PRESS RELEASE

MEDICA - 2009 Annual Results

- Significant growth in operating margins in 2009
  - EBITDAR: 26.5% of revenue up 7.5% vs. 2008
  - EBITDA: 17.6% of revenue up 8% vs. 2008
- Demonstrated ability to deliver high profitability
- Secured growth pipeline representing more than 30% of existing beds

PARIS - 30 March 2010 – The Board of Directors of MEDICA, a leading provider of long and short-term dependency care in France, met on Monday, 29 March 2010, under the chairmanship of Jacques Bailet. At the meeting, which was attended by the Statutory Auditors, the Board approved the consolidated financial statements for the year ended 31 December 2009.*

LEADING INDICATORS – € millions	**2009**	2008	% change Reported
Revenue	**480.7**	448.8	+ 7.1%
EBITDAR	**127.3**	118.4	+ 7.5%
EBITDAR margin	**26.5%**	26.4%	
EBITDA	**84.6**	78.3	+ 8.0%
EBITDA margin	**17.6%**	17.5%	
EBIT	**64.1**	60.6	+ 5.8%
Operating profit	**57.8**	57.7	+ 0.2%
Net loss attributable to equity holders of the parent	**(13.4)**	(22.7)	+ 41.1%

"In early 2010, we implemented a growth strategy that should increase our business by at least 10% during the year and by at least 45% over the 2010-2012 period," said Jacques Bailet, Chairman and Chief Executive Officer. "We will pursue our active strategy of creating and restructuring facilities, while remaining alert to any acquisition opportunities that may arise. We are determined to lead this strategy while maintaining our high quality-of-service standards, delivering sustained strong margins and further improving our financial flexibility."

*The consolidated financial statements have been audited. The Auditors' Report will be issued for the publication of the annual financial report.

REVENUE

Consolidated revenue rose by 7.1% in 2009, to €480.7 million from €448.8 million in 2008. The Group deliberately refrained from carrying out any acquisitions in 2009, so that the growth was led by i) increases in service fees, ii) increases in treatment and dependency care rates in the long-term care sector and for accommodations in the post-acute and psychiatric care sector and iii) the rising contribution of the facilities created during the year.

The occupancy rate* remained high, at 96.7%.

Yield,** the ratio that measures revenue per day per bed, is one of the Group's key performance indicators. It stood at €118 in 2009, up 5.8% from €111.5 in 2008.

Revenue by **sector** may be analysed as follows:

At 31 December	**2009**		2008		**% change**
	€m	**% of revenue**	€m	% of revenue	
Long-term care – France	**289.6**	**60.2%**	266.9	59.5%	+ 8.5%
Post-acute and psychiatric care – France	**141.4**	**29.4%**	134.8	30.0%	+ 4.9%
Italy	**49.7**	**10.3%**	47.2	10.5%	+ 5.5%
Total	**480.7**	**100.0%**	448.8	100.0%	+ 7.1%

Revenue from **long-term care facilities in France** rose by 8.5% to €289.6 million in 2009, reflecting:

- The increase in treatment and dependency care fees in the 21 tripartite agreements signed or renewed in 2009. Note that since August 2008, medical beds, nutriments, dressings and other medical equipment and supplies have been included in treatment rates.
- The growth in accommodation revenue, thanks to the increase in daily accommodation rates and the higher accommodation fees applied to new residents, which are freely set.
- The ramp-up of the three facilities created in Villemonble, Issigeac and Castera Verduzan during the year.

Revenue from **post-acute and psychiatric care facilities in France** rose by 4.9% to €141.4 million. The €6.6 million gain primarily came from the growth in billings for related services, as well as from the increase in daily rates by the Regional Hospital Agency and the full-year consolidation of the five facilities acquired in 2008.

Consolidated revenue from operations **in Italy** came to €49.7 million for the year, up 5.5%. Growth was primarily organic, led by fee increases, particularly for accommodation.

*__Occupancy rate__: number of days billed divided by the number of days billable for facilities that have been open for more than 12 months.
**__Yield__: revenue per bed per day. For facilities open only part of the year, the calculation is based only on the number of days they were open.

FINANCIAL REVIEW

INCOME STATEMENT

- **EBITDAR** (EBITDA before property rental expense) amounted to €127.3 million, or 26.5% of revenue, compared with €118.4 million and 26.4% in 2008.

External charges (other than rental expense), which include sub-contracting costs and purchases not taken into inventory, totalled €86.5 million for the year. This represented 18% of revenue, unchanged from 2008 thanks to disciplined cost control.

Employee benefits expense also remained under control, at €214 million or 44.5% of revenue.

EBITDAR by **sector** may be analysed as follows:

EBITDAR - € millions	**2009**	2008	% change
Long-term care – France	**79.3**	73.9	+ 7.3%
% of sector revenue	**27.4%**	27.7%	
Post-acute and psychiatric care – France	**36.3**	32.6	+ 11.3%
% of sector revenue	**25.7%**	24.2%	
Italy	**11.7**	11.9	- 1.2%
% of sector revenue	**23.6%**	25.2%	
TOTAL	**127.3**	118.4	+ 7.5%
EBITDAR margin	**26.5%**	26.4%	

- **EBITDA** rose by 8% to €84.6 million, or 17.6% of revenue. It was lifted by the impact of 2009 renegotiations with the main Group's landlords, which held the like-for-like increase in **rental expense** to 1.7% for the year

- **EBIT** amounted to €64.1 million, up 5.8% and representing an EBIT margin of 13.3%.

- **Operating profit** stood at €57.8 million or 12% of revenue for the year.

Non-recurring operating income and expense included gains and losses on the disposal of assets, facility restructuring costs (€3.8 million), and part of the non-recurring costs of preparing the initial public offering (€2.4 million).

- **Net finance costs** for the year include the €15.7 million non-recurring amortised cost arising from the conversion of the bonds, and the partial repayment of the debt in February 2010. Cost of net debt (after hedging and before the impact of the amortised cost method) remained stable overall, at €65 million.

- As a result, the consolidated **net loss** for the year stood at €13.4 million, compared with a net loss of €22.7 million in 2008.

BALANCE SHEET/FINANCIAL STRUCTURE

- **Property, plant and equipment** amounted to €294.3 million at 31 December 2009, of which €252.2 million in land and buildings. These property assets, which correspond to around one-third of the operated facilities, were valued by an independent expert at €270 million in 2009.

- **Intangible assets** comprised €480.5 million in operating permits and €353.1 million in goodwill, primarily linked to the Group's acquisition in 2006 by funds advised by BC Partners.

- **Net debt** stood at €748.6 million at 31 December 2009, versus €741.1 million a year earlier. It primarily comprised convertible bonds issued in 2006 and syndicated bank loans arranged when the Group was acquired by funds advised by BC Partners.

At 31 December 2009, the redemption value of the convertible bonds amounted to €241.9 million. Given the Group's net cash position, the net redemption value of the syndicated loans and other debt totalled €587 million.

As announced, all of the convertible bonds were converted into shares during the initial public offering. At the same time, the €275 million in proceeds from the issuance of new shares (less the estimated €17 million cost of issuing the shares and restructuring the debt) enabled the Company to repay part of the syndicated loans.

Adjusted for the above transactions, the pro forma 2009 redemption value of the syndicated loans and other debt, net of cash, stood at €329 million, representing a net debt to EBITDA ratio of 3.9 .

The company therefore benefits from additional debt capacity of €180 million.

GOVERNANCE

Reaffirming its commitment to best government practices, the MEDICA Board of Directors has appointed the members of the Appointments and Compensation Committee and the Audit Committee:

- Appointments and Compensation Committee: André François-Poncet, Chairman, Guy de Panafieu (independent director) and Denis Villafranca.
- Audit Committee: Gilles Cojan (independent director), Chairman, Catherine Soubie (independent director) and Jean-Baptiste Wautier.

OUTLOOK AND GUIDANCE

Since the beginning of 2010, MEDICA has opened three facilities in France (247 beds), acquired a nursing home company operating around 300 beds, primarily across the Languedoc Roussillon region, and acquired two independent nursing homes (154 beds).

To support its business development plan, in early 2010, Medica had a **secured organic and acquisitions-led growth pipeline** of around 3,700 beds, representing 30% of the existing beds.

Management has therefore reminded the objective set during the initial public offering, to deliver 13% to 15% compound average annual growth in revenue through 2012, and at least 10% in 2010. This performance will be driven by deploying an active capital expenditure and investment strategy, to further enhance the quality and profitability of existing facilities, create new facilities and carry out carefully selected acquisitions. Management also intends to lead this growth strategy while reducing its leverage (net debt to EBITDA) to around 3 in 2012.

NEXT FINANCIAL PRESS RELEASE

First-quarter 2010 revenue: Friday, 7 May 2010 before start of trading

ABOUT MEDICA

Created in 1968, MEDICA is a leading provider of long and short-term dependency care in France. It operates in both the long-term care sector, with 111 nursing homes in France and Italy, and in the post-acute and psychiatric care sector, with 37 facilities in France. Together, these facilities offered a total of 11,381 beds at 31 December 2009.

MEDICA has been listed on the NYSE Euronext Paris stock exchange since February 2010 – Compartment B – Eligible for the Deferred Settlement Service.
Symbol: MDCA – ISIN: FR0010372581 – Reuters: MDCA PA – Bloomberg: MDCA FP
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CONSOLIDATED INCOME STATEMENT

in € thousands	**2009**	**2008**
Revenue	**480,727**	**448,814**
Purchases used in the business	(22,783)	(20,445)
External charges	(129,203)	(121,577)
Income and other taxes	(30,295)	(27,650)
Employee benefits expense	(214,009)	(201,790)
Other operating expense	(596)	(579)
Other operating income	774	1,567
EBITDA	**84,615**	**78,341**
Amortisation and depreciation expense	(18,830)	(17,227)
Impairment losses and provisions	(1,698)	(530)
EBIT	**64,087**	**60,583**
Gain/(loss) on disposal of available-for-sale financial assets	8	-
Non-recurring operating expense	(19,643)	(3,205)
Non-recurring operating income	13,312	297
Operating profit	**57,764**	**57,676**
Finance costs	(81,300)	(94,716)
Financial income	624	4,814
Net finance costs	**(80,676)**	**(89,902)**
Profit/(loss) from associates	(423)	(144)
Loss before tax	**(23,334)**	**(32,371)**
Income tax benefit	10,365,	9,980
Net loss for the year	**(12,969)**	**(22,391)**
Attributable to equity holders of the parent	(13,363)	(22,688)
Attributable to minority interests	394	297
Average number of shares outstanding	7,286,040	7,286,040
Basic loss per share (€)	(1.83)	(3.11)
Diluted loss per share (€)	(0.83)	(1.41)

CONSOLIDATED BALANCE SHEET

in € thousands	**2009**	**2008**
ASSETS		
Goodwill	353,122	349,836
Intangible assets	483,059	482,519
Property, plant and equipment	294,325	294,951
Shares in associates	-	131
Other financial assets	17,389	14,478
Available-for-sale financial assets	1,718	1,697
Deferred tax assets	1,141	561
Derivative financial instruments	1,054	-
Total non-current assets	**1,151,808**	**1,144,173**
Inventory and work-in-progress	1,915	1,624
Trade receivables	29,927	35,948
Tax assets	1,631	1,864
Other receivables	12,728	12,967
Other current assets	6,725	8,797
Derivative financial instruments	0	0
Cash and cash equivalents	38,546	23,974
Total current assets	**91,472**	**85,174**
Total non-current assets and disposal groups held-for-sale	11,244	,
Total assets	**1,254,524**	**1,229,347**

in € thousands	**2009**	**2008**
EQUITY AND LIABILITIES		
Share capital	11,348	116,577
Additional paid-in capital	0	0
Other reserves	0	0
Loss for the year	(13,363)	(22,688)
Retained earnings	124,266	44,507
Total equity attributable to equity holders of the parent	**122,252**	**138,396**
Profit attributable to minority interests	394	297
Retained earnings attributable to minority interests	2,921	5,829
Total equity	**125,567**	**144,521**
Long-term debt	393,621	721,146
Employee benefit obligations	4,674	4,308
Liabilities related to associates with negative net worth	292	0
Other provisions	8,534	8,619
Deferred tax liabilities	191,540	204,141
Derivative financial instruments	18,889	0
Other non-current liabilities	23,061	30,355
Total non-current liabilities	**640,612**	**968,570**
Short-term debt	393,531	16,977
Employee benefit obligations	987	746
Trade payables	36,607	36,993
Other payables	56,145	46,029
Current taxes	1,075	1,346
Derivative financial instruments	0	14,165
Other current liabilities	0	0
Total current liabilities	**488,345**	**116,256**
Total liabilities on non-current assets and disposal groups held-for-sale		,
Total equity and liabilities	**1,254,524**	**1,229,347**

CONSOLIDATED STATEMENT OF CASH FLOWS

in € thousands	2009	2008
Consolidated net loss for the year	(12,969)	(22,391)
Adjustments for:		
Losses from associates	423	144
Depreciation, amortisation, impairment losses and provisions	18,486	18,712
Fair value adjustments	(394)	25,501
Gains or losses on disposal and dilution	1,098	(129)
Cash flow after interest and tax	**6,643**	**21,837**
Tax expense/(benefit)	(10,365)	(9,980)
Net finance costs	80,449	67,120
Cash flow before interest and tax	**76,727**	**78,978**
Change in working capital	14,483	14,633
Income tax paid	(1,370)	5,954
Net cash from operating activities	**89,840**	**99,565**
Impact of changes in scope of consolidation	(9,451)	(42,208)
Increase in property, plant and equipment	(33,836)	(38,372)
Increase in intangible assets	(1,260)	(5,788)
Increase in financial assets	(21)	(52)
(Increase)/decrease in loans and advances	(3,063)	137
Proceeds from disposal of property, plant and equipment and intangible assets	12,392	297
Proceeds from disposal of financial assets	0	0
Dividend income	0	0
Net cash used in investing activities	**(35,239)**	**(85,986)**
Issuance of shares	0	0
Issuance of debt	11,398	47,476
Repayment of debt	(15,146)	(20,835)
Net interest paid	(37,974)	(42,583)
Dividends paid to shareholders	0	(0)
Dividends paid to minority shareholders of subsidiaries	(112)	(153)
Net cash used in financing activities	**(41,834)**	**(16,095)**
Impact of changes in accounting principles	**0**	**0**
Net increase/(decrease) in cash and cash equivalents	**12,767**	**(2,516)**
Net cash and cash equivalents at beginning of year	21,636	24,152
Net cash and cash equivalents at end of year	34,403	21,636
Net increase (decrease) in cash and cash equivalents	**12,767**	**(2,516)**