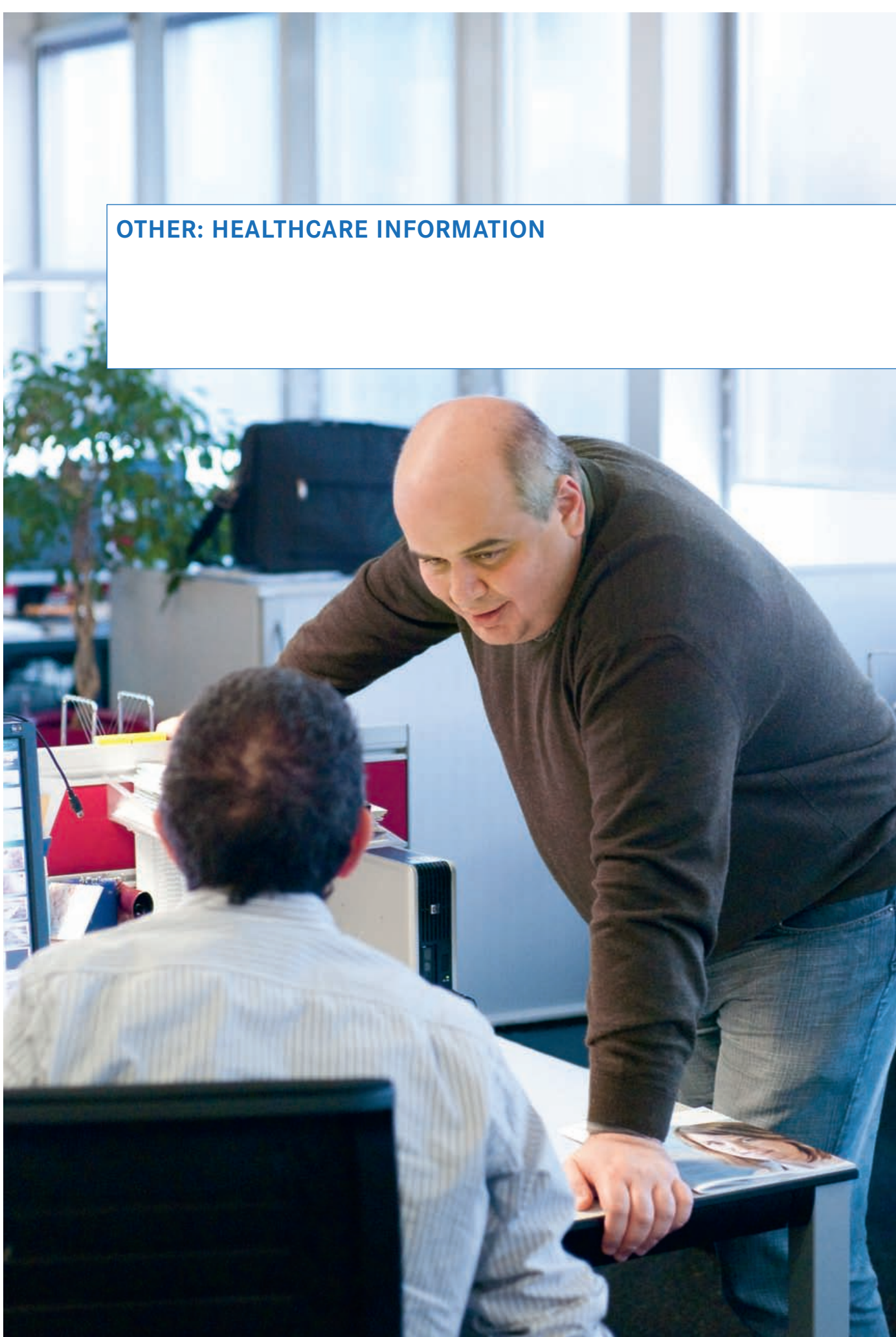


OTHER: HEALTHCARE INFORMATION



Lionel Decrey

«Our customised databases and software solutions have long been supporting the successful networking of players in the Swiss healthcare market, thus helping them to strengthen their positions. The clear federal commitment to the eHealth strategy validates our involvement in information management in the healthcare sector and will drive our development of further products».



PRIORITIES

- _Developing pioneering eHealth offers for the Swiss healthcare market
- _Further developing the portfolio of specific databases for each market segment
- _Participating in the federal «eHealth strategy Switzerland» pilot project

Sales and operating result

Due to new rules in International Financial Reporting Standards (IFRS) for the determination of operating segments, HealthCare Information will no longer be reported as a separate segment in 2009. Going forward, it will fall under «Other». However, the strategic importance of information management has not changed. Extensive preliminary work over recent years in the form of substantial investments and targeted fundamental groundwork bore fruit also in the 2009 financial year. Lower expenditure than the previous year and optimisation of the cost structure also contributed to the positive result. While sales were slightly up on the previous year at CHF 43.0 million (+3.8%), the operating result posted an encouraging increase from CHF 0.2 million to CHF 2.2 million.

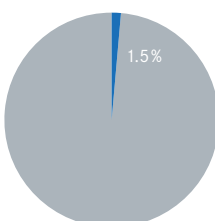
Leading the eHealth movement

Various trends emerged in the networking of the healthcare market players in 2009. There was an increasing shift in electronic processing from administrative and logistic content to medical content. Medical specialists in hospitals, doctors' offices, pharmacies and drugstores are much more integrated in computer-supported networks for information than they used to be. Furthermore, awareness of the subject of electronic networking in the healthcare sector has increased in general. The government's eHealth strategy, which was stepped up in 2009, also contributed to this. For example, a preliminary draft of the legal basis of eHealth will be drawn up. Furthermore, pilot eHealth projects are underway in the cantons of Basel, Geneva, St. Gallen, Ticino and Zurich.

Documed and e-mediart are in an excellent position in this increasingly dynamic environment with their various content products as well as Triamun and its software solutions (process). This was also confirmed by a report analysing the Swiss healthcare market which was published in 2009. Focusing on the aspect of interoperability, the authors concluded that Galenica holds a leading role in the implementation of eHealth in Switzerland. The various information management solutions also continue to be important within the Galenica Group, as they ensure the compatibility of various business activities with eHealth.

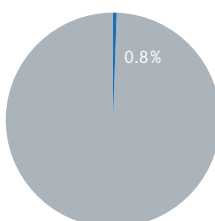
Key figures

Net sales



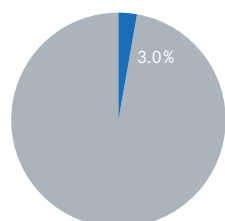
Other: HCI CHF 43.0 million
(Galenica Group CHF 2,911.2 million)

EBIT



Other: HCI CHF 2.2 million
(Galenica Group CHF 266.1 million)

Number of staff



Other: HCI 193
(Galenica Group 6,378)

_The operational command of the back-office functions of Documed, e-mediat and Triamun were centralised mid-year under the umbrella of HCI Solutions Ltd. with a view to leveraging administrative synergies in particular. The names of Triamun product brands – such as TriaPharm® and TriaMed® – and the business management of the companies e-mediat and Documed will, however, be maintained.

Content management: expanded range of products

_The products in e-mediat's successful INDEX range were developed further and expanded with additional components in 2009. These include improvements made to an image database covering the most frequently requested medicines. The packaging and galenic forms of the medicines are both shown in the image database, along with a detailed description of the products. This enables clear identification and thus supports the safe use of medicine.

_Further hospitals integrated into the network. hospINDEX® supports medical personnel in hospitals in their day-to-day work by providing scientific information as a basis for consultations and selecting appropriate therapies. hospINDEX® was introduced in numerous hospitals in 2009.

_The galdat article master was originally developed for pharmacies and now includes commercial as well as scientific data on around 200,000 commercially available products. It forms the basis of all INDEX products. The databases are gradually being transferred into the INDEX products.

_The pilot tests on e-MED, which were conducted in collaboration with Bern University Hospital, were successfully completed in 2009. The results of the project will be used for further targeted development of clinical databases.

_Documed facilitates compendium processes. The automation of the compendium processes through compendiumPORTAL and the expansion to include prepress processes and registration met with a high degree of interest from customers.

_The system, which was developed to reference and centrally manage a list of persons in Switzerland with medical training at the request of the RefData Foundation and in collaboration with the Federal Office of Public Health (FOPH), was successfully launched in the second half of the year. Almost 100,000 specialists had already been recorded in the system by the end of 2009.

Process management: connecting expertise

_Further expansion of TriaPharm®. Following a pilot project, the integration of the expansion module designed for POS cash register use – ActivPOS – in the TriaPharm® pharmacy software was successfully implemented and delivered to the first pharmacies. The new functionalities also include direct invoicing to health insurers, supported by OLPFact. Particular emphasis remains on a fast, intuitive user interface based on graphic components and touch screens.

_TriaPharm® was expanded to include TriaScan®, which can be used for scanning and digitalising prescriptions. Data warehousing was integrated into the system in the financial accounting area. The new option of sending automatic reminders by SMS is an interesting customer loyalty and motivation tool.

_A system was specially developed for the needs of individual pharmacies and very small pharmacy chains based on TriaPharm®, and was first used in a chain.

_TriaMed®: roll-out to doctors' offices successfully launched. By the end of 2009, around 500 doctors were using the medical practice software TriaMed® installed on over 1,000 workstations. The complete medical history of their patients is now available to them with individually customised parameters. The number of interfaces between TriaMed® and laboratory equipment used in doctors' offices and produced by a range of manufacturers has since increased from 70 to around 100.

_In order to continue to market products successfully, collaborations with partners to sell and provide technical support for the Triamun systems are sought. A key criterion in doing so is geographic presence in the defined sales areas. In 2009, three partners were gained to distribute and support TriaMed®. In order to ensure the usual standard of quality, all partners take part in the «TriaMed Academy» training programme, which was developed in-house.



The government's eHealth strategy confirms Galenica's strategy in the area of information management. The content products from Documed and e-mediati and the information solutions from Triamun ensure interoperability between all players in the healthcare market, thereby creating significant added value.

_TriaOne® on track. TriaOne® is an enterprise resource planning (ERP) solution based on the former BMC product, Arizona. It helps companies to plan resources and is the core management tool of pharmacy chains.

Outlook

_Content management. e-mediati will continue to expand the INDEX product range with additional functionalities. The expansion is focusing on functions to increase the safe use of medicine, such as specific dosage instructions for children. Like the existing Pharmavista information platform for pharmacists, medINDEX® will be supplemented by the Internet-based mediVISTA.ch information platform for doctors in private practice and those working in hospitals. The image database will also be continually expanded.

_In order that software partners and users can make full use of the extensive information offered by INDEX products to optimum effect, e-mediati is launching the «e-mediati Academy» in 2010 which provides appropriate training.

_Through the further development of the compendium-PORTAL, Documed is enabling even closer networking of the pharmaceutical industry with Swissmedic, which will further increase efficiency in the registration process for all parties.

_Process management. The medical practice software TriaMed® is being updated to include specific functionalities for the management of group practices. Taking into account and incorporating the needs and requirements arising from the government's eHealth strategy is a central element in the further development of all systems. For example, the new electronic insurance card will therefore be integrated into the system in 2010.

_The newly developed TriaMed TS® offers practices the option of running their applications via an external Triamun server. Following the launch phase in 2009, distribution of TriaMed TS® will be stepped up in 2010.

_The roll out of the latest version of TriaPharm® in pharmacies is under way. In addition, key functions which strengthen cooperation and interoperability are being expanded further. Distribution of the version of TriaPharm® for independent pharmacies and small pharmacy chains is being intensified.

_Development of the ERP solution TriaOne® is continuing according to schedule, including a new user-friendly graphic layout.