Paris, October 29, 2012

"Press Release"

Results down at end-September 2012, at a time of crisis for the hospital sector

- **Decrease in reported revenue of -1.3% over the first nine months**
- **Dip in EBITDA (-5.9%)**
- **Fall in profit from continuing operations (-12.2%)**

Pascal Roché, Group CEO, comments:

"With the tariff freeze continuing, the new government's first measures are having a big impact on our costs structure at such a challenging time". "In this context, the Group is concerned at this reduction in its room for maneuver to continue to invest, as it has always done, in order to improve its healthcare offering in all regions, including those which lack facilities and personnel, the so-called 'medical deserts'."

➢ **Revenue at end-September 2012 down -1.3%.**

However, on a like-for-like basis, revenue was slightly up by 2.3% with one less working day. The Group recorded a slight increase of 1.9% in the number of stays in acute care, adjusted to take into account the one less working day.

➢ **EBITDA fell by -5.9% to €174.5 million.**

It totaled €185.5 million in the first three quarters of 2011.

➢ **Reported profit from continuing operations was €80.6 million at the end of September 2012, compared to €91.8 million in the first nine months of the previous year.**

In €m	**End-Sept. 2012**	**Change**	End-Sept. 2011
Revenue	**1,441.3**	**-1.3%**	1,460.9
EBITDA	**174.5**	**-5.9%**	185.5
Profit from continuing operations	**80.6**	**-12.2%**	91.8
As a % of revenue	***5.6%***	***-0.7 points***	*6.3 %*
Operating profit	**104.6**	**+83.2%**	57.1
Net income attributable to the Group	**42.8**	**n/s**	3.6
Net earnings per share (€)	**€0.76**	**n/s**	€0.06

Activity: drop in reported revenue

Consolidated revenue at end-September 2012 totaled €1,441.3 million, compared to €1,460.9 million in the same period of 2011. Organic revenue in the same period was up by 2.3%. In the third quarter, the drop in reported revenue was 1%.

In €m	**2012 at end-Sept.**	**2011 at end-Sept.**	***Change 2012/2011***	**Q3 2012**	**Q3 2011**	***Change 2012/2011***
Ile de France (Paris region)	*576.0*	*570.1*	*+1.0%*	*168.4*	*164.7*	*2.2%*
Rhône Alpes	*219.3*	*210.6*	*4.1%*	*65.8*	*63.6*	*3.5%*
Nord	*148.7*	*141.9*	*4.8%*	*45.9*	*43.4*	*5.8%*
Provence Alpes Côte d'Azur	*176.6*	*173.4*	*1.8%*	*52.3*	*51.7*	*1.2%*
Bourgogne	*83.2*	*79.6*	*4.5%*	*25.7*	*24.2*	*6.2%*
Other regions	*206.4*	*197.2*	*4.7%*	*66.0*	*63.7*	*3.6%*
Other activities (1)	*31.1*	*88.1*	*-64.7%*	*3.1*	*20.0*	*-84.5%*
Reported revenue	**1,441.3**	**1,460.9**	**-1.3%**	**427.2**	**431.3**	***-1.0%***
O/w: - Organic	**1,436.8**	**1,404.3**	**2.3%**	**424.8**	**414.2**	**2.6%**
o/w organic France	***1,420.3***	***1,387.4***	***2.4%***	***420.3***	***409.6***	***2.6%***
o/w organic Italy	***16.5***	***16.9***	***-2.4%***	***4.5***	***4.6***	***-2.2%***
- Changes in scope	**4.5**	**56.6**	**-**	**2.4**	**17.1**	**-**

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

In France, changes in the scope of consolidation were mainly attributable to the disposal of the Vitry, Convert, Aguilera and Sourdille clinics in 2011, and the disposal of the Charleville Mézières and Saint Martin – Pessac clinics in July and August 2012.

The Hospital Care and Services France activity posted organic growth of 2.4% in the first nine months of 2012, attributable primarily to a volume/mix effect (with one less working day).

Since the start of FY 2012, acute care activities in the Group's hospitals increased by 1.4% compared to 2011, for a total of 642,000 stays during the period. This increase was attributable to surgery (+1.4%) and medicine (+2.6%), with obstetrics posting a decrease of 2.1%.

As part of public-service healthcare initiatives managed by the Group, emergency-room activity increased by 3.4% in the first nine months of 2012, with 288,000 patient visits to Group establishments.

In mental-health activities, the Group recorded a 3.5% increase in the number of days billed (607,000 days) to the end of September 2012 thanks to the continued increase in occupation rates, but also and primarily to the gradual ramp-up of openings and expansions in several establishments.

The opening of two after-care and rehabilitation centers in the first half of the year (Montévrain and Champigny), two mental-health clinics (Océane in Le Havre and Ronsard in Chambray-lès-Tours) and the Villeneuve d'Ascq private hospital in June, which demonstrate the significant investments made by the Group to continue expanding its healthcare provision in France, have not yet had an overall positive impact on the volume of activity but offer good prospects for the last quarter of the year. The opening, at the end of October, of the Pays de Savoie private hospital in Annemasse, resulting from the merger of two clinics, and the extension of the Trappes private hospital, scheduled for December, demonstrates the same determination shown by the Group to invest in new structures and in innovative equipment to reinforce its healthcare offering in France.

The Group's organic revenue in Italy is generated solely by the Omegna hospital, which reported a drop in results in the first nine months of 2012.

Results:

1) Reduction in profit from continuing operations

Linked to the drop in reported revenue (-1.3%), the Group posted a dip in EBITDA (-5.9%), mainly attributable to the increase in property costs and an unfavorable scissors effect connected to rising expenses.

Reported profit from continuing operations was €80.6 million, a net decrease of -12.2%.

2) Increase in operating profit and profit for the period

Operating profit totaled €104.6 million at end-September 2012, compared to €57.1 million in the first nine months of 2011, during which restructuring costs linked to the reorganization of the Group were recorded.

The rise in profit for the period is closely tied to the rise in operating profit.

Debt: decrease in net financial debt per IFRS at end-September 2012 to €834.8 million (compared to €854.4 million at end-December 2011)

Net financial debt per IFRS was down compared to end-December 2011 due to gains on disposals in 2012.

In an extremely challenging economic environment, the Group remains very cautious about its outlook for end-2012.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in million euros)	Period ended 30 september 2011	Period ended 30 september 2012
TURNOVER	1 460.9	1 441.3
Personnel expenses and profit sharing	(654.0)	(654.1)
Purchased consumables	(278.6)	(269.9)
Other operating income and expenses	(171.3)	(163.7)
Taxes and duties	(59.6)	(62.7)
Rents	(111.9)	(116.4)
EBITDA	185.5	174.5
Depreciation	(93.7)	(93.9)
Current operating profit	91.8	80.6
Restructuring costs	(36.4)	(4.3)
Result of the management of real estate and financial assets	1.7	28.3
Impairment of goodwill	--	--
Other non current income and expenses	(34.7)	24.0
Operating profit	57.1	104.6
Gross interest expenses	(35.8)	(25.3)
Income from cash and cash equivalents	0.9	0.5
Net interest expenses	(34.9)	(24.8)
Other financial income	0.6	0.4
Other financial expenses	(4.1)	(5.6)
Other financial income and expenses	(3.5)	(5.2)
Corporate income tax	(11.9)	(28.6)
Share of net profit of associates	--	--
NET PROFIT FOR THE PERIOD	6.8	46.0
Revenues and expenses recognised directly as equity		
- Retirement commitments	--	--
- Change in fair value of hedging financial instruments	3.4	(2.3)
- Translation differential	--	--
- Income tax on other comprehensive income	(1.2)	0.8
Results recognised directly as equity	2.2	(1.5)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9.0	44.5

PROFIT ATTRIBUTABLE TO (in million euros)	Period ended 30 september 2011	Period ended 30 september 2012
Group's share of net earnings	3.6	42.8
Non-controlling interests	3.2	3.2
NET PROFIT FOR THE PERIOD	6.8	46.0

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (in million euros)	Period ended 30 september 2011	Period ended 30 september 2012
Group's comprehensive income for the period	5.8	41.3
Non-controlling interests	3.2	3.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9.0	44.5

CONSOLIDATED BALANCE SHEET - ASSETS

(in million euros)	12-31-2011	At september 30, 2012 (unaudited)
Goodwill	569.0	561.8
Other intangible fixed assets	18.6	18.0
Tangible fixed assets	863.5	827.8
Investments in associates	0.1	0.1
Other long-term investments	29.2	33.8
Deferred tax assets	48.4	45.4
NON CURRENT ASSETS	1 528.8	1 486.9
Inventories	34.6	32.9
Trade and other receivables	120.3	133.5
Other current assets	155.5	140.0
Current tax assets	6.1	8.6
Current financial assets	7.3	3.8
Cash and cash equivalents	---	---
Assets held for sale	3.7	0.5
CURRENT ASSETS	327.5	319.3
TOTAL ASSETS	1 856.3	1 806.2

CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY

(in million euros)	12-31-2011	At september 30, 2012 (unaudited)
Share capital	42.3	42.3
Additional paid-in capital	64.6	64.6
Consolidated reserves	283.5	211.2
Group's share of net profit	(28.5)	42.8
Group's share of equity	361.9	360.9
Non-controlling interests	12.4	11.8
TOTAL SHAREHOLDERS' EQUITY	374.3	372.7
Borrowings and financial debts	688.1	649.9
Provisions for retirement and other employee benefits	29.7	32.0
Non-current provisions	42.2	35.9
Other long term liabilities	32.9	28.0
Deferred tax liabilities	78.9	71.6
NON CURRENT LIABILITIES	871.8	817.4
Current provisions	11.2	11.1
Accounts payable	128.1	120.5
Other current liabilities	305.7	291.0
Tax liabilities due	2.0	16.7
Short-term borrowings	137.5	141.5
Bank overdraft	25.7	35.3
Liabilities related to assets held for sale	---	---
CURRENT LIABILITIES	610.2	616.1
TOTAL EQUITY AND LIABILITIES	1 856.3	1 806.2

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 December 31, 2011	42.3	64.6	295.7	(12.2)	(28.5)	361.9	12.4	374.3
Capital increase (including net fees)	--	--	--	--	--	--	--	--
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	--	--	--	--	--	--
Prior year appropriation of earnings	--	--	(28.5)	--	28.5	--	--	--
Distribution of dividends	--	--	(42.3)	--	--	(42.3)	(3.2)	(45.5)
Change in consolidation scope	--	--	--	--	--	--	(0.6)	(0.6)
Total comprehensive income for the period	--	--	--	(1.5)	42.8	41.3	3.2	44.5
Shareholders' equity at 30 september 2012 (unaudited)	42.3	64.6	224.9	(13.7)	42.8	360.9	11.8	372.7

REVENUES AND EXPENSES RECOGNISED DIRECTLY AS EQUITY

(in million euros)	12-31-2010	Income and expenses 2011	12-31-2011	Income and expenses at september 30, 2012	At september 30, 2012 (unaudited)
Translation differential	(0.3)	--	(0.3)	--	(0.3)
Retirement commitments	(4.3)	3.1	(1.2)	--	(1.2)
Fair value of hedging financial instruments	(12.7)	2.0	(10.7)	(1.5)	(12.2)
Results recognised directly as equity (Group's share)	(17.3)	5.1	(12.2)	(1.5)	(13.7)

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

(en millions d'euros)	Period ended 30 september 2011	Period ended 30 september 2012
Total net consolidated profit	6.8	46.0
Depreciation	93.7	93.9
Other non current income and expenses	34.7	(24.0)
Share of net profit of associates	--	--
Other financial income and expenses	3.5	5.2
Net interest expenses	34.9	24.8
Corporate income tax	11.9	28.6
EBITDA	185.5	174.5
Non cash items including provisions and reversals (transactions with no cash effect)	1.9	--
Other income and expenses paid	(29.7)	(15.4)
Changes in other long term assets and liabilities	0.6	(2.0)
Cash flow before net interest expenses & taxes	158.3	157.1
Corporate income tax paid	(20.2)	(19.7)
Change in working capital requirements	(34.0)	(20.5)
NET CASH FROM OPERATING ACTIVITIES : (A)	104.1	116.9
Purchase of property, plant & equipment and intangible assets	(54.8)	(52.6)
Proceeds from sale of tangible and intangible assets	7.5	10.0
Purchase of financial assets	(0.5)	(6.0)
Proceeds from the disposal of financial assets	16.7	38.1
Dividends from non consolidated companies	0.6	0.4
NET CASH USED FOR INVESTING ACTIVITIES : (B)	(30.5)	(10.1)
Capital increase: (a)	2.2	--
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)	(56.4)	(42.3)
Dividends paid to minority interests of consolidated companies: (e)	(1.2)	(3.2)
Net interest expense paid : (f)	(34.9)	(24.8)
Debt issue costs : (g)	--	--
Cash flow before repayment of borrowings: (h) = (A+B + a + b + c + d + e + f + g)	(16.7)	36.5
Increase in borrowings : (i)	50.0	25.0
Repayment of borrowings : (j)	(47.5)	(71.1)
NET CASH USED FOR FINANCING ACTIVITIES: (C) = a + b + c + d + e + f + g + i + j	(87.8)	(116.4)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: (A + B + C)	(14.2)	(9.6)
Cash and cash equivalents at beginning of period	(45.4)	(25.7)
Cash and cash equivalents at end of period	(59.6)	(35.3)
Net indebtedness at beginning of period	871.4	854.4
Cash flow before repayment of borrowings: (h)	16.7	(36.5)
Capitalization of financial leases	17.1	18.1
Loan issue charges fixed assets	2.6	2.6
Assets held for sale	0.6	(3.2)
Fair value of financial hedging instruments	(2.3)	1.5
Change in scope of consolidation and other	(0.3)	(2.1)
Net indebtedness at end of period	905.8	834.8