

Press Release

**Results for the year ended December 31, 2008:
Decline in operating margin
Reduction in net debt achieved through asset disposals**

Paris, February 12, 2009

- **Revenue:** The Group's slight improvement in organic growth in the fourth quarter of 2008 (+1.2%) must be set against the changes in the economic climate during this period.(*)
For the year ended December 31, 2008, organic growth came to 3.7%.
- **EBITDA:** The operating margin (11.6% in 2008 compared to 12.5% in 2007) suffered the impact of insufficient tariff increases, which were not able to offset either rising operating costs or lower volumes of business (particularly with respect to in-patient hospitalization), despite continuing efforts to control operating expenses.

€m	2008	Change	2007
Revenue	1,983.8	+4.1%	1,906.0
EBITDA	229.6	-4,0%	239.2
Current operating profit	114.8	-12.6%	131.4
<i>As % of revenue</i>	<i>5.8%</i>	<i>-1.1 points</i>	<i>6.9%</i>
Operating profit	160.4	+50.2%	106.8
Group share of net profit	87.2	+91.2%	45.6
Net earnings per share (€)	1.59	+89.3%	0.84

(*) It is also worth noting that the revenue figure for the fourth quarter of 2007 took into account the reimbursement of the tariff decrease enacted by the ministerial decree of September 2006. Restated for this item, the improvement in organic growth was +2.5%.

Revenue: Consolidated revenue for the year ended December 31, 2008 amounted to €1,983.8m, up from €1,906.0m in the previous year.

€m	2008	2007	Change 2008/2007	Q4 2008	Q4 2007	Change 2008/2007
Published revenue	1,983.8	1,906.0	4.1%	517.7	503.2	2.9%
Organic revenue	1,952.5	1,883.5	3.7%	496.7	491.0	1.2%
Changes in scope	31.3	22.5	-	21.0	12.2	N/S

In the fourth quarter of 2008, Hospital Care France recorded a 1.0% improvement in organic growth, 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 +0.2%.

Changes in the scope of consolidation result from the acquisitions of both Clinique de la Francilienne and Clinique de l'Orangerie in the eastern Paris region as well as Centre Hospitalier Privé de la Loire in Saint-Etienne combined with a number of disposals, particularly of the Group's clinics in Tuscany during the fourth quarter of 2008.

Revenue generated in Italy was down 31.7% over the fourth quarter, mainly as a result of these disposals.

Results: Operating profit rose significantly, from €106.8m to €160.4m, primarily as a result of:

- the net capital gain of €59m recognized on the sale of the premises of four clinics in the Paris region;
- the net capital gain of €11m arising on the disposal of the Group's Italian subsidiaries;
- a favorable comparison basis with 2007, during which 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.

The Group share of net profit thus increased from €45.6m in 2007 to €87.2m in 2008.

Debt: Net financial debt per IFRS was €913.0m at end-December 2008 (compared to €1,001.3m at end-December 2007). This decline is mainly attributable to the recording of the sale price before tax of the property assets and clinics mentioned above, less the acquisition cost of the property assets of Hôpital Privé d'Antony in early 2008.

Dates for your diary:

Publication of first quarter 2009 accounts: April 30, 2009

Annual Shareholders' Meeting: May 25, 2009

Générale de Santé, listed on Compartment A of 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 Group in the private hospital care sector in France, Générale de Santé has 20,000 employees, including 6,500 nurses and 3,800 assistant nurses in over 200 hospitals and clinics. With 5,200 physicians, it represents the leading independent medical 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 healthcare offering, combining medical excellence, organizational efficiency and a human touch; it provides an all-in-one service with an individually-adapted patient support package, before, during and after hospitalization, taking into consideration all of its patients' needs; it takes part in public-service healthcare initiatives and forms part the nationwide healthcare chain in France.

ISIN and Euronext Paris : FR000044471

Internet: www.generale-de-sante.fr

Investor Relations/Analysts:

Emmanuel de Geuser

Tel. + 33 (0)1 53 23 14 89

e.degeuser@gsante.fr

Press Relations:

Gérard Benedetti

Tel. + 33 (0) 1 53 23 14 47

g.benedetti@gsante.fr

INCOME STATEMENT

(in million euros)	2006	2007	2008
REVENUE	1,741.5	1,906.0	1,983.8
Personnel expenses and profit sharing	(787.4)	(844.0)	(894.1)
Purchased consumables	(337.5)	(372.8)	(396.6)
Other operating income and expenses.....	(224.4)	(234.3)	(238.6)
Taxes and duties.....	(95.2)	(104.0)	(107.6)
Rental expenses	(79.6)	(111.7)	(117.3)
EBITDA	217.4	239.2	229.6
Depreciation.....	(91.4)	(107.8)	(114.8)
Current operating profit	126.0	131.4	114.8
Other income and expenses.....	187.1	(24.6)	45.6
Operating profit	313.1	106.8	160.4
Net interest expenses	(31.4)	(30.0)	(72.5)
Other financial income and expenses	2.8	1.4	(2.9)
Share of net profit of associates	---	---	---
Corporate income tax	(55.6)	(29.7)	5.1
NET PROFIT FOR THE PERIOD	228.9	48.5	90.1
Allocation:			
Group's share of net profit	225.4	45.6	87.2
Minority interests	3.5	2.9	2.9
NET EARNINGS PER SHARE (in euros)	4.53	0.84	1.59
NET DILUTED EARNINGS PER SHARE (in euros)	4.47	0.82	1.59

BALANCE SHEET – ASSETS

(in million euros)	12-31-2006	12-31-2007	12-31-2008
Goodwill	621.0	648.6	723.4
Other intangible fixed assets	7.6	7.3	15.9
Property, plant and equipment	865.6	960.7	962.5
Investments in associates.....	0.6	1.3	0.9
Other non-current financial assets.....	32.8	33.0	32.1
Deferred tax assets.....	38.2	34.8	54.6
NON CURRENT ASSETS	1,565.8	1,685.7	1,789.4
Inventories.....	32.0	35.0	38.4
Trade and other receivables.....	186.8	179.9	174.8
Other current assets	90.0	94.8	124.4
Current tax assets.....	10.2	11.6	2.8
Current financial assets	7.3	4.9	3.2
Cash and cash equivalents.....	---	---	---
CURRENT ASSETS	326.3	326.2	343.6
Assets held for sale.....	20.0	84.8	3.1
TOTAL ASSETS	1,912.1	2,096.7	2,136.1

BALANCE SHEET – LIABILITIES AND EQUITY

(in million euros)	12-31-2006	12-31-2007	12-31-2008
Share capital	40.2	41.1	42.2
Additional paid-in capital.....	446.8	50.8	61.5
Consolidated reserves	101.5	304.9	309.5
Group share of net profit.....	225.4	45.6	87.2
Group share of equity	813.9	442.4	500.4
Minority interests.....	8.6	9.6	10.0
TOTAL EQUITY	822.5	452.0	510.4
Borrowings and financial debts.....	284.2	871.4	847.1
Provision for pension commitments and other employee benefits	17.4	29.5	29.6
Non-current provisions.....	43.4	26.0	39.5
Other long term liabilities	16.9	16.3	36.3
Deferred tax liabilities	69.2	84.4	72.2
NON-CURRENT LIABILITIES	431.1	1,027.6	1,024.7
Current provisions.....	21.2	21.2	17.8
Accounts payable.....	167.6	166.6	196.4
Other current liabilities	269.9	270.2	305.4
Tax liabilities due	37.7	3.5	26.5
Short-term borrowings	80.5	47.8	45.0
Bank overdraft.....	61.6	35.5	6.8
CURRENT LIABILITIES	638.5	544.8	597.9
Liabilities related to assets held for sale.....	20.0	72.3	3.1
TOTAL LIABILITIES AND EQUITY	1,912.1	2,096.7	2,136.1

STATEMENT OF CHANGES IN EQUITY

(in million euros)	SHARE CAPITAL	ADDITIONAL PAID IN CAPITAL	RESERVES	PROFIT / (LOSS)	GROUP SHARE OF EQUITY	MINORITY INTERESTS	EQUITY
equity at December 31, 2005	29.3	162.9	69.4	40.9	302.5	7.0	309.5
Capital increase (including net fees).....	10.9	283.9	--	--	294.8	--	294.8
Treasury shares (2).....	--	--	1.7	--	1.7	--	1.7
Group savings scheme.....	--	--	7.0	--	7.0	--	7.0
Stocks options.....	--	--	1.6	--	1.6	--	1.6
Prior year appropriation of earnings.....	--	--	40.9	(40.9)	--	--	--
Distribution of dividends (including pre-distribution).....	--	--	(18.8)	--	(18.8)	(2.0)	(20.8)
Change in consolidation scope.....	--	--	--	--	--	0.1	0.1
Profit for the period.....	--	--	--	225.4	225.4	3.5	228.9
Gains and losses taken directly to equity.....	--	--	(0.3)	--	(0.3)	--	(0.3)
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 (2).....	--	--	0.3	--	0.3	--	0.3
Stocks options.....	--	--	1.1	--	1.1	--	1.1
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
Gains and losses taken directly to equity.....	0.1	--	(5.3)	--	(5.2)	--	(5.2)
Equity at December 31, 2007	41.1	50.8	304.9	45.6	442.4	9.6	452.0
Capital increase.....	1.1	10.7	--	--	11.8	--	11.8
Treasury shares (2).....	--	--	(0.6)	--	(0.6)	--	(0.6)
Stocks options and free shares.....	--	--	1.3	--	1.3	--	1.3
Prior year appropriation of earnings.....	--	--	45.6	(45.6)	--	--	--
Distribution of dividends (including pre-distribution).....	--	--	(27.4)	--	(27.4)	(2.7)	(30.1)
Change in consolidation scope.....	--	--	--	--	--	0.2	0.2
Profit for the period.....	--	--	--	87.2	87.2	2.9	90.1
Gains and losses taken directly to equity.....	--	--	(14.3)	--	(14.3)	--	(14.3)
Equity at December 31, 2008	42.2	61.5	309.5	87.2	500.4	10.0	510.4
	12-31-2006	12-31-2007	12-31-2008				
(1) Dividends per share (in euros including pre-distribution).....	0.38	8.05	0.5				
(2) Number of treasury shares.....	10 000	--	53 346				

STATEMENT OF RECOGNIZED GAINS AND LOSSES

(in million euros)	12-31-2006 ⁽¹⁾	12-31-2007	12-31-2008
Net profit (Group share)	225.4	45.6	87.2
Translation differential.....	(0.3)	(0.1)	(0.2)
Retirement commitments.....	--	(6.7)	1.6
Fair value of hedging financial instruments.....	--	1.5	(15.7)
Gains and losses recognized directly in equity	(0.3)	(5.3)	(14.3)
Total gains and losses (Group share)	225.1	40.3	72.9

⁽¹⁾ The Group opted for recording actuarial differences as equity in 2006. Therefore, the table below summarizes recognized gains and losses as changes in equity, in accordance with IAS19, paragraph 93B.

STATEMENT OF CASH FLOWS

(in million euros)	2006	2007	2008
Total net consolidated profit.....	228.9	48.5	90.1
Depreciation.....	91.4	107.8	114.8
Other income and expenses.....	(187.1)	24.6	(45.6)
Share of net profit of associates.....	--	--	--
Other financial income and expenses.....	2.0	(1.4)	2.9
Net interest expenses.....	26.6	30.0	72.5
Corporate income tax.....	55.6	29.7	(5.1)
EBITDA	217.4	239.2	229.6
Non cash items including provisions and reversals (transactions with no cash effect).....	0.4	(1.4)	3.5
Other income and expenses paid.....	(4.7)	(18.3)	(9.7)
Changes in other long term assets and liabilities.....	2.0	1.7	(5.2)
Cash flow before net interest expenses & taxes	215.1	221.2	218.2
Corporate income tax paid.....	(61.8)	(41.7)	(4.1)
Change in working capital requirements.....	(0.7)	0.1	39.2
NET CASH FROM OPERATING ACTIVITIES: (A)	152.6	179.6	253.3
Purchase of property, plant & equipment and intangible assets.....	(221.1)	(163.3)	(131.7)
Proceeds from sale of tangible and intangible assets.....	421.7	3.0	177.1
Purchase of financial assets.....	(589.5)	(102.3)	(58.9)
Proceeds from the disposal of financial assets.....	45.8	0.6	52.5
Dividends from non consolidated companies.....	0.6	0.8	1.0
NET CASH USED IN INVESTING ACTIVITIES: (B)	(342.5)	(261.2)	40.0
Capital increase: (a).....	294.8	25.7	11.8
Capital increase performed by subsidiaries subscribed to by third parties (b).....	--	--	--
Exceptional distribution of additional paid-in capital (c).....	--	(419.8)	--
Dividends paid to GDS shareholders: (d).....	(18.8)	(19.2)	(27.4)
Dividends paid to minority interests of consolidated companies: (e).....	(2.0)	(1.9)	(2.7)
Net interest expense paid : (f).....	(26.6)	(30.0)	(72.5)
Debt issue costs : (g).....	--	(25.0)	(1.1)
Cash flow before repayment of borrowings: (h) = (A+B + a + b + c + d + e + f + g)	57.5	(551.8)	201.4
Increase in borrowings: (i).....	400.9	857.8	103.0
Repayment of borrowings: (j).....	(539.0)	(279.9)	(275.7)
NET CASH USED FOR INVESTING ACTIVITIES: (C) = a + b + c + d + e + g + i + j	109.3	107.7	(264.6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: (A + B + C)	(80.6)	26.1	28.7
Cash and cash equivalents at beginning of period.....	19.0	(61.6)	(35.5)
Cash and cash equivalents at end of period.....	(61.6)	(35.5)	(6.8)
Net indebtedness at beginning of period	588.2	439.0	1 001.3
Cash flow before repayment of borrowings: (h).....	(57.5)	551.8	(201.4)
Capitalization of financial leases.....	27.5	23.3	33.9
Cancellation of capitalization of finance expenses backed by former senior debt.....	--	(24.4)	3.5
Assets held for sale.....	20.0	(7.7)	(9.2)
Fair value of financial hedging instruments.....	--	(1.5)	15.7
Change in scope of consolidation and other.....	(139.2)	20.8	69.2
Net indebtedness at end of period	439.0	1 001.3	913.0