



PRESS RELEASE

MEDICA - Business review for the year ended 31 December 2010

- **Revenue guidance exceeded**

Up 12.1% versus 2009

- **A surge in acquisitions**

1,700 additional beds acquired or under option to buy since the end of October 2010

- 540 additional beds in Italy during the last quarter of 2010
- 1,140 additional beds in France since 1 January 2011

PARIS – 11 February 2011 – MEDICA, a leading provider of long and short-term dependency care in France, has released its business review for the fourth quarter and full-year 2010.

| REVENUE BY SECTOR - €M | 12 months | | | | Q4 | | | |
|---|-----------------------|----------------|--------------------|-------------------|----------------------|---------------|--------------------|-------------------|
| | 2010 | 2009 | Reported growth | Organic growth | 2010 | 2009 | Reported growth | Organic growth |
| Long-term care – France % of revenue | 334.3 62.0% | 289.6 60.2% | +15.4% | +8.2% | 87.5 61.1% | 75.8 61.1% | +15.5% | +7.0% |
| Post-acute and psychiatric care – France % of revenue | 144.5 26.8% | 141.4 29.4% | +2.2% | +2.2% | 36.4 25.4% | 35.6 28.7% | +2.3% | +2.3% |
| Italy % of revenue | 60.1 11.2% | 49.7 10.3% | +20.8% | +3.2% | 19.4 13.5% | 12.6 10.1% | +53.9% | +3.1% |
| TOTAL | 538.9 | 480.7 | +12.1% | +6.0% | 143.4 | 124.0 | +15.6% | +5.6% |

Unaudited figures

"We are particularly pleased by the more than 12% growth in revenue in 2010, which is significantly above the target of 10% set during our IPO," said Jacques Bilet, Chairman and Chief Executive Officer. "In light of our 2010 performance, our secure growth pipeline and identified acquisition opportunities, we are very confident in our ability to meet our revenue growth target of 45% over the 2010-2012 period."

REVENUE

▪ FOURTH QUARTER AND FULL-YEAR REVENUE

Consolidated revenue amounted to €538.9 million in 2010, an increase of more than 12% on 2009. Fourth-quarter revenue totalled €143.4 million, up 15.6% on the prior-year period.

All of the **business segments** contributed to the robust revenue growth for the year, as follows:

- Revenue from **long-term care facilities in France** rose by 15.4% to €334.3 million, led by organic growth of 8.2% and the gradual integration of facilities acquired since the beginning of the year.
- Revenue from **post-acute and psychiatric care facilities in France** increased by 2.2% to €144.5 million. The restructured beds delivered during the year should begin having an impact in 2011.
- Revenue from **operations in Italy** surged by nearly 21% to €60.1 million, lifted by the acquisitions made in late 2010.

Occupancy rates* remained high, at 97.0% at 31 December 2010 compared with 96.7% at 31 December 2009.

In 2010, MEDICA increased the number of beds under management by 1,800, to a total of around 13,200 for the year.

ACQUISITIONS, NEW BEDS AND RESTRUCTURING

▪ ACQUISITIONS

Since 26 October 2010, MEDICA has acquired 15 facilities and has an option to buy 5 others, for total capacity of around **1,700 beds**.

- **In the fourth-quarter 2010**, positions in strategic, high-income regions of northern **Italy** were enhanced with the acquisition of Laetitia, which operates around **540 beds** in six long-term care facilities (five in Lombardy and one in Emilia Romagna).
- **Since 1 January 2011**, around **890 beds** under management or being built were added to the **Long-term care – France** portfolio, while expanding the Group's presence in southwestern France. Furthermore, **250 beds** were added in the **Post-acute and psychiatric care** segment. Many of them were in psychiatric care, with two facilities specialised in treating addiction.

▪ NEW BEDS AND RESTRUCTURING

Since 26 October 2010, MEDICA has delivered a **90-bed long-term care facility** in Bures sur Yvette, near Paris, and **finished restructuring more than 230 beds in the post-acute care sector** in PACA and Midi-Pyrénées regions.

As of 11 February 2011, MEDICA operated a portfolio of roughly 13,800 beds.

***Occupancy rate**: number of days billed divided by the number of billable days for facilities that have been open for more than 12 months.

EXPANSION

To support its expansion plan, MEDICA has a **growth pipeline** representing some **3,200 identified beds**, equivalent to 23% of the existing portfolio, as follows:

- 900 beds under management being restructured.
- 2,300 beds being built.

As of 11 February 2011

OUTLOOK

Management reaffirms the objective announced at the time of the initial public offering to deliver revenue growth of at least 45% over the 2010-2012 period.

The Group intends to pursue this growth strategy while continuing to closely manage debt and further improving leverage (net debt to EBITDA ratio) to around 3 in 2012.

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

INVESTOR CALENDAR

2010 Annual Results: Tuesday, 29 March 2011 before start of trading.

First-Quarter 2011 Revenue: Tuesday, 10 May 2011 before start of trading.

Annual General Meeting: Tuesday, 7 June 2011.

Second-Quarter 2011 Revenue: Wednesday, 20 July 2011 before start of trading.

First-Half 2011 Results: Tuesday, 6 September 2011 before start of trading.

Third-Quarter 2011 Revenue: Tuesday, 18 October 2011 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 in France and Italy and in the post-acute and psychiatric care sector, with a total of around 13,800 beds as of 11 February 2011.

MEDICA has been listed on the NYSE Euronext Paris stock exchange since February 2010 – Compartment B – Eligible for the Deferred Settlement Service.

MEDICA is included in the SBF 120, CAC Mid 100, MSCI France Small Cap and Gaia indices.

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

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APPENDIX – QUARTERLY REVENUE BY SECTOR

| REVENUE BY SECTOR - €M | Q1 | | Q2 | | Q3 | | Q4 | |
|---|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Long-term care – France % of revenue | 78.7 61.8% | 68.8 59.5% | 82.2 62.3% | 70.9 59.8% | 85.9 62.9% | 74.1 60.5% | 87.5 61.1% | 75.8 61.1% |
| Post-acute and psychiatric care – France % of revenue | 35.4 27.8% | 34.8 30.2% | 36.2 27.5% | 35.3 29.8% | 36.5 26.7% | 35.6 29.1% | 36.4 25.4% | 35.6 28.7% |
| Italy % of revenue | 13.1 10.3% | 12.0 10.4% | 13.5 10.2% | 12.3 10.4% | 14.1 10.3% | 12.8 10.5% | 19.4 13.5% | 12.6 10.1% |
| TOTAL | 127.2 | 115.6 | 131.9 | 118.5 | 136.5 | 122.6 | 143.4 | 124.0 |

Unaudited figures