed EDV GmbH, CompuGROUP CEE GmbH, Albis Ärzteservice Product GmbH & Co. KG, Intermedix GmbH, CompuDENT Praxiscomputer GmbH & Co. KG and Z1 Software GmbH.

The company has provided a comfort letter to the Sparkasse GmbH leasing company LGS regarding leasing contracts entered into by the associate company ISPro GmbH. Future payments arising from these leasing contracts amount to €3,000 for monthly payments and €13,000 in final payments to be made on termination of the lease.

The CompuGROUP Holding AG has assumed joint liability with all the leasing contracts entered into by its group companies with the VR Leasing AG. Liabilities arising from these contracts amounted to €822,000 on close of books.

An interest and principal guarantee has been entered into in favor of the Landesbank Saar Girozentrale on behalf of the associate company IMMO I Gbr with relation to financing by the Landesbank Saar Girozentrale. The CompuGROUP Holding AG undertakes to ensure that the debtor assumes all present and future interest and principal payments in time or else substitute itself for them.

This refers to the following two credit arrangements:

Original credit amount €	Interest rate %	Monthly repayments €	Duration	
1,121,000.00	5.50	12,144.17	30/12/2012	Entire Duration
1,879,000.00	5.50	0.00	30/12/2012	
3,000,000.00		**12,144.17**		

The €1,879,000 loan only attracts interest payment up till 30 December 2012.

These loans were valued at €2,394,000 as at 31 December 2008.

As part of the interest rate adjustment as at 30 December 2012, an interest rate agreement is required so that the credit can be paid off over 10 years without exceeding the total duration of 20 years.

Transactions with related parties
Legal services rendered for the Company with associated companies and individuals have been compensated according to reasonable commercial judgment.

The Gotthardt family together with Dr Koop group holds more than 50% of the voting shares.

There are effectively two pool contracts: (1) between Mr Frank Gotthardt, the GT1 Vermogensverwaltung GmbH, Ms Brigitte Gotthardt and Mr Daniel Gotthardt (the number of shares to be counted in the pool is limited) and (2) between GT1 Vermogensverwaltung GmbH and Mr Reinhard Koop.

By virtue of the limitation on shares to be counted in the pool contract only 24,005,510 shares of Pool members (from a total of 26,631,771 shares) can be assigned to the pool, which gives a percentage stake in terms of voting rights – i.e. minus own shares – of 46.86%. Both pool contracts set out to ensure equal treatment of voting rights in shares of the CompuGROUP Holding AG.

In 2008, Mr Frank Gotthardt (Chairman of the Management Board) received rental income of €686,000 (prior year: €662,000) from leasing various properties in Koblenz to CompuGROUP Holding AG. During the financial year, Dr Daniel Gotthardt leased parking spaces to CompuGROUP Holding AG (€30,000; prior year: €30,000). In addition, Dr Daniel Gotthardt has an equity interest, with a 6% share together with CompuGROUP Beteiligungsgesellschaft mbH, in Immo I GbR and in Immo II GbR through DAGUI Beteiligungen GbR (100% stake), respectively. In addition, INFOSOFT Information- und Dokumentationssysteme GmbH (of which Frank Gotthardt is a partner) loaned the Company €320,000. These transactions are based on arms length Rental and Service contracts.

Declaration of compliance with the German Corporate Governance Code
The declaration of compliance required by § 161 AktG was approved by the Management Board and the Supervisory Board and made accessible to shareholders on the Company's website (www.compugroup.de).

Auditing fees according to § 314 Para. 1 No. 9 HGB

	€
Final audit	200,000
Other verification and consulting costs	62,685
	262,685

Other verification and consulting services include audit fees for the half year report at 30 June 2008.

Post balance sheet events

Share buy-back program from 5 January 2009
By virtue of a CompuGROUP Holding AG management board decision on 5 January 2009 it was decided to make further use, pursuant to § 71 para 1.8 of AktG, of the authorization given by general meeting to buy back own equity.

A total of up to 500,000 company shares are to be bought back; this represents around 0.94% of current share capital. This share buy back is so that these may be used in whole or in part for the acquisition of companies or stakes in companies.

Credit refinancing agreement
Since the beginning of the year the company is in negotiations with several banks with a view to refinancing the SEB credit of €100,000,000, which is due in June 2009. Negotiations to date have been positive and an agreement has been drafted. The new financing agreements are expected to be concluded in the coming weeks.

Acquisition of Avenir Telematique in France
Avenir Telematique was acquired in mid January 2009. The firm does business in the HPS segment (Medical IT systems). The purchase price was €600,000.

Acquisition of Noteworthy Medical Systems Inc., USA
On 18 February 2009 the CompuGROUP Holding AG and Noteworthy Medical Systems Inc. signed a contract for the purchase of 51.6% of this Ohio (USA) based firm. The purchase price was US$7,500,000. Noteworthy provides network technology for primary healthcare providers. Usage ranges from web-based surgery administration software and assistance in electronic medical filing through to turnkey communication platforms for healthcare data.

The purchase agreement provides for a pre-emption right on the remaining equity that can be exercised in 2011 at already negotiated conditions. The transaction was carried out after a satisfactory due diligence process. The stake in Noteworthy Medical Systems Inc. is held by CompuGROUP Holding USA Inc., a wholly owned CompuGROUP Holding AG company. In 2008, Noteworthy considerably extended its client base in 43 states of the Union.

Management Board and Supervisory Board

Surname	First name	Job Held/ Membership in the Supervisory Board and Other Supervisory Bodies
Management Board		
Gotthardt	Frank	– Chairman of the Management Board – Chairman of the Supervisory Board of Rhein Massiv Verwaltung GmbH – Chairman of the Supervisory Board of vita-X AG, Koblenz
Broer	Jan	– Chief Networking Officer – Member of the Supervisory Board of GTI Aktiengesellschaft fuer Informationstechnologien, Koblenz – Member of the Supervisory Board of vita-X AG, Koblenz
Eibich	Uwe	– Medical Information Systems Officer
Teig (since 25 August 2008)	Christian B.	– Chief Financial Officer
Winter (since 16 October 2008)	Prof. Stefan F. (Dr)	– Director in charge of communication and research in the area of Medical Decision Support systems
Massmann (until 25 August 2008)	Erik (Dr)	– Chief Financial Officer – Chairman of the Supervisory Board of Scill AG
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
Esser	Klaus (Dr) (Deputy Chairman)	– Businessman – Member of the Supervisory Board of Navigon AG
Hinz	Prof. Rolf (Dr)	– Orthodontist in private practice – Member of the Supervisory Board of Stadt-Marketing Herne GmbH
Gotthardt	Daniel (Dr)	– Doctor
Keller	Ursula (Employee Representative)	– Training and Seminar Facilitator CompuGROUP Holding AG, Koblenz
Lange	Mathias (Employee Representative)	– Human Resources Assistant at CompuGROUP Holding AG, Koblenz

The total remuneration of the Management Board is as follows:

	2008 €´000	2007 €´000
Management board		
Fixed compensation	1,070	929
Variable compensation	1,078	1,075
Fringe benefits	41	12
Special stock option bonus	0	17,324
	2,189	**19,340**
Supervisory board:	260	260
	2,449	**19,600**

In addition to their fixed remuneration, certain variable items (commissions) and benefits in kind (monetary value of use of a company car) were agreed contractually with Dr Stefan Winter and Christian B. Teig as well as the following items:

An “increase in value” bonus was agreed with Dr Stefan Winter whereby a cash bonus is paid out against increases in the share price. The agreement comes into effect on 15 October 2008 and terminates without notice 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 €11 per share. The calculation of the share value at the end of the period assumes a 15% 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 for any “increase in value” bonus.

Mr Christian B. Teig possesses an option to purchase a total of 375,000 shares in CompuGROUP that is linked to the duration of his appointment to the board (94,000 accrue after 12 months, 188,000 accrue after 24 months, 282,000 accrue after 36 months and 375,000 after 48 months). Mr Teig may exercise this option within two months after the 48th month of his activity as Finance Director on the board. If Mr Teig 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 Mr Teig is dismissed on grounds 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 €5.50. The current value of the option at the time of granting was €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 the 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.

This affects the following companies:
- CompuGROUP Beteiligungsgesellschaft mbH, Koblenz
- Intermedix Deutschland GmbH, Koblenz
- CompuGROUP Software GmbH, Koblenz
- Z1 Software GmbH, Koblenz
- Medistar Praxiscomputer GmbH, Koblenz
- Systema Deutschland GmbH, Koblenz
- IfAp Service Institut fuer Aerzte und Apotheker GmbH (IfAp Service Institute for Physicians and Pharmacists), Martinsried
- CompuGROUP Services GmbH, Koblenz
- Telemed Online Service fuer Heilberufe GmbH, Koblenz

The following business partnerships take advantage of the release provision of § 264 HGB in order not to publish their annual financial statements:
- CompuMED Praxiscomputer GmbH & Co. KG, Koblenz
- CompuDENT Praxiscomputer GmbH & Co. KG, Koblenz
- CompuMED Praxiscomputer GmbH & Co. KG, Koblenz
- ALBIS Aertzeservice Product GmbH & Co. KG, Koblenz
- Data-Vital GmbH & Co. KG, Koblenz

Company registered office
CompuGROUP Holding AG has its 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, 23 February 2009

CompuGROUP Holding AG
The Managing Board

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

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

Change in intangible and tangible assets

2008

	Purchase or manufacturing costs						
	1/1/2008 €´000	Initial consolidation additions	Other additions €´000	Transfers €´000	Disposals €´000	Currency differences €´000	31/12/2008 €´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	143	0	2,727	0	0	0	2,870
Self-produced software	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**

2007

	Purchase or manufacturing costs					
	1/1/2007 €´000	Initial consolidation additions	Transfers €´000	Disposals €´000	Currency differences €´000	31/12/2007 €´000
Intangible assets						
Goodwill	71,529	5,166	0	-2,475	0	74,220
Software, licenses and other intangible assets	146,037	34,187	0	-14,942	1,352	166,634
Prepayments	220	286	0	-363	0	143
Self-produced software	8,177	5,134	0	0	0	13,311
	225,963	**44,773**	**0**	**-17,780**	**1,352**	**254,308**
Tangible assets						
Land and buildings	9,308	3,025	0	-1,672	0	10,661
Other assets, plant and office equipment	14,698	2,809		-5,204	0	12,303
Assets under construction	0	1,730	0	-47	0	1,683
	24,006	7,564	0	-6,923	0	24,647
	249,969	**52,337**	**0**	**-24,703**	**1,352**	**278,955**

	Depreciation					Book values	
	1/1/2008 €´000	Additions €´000	Disposals €´000	Currency differences €´000	31/12/2008 €´000	31/12/2008 €´000	31/12/2007 €´000
	5,400	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**

	Depreciation					Book values	
	1/1/2007 €´000	Additions €´000	Disposals €´000	Currency differences €´000	31/12/2007 €´000	31/12/2007 €´000	31/12/2006 €´000
	5,400	0	0	0	5,400	68,820	66,129
	77,620	18,917	-14,698	0	81,839	84,795	68,417
	0	0	0	0	0	143	220
	271	1,170	0	0	1,441	11,870	7,906
	83,291	**20,087**	**-14,698**	**0**	**88,680**	**165,628**	**142,672**
	1,373	534	-59	0	1,848	8,813	7,935
	7,490	2,556	-5,000	0	5,046	7,257	7,208
	0	0	0	0	0	1,683	0
	8,863	3,090	-5,059	0	6,894	17,753	15,143
	92,154	**23,177**	**-19,757**	**0**	**95,574**	**183,381**	**157,815**

Company acquisitions

2008

Company	Gruber ÄDV	medXpert	Fliegel Dahm Group	Promed	Profdoc	All for One Group	Inmedea GmbH	Total
Purchase date	07/11/2007 €´000	07/11/2007 €´000	16/02/2008 €´000	16/05/2008 €´000	19/06/2008 €´000	01/07/2008 €´000	18/12/2008 €´000	2008 €´000
1) Assets								
I. Long-term assets	1,937	62	762	130	23,820	4,627	82	29,421
II. Short-term assets	421	195	1,743	689	16,680	7,476	68	26,656
2) Liabilities and equity								
I. Long-term debt	0	116	0	0	7,896	2,274	106	10,276
II. Short-term debt	2,181	589	4,832	464	18,267	7,282	424	31,269
3) Company acquisitions	177	-448	-2,327	355	14,337	2,547	-380	14,532
Minority interest	-35	0	0	0	0	0	95	95
Purchase price allocation								
Balance, goodwill	3,265	1,085	5,739	20	35,594	1,193	169	42,715
Balance, customer relationships	2,452	905	3,887	2,231	38,585	7,021	592	52,316
Balance, software	346	172	608	0	31,230	2,226	296	34,360
Balance, trademarks	604	257	1,156	0	3,322	2,932	0	7,410
Balance, other	0	0	0	0	0	1,300	0	1,300
Deferred tax assets on loss carryforwards	0	112	1,156	0	0	0	93	1,249
Purchase price liabilities	-1,267	0	0	0	0	0	0	0
Deferred tax liabilities for the balance	-842	-333	-1,676	-402	-21,763	-3,609	-263	-27,713
Balance offset against reserves	0	0	0	0	-666	0	0	-666
Purchase price	**4,700**	**1,750**	**8,543**	**2,204**	**100,639**	**13,610**	**602**	**125,598**
Lt, allocation	4,700	1,750	8,543	2,204	100,639	13,610	602	125,598
4) Share of acquired voting rights (%)	80	100	100	100	100	100	75	475
5) Acquired cash	n.a.	n.a.	42	400	6,083	1,998	0	8,523
6) Earnings as from first-time consolidation	n.a.	n.a.	n.a.	382	22	950	0	1,354
7) Earnings assuming no acquisition in the period 1.1.-31.12.2008	n.a.	n.a.	n.a.	655	37	1,900	-163	2,429
Depreciation step up	n.a.	n.a.	484	130	2,650	637	0	3,901
8) Earnings as from first-time consolidation	n.a.	n.a.	5,032	1,960	22,493	13,941	0	43,425
9) Sales assuming no acquisition in the period 1.1.-31.12.2008	n.a.	n.a.	n.a.	3,360	38,559	27,881	702	70,502

Segment Report by business areas

2008

PRIMARY

	Segment I: Integrated Health Provider Services (HPS)		Segment II: Connectivity Services (HCS)		Segment III: Electronic Patient Services (EPS)		Other and consolidation adjustments		CompuGROUP Group	
	2008 Jan-Dec	2007 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec
Sales to third parties	156,508	104,646	68,761	70,464	3,572	4,819	350	260	229,191	180,189
Sales between segments	4,898	0	1,422	2,334	4,365	405	-10,685	-2,739	0	0
SEGMENT SALES[1]	**161,406**	**104,646**	**70,183**	**72,798**	**7,937**	**5,224**	**-10,335**	**-2,479**	**229,191**	**180,189**
EBITDA	**29,946**	**22,674**	**28,091**	**37,480**	**-828**	**-2,589**	**-7,887**	**-6,951**	**49,322**	**50,614**
In % of sales	18,6%	21,7%	40,0%	51,5%	–	–	–	–	21,5%	28,1%
Depreciation on tangible assets	-3,248	-1,738	-421	-845	-88	-113	-443	-394	-4,200	-3,090
Amortization on intangible assets	-29,075	-15,786	-2,266	-2,668	-899	-1,535	-82	-98	-32,322	-20,087
Impairment to financial assets	0	0	0	0	0	0	0	0	0	0
EBIT	**-2,377**	**5,150**	**25,404**	**33,967**	**-1,815**	**-4,237**	**-8,412**	**-7,443**	**12,800**	**27,437**
Earnings of associated companies	614	-37	-37	37	0	0	0	0	577	0
Net interest	–	–	–	–	–	–	–	–	-6,396	-4,415
EBT	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,981**	**23,022**
Corporation tax	–	–	–	–	–	–	–	–	-5,713	-183
GROUP NET INCOME	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,268**	**22,839**
% of sales	–	–	–	–	–	–	–	–	0,6%	12,7%
GROUP NET INCOME before depreciation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**33,590**	**42,926**
Segment assets	373,616	210,624	38,181	51,122	4,674	6,246	-22,499	-8,648	393,972	259,344
Of which associated companies	8,209	7,861	0	56	0	0	0	0	8,209	7,917
Unallocated assets	–	–	–	–	–	–	–	–	23,354	19,915
Group assets[2]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**417,326**	**279,259**
Segment liabilities[3]	108,511	80,955	17,265	14,040	5,884	5,307	-72,381	-49,039	59,279	51,263
Unallocated liabilities	–	–	–	–	–	–	–	–	175,223	29,980
Group liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**234,502**	**81,243**
Other data:										
Capital expenditure	177,636	48,968	2,393	2,193	120	1,099	4,758	1,429	184,907	53,689
Non-cash expenses (excluding depreciation)	6,634	4,053	2,097	2,329	233	149	2,354	2,222	11,318	8,753

[1] Total sales (excluding change in inventory, own work capitalized and other operating income)
[2] Long-term and short-term assets (excluding deferred tax and financial assets)
[3] Excluding liabilities to banks, tax payables, investment grants, purchase price liabilities, pension provisions and deferred tax

SECONDARY

	Germany		Austria		Other countries		Other and consolidation adjustments		CompuGROUP Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales[1]	146,113	129,396	33,209	23,222	55,805	30,882	-5,936	-3,311	229,191	180,189
Segment assets[2]	178,102	187,392	67,771	58,625	178,177	59,744	-30,078	-46,417	393,972	259,344
Capital expenditure[3]	42,005	6,622	4,146	15,011	138,756	32,056	0	0	184,907	53,689

[1] Total sales (excluding change in inventory, own work capitalized and other operating income)
[2] Long-term and short-term assets (excluding deferred tax and financial assets)
[3] Additions to intangible and tangible assets

Report on equity investments

for the year ended 31 December 2008

Company name		Registered office	Equity voting rights in %	Equity €	Earnings €
Direct and indirect subsidiaries					
1 AESCU DATA Gesellschaft für Datenverarbeitung mbH	1)	Winsen	100.0	1,770,120.55	434,018.44
2 ALBIS Ärzteservice Product GmbH & Co. KG		Koblenz	100.0	25,564.59	3,129,446.13
3 ALBIS Product Verwaltungs-GmbH		Koblenz	100.0	49,849.39	3,490.11
4 All for One Documents GmbH 2)		Eberhadszell-Oberessendorf	100.0	185,208.16	57,526.69
5 All for One Enterprise Solutions GmbH (formerly Meditrend GmbH)	3)	Eberhadszell-Oberessendorf	100.0	17,148.61	-1,086.01
6 ChreMaSoft Datensysteme GmbH & Co. KG		Koblenz	100.0	2,678,105.43	755,859.25
7 ChreMaSoft Datensysteme Verwaltungs-GmbH		Koblenz	100.0	14,868.21	879.90
8 CompuDENT Praxiscomputer GmbH & Co. KG		Koblenz	100.0	1,005,845.65	7,105,986.49
9 CompuDENT Praxiscomputer Verwaltungs-GmbH		Koblenz	100.0	68,673.96	4,299.78
10 CompuGROUP Beteiligungsgeselschaft-GmbH		Koblenz	100.0	21,348,635.88	-990,584.38
11 CompuGROUP Services GmbH		Koblenz	100.0	1,909,296.57	3,658,333.91
12 CompuGROUP Software GmbH 4)		Koblenz	100.0	9,077,495.58	-171,572.83
13 CompuMED Praxiscomputer GmbH & Co. KG		Koblenz	100.0	5,557,904.32	2,332,147.98
14 CompuMED Praxiscomputer Verwaltungs-GmbH		Koblenz	100.0	55,719.76	2,818.40
15 Data-Vital GmbH & Co. KG		Koblenz	100.0	2,051,640.48	1,188,939.62
16 Data-Vital Verwaltungs-GmbH		Koblenz	100.0	41,113.14	1,768.34
17 Fliegel Data GmbH 2)		Höxter	100.0	473,512.79	-137,428.78
18 GIV Gesellschaft für angewandte integrierte Versorgungsformen GmbH		Koblenz	100.0	-2,426,394.90	-1,324,820.40
19 GTI Aktiengesellschaft für Informationstechnologien	3)	Koblenz	100.0	-2,681,014.61	-2,589,719.25
20 IfAp Institut für Unternehmensberatung und Wirtschaftsdienste im Gesundheitswesen GmbH	5)	Neu-Golm	93.0	-292,954.07	92,669.36
21 IfAp Service Institut für Ärzte und Apotheker GmbH		Martinsried	100.0	7,929,673.96	3,567,008.05
22 Immo 1 GbR		Koblenz	94.0	-3,137.15	-1,377.70
23 Immo 2 GbR		Koblenz	94.0	55,644.44	6,030.01
24 Immedea GmbH		Tübingen	75.0	380,907.63	-162,726.19
25 Intermedix Deutschland GmbH	6)	Koblenz	100.0	2,719,604.22	5,989,919.13
26 ISPro GmbH Gesellschaft für Realisierung und Beratung von Kommunikations- und Informationstechnologien		Hattingen	100.0	-550,232.87	613,577.32
27 medi-cine medienproduktions GmbH	3)	Mainz	78.9	-234,359.75	-627,539.32
28 MediStar Praxiscomputer GmbH		Hannover	100.0	5,244,149.36	9,948,250.63
29 SIC Pflege- und Betreungsmanagement GmbH	2)	Augsburg	100.0	-18,852.49	543.84
30 Systema Deutschland GmbH		Koblenz	100.0	-989,939.04	-4,161,945.35
31 Systema Services GmbH	2)	Koblenz	100.0	-101,490.45	-126,490.45
32 Telemed Online Service für Heilberufe GmbH		Koblenz	100.0	2,322,125.81	621,625.57
33 TurboMed EDV GmbH	7)	Molfsee	99.0	7,168,038.29	5,729,309.27
34 vita-X AG		Koblenz	100.0	21,056,743.14	-639,567.30
35 ZI Software GmbH		Koblenz	100.0	1,825,876.15	2,063,558.71
36 Profdoc ASA		Lysaker, Norway	100.0	8,120,241.23	-304,831.19
37 HC Advance AB	8)	Lysaker, Norway	52.0	413,706.10	5,552.49
38 Profdoc Norge AS	8)	Lysaker, Norway	100.0	1,105,202.47	494,224.60
39 Profdoc AB	8)	Uppsala, Sweden	100.0	2,105,938.16	1,180,173.69
40 Profdoc Care AB	9)	Stockholm, Sweden	51.0	1,147,777.18	391,714.96
41 Profdoc Joliv AB	9)	Vasteras, Sweden	90.0	27,883.43	-39,830.29

Company name		Registered office	Equity voting rights in %	Equity €	Earnings €
Direct and indirect subsidiaries					
42 Profdoc Lab AB	9)	Borlange, Sweden	51.0	635,896.76	343,981.37
43 Profdoc Link AB	8)	Uppsala, Sweden	100.0	1,529,554.27	723,571.60
44 Profdoc Work AB	9)	Farsta, Sweden	100.0	221,644.52	52,248.03
45 Ascott Software A/S	8)	Aldek, Denmark	100.0	1,621,966.19	1,130,652.42
46 Profdoc A/S		Randers, Denmark	100.0	723,644.33	-31,403.43
47 Profdoc Sdn Bhd	8)	Kuala Lumpur, Malaysia	66.0	-1,294,124.62	-423,903.49
48 Profdoc (Pty) Ltd	8)	Stellenbosch, South Africa	66.0	-407,986.57	-196,790.88
49 Profdoc AE	7)	Thessalonki, Greece	66.0	-456,000.00	393,000.00
50 Profdoc SIA	8)	Riga Lithuania	100.0	-430,630.78	-432,644.96
51 CompuGROUP CEE GmbH		Vienna, Austria	100.0	7,654,477.04	4,276,615.42
52 AESCU DATA Gesellschaft für Datenverarbeitung mbH	10)	Steyr, Austria	100.0	171,873.11	50,471.96
53 CCHC Competence Center Healthcare GmbH	11)	Steyr, Austria	100.0	12,972.22	12,463.42
54 Gruber Ärztliche Datenverarbeitung GmbH	12)	Enns, Austria	60.0	734,560.55	531,347.58
55 Intermedix Österreich GmbH	12)	Vienna, Austria	100.0	-13,271.18	-48,271.18
56 medXpert GmbH		Vienna, Austria	100.0	-366,692.61	89,105.64
57 Systema HIS Human Information Systems Gesellschaft mbH	12)	Steyr, Austria	100.0	8,871,817.92	6,624,410.56
58 UCF Holding S.a.r.l.	3)	Luxembourg	74.9	15,815,339.79	3,440,563.53
59 AXILOG SA	13)	Montpellier, France	100.0	2,281,188.71	1,322,328.33
60 AxiService Grenoble S.a.r.l.	13)	Grenoble, France	80.0	-81,897.00	-12,639.00
61 AxiService Nice S.a.r.l.	13)	Nice, France	100.0	-18,905.53	194,058.29
62 D3P SAS	14)	Rueil-Malmaison, France	100.0	41,011.00	1,474.00
63 Intermedix France, S.a.r.l.	13)	Rueil-Malmaison, France	100.0	-583,136.94	-8,426.56
64 Le Reseau Sante Sociale SAS		Rueil-Malmaison, France	100.0	-812,233.17	481,027.65
65 MedicalNet SAS	13)	Montpellier, France	100.0	587,751.66	-906,071.41
66 Technosante SAS 13)		Lyon, France	60.0	-19,962.00	-8,217.00
67 Technosante SAS 13)		Rueil-Malmaison, France	100.0	-53,768.34	-29,921.55
68 Promed Bilgi Yonetim Sistiemerive Saglik Danismanlik Anonim Sirketi	15)	Istanbul, Turkey	90.0	331,067.46	382,233.48
69 Tepe International Saglık Bilgi Sistemleri A.S.	16)	Ankara, Turkey	95.0	9,361,575.91	-11,776,787.12
70 Tipdata Bilgi Sistemleri Danismanlik ve Ticaret Limited Sirketi	3)	Istanbul, Turkey	100.0	127,229.78	-497,255.34
71 CompuGROUP CZ & SK s.r.o.	3)	Prague, Czech Rep.	100.0	132,824.43	-43,125.21
72 CompuGROUP vita X s.r.o.	17)	Prague, Czech Rep.	100.0	4,291.94	-988.41
73 Dialog MIS spol s.r.o.		Prague, Czech Rep.	100.0	866,566.47	909,127.84
74 Intermedix Czech Rep.	18)	Prague, Czech Rep.	100.0	37,751.43	12,817.63
75 Medisoft International spol. s.r.o.		Prague, Czech Rep.	100.0	528,141.99	470,877.31
76 SMS spol. s.r.o.	19)	Brno, Czech Rep.	100.0	1,964,333.81	395,431.40
77 SMS Slovakia	20)	Bratislava, Slovakia	100.0	183,739.19	40,781.66

Company name		Registered office	Equity voting rights in %	Equity €	Earnings €
Direct and indirect subsidiaries					
78 Intermedix Italy	3)	Milan, Italy	100.0	14,955.99	-63,936.11
79 Intermedix Spain s.r.l.		Madrid, Spain	100.0	-24,508.47	-27,708.47
80 UHC Sp.z.o.o.		Lublin, Poland	100.0	861,086.40	138,433.27
81 Tepe Riyadh	15)	Riad, Saudi Arabia	100.0	107,892.47	12,871.15
82 All for One Software, Inc.	21)	Los Angeles, USA	100.0	107,931.41	25,879.04
83 All for One Software, Inc.	22)	Vancouver, Canada	100.0	87,481.63	1,294.49
84 Med-IT AG	3)	Rapperswill, Switzerland	100.0	-45,450.13	-5,989.42
85 Konsortium CompuGROUP&Contrax OOD	12)	Sofia, Bulgaria	100.0		Non operating
Associated companies					
86 HCS Health Communication Service Gesellschaft m.b.H.	11)	Altlengbach/ Austria	50.0	160,053.28	348,750.74
87 Technosante Nord-Picardie SAS	13)	Lille/France	20.0		No information
88 Medigest Consultores, S.L.		Madrid/Spain	49.0	135,171.34	63,867.89
89 Fimesan S.p.A.	3)	Molfetta/Italy	33.3	6,702,188.51	1,225,717.00
90 DATASUN S.r.l.	23)	Molfetta/Italy	90.0		
Other equity investments					
91 ic med EDV-Systemlösungen für die Medizin GmbH	3)	Halle	10.0		No information
92 AES Ärzteservice Schwaben GmbH	3)	Bad Wimpfen	10.0		No information
93 CD Software GmbH	2)	Lampertheim	9.1		No information
94 BFL Gesellschaft des Bürofachhandels mbH&Co.KG	3)	Eschborn	< 1.0		No information
95 Technosante Toulouse S.A.S.	13)	Toulouse/France	10.0		No information
96 Erudis s.r.o.	19)	Bratislava/Slovakia	10.0		No information

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 CompuMED Praxiscomputer GmbH & Co KG
5) Subsidiary of IfAp Service Institut für Ärzte und Apotheker GmbH
6) Subsidiary of CompuDENT Praxiscomputer GmbH & Co KG
7) Subsidiary of vita-X AG
8) Subsidiary of Profdoc ASA
9) Subsidiary of Profdoc AB
10) Subsidiary of AESCU DATA Gesellschaft für Datenverarbeitung mbH
11) Subsidiary of Systema HIS Human Information Systems Gesellschaft mbH
12) Subsidiary of CompuGROUP CEE GmbH
13) Subsidiary of UCF Holding S.a.r.l
14) Subsidiary of Le Reseau Sante Sociale SAS
15) Subsidiary of Tepe International, Istanbul
16) Subsidiary of CompuGROUP Holding AG (88%), remaining shares held by CompuGROUP Software GmbH (5%), CompuGROUP Beteiligungs GmbH (1%) and Systema Deutschland GmbH (1%) UCF Holding S.a.r.l. with 1% subsidiary of CompuGROUP Beteiligungs GmbH
17) Subsidiary of vita-X AG (90%) and Diaolog MIS spol. s.r.o. (10%)
18) Subsidiary of TeleMED Online Service für Heilberufe GmbH (90%) and Diaolog MIS spol. s.r.o. (10%)
19) Subsidiary of CompuGROUP CZ & SK s.r.o.
20) Subsidiary of SMS spol. s.r.o.
21) Subsidiary of All for One Documents Deutschland GmbH
22) Subsidiary of Documents USA
23) Subsidiary of Fimesan S.p.A.

Notes

Investor relations and share information

The CompuGROUP share is listed on the Frankfurt Stock Exchange, Prime Standard, under the ticker COP (FRA:COP). The shares can also be traded through the world-wide electronic trading system XETRA (XETRA:COP). At the end of 2008, there were 53.7 million shares outstanding with a market capitalization of €161 million. 5 analysts are regularly publishing research on the Company.

KEY DATA PER SHARE

	2008	2007
Year-end price	3.02	13.40
Year high	13.00	19.69
Year low	3.01	11.40
Year average	7.40	15.39
Daily trade in shares[1]		
– €	341,108	797,642
– shares	53,659	46,429
Number of shares as of December 31 (million shares)	53.22	53.22
Market capitalization as of December 31 (million €)[2]	160.72	713.14
Earnings per share (€)	0.03	0.46
Dividend per share	0.0	0.0
Dividend yield	0.0	0.0
Payout ratio	0.0	0.0

1. Average, Xetra trading and closing price
2. Based on year-end share price

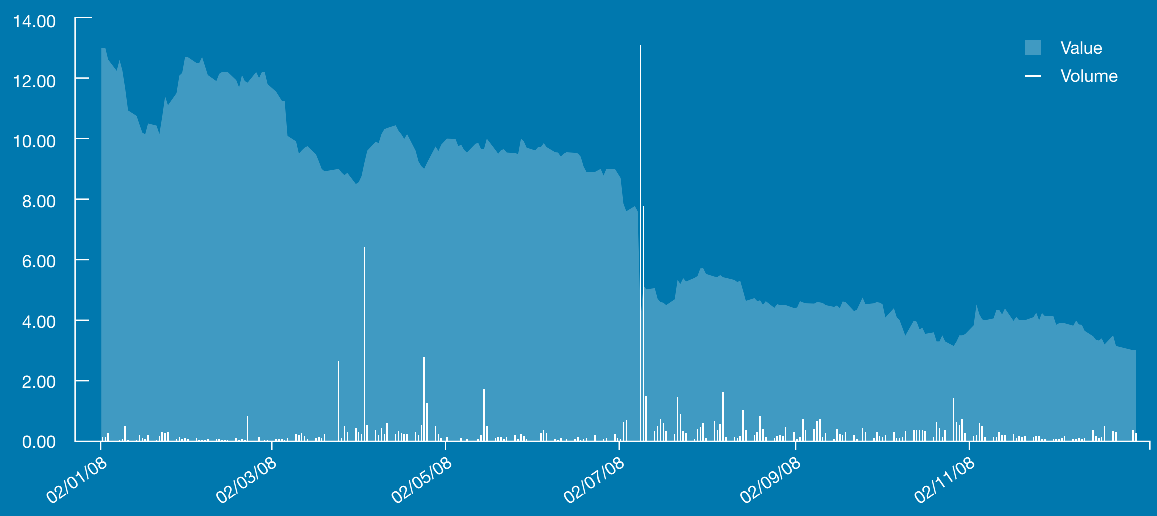
SHAREHOLDER/IR POLICY
The Supervisory Board of CompuGROUP has approved a shareholder policy to ensure the provision of accurate, relevant and timely information to the capital market.

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.

CompuGROUP will make quarterly earnings presentations available on the Company's web site (www.compugroup.com).

SHARE DATA
The share price decreased significantly throughout 2008, bringing the total market capitalization from €713.14 million at the beginning of the year, to €160.72 million at the end of the year.

The share price development during 2008 can be seen below.



SHAREHOLDERS

As at 31 December 2008 CompuGROUP had a total number of 53,219,350 outstanding shares, each with a nominal value of €1.00.

Share liquidity

Share liquidity is important to our investors as this will reduce the cost of capital, and further attract major German and international investors.

In 2008 the total trading in the CompuGROUP share was 13.6 million shares.

Investor relations activities

CompuGROUP puts emphasis on transparency and equal treatment of shareholders, informing all shareholders and analysts consistently and simultaneously.

The Investor Relations section of CompuGROUP's website is an important tool, and the section contains up-to-date information on the company's financial performance and stock market information. User may also find an updated financial calendar, detailed company information and other important data for the financial markets.

In conjunction with the release of its interim financial results, CompuGROUP gives a public presentation to investors, analysts and press.

During the year, CompuGROUP has participated in various healthcare IT conferences as well as holding physical meetings and phone calls with German and international investors. The cities covered by CompuGROUP during road shows in 2008 include: Oslo, Stockholm, Goteborg, Copenhagen, London, Paris, Frankfurt, Zurich, Genève, Valencia, New York, Boston, San Francisco, LA and Seattle.

At the end of the year, the number of analysts that regularly follow CompuGROUP amounted to 5, all of them based in Germany.

FINANCIAL CALENDAR 2009

Date	Event
May 14, 2009	Q1 2009
May 14, 2009	Ordinary General Meeting
August 13, 2009	Q2 2009
November 18, 2009	Q3 2009

Regional Headquarters

Country	Company Name	Office address	Phone	Telefax
Austria	systema Human Information Systems Gesellschaft m.b.H.	Pachergasse 4 A-4400 Steyr	+43 (0) 72 52/587-0	+43 (0) 72 52/587-9300
Czech Republic	CompuGROUP CZ & SK s.r.o.	Slavickova 2 160 00 Prag 6	+420 (233) 338 004	+420 (224) 322 576
Denmark	Profdoc A/S	Messingvej 35 8900 Randers	+45 70 80 82 16	+45 70 26 82 16
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 Lysacker	+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.	Orense, 32 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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Company Information

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SHARE INFORMATION

ISIN International Stock Identification Number	ISIN DE0005437305
Reuters Instrument Code	COPMa.DE
Listing	Frankfurt Stock Exchange, Regulated Market, Prime Standard
Xetra Trading Parameters Symbol	COP

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