

Press Release

Results for the nine-month period ended September 30, 2008

Paris, October 31, 2008

- **Revenue:** The 5.7% revenue growth achieved during the third quarter of 2008 was largely attributable to the group's organic growth of 4.8%, slightly below our expectations.
For the nine-month period ended September 30, 2008, organic growth was 4.5%.
- **EBITDA:** Stable margin level thanks to a tight control over expenses.
- **Year-end outlook:** The decline in business activity observed over the last few months is likely to continue until the end of the year. Conditions may deteriorate further, depending on the extent of the impact of the current economic environment.

€ million (unaudited figures)	September 30, 2008	Change	September 30, 2007
Revenue	1,466.1	+4.5%	1,402.8
EBITDA	167.4	+3.8%	161.2
Profit from recurring operations	82.5	-0.5%	82.9
<i>As % of revenue</i>	<i>5.6%</i>	<i>-0.3 points</i>	5.9%
Operating profit	135.5	+102.8%	66.8
Group share of net profit	74.7	+134.9%	31.8
Net earnings per share (€)	1.37	+134.9%	0.58

Revenue: Consolidated revenue for the nine-month period ended September 30, 2008 was €1,466.1m, up from €1,402.8m for the same period in 2007.

<i>€ million (unaudited figures)</i>	Sep. 2008	Sep. 2007	Change 2008/2007	Q3 2008	Q3 2007	Change 2008/2007
Published revenue	1,466.1	1,402.8	4.5%	441.6	417.8	5.7%
Organic revenue	1,455.8	1,392.5	4.5%	434.2	414.2	4.8%
Changes in scope	10.3	10.3	-	7.4	3.6	N/S

In the third quarter of 2008, Hospital Care France recorded organic growth of +5.0%, which breaks down as follows:

- a +0.8% price impact (primarily attributable to the 0.75% Acute Care tariff increase as of March 1, 2008);
- a volume/mix effect of +4.2%.

The effect of changes in the scope of consolidation was offset on the whole by (i) the impact of acquisitions during the quarter and the integration of Clinique La Francilienne and Clinique de l'Orangerie in the eastern Paris region, of Centre Hospitalier Privé de la Loire in Saint-Etienne as well as Unilab in Lyon and (ii) the disposals of Clinique de Vinci (September 2007) and Clinique Spontini (September 2008) in Paris.

Revenue generated in Italy was down 3.6% over the third quarter, mainly as a result of the disposal of Poggio del Sole in Arezzo at end-April 2008.

Results: The Group's EBITDA margin was stable as of end-September 2008 compared to the first nine months of 2007 at 11.5%, with EBITDA of €167.4m.

Operating profit rose significantly, from €66.8m to €135.5m, primarily as a result of:

- the net capital gain of €60m recognized on the sale to Icade of the premises of four clinics in the Paris region;
- a favorable comparison basis with 2007, when costs related to the OPAS transaction announced on March 8, 2007 had been recognized for over €8m, together with the indemnity of around €6m paid in connection with the repurchase of shares in the real estate company SCI Lyon Mermoz.

Non-recurring income in 2008 thus bolstered the Group share of net profit, which increased from €31.8m to €74.7m.

Debt: Net financial debt per IFRS was €947.3m at end-September 2008 (compared to €1,001.3m at end-December 2007). This decrease mainly relates to the recording of gross capital gains (i.e., before tax) on the disposal of the premises of four clinics. In addition, it is worth noting that the Group acquired the remaining premises of Hôpital Privé d'Antony early in the year.

For information, net debt per IFRS at end-September 2007 was €617.2m.

Date for your diary:

Publication of full-year results: February 12, 2009

Générale de Santé, listed on Eurolist by Euronext Paris (formerly known as the Premier Marché) since June 2001, is included in the Midcac index. Its shares are eligible for the deferred settlement service. As the leading private hospital care group, Générale de Santé has 20,000 employees, including 6,500 nursing staff and 3,800 auxiliary nurses in more than 200 establishments and centers. With 5,200 physicians, it represents the leading independent community in France. Générale de Santé provides a complete range of patient care services spanning acute care, oncology, subacute care and rehabilitation, mental health and homecare. Générale de Santé develops an original care offering associating medical excellence, organizational efficiency, delivered with a human touch; it offers a global approach with personally-adapted communication and support, before, during and after hospitalization, taking into consideration all of the dimensions of the patient; it participates in public health service missions and helps ensure the complete linkage of the healthcare chain throughout the territory.

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INCOME STATEMENT (unaudited)

(in million euros)	Period ended September 30, 2007	Period ended September 30, 2008
TURNOVER	1,402.8	1,466.1
Personnel expenses and profit sharing	(626.2)	(664.7)
Purchased consumables	(274.6)	(292.9)
Other operating income and expenses.....	(179.2)	(180.3)
Taxes and duties.....	(76.7)	(78.0)
Rents.....	(84.9)	(82.8)
EBITDA	161.2	167.4
Depreciation.....	(78.3)	(84.9)
Current operating profit	82.9	82.5
Other income and expenses.....	(16.1)	53.0
Operating profit	66.8	135.5
Net interest expenses.....	(18.2)	(55.5)
Other financial income and expenses	4.7	(5.1)
Share of net profit of associates	---	---
Corporate income tax	(19.3)	2.4
NET PROFIT FOR THE PERIOD	34.0	77.3
 Allotment:		
Group's share of net earnings	31.8	74.7
Minority interests	2.2	2.6

CONSOLIDATED BALANCE SHEET - ASSETS

(in million euros)	At December 31, 2007	At September 30, 2008 (unaudited)
Goodwill	648.6	704.8
Other intangible fixed assets	7.3	6.2
Tangible fixed assets	960.7	978.4
Investments in associates.....	1.3	0.9
Other long-term investments	33.0	34.6
Deferred tax assets.....	34.8	34.1
NON CURRENT ASSETS	1,685.7	1,759.0
Inventories.....	35.0	37.1
Trade and other receivables.....	179.9	201.2
Other current assets	94.8	113.2
Current tax assets.....	11.6	9.0
Current financial assets	4.9	4.6
Cash and cash equivalents.....	---	---
CURRENT ASSETS	326.2	365.1
Assets held for sale.....	84.8	88.0
TOTAL ASSETS	2,096.7	2,212.1

BALANCE SHEET – LIABILITIES

(in million euros)	At December 31, 2007	At September 30, 2008 (unaudited)
Share capital	41.1	41.1
Additional paid-in capital.....	50.8	50.8
Consolidated reserves	304.9	326.3
Group's share of net profit.....	45.6	74.7
Group's share of equity	442.4	492.9
Minority interests.....	9.6	10.8
TOTAL SHAREHOLDERS' EQUITY	452.0	503.7
Borrowings and financial debts.....	871.4	894.4
Provisions for retirement and other employee benefits.....	29.5	31.2
Non-current provisions.....	26.0	21.8
Other long term liabilities	16.3	14.9
Deferred tax liabilities	84.4	73.2
NON CURRENT LIABILITIES	1,027.6	1,035.5
Current provisions.....	21.6	21.8
Accounts payable.....	166.6	189.4
Other current liabilities	270.2	316.4
Tax liabilities due	3.5	19.8
Short-term borrowings	47.8	27.8
Bank overdraft.....	35.5	19.9
CURRENT LIABILITIES	544.8	595.1
Liabilities related to assets held for sale.....	72.3	77.8
TOTAL LIABILITIES	2,096.7	2,212.1

STATEMENT OF CHANGES IN EQUITY

(in million euros)	SHARE CAPITAL	ADDITIONAL PAID IN CAPITAL	RESERVES	PROFIT / (LOSS)	GROUP'S SHARE OF EQUITY	MINORITY INTERESTS	SHAREHOL- DERS' EQUITY
Shareholders' equity at December 31, 2006	40.2	446.8	101.5	225.4	813.9	8.6	822.5
Capital increase (including net fees).....	0.8	24.9	---	---	25.7	---	25.7
Treasury shares.....	---	---	0.3	---	0.3	---	0.3
Prior year appropriation of earnings.....	---	(1.1)	226.5	(225.4)	---	---	---
Distribution of dividends (including pre-distribution).....	---	---	(19.2)	---	(19.2)	(1.9)	(21.1)
Exceptional distribution of additional paid-in capital	---	(419.8)	---	---	(419.8)	---	(419.8)
Change in consolidation scope.....	---	---	---	---	---	---	---
Profit for the period	---	---	---	45.6	45.6	2.9	48.5
Stocks options	---	---	1.1	---	1.1	---	1.1
Profit and loss directly recognised against equity	0.1	---	(5.3)	---	(5.2)	---	(5.2)
Shareholders' equity at December 31, 2007	41.1	50.8	304.9	45.6	442.4	9.6	452.0
Prior year appropriation of earnings.....	---	---	45.6	(45.6)	---	---	---
Distribution of dividends (including pre-distribution).....	---	---	(27.4)	---	(27.4)	(2.5)	(29.9)
Change in consolidation scope.....	---	---	---	---	---	1.1	1.1
Profit for the period	---	---	---	74.7	74.7	2.6	77.3
Stocks options	---	---	0.6	---	0.6	---	0.6
Free share	---	---	1.4	---	1.4	---	1.4
Profit and loss directly recognized against equity	---	---	1.2	---	1.2	---	1.2
Shareholders' equity at September 30, 2008 (unaudited)	41.1	50.8	326.3	74.7	492.9	10.8	503.7

STATEMENT OF RECOGNISED REVENUES AND EXPENSES

(in million euros)	12-31-2007	09-30-2008
Net earnings (Group's share)	45.6	74.7
Translation differential.....	(0.1)	---
Retirement commitments	(6.7)	---
Fair value of hedging financial instruments	1.5	1.2
Revenues and expenses recognised directly as equity	(5.3)	1.2
Total revenues and expenses (Group's share)	40.3	75.9

STATEMENT OF CASH FLOWS (unaudited)

(in million euros)	Period ended September 30, 2007	Period ended September 30, 2008
Total net consolidated profit.....	34.0	77.3
Depreciation.....	78.3	84.9
Other income and expenses.....	16.1	(53.0)
Share of net profit of associates.....	--	--
Other financial income and expenses.....	(0.3)	5.1
Net interest expenses.....	13.8	55.5
Corporate income tax.....	19.3	(2.4)
EBITDA	161.2	167.4
Non cash items including provisions and reversals (transactions with no cash effect).....	0.4	(2.6)
Other income and expenses paid.....	(11.0)	(2.0)
Changes in other long term assets and liabilities.....	1.7	(4.1)
Cash flow before net interest expenses & taxes	152.3	158.7
Corporate income tax paid.....	(41.2)	(1.7)
Change in working capital requirements.....	(36.4)	10.7
NET CASH FROM OPERATING ACTIVITIES: (A)	74.7	167.7
Purchase of property, plant & equipment and intangible assets.....	(116.3)	(92.2)
Proceeds from sale of tangible and intangible assets.....	2.0	184.2
Purchase of financial assets.....	(101.1)	(59.5)
Proceeds from the disposal of financial assets.....	0.3	29.3
Dividends from non consolidated companies.....	0.5	0.8
NET CASH USED FOR INVESTING ACTIVITIES: (B)	(214.6)	(62.6)
Capital increase: (a).....	25.7	--
Capital increase performed by subsidiaries subscribed to by third parties: (b).....	--	--
Exceptional distribution of additional paid-in capital: (c).....	--	--
Dividends paid to GDS shareholders: (d).....	(19.2)	(27.4)
Dividends paid to minority interests of consolidated companies: (e).....	(1.3)	(2.5)
Net interest expenses paid: (f).....	(13.8)	(55.5)
Loan issue charges: (g).....	--	(1.1)
Cash flow before repayment of borrowings: (h) = (A+B+a+b+c+d+e+f+g)	(148.5)	143.8
Increase in borrowings: (i).....	(85.9)	102.8
Repayment of borrowings: (j).....	2.1	(205.4)
NET CASH USED FOR INVESTING ACTIVITIES: (C) = a + b + c + d + e + f + g + i + j	(92.4)	(189.1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: (A + B + C)	(232.3)	41.2
Opening cash position.....	(61.6)	(35.5)
Closing cash position.....	(293.9)	5.7
Net debt at beginning of period	439.0	1 001.3
Cash flow before repayment of borrowings: (h).....	148.5	(143.8)
Capitalization of financial leases.....	5.5	23.0
Loan issue charges fixed assets.....	--	2.6
Assets held for sale.....	1.6	0.3
Fair value of opening hedging financial instruments.....	--	(1.9)
Change in consolidation scope and other.....	22.6	65.8
Net debt at end of period	617.2	947.3