MEDICA group launches its initial public offering on Euronext Paris aiming at raising €275 million

- **Indicative price range for the French public offering and the international offering: between €16.00 and €19.50 per share**
- **Initial size of the offering: approximately €250 million through a capital increase**
- **Over-allotment option: up to approximately €37.5 million through a sale of existing shares**
- **€40 million reserved offering to Predica, subsidiary of Crédit Agricole Assurances, through a €25 million reserved capital increase and a sale of existing shares by TBU-3 International S.A., a company held by funds advised by BC Partners, and by subsidiaries or vehicles advised and/or managed by Intermediate Capital Group Plc ("ICG") for a total amount of €15 million**
- **Employee offering: maximum amount of €500,000**
- **Subscription period is expected to end on February 8, 2010 and offering price is expected to be set on February 9, 2010**
- **Trading in the MEDICA group's shares on Euronext Paris is expected to commence on February 10, 2010 in the form of "*promesses d'actions*"**

Paris, January 26, 2010. The MEDICA group, a leading player in the French long-term and short-term dependency care market, announces the launch of its initial public offering and proposed listing of its shares on Euronext Paris (Compartment B).

The French securities regulator (l'Autorité des marché financiers (the "**AMF**")) granted visa no. 10-015 on January 25, 2010 to the *prospectus* relating to the MEDICA group's initial public offering.

Commenting on the launch of the initial public offering, Jacques Bailet, CEO of MEDICA group, said: "The market offering proposed today is a new step in the MEDICA group's development. It aims at enabling the MEDICA group to implement its profitable growth strategy and significantly increase its financial capacity. As a leading player in the dependency care market, known for the quality of its facilities and building on its expertise and its motivated teams, the MEDICA group is today well positioned to use its strategic advantages in a growing market"

The MEDICA group has already received the support of Predica, a subsidiary of Crédit Agricole Assurances, which has committed to taking a stake in the MEDICA group for a total amount of €40 million at the final price of the initial public offering, through a reserved capital increase (representing €25 million) and a sale of shares (representing €15 million) granted by TBU-3 International S.A. and ICG.

Structure of the Offering

The initial public offering of the MEDICA group will consist of:

- A global offering (the "**Global Offering**") comprising:
  - a public offering in France, in the form of a French public offering ("*offre à prix ouvert*"), open principally to retail investors; and
  - an international offering principally to institutional investors including:
    - a private placement in France, and
    - an international offering to institutional investors in certain countries, including in the United States pursuant to Rule 144A of the U.S. Securities Act of 1933.

- A reserved offering to Predica, a subsidiary of Crédit Agricole Assurances, at the final offering price, through a €25 million reserved capital increase, and a sale of existing shares by TBU 3 International and ICG for an additional amount of €15 million.

- An offering of newly issued shares by way of a capital increase, at the final offering price, reserved for employees of the MEDICA group in France for a maximum amount of €500,000 (the « Employee Offering »).

Terms of the Offering

Holders of the preference shares and the convertible bonds into new ordinary shares have exercised their conversion right on the basis of conversion ratios calculated on the high end of the initial public offering price range, which would bring the total number of shares of the MEDICA group's share capital to 26,713,386.

The Global Offering will consist of approximately €250 million, *ie* a maximum number of 15,625,000 new shares on the basis of the low end of the initial public offering price range, representing approximately 35.6% of the share capital and voting rights of the MEDICA group after the Offering.

TBU-3 International S.A. and ICG Entities have granted an over-allotment option to the underwriters, which may be exercised from February 10, 2010 to March 11, 2010, for up to 15% of the Global Offering.

In the event that the over-allotment option is exercised in full, the Global Offering would be increased to a total amount of approximately €287.5 million, *ie* a maximum number of 17,968,745 existing shares on the basis of the low end of the offering price range, representing approximately 40.9% of the share capital and voting rights of the MEDICA group.

The indicative offering price range for the Global Offering will be between €16.00 and €19.50 per share.

After the Global Offering and the conversion of the preference shares and the convertible bonds, which will occur on the settlement and delivery of the Global Offering, TBU 3 International would hold 23,488,291 shares of the MEDICA group (*ie* approx. 53,5% of the share capital and voting rights of the MEDICA group) on the basis of the low end of the offering price range, before exercise of the over-allotment option, after the reserved offering to Predica, a subsidiary of Crédit Agricole Assurances, after the reserved offering to independent directors and after the Employee Offering.

Indicative Calendar of the Global Offering

The French public offering will begin on January 26, 2010 and is expected to close on February 8, 2010 at 5 p.m. (Paris time) for subscriptions at the counter and for subscriptions made on the internet.

The international offering will begin on January 26, 2010 and is expected to end on February 8, 2010 around 5 p.m. (Paris time) (unless closed earlier).

It is expected that the final offering price will be determined on February 9, 2010. Trading on Euronext Paris (Compartment B) is expected to begin on February 10, 2010 (in the form of "*promesses d'actions"* until February 12, 2010 inclusive). The settlement and delivery of the shares is expected to occur on February 12, 2010.

Reasons for the Global Offering

The Offering and listing of the Company's shares on Euronext Paris aim at enabling the MEDICA group to implement its controlled growth strategy. The net proceeds of the issuance of new shares will principally be used to repay part of its existing debt (including repayment of up to approximately €110 million of its mezzanine loan and up to approximately €102 million of tranche C of its syndicated loan), which, in connection with the conversion of its convertible bonds issued on August 9, 2006 and the issuance of new shares reserved to Predica, a subsidiary of Crédit Agricole Assurances, is intended to enhance significantly the financial flexibility of the MEDICA group.

Banking Syndicate

BNP PARIBAS, Credit Suisse and RBS are acting as Global Coordinators, Joint Lead Managers and Joint Bookrunners.

CALYON and HSBC are acting as Co-Lead Managers. ODDO ET CIE is acting as Co-Manager.

Public Information

Copies of the prospectus that received visa number 10-015 from the AMF on January 25, 2010, consisting of the *Document de Base* registered on December 9, 2009 under number I.09-092 and a *note d'opération* (which includes a summary of the prospectus), are available free of charge at the MEDICA group, 39 rue du Gouverneur Général Félix Eboué, 92130 Issy-les-Moulineaux, and on the websites of the MEDICA group (www.medica-france.fr) and of the AMF (www.amf-france.org). Potential investors are urged to consider the risk factors set forth in section 5 "Risk Factors" of the MEDICA group's *Document de Base* and in section 2 "Risk Factors Relating to the Offering" of the *note d'opération*.

About MEDICA group

The MEDICA group operates chiefly in two business sectors: the "long-term care" sector (EHPAD, Etablissements d'Hébergement pour Personnes Agées Dépendantes) with 111 facilities at December 31, 2009 in France and in Italy and the post-acute and psychiatric sector, chiefly at rehabilitation and recuperative care facilities and psychiatric facilities with 37 facilities at December 31, 2009. The MEDICA group has over 6,400 employees and confirmed its revenue forecast at December 31, 2009, which should amount to approximately €480 million.

Website: www.medica-france.fr

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Notice

were the subject matter of a report prepared by the statutory auditors included in section 14 "Profit Forecasts and Estimates" of the Document de Base.

Credit Suisse , acting as a stabilizing manager (or any institution acting on its behalf) (the "Stabilizing Manager") may, during a period of 30 days following the date on which the offering price is determined, i.e., according to the indicative calendar, from February 10, 2010 up to and including March 11, 2010, effect transactions with a view to maintaining the market price of Medica's shares in a manner consistent with applicable laws and regulations and, in particular, EU Commission Regulation No. 2273/03 of December 22, 2003. However, there is no assurance that the Stabilizing Manager will take any stabilizing action and if begun, such stabilizing action may be ended at any time. Any stabilizing action may affect the price of Medica's shares and could result in market prices for the shares higher than those which might otherwise prevail.