



PRESS RELEASE

MEDICA successfully negotiates new financing

Paris – 24 June 2010 – MEDICA, a leading provider of long and short-term dependency care in France, has successfully negotiated new loan facilities to replace its existing syndicated loans.

To support its controlled organic and acquisitions-led growth strategy, MEDICA has been conducting negotiations since mid-April with several banking partners with the aim of setting up new loan facilities in order to reduce its borrowing costs and increase its financial flexibility.

- These negotiations have now been completed and on 16 June, MEDICA signed a club deal with a syndicate of leading banks covering the following loan facilities with the customary guarantees, funded on 23 June:
 - **Amounts**
 - Term Loan Facility: €350 million
 - Revolving Loan Facility: €100 million
 - **Maturities**
 - Term Loan Facility: Duration: 5 years - Repayable in installments
 - Revolving Loan Facility: Duration: 5 years - Repayable at maturity
 - **Initial spreads**
 - Term Loan Facility: 165 bps
 - Revolving Loan Facility: 170 bps (plus drawdown fee)
 - **Covenants**
 - Net debt/EBITDA < 4.50x until 2011, declining ratio from then on
 - **Syndicate**
 - The banking syndicate comprises:
 - Six mandated lead arrangers: Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile de France, Crédit Lyonnais, Mediobanca, Natixis (Documentation Agent), Société Générale, and Royal Bank of Scotland (Credit Agent).
 - Two lead arrangers: BNP Paribas and BCME (Banque Commerciale pour le Marché de l'Entreprise).
 - A lender bank: HSBC.
 - **Documentation**
 - Loan agreement based on the Loan Market Association corporate facility documentation, including a change of control clause covering a situation where a shareholder or a group of shareholders would acquire control within the meaning of article L.233-3 of France's Commercial Code.

- The new facilities will enable MEDICA to significantly reduce its borrowing costs, while providing financing capacity aligned with the Group's growth strategy.
 - The €350 million term loan facility will be used to refinance existing syndicated loans at a reduced spread of 165 bps versus 270 bps previously.
 - The €100 million revolving loan facility will provide MEDICA with additional financing resources for its controlled growth strategy, particularly for acquisitions, at a spread of 170 bps versus 350 bps previously.
 - Lastly, the banking documentation provides for an additional €150 million basket of bank facilities that includes a lease financing option for real estate purchases.
 - MEDICA intends to rapidly look into adapting its interest rate hedging policy to further optimise its borrowing costs.

"We are very pleased to have arranged this club deal with a syndicate of leading French and international banks," said Jacques Baillet, Chairman and Chief Executive Officer. "The negotiations were completed very quickly thanks to the very constructive attitude of our banking partners, attesting to their confidence in the robustness of our business model and their support for our growth strategy. The narrower spreads and the more flexible terms, which are better aligned with our development plans including our proposed real estate purchases, are also attributable to the quality of our balance sheet."

A conference call for analysts and investors will be held this morning at 9 a.m CEST.

INVESTOR CALENDAR

Annual General Meeting: Tuesday, 29 June 2010

Second-quarter 2010 revenue: Tuesday, 20 July 2010 before start of trading

First-half 2010 results: Tuesday, 7 September 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 post-op and rehabilitation 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 – Compartment B since February 2010. Eligible for the Deferred Settlement Service.

Symbol: MDCA – ISIN: FR0010372581 – Reuters: MDCA PA – Bloomberg: MDCA FP

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