Interim Financial Report

At 30 June 2013

MEDICA

We hereby present our interim financial report for the six months to 30 June 2013, prepared in accordance with the provisions of article L451-1-2 III of the French Monetary and Financial Code and article 222-4 of the AMF's General Regulations.

The report will be disseminated in accordance with the provisions of article 221-3 of the AMF's General Regulations.

It will also be available on the company's website: **www.groupemedica.com**.

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1. Medica Group business review for the first half of 2013

1.1. Main indicators for the period from 1 January 2013 to 30 June 2013

The MEDICA group, a leading player in the long-term and short-term dependency care market, recorded a steady increase in its business, with a 9.3% increase in revenue and strong organic growth of 7.5%.

During the second quarter of 2013, the number of beds operated by MEDICA increased by 325, to 17,132 beds in 226 facilities as of 30 June 2013.

As at 30 June 2013, the Medica Group had a portfolio of 2,281 beds to be built or restructured.

	2013 (30 June)	2012 (31 December)
Number of facilities	**226**	**220**
Number of beds		
Long term care, France	12,410	11,865
Post-acute and psychiatric care, France	2,617	2,617
Italy	2,105	2,105
TOTAL	**17,132**	**16,587**
Occupancy rate[1]	96.3%	96.8%

(1) Occupancy rate is defined as the ratio of the number of days billed to the number of billable days for facilities open for more than 12 months

1.2. Highlights for the first half of 2013

1.2.1. Medica continues its strategy of diversifying its financing sources

The Medica Group completed a successful private bond placement of €40 million with an annual coupon of 3.66% and a maturity of six years. This non-dilutive transaction allows the Medica Group to diversify its financing sources and increase the average maturity of its debt.
It was completed under particularly favourable conditions and demonstrates the confidence in Medica and its financial structure.

1.2.2. The Medica Group wins a call for projects for an 84-bed long-term care facility

The quality of the projects developed by teams at the Medica Group recently allowed it to win one of the first calls for projects issued by the Yvelines local departmental authority and the Ile de France Regional Health Agency (ARS). This 84-bed project, located in the town of Montigny-le-Bretonneux and combined with a serviced residential community comprising 60 apartments, will create sixty jobs in this long-term care facility.

1.2.3. Combined general meeting of 25 June 2013

- **Governing bodies**

The Combined General Meeting of MEDICA S.A. Shareholders met on 25 June 2013 under the chairmanship of Jacques Bailet. The shareholders approved all of the resolutions put to them, including the renewal of the directorships of Jacques Bailet, Gilles Cojan, Guy de Panafieu and Catherine Soubie.
At its session held following the Annual General Meeting, the Board of Directors renewed Jacques Bailet's position as Chairman and Chief Executive Officer.

The renewal schedule of the members of Medica S.A.'s Board of Directors is as follows:

Name	Position	Date first appointed	Renewal date	Date of expiry of term
Jacques Bailet	Chairman	09/11/2009	25/06/2013	After the annual general meeting to approve the financial statements for the year ending 31 December 2015
Catherine Soubie	Independent Director	12/02/2010	25/06/2013	
Gilles Cojan	Independent Director	12/02/2010	25/06/2013	
Guy de Panafieu	Independent Director	12/02/2010	25/06/2013	

Anne Lalou	Independent Director	26/03/2012	-	After the annual general meeting to approve the financial statements for the year ending 31 December 2013
GMF Vie, whose permanent representative is Lionel Calvez	Director	07/06/2011	-	
Monroe SA, whose permanent representative is Charles Ruggieri	Director	07/06/2011	-	
MAAF Assurances SA, whose permanent representative is Sophie Beuvaden	Director	26/06/2012	-	After the annual general meeting to approve the financial statements for the year ending 31 December 2014
PREDICA SA, whose permanent representative is Françoise Debrus	Director	26/06/2012	-	

- **DIVIDEND DISTRIBUTION**

Moreover, MEDICA S.A.'s Combined General Meeting of Shareholders approved the company and consolidated financial statements for 2012 and decided to pay out a cash dividend of €0.48 per share. A sum of €22,914,486.72 was paid on 8 July 2013. The remainder, attached to 164,673 treasury shares and amounting to €79,523.04, was allocated to the "retained earnings" account.

- RENEWAL OF FINANCIAL AUTHORISATIONS

The following delegations and financial authorisations were renewed during the annual general meeting:

Resolution	Purpose of the resolution	Maximum amount	**Authorisation period** (beginning 25 June 2013)
11th	Authorisation to purchase the Company's own shares	10 % of the Company's share capital at the time of purchase Maximum purchase price: €30 Maximum purchase amount: €143,712,540	18 months
12th	Authorisation to reduce the share capital by cancelling treasury shares	10% of the existing share capital on the date of the cancellation	18 months
13th	Capital increase by issuing shares or securities carrying rights to shares to members of a company or Group employee savings plan, without pre-emptive rights	€100,000 to be deducted from the blanket limit set out in the 21st resolution of the Combined General Meeting of 26 June 2012	26 months
14th	Delegation of authority to the Board of Directors to issue stock warrants (BSA) or redeemable equity warrants (BSAAR) for the benefit of employees and executive officers of the Company and its subsidiaries, without pre-emptive rights.	€200,000 to be deducted from the blanket limit set out in the 21st resolution of the Combined General Meeting of 26 June 2012 Minimum price: 110% of the average closing price of the Company's shares over the 20 trading days preceding the date on which all of the terms of the BSA or BSAAR warrants and the terms of their issue are determined	18 months

1.2.4. THE MEDICA GROUP: AN ACKNOWLEDGED LONG-TERM COMMITMENT TO QUALITY

The Medica Group received a number of awards in recognition of its environmental commitment (Sustainable Development Trophy in healthcare, awarded by a jury made up of representatives from hospital federations for its policy aimed at controlling energy consumption), its ability to develop projects with partner suppliers (Purchasing Trophy awarded by the Society of French Directors and Purchasers' Awards, CDAF) and the quality of its support (Trophée du Grand Age (elderly care trophy) for our non-medicinal approach).

- **Medica receives the healthcare establishments' Sustainable Development Trophy for its efforts to reduce energy consumption**

On 29 May 2013, The Medica Group was awarded the Sustainable Development Trophy in the "environmental initiatives - energy, buildings, water" category, at the sustainable development forum held during the Salon de la Santé et de l'Autonomie (Health and Independence Trade Show) at the Porte de Versailles, Paris.
The Medica Group was awarded the Trophy in a tie with the Centre Hospitalier Régional in Orléans and the Institut Saint Pierre in Palavas Les Flots.
Awarded by a jury made up of hospital sector staff and representatives from hospital federations to healthcare establishments that have implemented significant sustainable development initiatives, this Trophy recognises the action taken by Medica in early 2012 to control its facilities' energy consumption more effectively.
Medica's project involved the installation of sensors in its facilities to measure the volume of gas, water and electricity consumed, as well as CO_2 emissions.
This project was undertaken throughout 2012, with the assistance of experts from EDF subsidiary NetSeenergy, and enabled 140 of the group's facilities to be fitted out by the end of December 2012 (i.e. almost all of Medica's long-term care facilities in France).
Installation of these sensors throughout the group's facilities will enable comprehensive control of its ecological footprint and energy consumption. Medica expects to see a 10-15% saving once the system has been installed in all of the group's facilities.

- **Medica wins the 2013 Purchasing Trophy award for its Evilium project, developed in partnership with the SME Evidences Mobiliers**

Medica and its partner, the SME Evidences Mobiliers from the Vendée region of France, were awarded the Purchasing Trophy at the seventh "Trophées de la CDAF" (Society of French Directors and Purchasers' Awards) at the Casino de Paris on 17 June. This distinction was awarded to Medica and Evidences Mobiliers in the "Purchasing and SMEs" category, from among a prestigious panel of nominees including BNP Paribas, Pierre & Vacances and the city of Angers.

The jury, which primarily comprised purchasing professionals from major companies, chose to reward the result of an exemplary nine-year collaboration between Medica and one of its supplier partners, the SME Evidences Mobiliers.

The trust relationship established between the major group and the young SME has led to the development of an innovation of significant interest to the dependency care industry: a luminescent photo varnish which is applied to the contours of bedroom furniture in long-term care facilities (bed, chest of drawers, bedside table, desk, chair, armchair, etc.). This varnish helps to prevent falls, which are a common occurrence at night, and makes it safer for residents to move around their bedroom and thus maintain their autonomy.

Medica's first long-term care facility fully equipped with this patented technique will be opened in summer 2013, in the town of Saint Sulpice sur Leze in the Haute-Garonne department. The Group plans to roll out this equipment in all new facilities and those undergoing renovation. Discussions are underway concerning the application of the process in existing facilities.

This latest project is in line with the government's recent prioritising of the "Silver Economy", designed to improve quality of life for residents, in particular through technological innovations.

The partnership with Evidences Mobiliers is also based on a common approach to CSR. Medica supports French businesses in its sector by prioritising products made in France. Evidences Mobiliers is one of these businesses, having chosen to locate all its furniture manufacturing for long-term care facilities at its Vendée site in France, using components and materials carefully selected according to environmentally responsible and sustainability criteria.

New initiatives, stemming from Medica's newly created diversity monitoring group, will be taken throughout 2013.

With this monitoring group, MEDICA now has a body dedicated to promoting diversity. A real working group for thinking about the future, one of the group's objectives is to monitor compliance with the commitments made in our labour agreements with regard to diversity, particularly by tracking certain indicators.

- **Medica wins the "Coup de Coeur" in the "health and ageing" category of the 2013 Trophée du Grand Age**

In a ceremony held at the Casino de Paris on 16 May 2013, which gathered together more than 1,000 members of the health, personal services and home care professions, Medica was awarded the "Coup de cœur" in the "health and ageing" category of the 2013 Trophée du Grand Age (elderly care trophy).

This award recognises the initiative taken by Medica to improve the autonomy of Alzheimer sufferers during meals: its use of plain blue crockery in its protected units.

By eliminating elements which might distract, (pattern, shape, etc.), the project's therapeutic aim is to improve dietary intake through the use of equipment, an environment and support adapted to the skills of disoriented elderly people.

This initiative is part of the Group's continual search for new, non-medical ways to support and improve the quality of life and independence of Alzheimer sufferers.

Before implementing this project in its facilities, Medica looked at an American study(2) by Boston University which showed that weight loss by Alzheimer sufferers was due in part to a reduced ability to distinguish the contrast between colours. Researchers found that patients who used crockery that contrasted strongly with the food and drink increased their food intake by 24% and their drink intake by 84%.

In this fifth edition of the Trophées du Grand Age, Medica was chosen from a record number of candidates and nominees (more than 100 projects were put forward).

Organised under the high patronage of and in the presence of Michèle Delaunay, French Junior Minister for the Elderly and Dependent Care, every year the Trophées du Grand Age are awarded to facilities involved in caring for elderly people and the best initiatives and innovations aimed at improving the quality of life of elderly people.

Medica was also among the trophy finalists selected by the Trophées du Grand Age jury in the "Care homes and nursing homes" category, for its touch-screen tablets initiative, rolled out in 64 retirement homes.

(2) Dunne TE, Neargardener SA, Cipollini PB, Cronin-Golomb A. Visual contrast enhances food and liquid intake in advanced Alzheimer's disease. Clinical Nutrition 2004; 23:533-538

1.2.5. A major step in Medica's quality initiative: significant partial recognition by the government of its NF Services quality benchmark certified by AFNOR

Through its NF Services quality benchmark, Medica's quality programme received very important government recognition following the publication of the decree of 17 April 2013 in the government's Journal Officiel.

This Order endorses the numerous equivalences between the Certification Standard awarded to Medica by the AFNOR in early 2011 and the external assessment requirements of the ANESM(3) , which will become compulsory from 1 January 2015.

The government departments recognised the excellent balance between the ongoing efforts to improve the quality of services provided, the risk factors, and the capacity to assess residents, their needs and expectations as part of the facility's or department’s plan by taking interactions with the person’s family and social environment into account.

Medica was the first group in the dependency sector to obtain the NF Service certification in 2011. This certificate, which is a pledge of reliability and professionalism for the residents and their families, reflects the caring practices and the transparent information given to customers so they can make informed choices.

The NF standard, which was developed based on the needs and expectations of the elderly, focuses on two major challenges for elderly people living in nursing homes: how to maintain their independence and how to maintain their social life. Each Medica nursing home is thus committed to a quality monitoring process based on self-assessment and the AFNOR’s annual external controls. Currently, 95% of Medica’s long-term care facilities in France (in the Group's consolidation scope for more than two years) are NF Service certified.

(3) ANESM: National agency for evaluating the quality of institutions providing social and medico-social services

2. Consolidated financial statements

2.1. Condensed income statement

In millions of euros	6 month period		
	30.06.2013	30.06.2012*	*Change*
Revenue	**381.5**	**349.0**	***9.3%***
Purchases used in the business	(20.8)	(18.1)	*14.9%*
External charges (before rental expense)	(62.9)	(62.7)	*0.3%*
Income and other taxes	(19.5)	(17.0)	*14.7%*
Employee benefits expense*	(174.5)	(160.0)	*9.1%*
Other operating expenses	(1.7)	(0.8)	*na*
Other operating income	2.5	1.0	*na*
EBITDAR*	**104.5**	**91.5**	***14.2%***
Rental expense	(40.8)	(34.7)	*17.6%*
EBITDA*	**63.7**	**56.8**	***12.2%***
Amortisation and depreciation expense	(13.8)	(13.4)	*3.0%*
Impairment losses and provisions	(0.9)	1.30	*na*
EBIT*	**48.9**	**44.7**	***9.4%***
Non-recurring operating expenses	(15.6)	(33.5)	*(53.4%)*
Non-recurring operating income	18.5	38.6	*(52.0%)*
Non-current operating profit	**2.9**	**5.1**	***(43.1%)***
Operating profit*	**51.8**	**49.8**	***4.0%***
Profit/(loss) from associates	2.2	0.07	*na*
Operating profit after profit or losses from associates	**54.0**	**49.9**	***8.2%***
Financial expense*	(10.8)	(9.9)	*9.1%*
Financial income	0.4	0.4	*na*
Financial result*	**(10.4)**	**(9.4)**	***9.5%***
Profit/(loss) before tax	**43.7**	**40.4**	***7.9%***
Income tax expense or benefit*	(15.5)	(16.1)	*(3.7%)*
Tax rate	0.38	0.40	*(6.3%)*
Profit/(loss) after tax*	**28.1**	**24.3**	***15.6%***
Net profit/(loss)*	**28.1**	**24.3**	***15.6%***
Attributable to equity holders of the parent*	28.0	24.3	*15.2 %*
Attributable to minority interests	0.2	(0.0)	*na*

** see Note 2.4 to the condensed interim financial statements as of 30 June 2013*

2.2. Revenue

The Medica Group generated €381.5 million in consolidated revenue in the first half of 2013, up 9.3% compared to the first half of 2012 (+7.5% organically). Growth was particularly strong in France, with revenue of €342.1 million and organic growth of 8.1%.

Revenue by business segment - in millions of euros	2013 (6 months)	2012 (6 months)	Overall Change	Organic Growth
France	**342.1**	**310.5**	+10.2%	**+8.1%**
% of revenue	89.7%	89.0%		
Long-term care	**248.0**	**221.0**	+12.2%	**+10.2%**
% of revenue	65.0%	63.3%		
Post-acute and psychiatric care	**94.2**	**89.5**	+5.2%	**+3.1%**
% of revenue	24.7%	25.6%		
Italy	**39.4**	**38.4**	+2.6%	**+2.6%**
% of revenue	10.3%	11.0%		
TOTAL	**381.5**	**349.0**	+9.3%	**+7.5%**

The **long-term care sector in France** again recorded strong growth with revenue of €248.0 million, representing a rise of 12.2%. In addition to the ramp-up of facilities opened in 2011 and 2012, the 10.2% organic growth bears out MEDICA's choice of geographic locations and the regular investments made in improving its facilities.

The revenue of the **post-acute and psychiatric sector in France** came to €94.2 million, up 5.2% compared with the first half of 2012. Medica is continuing its diversification strategy in home care, which should help boost revenue growth in the medium-term.

In **Italy**, revenue growth has accelerated since the beginning of 2013. Revenue totalled €39.4 million, representing a rise of 2.6% (+4.2% in Q2 alone).

2.3. EBITDAR (EBITDA excluding property costs or Gross Operating Profit excluding property costs)

EBITDAR amounted to €104.5 million for the first six months of 2013, a 14.2% increase compared to the same period in 2012. It represented 27.4% of revenue, versus 26.2% for the first half of 2012.

By sector, EBITDAR changed as follows:

In millions of euros	6 month period		
EBITDAR	**30/06/2013**	**30/06/2012***	**Change**
Long-term care *	**68.4**	**57.0**	11.4
% of revenue from the sector	*27.6%*	*25.8%*	20.0%
Post-acute and psychiatric care *	**26.4**	**25.1**	1.3
% of revenue from the sector	*28.0%*	*28.0%*	5.0%
Italy	**9.8**	**9.4**	0.4
% of revenue from the sector	*24.8%*	*24.6%*	3.5%
Total EBITDAR	**104.5**	**91.5**	**13.0**
Total % of revenue	*27.4%*	*26.2%*	14.2%

** see Note 2.4 to the condensed interim financial statements as of 30 June 2013*

EBITDAR for the long-term care sector in France rose by 20.0%, from €57 million as of 30 June 2012 to €68.4 million as of 30 June 2013.
Profitability from the long-term care sector in France was maintained at last year's level, despite the integration of 606 beds created during the first half of 2013.

EBITDAR for the post-acute and psychiatric care sector matched the rise in revenue, increasing by 5.2% to €26.4 million as of 30 June 2013, compared to €25.1 million at 30 June 2012. EBITDAR margin remained at 28.0% of revenue as of 30 June 2013, the same level as that recorded on 30 June 2012.

EBITDAR from the Italian sector increased by 4.3%, with a margin rising from 24.6% of revenue as of 30 June 2012 to 24.8% as of 30 June 2013.

2.4. EBITDA (or Gross Operating Profit) and recurring operating profit

EBITDA came to €63.7 million as of 30 June 2013, compared to €56.8 million as of 30 June 2012. This increase of more than 12% comes from a rise in EBITDAR over the period of more than 14%. As a percentage of revenue, EBITDAR margin represented 27.4% of revenue, compared to 26.2% as of 30 June 2012.
Employee benefits expenses rose by 9.1% over the period, representing 45.7% of the group's total revenue as of 30 June 2013, versus 45.8% as of 30 June 2012. Personnel costs in France benefited from a tax credit known as 'CICE' (tax credit for encouraging competitiveness and jobs).
Thanks to tight control of costs, external charges (excluding rental expenses) decreased relative to consolidated revenue, falling from 18.0% to 16.5% of revenue at 30 June 2013.
Rental charges increased from €34.7 million as of 30 June 2012 to €40.8 million as of 30 June 2013. This change is the result of effects from changes in scope and new facility openings. Current operating profit amounted to €48.9 million, a 9.4% increase compared to the first half of 2012.

2.5. Non-recurring operating income and expenses

Other operating expenses totalled €15.6 million, including mainly:

- The cost of fixed asset sales (€6.6 million);
- Restructuring costs (€2.5 million).

Other operating income amounted to €18.5 million, including mainly:

- Income from fixed asset sales (€8.6 million);
- Business combinations (€3.4 million).

2.6. Financial result

Net finance costs came to €10.4 million as of 30 June 2013, compared to €9.4 million as of 30 June 2012, a rise of €0.9 million.

2.7. Financial structure

The group's consolidated equity totalled €683.2 million as of 30 June 2013 compared to €675.5 million as of 31 December 2012, while net debt rose from €448.4 million as of 31 December 2012 to €465.2 million as of 30 June 2013. Net debt increased during the first half of 2013, primarily due to the group's development policy. Net cash flow from investment activities amounted to €21.9 million. Investment spending was mainly directed towards property, linked to the creation of new facilities.

3. Significant events since 1 July 2013 and Group outlook

- On 29 July 2013, Medica announced the signing of an agreement[4] to acquire 100% of the capital of Senior Living Group (SLG), a company specialising in long-term care in Belgium.

Strategic acquisition in Belgium

SLG was founded in 2004 by the investment firm Waterland, with the mission of creating a leading player in the fragmented Belgian market of long-term care. SLG is the leading private provider of long-term care in Belgium, operating 5,481 beds across 47 facilities, mainly in Flanders. The company generated revenue of €183 million in the 2012 financial year and employs more than 3,000 people. SLG's revenue for 2013 will amount to at least €200 million.

A major step forward in European growth

This acquisition, combined with Medica's strong domestic position and successful establishment in Northern Italy, represents a major step forward in the croup's growth in Europe. Belgium was chosen for its favourable market fundamentals in terms of demographics, solvency and barriers to entry. All of these criteria are consistent with Medica's investment policy. Following this acquisition, the network operated by Medica will comprise 22,613 beds, including around one-third outside France.

Increased organic growth potential

This acquisition also increases Medica's organic growth potential. As SLG has a portfolio of 1,256 beds to be built, when the transaction is completed Medica's portfolio will increase to 3,537 beds being restructured or built.

	TOTAL	France(5)	Belgium	Italy(5)
Beds in operation	**22,613**	**15,027**	**5,481**(6)	**2,105**
Of which beds being restructured	**1,666**	**1,666**	-	-
Beds being built	**1,871**	**615**	**1,256**(5)	-

(4) Memorandum of understanding signed under the usual conditions precedent.

(5) as of 30 June 2013

(6) as of 31 March 2013

An accretive transaction

This 100%-cash transaction was optimally financed thanks to the quality of Medica's financial structure. Given SLG's operating profitability and the optimal financing conditions, this operation should be accretive for Medica's shareholders as early as 2014, the first full year of SLG's consolidation. The transaction is expected to be finalised during Q3 2013.

This strategic acquisition marks a major step in expanding Medica's operations in Europe. The Belgian market offers good operating conditions and strong growth prospects, and SLG is an outstanding operator. This operation benefits from the Medica Group's good financing structure and is fully in line with its growth strategy aimed at creating value.

- At 31 August 2013, the group also purchased a forward cap with a notional value of €100 million expiring on 31/12/2015, two forward caps with notional values of €150 million expiring on 30 June 2016 and a forward swap with a notional value of €70 million expiring on 31 July 2017.

4. Main risk factors

The Group does not foresee any risks other than those identified in section 5 "Risk Factors" of the 2012 Registration Document filed with the Autorité des Marchés Financiers on 18 April 2013 under number D.13-0383.
There was no significant change in these risk factors in the first half of 2013.

5. Main related-party transactions

Information on related-party transactions pertaining to the half-year ended 30 June 2013 is displayed in Note 4.19 of the notes to the condensed interim financial statements on page 43 of this Interim Financial Report.
There has been no significant change since the information disclosed in Chapter 24 "Related-Party Transactions" of the 2012 Registration Document.

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Condensed interim consolidated financial statements as of 30 June 2013

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1. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2013	30/06/2012 restated*
Revenue		**381,499**	**348,984**
Purchases used in the business		(20,846)	(18,058)
External charges	4.12	(103,656)	(97,364)
Income and other taxes		(19,520)	(16,991)
Employee benefits expense*	4.13	(174,519)	(159,962)
Other operating expenses		(1,724)	(835)
Other operating income		2,446	1,036
EBITDA		**63,680**	**56,811**
Amortisation and depreciation expense		(13,839)	(13,422)
Impairment losses and provisions		(926)	1,265
EBIT		**48,915**	**44,654**
Gain/(loss) on disposal of available-for-sale financial assets		0	0
Non-recurring operating expenses	4.14	(15,622)	(33,504)
Non-recurring operating income	4.14	18,526	38,652
Operating profit		**51,820**	**49,802**
Profit/(loss) from associates		2,228	66
Operating profit after profit or losses from associates		**54,049**	**49,868**
Financial expense*	4.15	(10,820)	(9,870)
Financial income	4.15	446	428
Financial result		**(10,374)**	**(9,442)**
Profit/(loss) before tax		**43,675**	**40,426**
Income tax expense or benefit*	4.16	(15,542)	(16,118)
Profit/(loss) after tax		**28,133**	**24,308**
TOTAL NET PROFIT/(LOSS)		**28,133**	**24,308**
Attributable to equity holders of the parent	4.17	27,978	24,332
Attributable to minority interests		155	(24)
Average number of shares outstanding		47,765,578	47,750,600
Earnings per share (in euros)		0.59	0.51
Group diluted net earnings per share (in euros)		0.59	0.51

* *see Note 2.4*

2. COMPREHENSIVE INCOME STATEMENT

In thousands of euros	30/06/2013	30/06/2012 restated*	31/12/2012 restated*
Net profit/(loss)	**28,133**	**24,308**	**46,509**
Other items of comprehensive income that can be reclassified to profit or loss:			
Change in fair value of financial instruments net of tax	3,101	(2,067)	(2,090)
Other items of comprehensive income that cannot be reclassified to profit or loss:			
Actuarial gain or loss on employee benefit obligations net of tax*	(49)	1,498	1,365
Total gains and losses recognised directly in equity	3,052	(569)	(725)
COMPREHENSIVE INCOME	**31,185**	**23,739**	**45,784**
Attributable to equity holders of the parent	31,030	23,763	45,569
Attributable to minority interests	155	(24)	215

** see Note 2.4*

3. STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Notes	30/06/2013	31/12/2012
ASSETS			
Goodwill	4.1	427,941	424,596
Intangible assets	4.2	680,153	675,596
Property, plant and equipment	4.3	422,893	412,800
Shares in associates		0	2,259
Other financial assets	4.4	19,509	20,788
Available-for-sale financial assets		342	342
Deferred tax assets	4.16	834	3,251
Other non-current assets		570	25
Derivative financial instruments	4.5	615	0
TOTAL NON-CURRENT ASSETS		**1,552,856**	**1,539,657**
Inventory and work-in-progress		2,659	2,616
Trade receivables	4.6	46,731	46,170
Tax assets		9,191	6,070
Other receivables	4.6	58,589	39,240
Other current assets		2,287	8,752
Cash and cash equivalents	4.7	140,245	236,823
TOTAL CURRENT ASSETS		**259,701**	**339,671**
Total non-current assets and Group assets held for sale	4.8	12,170	13,681
TOTAL ASSETS		**1,824,727**	**1,893,009**

(in thousands of euros)	Notes	30/06/2013	31/12/2012 restated*
LIABILITIES			
Share capital		18,653	18,653
Additional paid-in capital		482,493	488,152
Treasury shares		(2,344)	(1,575)
Other reserves		0	0
Net profit attributable to equity holders of the parent*		27,978	46,294
Retained earnings*		149,407	117,528
Total equity attributable to equity holders of the parent		**676,187**	**669,053**
Profit attributable to minority interests		155	215
Retained earnings attributable to minority interests		6,857	6,232
TOTAL EQUITY		**683,199**	**675,500**
Long-term debt	4.10	510,621	661,989
Employee benefit obligations*		6,454	6,125
Shares in associates		0	0
Other provisions	4.9	10,590	11,881
Deferred tax assets*	4.16	246,886	246,544
Other non-current liabilities		29,235	28,357
TOTAL NON-CURRENT LIABILITIES		**803,785**	**954,895**
Long-term debt	4.10	94,843	23,188
Employee benefit obligations*		447	447
Trade payables	4.11	59,496	77,365
Other payables	4.11	147,754	125,057
Other provisions		379	379
Derivative financial instruments	4.5	5,805	10,673
Tax Liabilities		16,848	11,823
TOTAL CURRENT LIABILITIES		**325,572**	**248,932**
Total liabilities associated with an asset Group held for sale	4.8	12,170	13,681
TOTAL LIABILITIES		**1,824,727**	**1,893,009**

** see Note 2.4*

4. CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	30/06/2013	30/06/2012 restated*	31/12/2012 restated*
Net profit/(loss)		28,133	24,308	46,509
Adjustment for profit or losses from associates		(2,228)	(66)	(132)
Adjustment for depreciation, amortisation, impairment losses and provisions*		9,284	11,555	21,125
Adjustment for revaluation profits/losses (fair value)*		(752)	(499)	(986)
Adjustment for gains or losses on disposal and dilution		2,082	(11,027)	(10,166)
Adjustment for dividend income		(3)	(2)	(15)
Cash flow after cost of net debt and tax		**36,515**	**24,269**	**56,335**
Adjustment for security acquisition costs		131	358	524
Adjustment for IPO costs		-	-	-
Adjustment for tax expense/(benefit)*	4.16	15,542	16,118	32,145
Adjustment for net finance costs		10,093	9,001	18,676
Cash flow before cost of net financial debt and tax		**62,281**	**49,746**	**107,680**
Change in working capital requirements	4.20	(29,782)	(7,166)	22,798
Income tax paid		(15,398)	(17,382)	(20,104)
Net cash from operating activities		**17,101**	**25,198**	**110,373**
Impact of changes in scope of consolidation	5.2	(6,555)	(5,381)	5,981
Additions to property, plant and equipment	4.20	(24,472)	(56,494)	(109,567)
Additions of intangible assets		221	(3,963)	(15,230)
Acquisition of financial assets		-	-	-
(Increase)/decrease in loans and advances		1,199	460	(1,751)
Proceeds from disposals of property, plant and equipment and intangible assets		7,338	30,994	56,623
Disposals of financial assets		10	785	787
Dividend income		363	133	146
Net cash used in investing activities		**(21,896)**	**(33,466)**	**(63,010)**
Capital increase		50	-	-
Treasury shares		(769)	(223)	353
Issuance of debt		49,625	-	119,263
Repayment of debt		(134,503)	(7,718)	(28,760)
Net interest paid		(10,703)	(8,608)	(16,672)
Dividends paid to shareholders		-	-	(12,412)
Dividends paid to minority shareholders of subsidiaries		(6)	-	(173)
Net cash from (used in) financing activities		**(96,306)**	**(16,549)**	**61,600**
CHANGE IN CASH & EQUIVALENTS		(101,100)	(24,817)	108,962
Opening cash position		235,795	126,833	126,833
Closing cash position	4.7	134,695	102,016	235,795
Change in cash & equivalents		**(101,100)**	**(24,817)**	**108,962**

** see Note 2.4*

5. Statement of changes in consolidated equity

(in thousands of euros)	No. of shares	Share capital	Additional paid-in capital	Consolidated reserves*	Consolidated profit/(loss)*	TOTAL*	Attributable to equity holders of the parent*	Attributable to minority interests
Equity as of 31/12/2011 restated*	**47,904,187**	**18,653**	**490,852**	**89,155**	**41,958**	**640,617**	**636,349**	**4,269**
Appropriation of net profit/(loss) for the previous period restated*				**41,958**	**(41,958)**	**0**		
Capital increase						0		
Dividends paid			(2,701)	(9,883)		(12,585)	(12,412)	(173)
Conversion of preferred shares								
Conversion of convertible bonds								
Equity instrument transaction fees								
Treasury shares				353		353	353	
Equity component of bond issue								
Transactions with owners			**(2,701)**	**(9,530)**		**(12,232)**	**(12,059)**	**(173)**
Comprehensive income for the period restated*				**(725)**	**46,509**	**45,784**	**45,569**	**215**
Other				1,330		1,330	(806)	2,136
Equity as of 31/12/2012 restated*	**47,904,187**	**18,653**	**488,152**	**122,187**	**46,509**	**675,500**	**669,053**	**6,447**

(in thousands of euros)	No. of shares	Share capital	Additional paid-in capital	Consolidated reserves*	Consolidated profit/(loss)*	TOTAL*	Attributable to equity holders of the parent*	Attributable to minority interests
Equity as of 31/12/2012 restated*	**47,904,187**	**18,653**	**488,152**	**122,187**	**46,509**	**675,500**	**669,053**	**6,447**
Appropriation of net profit/(loss) for the previous period restated*				**46,509**	**(46,509)**	**0**		
Capital increase						0		
Dividends paid			(5,659)	(17,262)		(22,920)	(22,915)	(6)
Conversion of preferred shares						0		
Conversion of convertible bonds						0		
Equity instrument transaction fees						0		
Treasury shares				(769)		(769)	(769)	
Equity component of bond issue						0		
Transactions with owners			**(5,659)**	**(18,031)**	**0**	**(23,690)**	**(23,684)**	**(6)**
Comprehensive income for the period				**3,052**	**28,133**	**31,185**	**31,030**	**155**
Other				205		205	(211)	416
Equity as of 30/06/2013	**47,904,187**	**18,653**	**482,493**	**153,921**	**28,133**	**683,199**	**676,187**	**7,012**

** see Note 2.4*

The parent company paid out a total of €23.0 million to shareholders, equal to €0.48 per share.

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MEDICA SA ("the Company") and its subsidiaries ("the MEDICA group") operate long-term care facilities and short-term medical care facilities for people of all ages.

As of 30 June 2013, the Group operates in France and in Italy, in two business sectors:

- The **long-term care sector, France and Italy**: nursing and residential care homes for the elderly, providing long-term care for the dependent elderly; and
- The **post-acute and psychiatric care sector**: post-operative care and rehabilitation services, including physical medicine, as well as facilities specialised in psychiatric services, to provide short-term dependency care.

MEDICA SA is the holding company of the MEDICA group, a French company, headquartered at 39 rue du Gouverneur Général Félix Eboué, Issy-les-Moulineaux (92).

These condensed interim consolidated financial statements were approved by the Board of Directors on 9 September 2013.

1. SIGNIFICANT EVENTS DURING THE PERIOD

- ***Growth of the business***

The Medica group, a leading player in the long-term and short-term dependency care market, recorded a steady increase in its business during the first half of 2013 in both of its business sectors, with a 9.3% rise in revenue and robust organic growth of 7.5%.

As of 30 June 2013, Medica had a portfolio of 17,132 beds in operation at 226 facilities:

- Long term care, France: 12,410 beds and 161 facilities
- Post-acute and psychiatric care, France: 2,617 beds and 38 facilities
- Italy: 2,105 beds and 27 facilities

In addition to the 17,132 beds in operation, the Medica Group has a portfolio of 2,281 beds to be built or restructured.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1. GENERAL PRINCIPLES

As required by European Council regulation no. 1606/2002 of 19 July 2002, the consolidated financial statements of the Medica Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed interim consolidated financial statements as of 30 June 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting", which allows for the presentation of a selection of notes to the financial statements. These financial statements do not include all of the financial information required by IFRS and should be read in relation to the last consolidated full-year financial statements as of 31 December 2012.

2.2. NEW STANDARDS AND INTERPRETATIONS ADOPTED

The primary accounting policies and methods used by the Medica Group to prepare the condensed interim consolidated financial statements are the same as those used to prepare the 2012 consolidated financial statements, with the exception of income tax, which undergoes an evaluation in accordance with IAS 34. The new standards and interpretations mandatory for periods beginning on or after 1 January 2013 have been applied by the Group and did not, in the main, impact the financial statements as of 30 June 2013. The impact of the application of IAS 19 (revised) is detailed in section 2.4.

Standards, amendments or interpretations	Dates published in the OJUE	Application dates: periods beginning on or after
Amendments to IAS 1 "Presentation of other items of comprehensive income"	6 June 2012	1 July 2012
IFRS 13 "Fair Value Measurement"	29 December 2012	1 January 2013
Amendments to IFRS 1 "Severe Hyperinflation - Elimination of the Firm Application Dates for First-Time Adoption"	29 December 2012	1 July 2011
Amendments to IFRS 1 "Government loans"	5 March 2013	1 January 2013
Amendments to IFRS 7 "Additional Information: Off-Setting Financial Assets and Liabilities"	29 December 2012	1 January 2013
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	29 December 2012	1 January 2012
Amendments to IAS 19 "Employee Benefits"	6 June 2012	1 January 2013
Annual improvements to IFRS - 2009-2011 Cycle	28 March 2013	1 January 2013
IFRIC 20 Interpretation "Stripping Costs in the Production Phase of a Surface Mine"	29 December 2012	1 January 2013
IFRS 10 "Consolidated Financial Statements"	29 December 2012	1 January 2014
IFRS 11 "Joint Arrangements"	29 December 2012	1 January 2014
IFRS 12 "Disclosure of Interests in Other Entities"	29 December 2012	1 January 2014
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Transitional Provisions"	5 April 2013	1 January 2014
Amendments to IAS 27 "Separate Financial Statements"	29 December 2012	1 January 2014
Amendments to IAS 28 "Investments in Associates and Joint Ventures"	29 December 2012	1 January 2014
Amendments to IAS 32 "Off-Setting Financial Assets and Liabilities"	29 December 2012	1 January 2014

Accounting standards, interpretations or amendments not yet adopted by the European Union as of 30 June 2013

STANDARDS, AMENDMENTS OR INTERPRETATIONS	Dates published by the IASB	Application dates: periods beginning on or after
Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment entities"	18 February 2013	1 January 2014
IFRIC 21 "Levies Charged by Public Authorities"	20 May 2013	1 January 2014
IFRS 9 "Financial Instruments - Phase 1: Classification and Measurement"	12 November 2009, 28 October 2010 and 16 December 2011	1 January 2015

The Medica Group is currently analysing these new standards. It does not expect their adoption to have any significant impact on the consolidated financial statements.

2.3. USE OF ESTIMATES

The preparation of financial statements implies that the Group's management carries out estimates and uses certain assumptions which have an impact on the carrying amounts of certain assets and liabilities, income and expenses together with the data provided in the notes.

The Group's management revises these estimates and assumptions on a regular basis in order to ensure their relevance with respect to past experience and the current economic context. Depending on the change in these assumptions, items in future financial statements may be different from current estimates. The impact of changes in accounting estimates is recognised in the period of the change and all future periods affected.

Furthermore, in addition to the use of estimates, management uses its discretion to determine the appropriate accounting treatment for certain transactions, pending the clarification of certain IFRS standards or when the applicable standards do not deal with the relevant issues.

The main estimates made by management in preparing the financial statements involve the measurement of assets, particularly operating permits, impairment testing and assumptions used to calculate the Group's employee benefit obligation.

2.4. Application of IAS 19 (revised) - Reconciliation between the published financial statements of 30 June 2012 and 31 December 2012 and those presented for comparative purposes

The introduction of the revised version of IAS 19 on 1 January 2013 led to a change in the recognition of retirement benefits in the Medica Group's consolidated financial statements. Under IAS8, this change of method has to be applied retrospectively in order to allow comparison of financial statements between the different reporting years. The impacts are the following:

Change in share capital:

(In thousands of euros)	Number of shares	Share Capital	Additional paid-in capital	Consolidated reserves	Consolidated profit/(loss)	TOTAL	Attributable to equity holders of the parent	Attributable to minority interests
Equity as of 31/12/2011 published	**47,904,187**	**18,653**	**490,852**	**89,125**	**42,007**	**640,638**	**636,369**	**4,269**
IAS 19 adjustment				**45**	**(76)**	**(30)**	**(30)**	
IAS 19 adjustment after deferred tax				**(16)**	**26**	**10**	**10**	
Equity as of 31/12/2011 Restated	**47,904,187**	**18,653**	**490,852**	**89,155**	**41,958**	**640,617**	**636,349**	**4,269**
Appropriation of net profit/(loss) for the previous period				**41,958**	**(41,958)**	**0**		
Dividends paid			(2,701)	(9,883)		(12,585)	(12,412)	(173)
Treasury shares				353		353	353	
Transactions with owners			**(2,701)**	**(9,530)**		**(12,232)**	**(12,059)**	**(173)**
Comprehensive income for the period				**(2,090)**	**46,527**	**44,437**	**44,222**	**215**
Other				1,330		1,330	(806)	2,136
Equity as of 31/12/2012	**47,904,187**	**18,653**	**488,152**	**120,823**	**46,527**	**674,151**	**667,705**	**6,447**
IAS 19 adjustment				**2,081**	**(27)**	**2,054**	**2,054**	
IAS 19 adjustment after deferred tax				**(717)**	**9**	**(707)**	**(707)**	
Equity as of 31/12/2012 Restated	**47,904,187**	**18,653**	**488,152**	**122,187**	**46,509**	**675,500**	**669,052**	**6,447**

Consolidated income statement 31 December 2012:

(in thousands of euros)	31/12/2012 Restated	Adjustment	31/12/2012 Published
Revenue	**718,588**		**718,588**
Purchases used in the business	(37,545)		(37,545)
External charges	(201,248)		(201,248)
Income and other taxes	(36,194)		(36,194)
Employee benefits expense	(329,379)	(19)	(329,360)
Other operating expenses	(2,344)		(2,344)
Other operating income	6,669		6,669
EBITDA	**118,548**	**(19)**	**118,567**
Amortisation and depreciation expense	(25,329)		(25,329)
Impairment losses and provisions	(2,182)		(2,182)
EBIT	**91,036**	**(19)**	**91,055**
Gain/(loss) on disposal of available-for-sale financial assets	0		0
Non-recurring operating expenses	(74,778)		(74,778)
Non-recurring operating income	81,591		81,591
Operating profit	**97,849**	**(19)**	**97,868**
Profit/(loss) from associates	132		132
Operating profit after profit or losses from associates	**97,981**	**(19)**	**98,000**
Financial expense	(20,171)	(8)	(20,163)
Financial income	844		844
Financial result	**(19,328)**	**(8)**	**(19,320)**
Profit/(loss) before tax	**78,653**	**(27)**	**78,680**
Income tax expense or benefit	(32,145)	9	(32,154)
Profit/(loss) after tax	**46,509**	**(18)**	**46,526**
TOTAL NET PROFIT/(LOSS)	**46,509**	**(18)**	**46,526**
Attributable to equity holders of the parent	46,294	(18)	46,312
Attributable to minority interests	215		215
Average number of shares outstanding	47,762,058		47,762,058
Earnings per share (in euros)	0.97		0.97
Group diluted net earnings per share (in euros)	0.97		0.97

In thousands of euros	31/12/2012 Restated	Adjustment	31/12/2012 Published
Net profit/(loss)	**46,509**	**(18)**	**46,526**
Other items of comprehensive income that can be reclassified to profit or loss:			
Change in fair value of financial instruments net of tax	(2,090)		(2,090)
Other items of comprehensive income that cannot be reclassified to profit or loss:			
Actuarial gain or loss on employee benefit obligations net of tax	1,365	1,365	0
Total other items of comprehensive income	**(725)**	**1,365**	**(2,090)**
COMPREHENSIVE INCOME	**45,784**	**1,347**	**44,436**
Attributable to equity holders of the parent	45,569	1,347	44,222
Attributable to minority interests	215		215

Consolidated income statement 30 June 2012:

(in thousands of euros)	30/06/2012 Restated	Adjustment	30/06/2012 Published
Revenue	**348,984**		**348,984**
Purchases used in the business	(18,058)		(18,058)
External charges	(97,364)		(97,364)
Income and other taxes	(16,991)		(16,991)
Employee benefits expense	(159,962)	233	(160,195)
Other operating expenses	(835)		(835)
Other operating income	1,036		1,036
EBITDA	**56,811**	**233**	**56,578**
Amortisation and depreciation expense	(13,422)		(13,422)
Impairment losses and provisions	1,265		1,265
EBIT	**44,654**	**233**	**44,421**
Gain/(loss) on disposal of available-for-sale financial assets	0		0
Non-recurring operating expenses	(33,504)		(33,504)
Non-recurring operating income	38,652		38,652
Operating profit	**49,802**	**233**	**49,569**
Profit/(loss) from associates	66		66
Operating profit after profit or losses from associates	**49,868**	**233**	**49,635**
Financial expense	(9,870)	42	(9,912)
Financial income	428		428
Financial result	**(9,442)**	**42**	**(9,484)**
Profit/(loss) before tax	**40,426**	**275**	**40,151**
Income tax expense or benefit	(16,118)	(95)	(16,023)
Profit/(loss) after tax	**24,308**	**180**	**24,128**
TOTAL NET PROFIT/(LOSS)	**24,308**	**180**	**24,128**
Attributable to equity holders of the parent	24,332	180	24,152
Attributable to minority interests	(24)		(24)
Average number of shares outstanding	47,750,600		47,750,600
Earnings per share (in euros)	0.51		0.51
Group diluted net earnings per share (in euros)	0.51		0.51

In thousands of euros	30/06/2012 Restated	Adjustment	30/06/2012 Published
Net profit/(loss)	**24,308**	**180**	**24,128**
Other items of comprehensive income that can be reclassified to profit or loss:			
Change in fair value of financial instruments net of tax	(2,067)		(2,067)
Other items of comprehensive income that cannot be reclassified to profit or loss:			
Actuarial gain or loss on employee benefit obligations net of tax	1,498	1,498	0
Total other items of comprehensive income	**(569)**	**1,498**	**(2,067)**
COMPREHENSIVE INCOME	**23,739**	**1,678**	**22,061**
Attributable to equity holders of the parent	23,763	1,678	22,085
Attributable to minority interests	(24)		(24)

Liabilities 31 December 2012:

(in thousands of euros)	**31/12/2012 Restated**	**Adjustment**	**31/12/2012 Published**
LIABILITIES			
Share capital	18,653		18,653
Additional paid-in capital	488,152		488,152
Treasury shares	(1,575)		(1,575)
Other reserves	0		0
Net profit attributable to equity holders of the paren	46,294	(18)	46,312
Retained earnings	117,528	1,345	116,183
Total equity attributable to equity holders of the par	**669,053**	**1,327**	**667,726**
Profit attributable to minority interests	215		215
Retained earnings attributable to minority interests	6,232		6,232
TOTAL EQUITY	**675,500**	**1,327**	**674,173**
Long-term debt	661,989		661,989
Employee benefit obligations	6,125	(2,024)	8,149
Shares in associates	0		0
Other provisions	11,881		11,881
Deferred tax assets	246,544	697	245,847
Derivative financial instruments	0		0
Other non-current liabilities	28,357		28,357
TOTAL NON-CURRENT LIABILITIES	**954,895**	**(1,327)**	**956,222**
Long-term debt	23,188		23,188
Employee benefit obligations	447		447
Trade payables	77,365		77,365
Other payables	125,057		125,057
Other provisions	379		379
Derivative financial instruments	10,673		10,673
Tax Liabilities	11,823		11,823
TOTAL CURRENT LIABILITIES	**248,932**	**0**	**248,932**
Total liabilities associated with an asset Group held for sale	13,681		13,681
TOTAL LIABILITIES	**1,893,009**	**0**	**1,893,009**

3. Operating segments

The information provided is based on the Group's internal reporting, namely:

- Long-term care comprises nursing and residential care homes for the elderly;
- Post-acute and psychiatric care comprises short-term post-operative and rehabilitation care, as well as psychiatric services;
- Italy comprises facilities providing dependency care in Italy.

(in thousands of euros)	30/06/2013	30/06/2012*
Revenue		
Long-term care	247,959	221,080
Post-acute and psychiatric care	94,188	89,505
Italy	39,351	38,399
Total	**381,499**	**348,984**
EBITDAR (EBITDA excl. rental expenses)		
Long-term care *	68,369	56,973
Post-acute and psychiatric care *	26,351	25,098
Italy	9,761	9,430
Total EBITDAR	**104,481**	**91,501**
Rental expense	**(40,799)**	**(34,690)**
EBITDA*	**63,680**	**56,811**

* *see Note 2.4*

EBITDAR corresponds to EBITDA before rental expenses.

(in thousands of euros)	30/06/2013	31/12/2012
Assets		
Long-term care	1,211,361	1,271,520
Post-acute and psychiatric care	467,924	479,516
Italy	145,441	141,973
Total	**1,824,727**	**1,893,009**

4. Notes to the financial statements as of 30 June 2013

4.1. Goodwill

The main movements for the period can be analysed as follows:

(in thousands of euros)	Long-term care	Post-acute and psychiatric care	Italy	TOTAL
Net goodwill as of 31/12/2012	**278,431**	**109,532**	**36,633**	**424,596**
Business combinations	3,345			3,345
Contingent consideration				-
NET GOODWILL AS OF 30/06/2013	**281,776**	**109,532**	**36,633**	**427,941**

Goodwill from companies acquired during the period has been determined provisionally. It will be finalised within the 12-month fair value measurement period. As there was no evidence of impairment in any of the business segments, the Group did not perform any impairment tests.

4.2. Intangible assets

The main movements in intangible assets for the period can be analysed as follows:

(in thousands of euros)	Operating permits	Software	Other intangible assets	Intangible assets in progress	TOTAL
Carrying amount as of 31/12/2012	**665,315**	**3,710**	**2,491**	**4,080**	**675,596**
Changes in scope	5,214	-	-	-	5,214
Acquisitions	-	215	-	360	575
Disposals	-	-	-	-	-
Reclassification	(550)	162	-	(117)	(505)
Amortisation and depreciation expense	-	(647)	(82)	-	(729)
CARRYING AMOUNT AS OF 30/06/2013	**669,979**	**3,441**	**2,409**	**4,324**	**680,153**
Cost of acquisition	669,979	9,907	2,669	4,324	686,879
Accumulated amortisation	-	(6,466)	(260)	-	(6,726)
Carrying amount as of 30/06/2013	**669,979**	**3,441**	**2,409**	**4,324**	**680,153**

As of 30 June 2013, the Group has performed asset impairment tests. Where signs of impairment were identified, impairment tests were carried out. These did not result in any depreciation of operating permits.

4.3. Property, plant and equipment

The main movements for the period can be analysed as follows:

(in thousands of euros)	Land and buildings	Vehicles, equipment and tools	Other property, plant and equipment	Down payments on property, plant and equipment	Property, plant and equipment in progress	TOTAL
Carrying amount as of 31/12/2012	**311,602**	**16,256**	**41,366**	**928**	**42,649**	**412,800**
Changes in scope	836	32	156	-	-	1,024
Acquisitions	4,427	2,320	5,570	-	13,716	26,034
Disposals	(5,061)	(27)	(90)	-	(164)	(5,342)
Reclassification	11,410	403	947	(3)	(11,269)	1,488
Amortisation and depreciation expense	(6,628)	(2,246)	(4,236)	-	-	(13,110)
CARRYING AMOUNT AS OF 30/06/2013	**316,586**	**16,738**	**43,713**	**924**	**44,932**	**422,893**
Cost of acquisition	427,378	50,573	109,273	924	44,933	633,082
Accumulated amortisation	(110,794)	(33,835)	(65,560)	-	-	(210,189)
Carrying amount as of 30/06/2013	**316,586**	**16,738**	**43,713**	**924**	**44,932**	**422,893**

The Group's assets recognised under finance leases are the following:

(in thousands of euros)	30/06/2013	31/12/2012
Land and buildings		
Cost of acquisition	260,534	264,373
Accumulated amortisation	(56,734)	(54,285)
Carrying amount	**203,800**	**210,088**
Vehicles, equipment and tools		
Cost of acquisition	4,375	4,461
Accumulated amortisation	(1,844)	(1,625)
Carrying amount	**2,531**	**2,836**

4.4. Other financial assets

(in thousands of euros)	30/06/2013	31/12/2012
Advances on acquisitions of consolidated securities	51	170
Advance rents	2	2
Security deposits	19,450	20,601
Cash and cash equivalent advances	6	15
OTHER NON-CURRENT FINANCIAL ASSETS	**19,509**	**20,788**

4.5. DERIVATIVE FINANCIAL INSTRUMENTS

Medica's financial liabilities are mainly floating rate and the Group therefore uses derivative financial instruments to hedge against the risk of changes in interest rates.

These derivatives are documented as cash flow hedges in accordance with the provisions of IAS 39.

The change in fair value of the effective portion of the hedges is recognised in equity on each reporting date. The fair value of hedging instruments is calculated as the net present value of estimated future cash flows.

The Group thus documented all of its swaps as hedging instruments for interest rate risk associated with variable rate financial debt.

The swaps have been accounted for as cash flow hedges.

The swap with a nominal value of €100 million expiring in December 2013 was settled in January 2013.

The three caps purchased in June 2011 for a notional value of €500 million expired on 30 June 2013.

(in thousands of euros)			Fair value on the balance sheet				Recognition of changes		
	Notional (in millions of euros)		30/06/2013		31/12/2012		30/06/2013		
Type of contract	30/06/2013	31/12/2012	Assets	Liabilities	Assets	Liabilities	In income	In equity	Cash and cash equivalents
SWAP	450	480	615	5,805		10,673	(623)	4,730	(1,375)
Caps	-	500			-				
DERIVATIVE FINANCIAL INSTRUMENTS	**450**	**980**	**615**	**5,805**	**-**	**10,673**	**(623)**	**4,730**	**(1,375)**

The impact on cash and cash equivalents, in the amount of €1,375,000, corresponds to the equalising payment made in relation to the €100 million swap settled on 30 January 2013 and which expires on 31 December 2013. This equalising payment is amortised over the remainder of the original duration. The impact on net income was -€625,000.

The application of IFRS 13 and the consideration of the counterparty risk in the fair value of derivative instruments generated income of around €3,000 as of 30 June 2013.

4.6. TRADE AND OTHER RECEIVABLES

(in thousands of euros)	30/06/2013	31/12/2012
Trade receivables	49,056	48,676
Impairment provision	(2,325)	(2,506)
Trade receivables - net	**46,731**	**46,170**
Tax and social security receivables	27,735	15,947
Accrued income	2,861	1,606
Advances paid	10,807	7,621
Other receivables	17,185	14,066
Other receivables	**58,589**	**39,240**

The rise in tax and social security receivables came mainly from the CICE tax credit receivable.

4.7. Cash and cash equivalents

(in thousands of euros)	30/06/2013	31/12/2012
Money market funds	6,090	40,595
Pooled cash and debit accounts	134,154	196,228
Cash and cash equivalents	**140,245**	**236,823**
Bank overdrafts and advances	(5,550)	(1,027)
NET CASH AND CASH EQUIVALENTS	**134,695**	**235,795**

Money market funds mainly comprise mutual funds.

4.8. Non-current assets and liabilities or disposal groups held-for-sale

In accordance with IFRS 5, to qualify as a non-current asset held for sale, management must be committed to a plan to sell the asset and have initiated an active programme to locate a buyer. The asset must be actively marketed and the sale should be expected to be completed within no more than one year. Actions required to complete the plan should indicate that it is unlikely that significant changes will be made or that the plan will be withdrawn. As of 30 June 2013, a total amount of almost €12.2 million in non-current assets was classified on the balance sheet as held for sale. The liabilities associated with these assets were reclassified as liabilities held for sale.

4.9. Other non-current provisions

Other non-current provisions are as follows:

(in thousands of euros)	Industrial tribunals	Restructuring	Other	Total
At 31/12/2012	**2,701**	**9**	**9,170**	**11,881**
Increase in provisions	1,101	-	989	2,090
Reversals of amounts not used during the year	(505)	-	(697)	(1,201)
Reversals of amounts used during the year	(874)		(1,442)	(2,316)
Changes in scope	137	-	-	137
Reclassification	-	-	-	-
At 30/06/2013	**2,561**	**9**	**8,021**	**10,590**

4.10. LONG-TERM DEBT

(in thousands of euros)	30/06/2013	31/12/2012
Bank loans	510,300	661,597
Other financial liabilities	321	391
Accrued interest on loans	0	0
TOTAL LONG-TERM DEBT	**510,621**	**661,989**
Bank loans	88,967	20,892
Other financial liabilities	-	-
Accrued interest on loans	325	1,268
Bank overdrafts and advances	5,550	1,027
TOTAL SHORT-TERM DEBT	**94,843**	**23,188**
TOTAL LONG-TERM AND SHORT-TERM DEBT	**605,465**	**685,177**

All borrowings from credit institutions are guaranteed or secured by other collateral.

The Group also has an undrawn credit line of €150 million.

ANALYSIS OF DEBT:

The debt mentioned above can be analysed as follows:

(in thousands of euros)	*Type of rate*	30/06/2013	31/12/2012
Syndicated loans			
Bank loans	Variable rates	332,285	443,732
Bonds	Fixed rates	39,674	
Accrued interest on loans		325	1,268
Other financial liabilities			
Finance leases	Fixed and variable rates	216,619	225,862
Other bank loans	Fixed and variable rates	11,012	13,288
Bank overdrafts and advances		5,550	1,027
TOTAL LONG-TERM AND SHORT-TERM DEBT		**605,465**	**685,177**

As of 30 June 2013, finance leases mainly comprised agreements under the sale and leaseback arrangements entered into in December 2010 and December 2012.

NET FINANCIAL DEBT:

Net debt as defined by the Group corresponds to the total of financial liabilities and bank loans less cash and cash equivalents and financial assets such as cash advances to equity affiliates over which the Group does not exercise control.

(in thousands of euros)	30/06/2013	31/12/2012
Total long-term and short-term debt	605,465	685,177
Cash and cash equivalents	(140,245)	(236,823)
Net debt	**465,220**	**448,354**

BANK RATIOS:

The Group is required to comply with the usual financial covenants for these loans. In the event of non-compliance with one or more conditions, the banks may force the Group to repay some or all of the loan or renegotiate the financing conditions.

The Group must therefore comply with the following financial covenants as of 30 June 2013:

The adjusted leverage ratio* has been set at 4.5 until June 2013 and will gradually decline from then on.

*(Net debt - property debt) / (EBITDA - (6.5% x property debt))

BREAKDOWN OF DEBT BY MATURITY:

The following table shows a breakdown of debt by maturity:

(in thousands of euros)	Less than 1 year	1 to 5 years	More than 5 years	Total
Syndicated bank borrowings and other financial liabilities	71,543	267,872	43,881	383,296
Finance leases	17,750	73,221	125,648	216,619
Bank overdrafts and advances	5,550			5,550
TOTAL LONG-TERM AND SHORT-TERM DEBT	**94,843**	**341,093**	**169,529**	**605,465**

4.11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

All trade payables and other current liabilities are due in less than one year.

(in thousands of euros)	30/06/2013	31/12/2012
Trade payables	**59,496**	**77,365**
Tax and social liabilities	80,486	95,001
Down payments received	8,026	8,408
Amounts payable to suppliers of non-current assets	13,380	11,640
Other current liabilities	41,373	9,139
Prepaid income	4,489	869
Other payables	**147,754**	**125,057**

Amounts payable to suppliers of non-current assets comprise payables relating to construction projects.

"Other current liabilities" are mainly comprised of the dividend distribution decided on by the Combined General Meeting on 25 June 2013, which was paid on 8 July 2013.

4.12. EXTERNAL CHARGES

(in thousands of euros)	30/06/2013	30/06/2012
Temporary staff	(626)	(1,087)
Rental expense	(40,799)	(34,690)
Equipment rental expenses	(3,884)	(3,859)
Maintenance and upkeep	(5,087)	(4,218)
Subcontracting	(30,397)	(31,751)
Purchases not taken to inventory	(10,273)	(7,724)
Other services	(12,589)	(14,035)
EXTERNAL CHARGES	**(103,656)**	**(97,364)**

4.13. EMPLOYEE BENEFITS EXPENSE

(in thousands of euros)	30/06/2013	30/06/2012*
Wages, salaries and termination benefits	(122,607)	(114,050)
Social security charges	(51,745)	(45,921)
Retirement expenses -- defined-benefit plans and long service awards	(167)	9
EMPLOYEE BENEFITS EXPENSE	**(174,519)**	**(159,962)**
Workforce as of 30 June		
France	10,682	9,840
Abroad	147	141
TOTAL WORKFORCE	**10,829**	**9,981**

* *see Note 2.4*

4.14. NON-RECURRING OPERATING INCOME AND EXPENSES

(in thousands of euros)	30/06/2013	30/06/2012
Carrying amount of property, plant and equipment and intangible assets sold	(6,601)	(26,412)
Facility closure/redevelopment	(2,447)	(4,806)
Non-recurring operating expenses	(6,574)	(2,286)
Non-recurring operating expenses	**(15,622)**	**(33,504)**
Business combinations	3,383	-
Proceeds from the sale of property, plant and equipment and intangible assets	8,612	35,935
Previously held equity investments stated at fair value		1,728
Non-recurring operating income	6,532	989
Non-recurring operating income	**18,526**	**38,652**

4.15. FINANCIAL RESULT

	30/06/2013		30/06/2012*	
(in thousands of euros)	Expenses	Income	Expenses	Income
Interest expense on borrowings	(3,292)		(4,433)	
Interest on finance leases	(1,994)		(1,678)	
Income and expense relating to interest-rate hedges	(2,932)		(1,549)	
Impact of amortised cost on borrowings	(1,891)		(1,526)	
COST OF GROSS DEBT	**(10,109)**	**-**	**(9,186)**	**-**
Proceeds from the sale of cash equivalents		15		187
COST OF NET DEBT	**(10,109)**	**15**	**(9,186)**	**187**
Financial component of the cost of employee benefit plans *	(89)		(114)	
Fee on undrawn amounts	(493)		(509)	
Discounting effects	-	317	(21)	
Change in fair value of financial instruments			(2)	
Impairment of financial assets				
Other financial expense	(131)		(37)	
Other financial income		114		241
FINANCE COSTS AND FINANCIAL INCOME	**(712)**	**431**	**(684)**	**241**
FINANCIAL RESULT	**(10,820)**	**446**	**(9,870)**	**428**
NET FINANCE COSTS	**(10,374)**		**(9,442)**	

* *see Note 2.4*

4.16. INCOME TAX EXPENSE

In accordance with IAS 34, the interim income tax expense was recognised by applying the effective tax rate for 2013 to interim accounting income before tax.

- **ANALYSIS OF INCOME TAX EXPENSE**

(in thousands of euros)	30/06/2013	30/06/2012*
Current tax expense	(14,209)	(7,912)
Deferred income tax expense or benefit*	(1,334)	(8,206)
Income tax expense	**(15,542)**	**(16,118)**

* *see Note 2.4*

- **DEFERRED TAX ON THE BALANCE SHEET**

Changes in net deferred taxes are shown below:

(in thousands of euros)	30/06/2013	31/12/2012*
Opening balance*	**(243,293)**	**(228,688)**
Change in scope	(1,784)	(4,622)
Income tax expense recognised in the income statement *	(1,334)	(10,546)
Income tax expense recognised directly in equity or goodwill *	359	563
CLOSING BALANCE	**(246,052)**	**(243,293)**

* *see Note 2.4*

The effective tax rate before profit or losses from associates, including the CVAE expense and taking into account the CICE tax credit, amounted to 37.5% as of 30 June 2013, versus 40.94% as of 31 December 2012.

4.17. EARNINGS PER SHARE

Earnings per share (in euros)	30/06/2013	30/06/2012*
Earnings attributable to equity holders of the parent (in thousands of euros)*	27,978	24,332
Weighted average number of shares	47,765,578	47,750,600
EARNINGS PER SHARE (in euros)*	0.59	0.51

Group diluted net earnings per share (in euros)	30/06/2013	30/06/2012*
Diluted earnings, attributable to equity holders of the parent (in thousands of euros)*	27,978	24,332
Weighted average number of shares	47,765,578	47,750,600
Dilutive impact of bonds	-	-
Dilutive impact of preferred shares in issue	-	-
GROUP DILUTED NET EARNINGS PER SHARE (in euros)*	0.59	0.51

* *see Note 2.4*

4.18. OFF-BALANCE SHEET COMMITMENTS

- **COMMITMENTS UNDER OPERATING LEASE AGREEMENTS INVOLVING OPERATIONAL CARE FACILITIES:**

(not discounted)

(in thousands of euros)	30/06/2013
Less than one year	81,546
Between one and five years	293,064
More than five years	255,403
MINIMUM FUTURE PAYMENTS FOR OPERATING LEASES	630,013

- **COMMITMENTS UNDER OPERATING LEASES FOR CARE FACILITIES UNDER CONSTRUCTION:**

(not discounted)

(in thousands of euros)	30/06/2013
Less than one year	480
Between one and five years	1,918
More than five years	3,237
MINIMUM FUTURE PAYMENTS FOR OPERATING LEASES	5,635

Other off-balance sheet commitments have not changed significantly since 31 December 2012, in particular those relating to:

- Guarantees following debt restructuring;
- Capital expenditure commitments.

4.19. Related-party transactions

There was no material change in the terms of executive compensation.

4.20. Main items of the statement of cash flows

IMPACT OF THE CHANGE IN WORKING CAPITAL REQUIREMENT

in thousands of euros	30/06/2013	30/06/2012
Change in inventories and work in progress	(37)	(79)
Change in trade receivables	(513)	(42)
Change in trade payables	(18,351)	(6,351)
Change in other receivables and payables	(10,882)	(694)
Change in working capital requirements	**(29,782)**	**(7,166)**

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT (BREAKDOWN)

in thousands of euros	30/06/2013	30/06/2012
Acquisitions of property, plant and equipment (see Note 4.3)	(26,034)	(51,019)
Assets acquired via a lease contract	83	762
Capitalisation of borrowing costs (IAS 23)	802	1,109
Change in payables relating to acquisitions of property, plant and equipment	677	(7,346)
Additions to property, plant and equipment	**(24,472)**	**(56,494)**

4.21. Subsequent events

On 29 July 2013, Medica announced the signing of an agreement [1] to acquire 100% of the capital of Senior Living Group (SLG), a company specialising in long-term care in Belgium.
At 31 August 2013, the group also purchased a forward cap with a notional value of €100 million expiring on 31/12/2015, two forward caps with notional values of €150 million expiring on 30 June 2016 and a forward swap with a notional value of €70 million expiring on 31 July 2017.

(1) Memorandum of understanding signed under the usual conditions precedent.

5. Scope of consolidation

5.1. Changes in the scope of consolidation for the period

Taking into account the simplified mergers by way of a full asset and liability transfer which took place during the first half of the year and the acquisitions and constructions of facilities, as of 30/06/2013, the scope of consolidation in addition to the parent company Medica SA, includes 131 fully-consolidated companies (129 facilities as of 31/12/2012) and none company consolidated by the equity method (two as of 31/12/2012).

5.2. Impact of changes in the scope of consolidation on financial information for the period

(in thousands of euros)	Italy	France	Total
ASSETS			
Operating permits	-	5,214	5,214
Intangible assets	-	-	-
Property, plant and equipment	-	1,024	1,024
Shares in associates	-	-	-
Other non-current financial assets	-	(98)	(98)
Available-for-sale financial assets	-	-	-
Deferred tax assets	-	0	0
Other non-current assets	-	-	-
Non-current assets	**-**	**6,140**	**6,140**
Inventories	-	6	6
Trade receivables	-	46	46
Current tax receivables	-	10	10
Other receivables	-	2,364	2,364
Other current assets	-	11	11
Cash and cash equivalents	-	-	-
Current assets	**-**	**2,437**	**2,437**
Net profit/(loss) attributable to equity holders of the parent	-	(129)	(129)
Minority interests	-	-	-
LIABILITIES			
Borrowings	-	52	52
Retirement provisions and other benefits	-	-	-
Other long-term provisions	-	-	-
Deferred tax assets	-	1,784	1,784
Other non-current liabilities	-	266	266
Total non-current liabilities	**-**	**2,103**	**2,103**
Short-term debt		-	-
Other short-term provisions	-	137	137
Trade payables	-	479	479
Other payables	-	507	507
Current tax Liabilities	-	-	-
Derivative financial instruments	-	-	-
Other current liabilities	-	-	-
Total current liabilities	**-**	**1,123**	**1,123**
NET ASSETS (excluding cash and cash equivalents acquired)	**-**	**5,480**	**5,480**
Net goodwill	**-**	**3,345**	**3,345**
Impact of changes in the scope of consolidation on cash and cash equivalents			**0**
Cash and cash equivalents acquired	-	184	184
Cash paid for acquisitions	-	(5,429)	(5,429)
Sale price of consolidated securities	-	49	49
Net cash outflow arising on acquisitions	**-**	**(5,196)**	**(5,196)**
Other cash outflows arising on entries into the scope of consolidation	(2)	(60)	(62)
Impact of changes in the scope of consolidation on cash and cash equivalents	**(2)**	**(5,256)**	**(5,258)**
Impact of changes in cash and cash equivalents from liabilities held for sale	**113**	**(1,411)**	**(1,298)**
Impact of changes in scope of consolidation	**111**	**(6,667)**	**(6,555)**

5.3. SCOPE OF CONSOLIDATION AS OF 30 JUNE 2013

Consolidated companies	Currency	Method	30/06/2013 % control	30/06/2013 % interest
SA MEDICA	€	FC	Parent	-
AETAS S.P.A.	€	FC	100	100
II FAGGIO Srl	€	FC	93.4	93.4
RESIDENZA I PLATANI Srl	€	FC	100	100
CROCE DI MALTA Srl	€	FC	98.02	98.02
LE PALME Srl	€	FC	100	100
GLI OLEANDRI Srl	€	FC	94.29	94.29
CARE SERVICE Srl	€	FC	100	100
IL CILIEGIO Srl	€	FC	70	70
RESIDENZA FORMIGINE Srl	€	FC	75	75
MAGNOLIE Srl	€	FC	100	100
SA MEDICA FRANCE	€	FC	100	100
SAS CLINIQUE DE SANTE MENTALE SOLISANA	€	FC	100	100
SAS CLINIQUE DU VAL DE SEINE	€	FC	99.85	99.85
SARL CLINIQUE LES ALPILLES	€	FC	100	100
SARL CLINIQUE DU MONT VENTOUX	€	FC	100	100
SAS CLINIQUE LES LILAS	€	FC	100	100
SARL CLINIQUE DE SANTE MENTALE DU GOLFE	€	FC	100	100
SAS CLINIQUE ALMA SANTE	€	FC	100	100
SAS CLINIQUE DU CHATEAU DE MORNAY	€	FC	100	100
SAS CLINIQUE SAINTE COLOMBE	€	FC	100	100
SARL CLINIQUE LA CONDAMINE	€	FC	100	100
SARL CLINIQUE DE SANTE MENTALE VILLA BLEUE	€	FC	100	100
SARL CLINIQUE MAISON BLANCHE	€	FC	100	100
SAS CLINIQUE MONTJOY	€	FC	100	100
SAS CLINIQUE DE SANTE MENTALE DE PIETAT	€	FC	100	100
SA CLINIQUE DE SANTE MENTALE SAINT MAURICE	€	FC	100	100
SAS CLINIQUE LA PALOUMERE	€	FC	100	100
SAS CLINIQUE LA VARENNE	€	FC	100	100
SAS CLINIQUE LA ROSERAIE	€	FC	100	100
SARL CLINIQUE LE CLOS DE BEAUREGARD	€	FC	100	100
SAS CLINIQUE DU CHAMBON	€	FC	100	100
SAS CLINIQUE LES BRUYERES	€	FC	100	100
SAS LES JARDINS D'HESTIA	€	FC	99.92	99.92
SARL GMR	€	FC	100	100
SAS AUBERGERIE DE QUINCY	€	FC	91.78	91.78
SAS AUBERGERIE DU 3E AGE	€	FC	91.78	91.78
SARL RESIDENCE DES PINS	€	FC	100	100
SAS LES QUATRE TREFLES	€	FC	99.93	99.93
SAS GASTON DE FOIX	€	FC	100	100
SNC TOPAZE	€	FC	100	100
SARL RESIDENCE DE CHAINTREAUVILLE	€	FC	96	96
SAS DLS GESTION	€	FC	96.67	96.67
SARL LA FONTAINE BAZEILLE	€	FC	100	100
SAS RESIDENCE LES SANSONNETS	€	FC	100	100
SAS LES TERRASSES DU XXEME	€	FC	100	100

Consolidated companies	Currency	30/06/2013 Method	% control	% interest
SAS RESIDENCE LES MATHURINS	€	FC	100	100
SAS LE VAL D'ESSONNE	€	FC	100	100
SARL MAISON DE RETRAITE LES GARDIOLES	€	FC	100	100
SARL LA PAQUERIE	€	FC	100	100
SARL LA COLOMBE	€	FC	100	100
SARL LES TAMARIS	€	FC	100	100
SARL RESID'GEST	€	FC	100	100
SARL RA DE LAXOU	€	FC	100	100
SARL RA DES SABLES	€	FC	100	100
SARL RA DE LYON GERLAND	€	FC	100	100
SARL RA DU MANS	€	FC	100	100
SARL LE MOLE D'ANGOULINS	€	FC	100	100
SAS RA DE NEUVILLE ST REMY	€	FC	100	100
SARL MAISON DE RETRAITE SOULAINES	€	FC	100	100
SAS DOMAINE DES TROIS CHEMINS	€	FC	100	100
SAS LE MONT SOLEIL	€	FC	100	100
SARL RESIDENCE BELLEVUE	€	FC	100	100
SARL RESIDENCE AGAPANTHE	€	FC	100	100
SARL RESIDENCE LA GRANDE PRAIRIE	€	FC	100	100
SARL RESIDENCE PIN BALMA	€	FC	100	100
SARL LE HAMEAU DE PRAYSSAS	€	FC	100	100
SAS LE HAMEAU DE LA SOURCE	€	FC	100	100
SAS RESIDENCE CLAUDE DEBUSSY	€	FC	100	100
SARL LES OLIVIERS	€	FC	100	100
SAS MAISON DE RETRAITE LE CHALET	€	FC	100	100
SARL LA CAMPAGNARDE	€	FC	100	100
SARL DU CHATEAU	€	FC	100	100
SARL BUEIL	€	FC	100	100
SAS RESIDENCE DE L'ABBAYE	€	FC	100	100
SAS LA VALLEE BLEUE	€	FC	100	100
SAS LES CIGALES	€	FC	100	100
SAS LES TOURELLES	€	FC	100	100
SAS LA DETENTE	€	FC	100	100
SAS SAINT FRANCOIS DU LAS	€	FC	100	100
SARL MAISON DE RETRAITE LES ALYSSES	€	FC	100	100
SAS LA VILLA DU CHENE D'OR	€	FC	100	100
SAS LA VILLA DU PARC	€	FC	100	100
SARL LE DOMAINE DE COLLONGUES	€	FC	51	51
SAS LE CLOS VERMEIL	€	FC	100	100
SAS RELAIS TENDRESSE SAINTE MARGUERITE	€	FC	100	100
DOYENNE DE LANGON	€	FC	100	0
SARL MEDI-SAISONS	€	FC	100	100
SAS L'AMARYLLIS	€	FC	100	100
SAS STELLA MARIS	€	FC	100	100
SARL PUMA	€	FC	100	100
LE PLATANE DU GRAND PARC	€	FC	100	100
SAS LA LOUISIANE	€	FC	100	100
SARL LUBERON SANTE	€	FC	100	100
SARL INVAMURS	€	FC	100	100
SARL INSTITUT DES BONNES PRATIQUES	€	FC	100	100
SAS SOCEFI	€	FC	100	100
SAS JPC CONSULTANT	€	FC	100	100

Consolidated companies	Currency	30/06/2013		
		Method	% control	% interest
SAS FINANCIERE DE LETRETTE	€	FC	100	100
SAS GROUPE PASTHIER	€	FC	100	100
SARL PASTHIER PROMOTION	€	FC	100	100
SARL LA PINEDE 2	€	FC	100	100
SCI CHAMBERY JORCIN	€	FC	100	100
SCI BRUAY SUR ESCAUT	€	FC	100	100
SCI SAINT GEORGES DE DIDONNE	€	FC	100	100
SCI DE LAXOU MAXEVILLE	€	FC	51	51
SCI DES SABLES	€	FC	100	100
SCI DE LYON-GERLAND	€	FC	100	100
SCI SAINT-MALO	€	FC	100	100
SCI DU MANS	€	FC	100	100
SCI D'ARS EN RE	€	FC	100	100
SCI PIERRE DEBOURNOU	€	FC	99.8	99.8
SCI DE LA RUE BICHAT	€	FC	100	100
SCI CENTRE DE CONVALESCENCE DE NEUVILLE	€	FC	100	100
SCI CENTRE MEDICAL LES ALPILLES	€	FC	100	100
SCI VALMAS	€	FC	100	100
SCI ALMA SANTE	€	FC	100	100
SCI SAINT MAURICE	€	FC	100	100
SCI LA PALOUMERE	€	FC	100	100
SCI LA VARENNE	€	FC	100	100
SCI LA ROSERAIE	€	FC	100	100
SOCIETE CIVILE IMMOBILIERE DE MONTVERT	€	FC	100	100
SCCV BAZEILLE DEVELOPPEMENT	€	FC	100	100
SCI SUO TEMPORE	€	FC	100	100
SCI LES TROIS CHEMINS	€	FC	100	100
SARL DU PRE DE LA GANNE	€	FC	100	100
SCI SYR IMMOBILIER	€	FC	100	100
SARL LE BOIS DU CHEVREUIL	€	FC	100	100
SAS ALEXMAR	€	FC	100	100
SNC IMMOBILIERE DE DINARD	€	FC	100	100
SAS MS FRANCE	€	FC	60	60
SAS HAD France	€	FC	51.95	51.95

3 Statutory Auditors' Report

MEDICA

Statutory Auditors' Report
on the Interim Financial Information

Period from 1 January to 30 June 2013

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu Limited

MAZARS

Statutory Auditors' Report on the Interim Financial Information

Dear Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of MEDICA, for the period from 1 January to 30 June 2013;
- the verification of information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently, any assurance that the accounts, as a whole, do not contain any material misstatements, obtained as part of a review, is a moderate assurance, and less than that which might be obtained from an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to Note 2.4, which describes the change of accounting method related to the application of IAS 19 (revised).

II. Specific verification

We have also verified the information presented in the interim management report commenting the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half year consolidated financial statements.

Signed in Neuilly-sur-Seine and Courbevoie, on 9 September 2013

The Statutory Auditors

CONSTANTIN ASSOCIES Member of deloitte touche tohmatsu limited

PHILIPPE SOUMAH

Mazars

DENIS GRISON

4 Statement by the persons responsible

We declare that, to the best of our knowledge and belief, the condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards and present fairly in all material respects the assets, liabilities, financial position and results of operations of the company and the consolidated companies comprising the Medica Group for the six months to 30 June 2013 as well as the main related party transactions, and that the interim business review provides a true and fair view of the significant events that occurred during the first six months of the year as well as a description of the key risks and uncertainties for the remaining six months of the year.

Issy-Les-Moulineaux, 18 September 2013.

Chairman and Chief Executive Officer

Jacques Bailet

Registered Office

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