



PRESS RELEASE

MEDICA:
Business review for the nine months ended 30 September 2010

- Sustained revenue growth

First nine months of 2010: €395.5m up 10.9% year-on-year

Third-quarter 2010: €136.5m up 11.4% on Q3 2009

PARIS - 26 October 2010 - MEDICA, a leading provider of long and short-term dependency care in France, has released its business review for the nine months ended 30 September 2010.

REVENUE BY SECTOR - €M	9 months				Q3			
	2010	2009	Reported growth	Organic growth	2010	2009	Reported growth	Organic growth
Long-term care - France % of revenue	246.7 62.4%	213.8 59.9%	+15.4%	+8.4%	85.9 62.9%	74.1 60.5%	+15.9%	+7.7%
Post-acute and psychiatric care - France % of revenue	108.1 27.3%	105.8 29.6%	+2.2%	+2.2%	36.5 26.7%	35.6 29.1%	+2.4%	+2.4%
Italy % of revenue	40.7 10.3%	37.2 10.4%	+9.6%	+3.1%	14.1 10.3%	12.8 10.5%	+10.2%	+3.1%
TOTAL	395.5	356.7	+10.9%	+6.1%	136.5	122.6	+11.4%	+6.0%

Unaudited figures

"During the first nine months of 2010, MEDICA achieved revenue growth of nearly 11%," said Jacques Baille, Chairman and Chief Executive Officer. "In a satisfactory performance for the period, we launched a successful initial public offering, restructured our debt to support our continued expansion at a significantly lower cost, and grew the business with the addition of some 1,300 beds to our offering."

REVENUE

Consolidated revenue amounted to €395.5 million for the first nine months of 2010, representing a 10.9% increase from the prior-year period. For the third quarter alone, revenue came to €136.5 million, up 11.4% from the €122.6 million reported in third-quarter 2009.

All **business segments** generated higher revenues for the first nine months of 2010, as follows:

- Revenue from **long-term care facilities in France** rose by 15.4% to €246.7 million, mainly reflecting organic growth and the gradual integration of facilities acquired since the beginning of the year.
- Revenue from **post-acute and psychiatric care facilities in France** edged up 2.2% to €108.1 million, reflecting the impact of restructuring plans implemented during the period.
- Revenue from **operations in Italy** amounted to €40.7 million, representing year-on-year growth of 9.6%.

Occupancy rates* in Group facilities remained high, at 97% at 30 September 2010.

EXPANSION PIPELINE

To support its expansion plan, the Group has an **organic growth pipeline** representing some 2,500 beds (excluding beds with an option to buy), as follows:

- 800 beds being restructured.
- 1,740 beds being built.

As of 26 October 2010

HIGHLIGHTS OF THE FIRST NINE MONTHS

- **Debt restructuring, leading to significantly lower borrowing costs and improved financial flexibility**

To significantly reduce its borrowing costs and align financing resources with its growth strategy, MEDICA set up **new financing facilities** in June 2010 to replace existing syndicated bank loans.

The Group now has access to a €350-million term loan facility and a €100-million revolving loan facility. It is also authorized by its bank documents to use an additional €150-million basket of facilities.

Starting on 1 January 2011, **the average cost of debt will represent around 3.40%.**

- **Growth**

In the nine months ended 30 September 2010, MEDICA acquired 13 facilities representing a total of 985 beds.

During the period, the Group also opened 381 beds and delivered 153 beds following restructuring programmes.

As of 26 October 2010, MEDICA operated a portfolio of roughly 12,650 beds.

***Occupancy rate:** number of days billed divided by the number of billable days for facilities that have been open for more than 12 months.

- **MEDICA added to the SBF 120 index**

On 3 September 2010, the Index Committee of the NYSE Euronext Paris stock exchange added MEDICA to the SBF 120 index, effective 20 September 2010.

- **MEDICA added to the Gaia SRI index**

MEDICA has been included in the Gaia SRI index since 5 October 2010.

Created in October 2009 by IDMidCaps and EthiFinance, in partnership with SFAF and Middenext, the Gaia index rates French mid caps on their commitment to meeting environmental, social and governance (ESG) criteria. The index comprises 70 stocks selected from a total of more than 220 mid caps.

OUTLOOK

Management reaffirms the objective announced at the time of the initial public offering to deliver revenue growth of at least 10% in 2010 and at least 45% over the 2010-2012 period.

This performance will be achieved by actively deploying a disciplined capital expenditure and investment strategy. As well as selectively acquiring, restructuring and building care facilities, the Group will continue to invest in maintaining the high quality and profitability of existing facilities.

The Group intends to pursue this growth strategy while continuing to closely manage debt and further improving leverage (net debt to EBITDA ratio) to around 3 in 2012.

A conference call for analysts and investors will be held this morning at 9:00 am CEST.

INVESTOR CALENDAR

Fourth-quarter 2010 revenue: Friday, 11 February 2011 before start of trading.

ABOUT MEDICA

Created in 1968, MEDICA is a leading provider of long and short-term dependency care in France. It operates in both the long-term care sector, with 127 nursing homes in France and Italy, and in the post-acute and psychiatric care sector, with 37 facilities in France. Together, these 164 facilities offered a total of 12,300 beds at 30 June 2010.

MEDICA has been listed on the NYSE Euronext Paris stock exchange since February 2010 – Compartment B – Eligible for the Deferred Settlement Service.

MEDICA is included in the SBF 120, CAC Mid 100, MSCI France Small Cap and Gaia indices.

Symbol: MDCA – ISIN: FR0010372581 – Reuters: MDCA PA – Bloomberg: MDCA FP

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APPENDIX - QUARTERLY REVENUE BY SECTOR

	Q1		Q2		Q3	
	2010	2009	2010	2009	2010	2009
REVENUE BY SECTOR - €M						
Long-term care - France % of revenue	78.7 61.8%	68.8 59.5%	82.2 62.3%	70.9 59.8%	85.9 62.9%	74.1 60.5%
Post-acute and psychiatric care - France % of revenue	35.4 27.8%	34.8 30.2%	36.2 27.5%	35.3 29.8%	36.5 26.7%	35.6 29.1%
Italy % of revenue	13.1 10.3%	12.0 10.4%	13.5 10.2%	12.3 10.4%	14.1 10.3%	12.8 10.5%
TOTAL	127.2	115.6	131.9	118.5	136.5	122.6

Unaudited figures