



PRESS RELEASE

MEDICA: first-half 2010 business review

- MEDICA continued to drive faster growth

€259.1 million in H1-2010 revenue up 10.7% on H1 2009

PARIS – 20 July 2010 – MEDICA, a leading provider of long and short-term dependency care in France, has released its business review for the six months ended 30 June 2010.

REVENUE BY SECTOR - €M	H 1				Q 2			
	2010	2009	Reported growth	Organic growth	2010	2009	Reported growth	Organic growth
Long-term care - France % of revenue	160.8 62.1%	139.7 59.7%	+15.2%	+8.8%	82.2 62.3%	70.9 59.8%	+15.9%	+8.9%
Post-acute and psychiatric care - France % of revenue	71.6 27.6%	70.1 30.0%	+1.9%	+1.9%	36.2 27.5%	35.3 29.8%	+2.7%	+2.7%
Italy % of revenue	26.6 10.3%	24.3 10.4%	+9.4%	+3.1%	13.5 10.2%	12.3 10.4%	+9.3%	+2.8%
TOTAL	259.1	234.1	+10.7%	+6.1%	131.9	118.5	+11.3%	+6.2%

Unaudited figures

“We are satisfied with the growth in MEDICA’s business in the first half of 2010,” said Jacques Bailet, Chairman and Chief Executive Officer. “During the period, our revenue rose by 10.7% compared with the first half of 2009, with organic growth exceeding 6%. This positive first-half performance has strengthened our confidence in our growth strategy and, in particular, our ability to reach our revenue growth targets of at least 10% for 2010 and an aggregate 45% for the 2010-2012 period.”

REVENUE

Consolidated revenue amounted to €259.1 million in the first half of 2010, representing a 10.7% increase from the prior-year period. For the second quarter alone, revenue came to €131.9 million, up 11.3% from the €118.5 million reported in second-quarter 2009.

MEDICA drove robust expansion in its business in the first half, opening 247 beds and acquiring 770 beds. As of the date of this press release, MEDICA operated a portfolio of 12,300 beds.

All of the **business segments** experienced growth during the period:

- Revenue from **long-term care in France** rose by 15.2% to €160.8 million, mainly reflecting the strong 8.8% organic growth led by the ramp-up of facilities opened in 2009 and first-half 2010.
- Revenue from **post-acute and psychiatric care facilities in France** edged up by a slight 1.9% to €71.6 million, as the Group's deployment of in-depth restructuring plans held back expansion.
- Revenue from **operations in Italy** rose by 9.4% year-on-year.

Occupancy rates in Group facilities remained high, at 96.9%.

FIRST-HALF HIGHLIGHTS

- **New financing facilities** were set up during the period, as follows:

On 16 June 2010, MEDICA signed a club deal with a syndicate of leading banks.

The deal provides for a term loan facility in an amount of €350 million, used to refinance existing syndicated loans **at a reduced spread of 165 bps versus 270 bps previously**.

In addition, the Group has access to:

- A revolving loan facility in an amount of €100 million, providing MEDICA with additional financing to support its controlled growth strategy.
- An additional €150-million basket of bilateral debt facilities, authorized by the banking documentation.

The new facilities will enable MEDICA to significantly reduce its borrowing costs, while providing financing aligned with the Group's growth strategy.

- The **interest rate hedging policy** was adjusted, as follows:

As announced when the new financing was arranged, the Group recently adjusted its interest rate hedging policy to further optimise its borrowing costs.

The Group entered into a fixed-rate swap agreement with effect from 1 January 2011 and based on an amount of €350 million, of which €100 million expires on 31 December 2013 and €250 million on 30 June 2014.

Since January 2011, the fixed rate on the new swaps represents an average of approximately 1.7%, which is 200 bps lower than the rate on the existing swaps.

DEVELOPMENT

To support its expansion plan, the Group also has an **organic growth pipeline** representing some 2,700 beds (**excluding beds with an option to buy**), as follows:

- 850 beds being restructured.
- 1,850 beds being built.

OUTLOOK

Management reaffirms the objective set during the initial public offering to deliver revenue growth of at least 10% in 2010 and at least 45% over the 2010-2012 period. This performance will be driven by deploying an active capital expenditure and investment strategy, to maintain the high quality and profitability of existing facilities, create new facilities and carry out carefully selected acquisitions. Management also intends to lead this growth strategy while further improving the company's leverage (net debt to EBITDA ratio) to around 3x in 2012.

A conference call for analysts and investors will be held this morning at 9:00 am CEST.

INVESTOR CALENDAR

First-half 2010 results: Tuesday, 7 September 2010 before start of trading

Third-quarter 2010 business review: Tuesday, 26 October 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 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.

MEDICA is included in the CAC Mid 100, SBF 250 and MSCI France Small Cap indices.

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

Website: www.groupemedica.com

CONTACTS

INVESTOR RELATIONS

MEDICA

Christine Jeandel - Deputy Chief Executive Officer

christine.jeandel@medicafrance.fr

Mathieu Fabre - Chief Financial Officer

mathieu.fabre@medicafrance.fr

Phone: +33 (0)1 41 09 95 20

LT Value

Nancy Levain/Maryline Jarnoux-Sorin

Phone: +33 (0)1 44 50 39 30

LTvalue@LTvalue.com

MEDIA RELATIONS

Brunswick

Agnès Catineau

Phone: +33 (0)1 53 96 83 83

Medica@brunswickgroup.com