Press release

Results for the six-month period ended June 30, 2010

- **Published revenue falls (€1,004 m, i.e. -4.7%) but positive organic growth (+4.0%)**
- **Good current operating performance (€80.4m, i.e. +8.8%) in a challenging environment**
- **Contribution from the net capital gain on disposal of Medical Analysis France (€31.2m)**
- **Ongoing development and improvement of care offer (1st half net investments €61.1m)**

Paris, August 2nd 2010

➢ **1st half revenue** was down 4.7% based on published figures, mainly as a result of the disposals made in December 2009 and February 2010 as part of the strategy to refocus our activities. Like-for-like, the figures show positive organic growth of 4.0% for the period (including the impact of 2 additional working days).

➢ **Current operating profit** was up 8.8% based on published figures

The improvement in the operating margin (8.0% at end-June 2010 vs 7.0% at end-June 2009) reflects:

- higher revenue (+4.0% organic growth);
- continuing efforts to control costs in order to limit the impact of a restrictive tariff policy, which is not able to offset rising operating costs;
- the positive effect of professional tax reform.

€m	June 30, 2010	Change	June 30, 2009
Revenue	**1,004.0**	**- 4.7%**	1,053.1
EBITDA	**137.6**	**+ 3.6%**	132.8
Current operating profit	**80.4**	**+ 8.8%**	73.9
As % of revenue	***8.0 %***	***+ 1.0 point***	*7.0%*
Operating profit *	**105.9**	**+ 43.7%**	73.7
Group share of net profit	**59.4**	**+ 147.5%**	24.0
Net earnings per share (€)	**1.06**	**+ 146.5%**	0.43

** Including about €31.2m in capital gains arising on the sale of the medical analysis business in February 2010.*

Revenue: lower published revenue and organic growth

Consolidated revenue for the six-month period ended June 30, 2010 amounted to €1,004.0m, down from €1,053.1m for the same period in 2009.

€m	2010 end-June	2009 end-June	Change 2010/2009	Q2 2010	Q2 2009	Change 2010/2009
Ile de France (Paris region)	394 .1	375.9	+ 4.8%	196.4	189.7	+ 3.5%
Rhône Alpes	159.9	149.3	+ 7.1%	79.6	75.4	+ 5.6%
Nord	101.9	102.6	- 0.7%	50.9	51.7	- 1.5%
Provence Alpes Côte d'Azur	118.4	113.3	+ 4.5%	58.8	56.4	+ 4.3%
Burgundy	53.5	52.7	+ 1.5%	26.3	26.1	+ 0.8%
Other regions	168.8	161.5	+ 4.5%	84.8	81.6	+ 3.9%
Other activities (1)	7.4	97.8	- 92.4%	1.0	45.2	- 97.8%
Published revenue	**1,004.0**	**1 053.1**	**- 4.7%**	**497.8**	**526.1**	**- 5.4%**
o/w: - Organic	**1,001.3**	**962.5**	**+ 4.0%**	**497.7**	481.8	**+ 3.3%**
o/w organic France	***988.6***	***950.8***	***+ 4.0%***	***490.9***	*476.0*	***+ 3.1%***
o/w organic Italy	***12.7***	***11.7***	***+ 8.5%***	***6.8***	*5.8*	***+ 17.2%***
- Changes in scope	**2.7**	**90.6**	**-**	**0.1**	44.3	**-**

(1) "Other activities" includes non-strategic businesses whose assets have been sold.

Based on published figures, Hospital Care France recorded a 2.6% decline in revenue during the first half of 2010. Adjusted to reflect changes in the scope of consolidation, this segment recorded organic growth of 4.0% in the first half of 2010, including:

- a +0.3% price effect,
- a +3.7% volume/mix effect (with two additional working days).

The lower organic growth in France between Q1 2010 (+4.8% - Cf press release dated April 22, 2010) and Q2 2010 (+3.1%) is related to the implementation from March 1, 2010 of the new V12 nomenclature, which, aside from freezing the tariffs for acute care, has changed the remuneration rules for certain fixed-price procedures and reimbursements of medicine and medical procedures.
In the first half of 2010, the volume of acute care patient stays at the Group's hospitals increased 1% to 474,000. This growth was primarily attributable to the increase in surgery (+1.8% for 246,700 stays), particularly ophthalmological, orthopedic and visceral surgery. Moreover, medicine grew slightly (+0.6%, 177,200 stays) while obstetrics was down (- 1.3% with 50,100 stays). As far as the « missions de service public » managed by the Group are concerned, the number of emergency cases increased by 4.6% during the 1st half of 2010, for a total of 186,000 visits in our hospitals.
As far as our mental health and subacute care activities are concerned, the Group increased its patient stays by 4.9% in the first half of the year thanks to higher occupancy rates, but also the increased impact of the extensions at the Bazincourt and Bois d'Amour sites in the Paris region and the acquisition of Clinique Saint Victor in Saint-Etienne.

In France, changes in the scope of consolidation mainly relate to the sale of the Home Care business as of December 31, 2009 and the sale of the Medical Analysis business as of February 2, 2010.

Following the sale of the portion of the Group's Medical Analysis business based in Italy, effective as of December 31, 2009, the entirety of the Group's organic revenue in Italy is now generated by Ospedale Madonna del Popolo in Omegna. This establishment's activity increased strongly in the first half of 2010, by 8.5%.

Results – Current operating profit (€80.4m) rose +8.8%. In a very restrictive tariff environment, the increase in operating profit reflects intensified efforts relating to the Group's efficiency improvement programs for its establishments: optimizing procurement, updating internal organizations and sharing best practices, controlling overheads. The organic growth achieved confirms the appeal of the Group's establishments and the pertinence of the private hospital model.

Total operating profit of €105.9m includes the capital gain of €31.2m recorded in the first quarter of 2010 following the disposal of the Medical Analysis division in France.

The Group share of net profit thus increased from €24.0m as of June 30, 2009 to €59.4m as of June 30, 2010. Stripping out the impact of the disposal of the Medical Analysis division in France, net profit would have been €29.3m.

Net debt – Net financial debt per IFRS was €898.7m at end-June 2010 compared to €885.8m at end-December 2009 and €1,014.5m at June 30, 2009. The Net debt / EBITDA ratio was 3.70 at June 30, 2010.

A constantly improving, high-specification healthcare offering

Despite the significant external constraints affecting the Group, particularly with regard to tariffs, with stagnation in Social Security tariffs as of March 1, 2010, Générale de Santé is continuing to invest in training and equipment, as well as in new establishments, both in acute care, subacute care and psychiatry. The Group thus invested €103m in the brand new private hospital L'Estuaire in Le Havre, the result of the combination of two Le Havre clinics, which will open its doors to its first patient on August 1, 2010. In total, five new establishments will open in 2010: three in acute care (Hôpital privé de l'Estuaire in Le Havre, Clinique Jeanne d'Arc in Gien and the extension of Hôpital privé Bon Secours in Arras), the La Roseraie mental healthcare clinic in Soissons and Clinique des Platanes in subacute care in Epinay-sur-Seine.

Many Group projects will be initiated or inaugurated in 2010, thus marking in concrete terms the role that Générale de Santé intends to play in the reorganization of the healthcare landscape specified by the HPST law:

Acute Care:

- Inauguration of Hôpital Privé de l'Estuaire, Le Havre (76)
- Inauguration of Clinique Jeanne d'Arc, Gien (45)
- Inauguration of the maternity unit at Hôpital Privé Bon secours, Arras (62)
- Laying of the foundation stone for Hôpital Privé de Villeneuve d'Ascq (59)
- Laying of the foundation stone for Hôpital Privé Savoie-Nord (74)
- Initiation of work on the extension for Hôpital Privé Paul d'Egine, Champigny-sur-Marne (94)
- Initiation of work on the extension for Hôpital Privé de l'Ouest Parisien, Trappes (78)
- Commissioning of an MRI and scanner at Hôpital Privé de Seine Saint Denis (93)
- Restructuring of the intensive care unit at Hôpital Privé Vert Galand, Tremblay (93) and Clinique Geoffroy Saint Hilaire (75)
- Inauguration of the ophthalmology consultation center at Hôpital Privé La Louvière (59)
- Implementation of the central sterilization unit as part of the Healthcare Cooperation Group in Dijon (Groupement de coopération sanitaire dijonnais, 21)
- Extension of the operating block at Hôpital Privé Saint Martin, Caen (14)
- Inauguration of the chemotherapy department at Hôpital Privé Clairval, Marseille (13)

Subacute care:
- Inauguration of Clinique des Platanes, specialized in addictology, Epinay (93)
- Inauguration of an outpatient department at the clinic CMPR la Provence, Marseille (13)
- Laying of the foundation stone for Clinique de Chatenoy-le-Royal (71)

Mental health:
- Inauguration of a specialized adolescent psychiatry unit in Le Tremblay (93)
- Inauguration of an outpatient department at the Clinique des quatre saisons, Marseille (13)
- Inauguration of Clinique de la Roseraie, Soissons (60)
- Laying of the foundation stone for Clinique Océane, Le Havre (76)
- Laying of the foundation stone for Clinique de Chambray, Montchenain (37)

A CONFERENCE CALL WILL BE HELD TODAY IN ENGLISH

At 6pm (Paris time) – Please dial the following numbers to participate

From France:	***+33 (0) 1 70 99 35 14***
From Italy:	***+39 (0) 0645210 8001***
From the United Kingdom:	***+44 (0) 207 153 2027***
From the United States:	***+1 (0) 480 629 9725***

Dates for your diary:

Publication of the Q3 results: October 28, 2010

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 27,000 employees in 110 hospitals and clinics. With 5,000 physicians at December 31, 2009, 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 of the nationwide healthcare chain in France.

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STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT (in million euros)	2009	H1 2009	H1 2010
TURNOVER	**2,046.2**	**1,053.1**	**1,004.0**
Personnel expenses and profit sharing	(926.7)	(468.4)	(452.6)
Purchased consumables	(394.1)	(205.1)	(189.2)
Other operating income and expenses	(247.3)	(125.3)	(116.4)
Taxes and duties	(106.4)	(54.1)	(43.1)
Rents	(134.7)	(67.4)	(65.1)
EBITDA	**237.0**	**132.8**	**137.6**
Depreciation	(120.9)	(58.9)	(57.2)
Current operating profit	**116.1**	**73.9**	**80.4**
Restructuring costs	(13.7)	(3.4)	(7.7)
Result of the management of real estate and financial assets	29.0	3.2	33.2
Impairment of goodwill	---	---	---
Other non current income and expenses	**15.3**	**(0.2)**	**25.5**
Operating profit	**131.4**	**73.7**	**105.9**
Gross interest expenses	(56.4)	(29.2)	(23.2)
Income from cash and cash equivalents	1.1	0.6	0.3
Net interest expenses	**(55.3)**	**(28.6)**	**(22.9)**
Other financial income	0.6	0.5	0.5
Other financial expenses	(4.9)	(2.5)	(2.5)
Other financial income and expenses	**(4.3)**	**(2.0)**	**(2.0)**
Corporate income tax	(26.5)	(16.8)	(18.7)
Share of net profit of associates	---	---	---
NET PROFIT FOR THE PERIOD	**45.3**	**26.3**	**62.3**
Revenues and expenses recognised directly as equity			
- Retirement commitments	1.7	---	---
- Change in fair value of hedging financial instruments	(2.6)	(5.5)	(4.4)
- Translation differential	---	---	---
- Income tax on other comprehensive income	0.3	1.9	1.5
Résults recognised directly as equity	**(0.6)**	**(3.6)**	**(2.9)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**44.7**	**22.7**	**59.4**

PROFIT ATTRIBUTABLE TO (in million euros)	2009	H1 2009	H1 2010
Group's share of net earnings	42.4	24.0	59.4
Non-controlling interests	2.9	2.3	2.9
NET PROFIT FOR THE PERIOD	**45.3**	**26.3**	**62.3**
NET EARNINGS PER SHARE (in euros)	0.76	0.43	1.06
NET DILUTED EARNINGS PER SHARE (in euros)	0.76	0.43	1.06

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (in millions euros)	2009	H1 2009	H1 2010
Group's comprehensive income for the period	41.8	20.4	56.5
Non-controlling interests	2.9	2.3	2.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**44.7**	**22.7**	**59.4**

CONSOLIDATED BALANCE SHEET – ASSETS

(in million euros)	12-31-2008	12-31-2009	06-30-2010
Goodwill	723.4	627.9	626.6
Other intangible fixed assets	15.9	19.2	25.6
Tangible fixed assets	962.5	915.6	917.5
Investments in associates	0.9	0.1	0.1
Other long-term investments	32.1	28.1	27.0
Deferred tax assets	54.6	50.5	52.6
NON CURRENT ASSETS	**1,789.4**	**1,641.4**	**1,649.4**
Inventories	38.4	32.8	32.5
Trade and other receivables	174.8	130.0	147.5
Other current assets	124.4	139.9	162.8
Current tax assets	2.8	2.0	1.4
Current financial assets	3.2	13.2	4.3
Cash and cash equivalents	---	---	---
Assets held for sale	3.1	56.2	4.2
CURRENT ASSETS	**346.7**	**374.1**	**352.7**
TOTAL ASSETS	**2,136.1**	**2,015.5**	**2,002.1**

CONSOLIDATED BALANCE SHEET – LIABILITIES

(in million euros)	12-31-2008	12-31-2009	06-30-2010
Share capital	42.2	42.2	42.2
Additional paid-in capital	61.5	62.5	62.5
Consolidated reserves	309.5	320.0	291.8
Group's share of net profit	87.2	42.4	59.4
Group's share of equity	**500.4**	**467.1**	**455.9**
Non-controlling interests	10.0	10.0	12.1
TOTAL SHAREHOLDERS' EQUITY	**510.4**	**477.1**	**468.0**
Borrowings and financial debts	847.1	702.4	751.5
Provisions for retirement and other employee benefits	29.6	29.7	31.2
Non-current provisions	39.5	37.3	35.9
Other long term liabilities	36.3	35.4	40.3
Deferred tax liabilities	72.2	81.3	80.1
NON CURRENT LIABILITIES	**1,024.7**	**886.1**	**939.0**
Current provisions	17.8	13.8	12.6
Accounts payable	196.4	124.1	138.8
Other current liabilities	305.4	296.2	299.9
Tax liabilities due	26.5	0.6	5.7
Short-term borrowings	45.0	154.7	128.5
Bank overdraft	6.8	5.1	5.4
Liabilities related to assets held for sale	3.1	57.8	4.2
CURRENT LIABILITIES	**601.0**	**652.3**	**595.1**
TOTAL EQUITY AND LIABILITIES	**2,136.1**	**2,015.5**	**2,002.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in million euros)	SHARE CAPITAL	ADDITIONAL PAID IN CAPITAL	RESERVES	RESULTS RECOGNISED DIRECTLY AS EQUITY	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	GROUP'S SHARE OF EQUITY	Non-controlling interests	SHAREHOLDERS' EQUITY
Shareholders' equity at 31 december 2008	**42.2**	**61.5**	**329.1**	**(19.6)**	**87.2**	**500.4**	**10.0**	**510.4**
Capital increase (including net fees)	--	1.0	--	--	--	1.0	--	1.0
Treasury shares	--	--	(9.4)	--	--	(9.4)	--	(9.4)
Stocks options and free share	--	--	2.6	--	--	2.6	--	2.6
Prior year appropriation of earnings	--	--	87.2	--	(87.2)	--	--	--
Distribution of dividends	--	--	(69.3)	--	--	(69.3)	(1.8)	(71.1)
Change in consolidation scope	--	--	--	--	--	--	(1.1)	(1.1)
Total comprehensive income for the period	--	--	--	(0.6)	42.4	41.8	2.9	44.7
Shareholders' equity at 31 december 2009	**42.2**	**62.5**	**340.2**	**(20.2)**	**42.4**	**467.1**	**10.0**	**477.1**
Capital increase (including net fees)	--	--	--	--	--	--	--	--
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	2.1	--	--	2.1	--	2.1
Prior year appropriation of earnings	--	--	42.4	--	(42.4)	--	--	--
Distribution of dividends	--	--	(69.8)	--	--	(69.8)	(0.9)	(70.7)
Change in consolidation scope	--	--	--	--	--	--	0.1	0.1
Total comprehensive income for the period	--	--	--	(2.9)	59.4	56.5	2.9	59.4
Shareholders' equity at 30 june 2010	**42.2**	**62.5**	**314.9**	**(23.1)**	**59.4**	**455.9**	**12.1**	**468.0**

	12-31-2008	12-31-2009	06-30-2010
Dividends per share (in euros including pre-distribution)	0.5	1.25	1.25
Number of treasury shares	53 346	773 668	419 005

REVENUES AND EXPENSES RECOGNISED DIRECTLY AS EQUITY

(in million euros)	12-31-2008	Revenues and expenses 2009	12-31-2009	Revenues and expenses H1	30-06-2010
Translation differential	**(0.3)**	--	**(0.3)**	--	**(0.3)**
Retirement commitments	**(5.1)**	1.1	**(4.0)**	--	**(4.0)**
Fair value of hedging financial instruments	**(14.2)**	(1.7)	**(15.9)**	(2.9)	**(18.8)**
Results recognised directly as equity (Group's share)	**(19.6)**	**(0.6)**	**(20.2)**	**(2.9)**	**(23.1)**

CONSOLIDATED CASH FLOW STATEMENT

(in million euros)	2009	H1 2009	H1 2010
Total net consolidated profit	45.3	26.3	62.3
Depreciation	120.9	58.9	57.2
Other non current income and expenses	(15.3)	0.2	(25.5)
Share of net profit of associates	--	--	--
Other financial income and expenses	4.3	2.0	2.0
Net interest expenses	55.3	28.6	22.9
Corporate income tax	26.5	16.8	18.7
EBITDA	**237.0**	**132.8**	**137.6**
Non cash items including provisions and reversals (transactions with no cash effect)	(2.9)	(4.4)	(0.3)
Other income and expenses paid	(9.5)	(4.5)	(4.2)
Changes in other long term assets and liabilities	(2.5)	(0.5)	1.6
Cash flow before net interest expenses & taxes	**222.1**	**123.4**	**134.7**
Corporate income tax paid	(34.8)	(19.3)	(10.8)
Change in working capital requirements	(38.3)	(43.7)	(24.3)
NET CASH FROM OPERATING ACTIVITIES : (A)	**149.0**	**60.4**	**99.6**
Purchase of property, plant & equipment and intangible assets	(103.9)	(51.7)	(56.2)
Proceeds from sale of tangible and intangible assets	28.9	5.6	--
Purchase of financial assets	(25.3)	(20.1)	(0.8)
Proceeds from the disposal of financial assets	125.7	7.3	55.8
Dividends from non consolidated companies	0.6	0.4	--
NET CASH USED FOR INVESTING ACTIVITIES : (B)	**26.0**	**(58.5)**	**(1.2)**
Capital increase: (a)	1.0	--	--
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)	(69.3)	(69.3)	--
Dividends paid to minority interests of consolidated companies: (e)	(1.8)	(1.2)	(0.9)
Net interest expense paid : (f)	(55.3)	(28.6)	(22.9)
Debt issue costs : (g)	--	--	--
Cash flow before repayment of borrowings: (h) = (A+B + a + b + c + d + e + f + g)	**49.6**	**(97.2)**	**74.6**
Increase in borrowings : (i)	140.2	99.0	40.8
Repayment of borrowings : (j)	(175.1)	(13.6)	(128.7)
NET CASH USED FOR FINANCING ACTIVITIES: (C) = a + b + c + d + e + f + g + i + j	**(160.3)**	**(13.7)**	**(111.7)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: (A + B + C)	**14.7**	**(11.8)**	**(13.3)**
Reclassification of the cash of the assets held for sale	(13.0)		13.0
Cash and cash equivalents at beginning of period	(6.8)	(6.8)	(5.1)
Cash and cash equivalents at end of period	(5.1)	(18.6)	(5.4)
Net indebtedness at beginning of period	**913.0**	**913.0**	**885.8**
Cash flow before repayment of borrowings: (h)	(49.6)	97.2	(74.6)
Capitalization of financial leases	31.0	13.5	4.9
Loan issue charges fixed assets	3.5	1.8	1.8
Assets held for sale	1.7	(1.8)	(0.6)
Fair value of financial hedging instruments	1.7	3.6	2.9
Dividends payable	--	--	69.8
Change in scope of consolidation and other	(15.5)	(12.8)	8.7
Net indebtedness at end of period	**885.8**	**1,014.5**	**898.7**