



PRESS RELEASE

Paris, 27 February 2018

Half-year results at the end of December 2017

Declining results in a still very negative pricing environment

- Published half-year turnover down 1.1% to €1,066.4 million, stable on a like for like basis (+ 0.1%) with one fewer business day;
- Net loss attributable to the group of €22.1 million (versus a profit of €24.7 million at the end of December 2016) mainly due to exceptional restructuring charges;
- Decline in reported EBITDA by 11.7% to €103.7 million (down 9.2% on a like-for-like basis) and decrease in the margin rate from 10.9% to 9.7%;
- Deployment of the 2020 strategic plan in line with the objectives to transform, digitalize and restructure the company;
- Net financial debt decreased to €965.2 million at the end of December 2017 (compared with €977.9 million at the end of December 2016).

According to Pascal Roché, Group Chief Executive Officer:

“Despite a more difficult global environment in terms of volumes and ever-increasing pricing constraints, we have managed to maintain our turnover thanks to the diversity of our businesses (Medicine-Surgery-Obstetrics, Post-operative care and Rehabilitation and Mental Health) and by our presence in the heart of heavily populated areas. In addition, we continued to invest heavily in order to strengthen the efficiency of our organizations and to support the digitalization and transformation of our group; this explains the decline in the published EBITDA. These investments are essential if we are to continue to differentiate our business significantly in the sector in the long term.”

The Board of Directors, meeting on 22 February, approved the consolidated financial statements for the year ended December 2017. The accounts were subject to a limited review by the Statutory Auditors.

In € millions	from 1 July 2017 to 31 December 2017	Change	from 1 July 2016 to 31 December 2016
Turnover	1 066.4	-1.1%	1 077.8
Gross Operating Surplus (EBITDA)	103.7	-11.7%	117.4
Current operating profit	37.2	N/A	50.2
As a % of Turnover	3.5%	-1.2 points	4.7%
Operating profit	-6.5	N/A	61.0
Net income - Group share	-22.1	N/A	24.7
Net earnings per share (in €)	-0.29	N/A	0.32

<i>In € millions -</i>	from 1 July 2017 to 31 December 2017	from 1 July 2016 to 31 December 2016	Change
<i>Ile de France</i>	438.1	439.5	-0.3%
<i>Auvergne Rhône Alpes</i>	175.1	159.1	+10.1%
<i>Nord – Pas de Calais - Picardie</i>	170.6	172.2	-0.9%
<i>Provence Alpes Côte d'Azur</i>	78.3	78.7	-0.5%
<i>Bourgogne Franche Comté</i>	49.5	51.6	-4.1%
<i>Other regions</i>	153.0	149.8	+2.1%
<i>Other business</i>	1.8	26.9	N/A
Published turnover	1,066.4	1,077.8	-1.1%
Of which: - Organic	1,053.8	1,052.3	0.1%
<i>Of which organic within France</i>	1,042.6	1,041.4	0.1%
<i>Of which organic within Italy</i>	11.2	10.9	2.8%
- Changes in scope of consolidation	12.6	25.5	-50.6%

Operations and turnover:

The Group's consolidated turnover for the six-month period ended December 2017 amounted to €1,066.4 million, compared with €1,077.8 million from 1 July 2016 to 31 December 2016. The fall of 1.1% was due to the exit from consolidation scope of the Etang de Berre and Sévigné clinics in 2016, the Herbert clinic in 2017, and despite the entry of the Private Hospital of East Lyonnais in 2017.

On a like-for-like basis, turnover nevertheless increased by 0.1%, despite one fewer business day.

At the end of December 2017, total activity (excluding emergencies) increased by 1.2% in volume. The breakdown by business segment is as follows:

- +1.0% in Medicine-Surgery-Obstetrics
- +1.0% sub-acute care and rehabilitation
- +3.8% in mental health

With regard to the public service tasks managed by the group, the number of emergencies increased strongly, up 6.5% over the past year with 280,000 cases registered by the emergency services of our facilities.

Results:

EBITDA for the half-year was €103.7 million, down 11.7% on a reported basis. At constant scope and accounting methods, EBITDA was down 9.2% over the period. The EBITDA margin, as a percentage of turnover, decreased from 10.9% to 9.7%.

Current operating profit for the period 1 July 2017 to 31 December 2017 was €37.2 million (or 3.5% of turnover), down 25.9% from the €50.2 million recorded for the period 1 July 2016 to 31 December 2016.

The other non-current income and expenses resulted in a net expense of €43.7 million for the year ended, consisting almost entirely of restructuring costs. From 1 July 2016 to 31 December 2016, other non-current income and expenses represented a net income of €10.8 million.

The cost of net financial debt amounted to €20.2 million for the six months ended 31 December 2017, compared with €20.5 million the previous year. This consists primarily of interest on senior debt.

In total, the Ramsay Générale de Santé Group recorded a net loss of €22.1 million at the end of December 2017, compared with a profit of €24.7 million for the period from 1 July 2016 to 31 December 2016.

Debts:

Net financial debt at 31 December 2017 decreased to €965.2 million compared to €977.9 million at 31 December 2016. This debt includes, in particular, €1,099.7 million in non-current borrowings and financial debt, €91.3 million in current financial debt and €180.3 million in cash.

Ramsay Générale de Santé SA is listed on the Eurolist of Euronext Paris and is included in the Midcac index. Ramsay Générale de Santé is the leading Group in the private healthcare sector in France with 23,000 employees in 121 private clinics. The Group works with 6,000 practitioners, forming the leading independent medical community in France. A major player in hospitalisation, Ramsay Générale de Santé provides a comprehensive range of patient care services in three business segments: Medicine-Surgery-Obstetrics, sub-acute care and rehabilitation, and mental health. Ramsay Générale de Santé has developed a unique healthcare service, built around the quality and security of patient care and organisational efficiency. The Group takes a comprehensive approach to patient care, including personalised assistance and support before, during and after hospitalisation. Générale de Santé also participates in public service missions in its sector and helps to strengthen France's mainland healthcare network.

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A CONFERENCE CALL IN ENGLISH WILL BE HELD TODAY

at 7.30 p.m. (Paris time) - Dial-in at the following numbers

From France: +33 (0)1 76 77 22 61

From Great Britain: +44 (0)330 336 6025

From Australia: +61 (0)2 8524 5352

Access code: 465602

Glossary

Constant scope of consolidation

- The restatement of the scope of consolidation for incoming entities is as follows:
 - o Entities entering the scope of consolidation in the current year must have the contribution from the acquired entity deducted from the performance indicators in the current year;
 - o Entities entering the scope of consolidation in the previous year must have the contribution from the acquired entity deducted from the performance indicators of the previous month in the month of the acquisition
- The restatement of the scope of consolidation for outgoing entities is as follows:
 - o For entities leaving the scope of consolidation in the current year, the contribution of the outgoing entity must be deducted in the previous year from the performance indicators as of the month that the entity leaves the scope of consolidation.
 - o For entities leaving the scope of consolidation in the previous year, the contribution of the ongoing entity must be deducted for the full previous period.

Current operating profit is the operating profit before other non-current income or expenses, consisting of restructuring costs (expenses and provisions), gains or losses from disposal, or significant and non-recurring depreciation or amortisation of non-current assets, whether tangible or intangible; also, other operating expenses and income such as provisions relating to major litigation.

Gross operating surplus is the current operating profit before depreciation and amortisation (charges and provisions in the profit and loss account are grouped according to their nature).

Net financial debt consists of gross financial debt less net cash.

- Gross financial debt consists of:
 - o bank loans, including incurred interest;
 - o loans relating to finance leases including incurred interest;
 - o fair value hedging instruments recognised in the balance sheet net of tax;
 - o current receivables and financial debt in relation to current financial accounts with minority investors;
 - o treasury shares held by the Group (considered as marketable securities).
- Net cash consists of:
 - o cash and cash equivalents;
 - o bank overdrafts.

Selected financial information

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in million euros)	July 1, 2016 - June 30, 2017	July 1-Dec. 31, 2016	July 1-Dec. 31, 2017
TURNOVER	2,234.4	1,077.8	1,066.4
Personnel expenses and profit sharing	(967.8)	(476.4)	(476.5)
Purchased consumables	(445.0)	(211.7)	(212.6)
Other operating income and expenses	(278.3)	(138.1)	(138.0)
Taxes and duties	(95.0)	(45.6)	(45.2)
Rents	(182.4)	(88.6)	(90.4)
EBITDA	265.9	117.4	103.7
Depreciation	(133.4)	(67.2)	(66.5)
Current operating profit	132.5	50.2	37.2
Restructuring costs	(1.7)	(2.5)	(42.3)
Result of the management of real estate and financial assets	7.8	13.3	(1.4)
Impairment of goodwill	--	--	--
Other non-current income and expenses	6.1	10.8	(43.7)
Operating profit	138.6	61.0	(6.5)
Gross interest expenses	(40.4)	(20.6)	(20.7)
Income from cash and cash equivalents	0.6	0.1	0.5
Net interest expenses	(39.8)	(20.5)	(20.2)
Other financial income	0.4	0.3	0.5
Other financial expenses	(5.3)	(2.6)	(2.9)
Other financial income and expenses	(4.9)	(2.3)	(2.4)
Corporate income tax	(29.0)	(10.8)	9.2
NET PROFIT FOR THE PERIOD	64.9	27.4	(19.9)
<i>Revenues and expenses recognized directly as equity</i>			
- Retirement commitments	(2.0)	--	--
- Change in fair value of hedging financial instruments	8.8	5.7	--
- Translation differential	--	--	--
- Income tax on other comprehensive income	(3.2)	(2.0)	0.5
Results recognized directly as equity	3.6	3.7	0.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	68.5	31.1	(19.4)
PROFIT ATTRIBUTABLE TO (in million euros)	July 1, 2016 - June 30, 2017	July 1-Dec. 31, 2016	July 1-Dec. 31, 2017
Group's share of net earnings	57.0	24.7	(22.1)
Non-controlling interests	7.9	2.7	2.2
NET PROFIT FOR THE PERIOD	64.9	27.4	(19.9)
NET EARNINGS PER SHARE (in euros)	0.75	0.32	0.29
NET DILUTED EARNINGS PER SHARE (in euros)	0.75	0.32	0.29
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (in million euros)	July 1, 2016 - June 30, 2017	July 1-Dec. 31, 2016	July 1-Dec. 31, 2017
Group's comprehensive income for the period	60.6	28.4	(21.6)
Non-controlling interests	7.9	2.7	2.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	68.5	31.1	(19.4)

CONSOLIDATED BALANCE SHEET — ASSETS

(in million euros)	06-30-2016	06-30-2017	12-31-2017
Goodwill	741.2	727.1	752.0
Other intangible fixed assets	27.3	23.1	22.1
Tangible fixed assets	921.9	877.9	879.4
Investments in associates	0.6	0.5	0.5
Other long-term investments	50.7	49.6	52.1
Deferred tax assets	46.5	33.3	48.1
NON CURRENT ASSETS	1,788.2	1,711.5	1,754.2
Inventories	54.7	62.3	67.1
Trade and other receivables	175.6	158.3	145.5
Other current assets	206.8	224.8	171.7
Tax assets	14.4	6.0	49.8
Current financial assets	1.3	2.0	2.0
Cash and cash equivalents	112.8	180.8	180.3
Assets held for sale	--	--	--
CURRENT ASSETS	565.6	634.2	616.4
TOTAL ASSETS	2,353.8	2,345.7	2,370.6

CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY

(in million euros)	06-30-2016	06-30-2017	12-31-2017
Share capital	56.9	56.9	56.9
Additional paid-in capital	71.2	71.2	71.2
Consolidated reserves	236.4	276.9	334.4
Group's share of net profit	36.9	57.0	(22.1)
Group's share of equity	401.4	462.0	440.4
Non-controlling interests	36.4	40.0	40.9
TOTAL SHAREHOLDERS' EQUITY	437.8	502.0	481.3
Borrowings and financial debts	1 110.0	1 099.8	1 099.7
Provisions for retirement and other employee benefits	47.4	50.6	52.0
Non-current provisions	26.2	27.0	59.5
Other long term liabilities	23.2	13.4	12.9
Deferred tax liabilities	81.0	58.3	53.6
NON CURRENT LIABILITIES	1,287.8	1,249.1	1,277.7
Current provisions	14.8	12.9	15.5
Accounts payable	200.7	186.4	181.1
Other current liabilities	340.0	327.0	311.9
Tax liabilities	17.9	14.9	11.8
Short-term borrowings	54.8	53.4	91.3
Bank overdraft	---	---	---
Liabilities related to assets held for sale	---	---	---
CURRENT LIABILITIES	628.2	594.6	611.6
TOTAL EQUITY AND LIABILITIES	2,353.8	2,345.7	2,370.6

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	SHARE-HOLDERS' EQUITY
Shareholders' equity at June 30, 2016	56.9	71.2	251.3	(14.9)	36.9	401.4	36.4	437.8
Capital increase (including net fees)	--	--	--	--	--	--	--	--
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	--	--	--	--	--	--
Prior year appropriation of earnings	--	--	36.9	--	(36.9)	--	--	--
Distribution of dividends	--	--	--	--	--	--	(4.8)	(4.8)
Change in consolidation scope	--	--	--	--	--	--	0.5	0.5
Total comprehensive income for the period	--	--	--	3.6	57.0	60.6	7.9	68.5
Shareholders' equity at June 30, 2017	56.9	71.2	288.2	(11.3)	57.0	462.0	40.0	502.0
Capital increase (including net fees)	--	--	--	--	--	--	--	--
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	--	--	--	--	--	--
Prior year appropriation of earnings	--	--	57.0	--	(57.0)	--	--	--
Distribution of dividends	--	--	--	--	--	--	(1.3)	(1.3)
Change in consolidation scope	--	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	--	0.5	(22.1)	(21.6)	2.2	(19.4)
Shareholders' equity at December 31, 2017	56.9	71.2	345.2	(10.8)	(22.1)	440.4	40.9	481.3

STATEMENT OF INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY

(in million euros)	06-30-2016	Income and expenses July 1, 2016 to June 30, 2017	06-30-2017	Income and expenses July 1, 2017 to Dec. 31, 2017	12-31-2017
Translation differential		(0.3)		--	(0.3)
Retirement commitments		(3.7)		--	(4.9)
Fair value of hedging financial instruments		(10.9)		0.5	(5.6)
Results recognized directly as equity (Group's share)		(14.9)		0.5	(10.8)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in million euros)	July 1, 2016 - June 30, 2017	July 1-Dec. 31, 2016	July 1-Dec. 31, 2017
Total net consolidated profit	64.9	27.4	(19.9)
Depreciation	133.4	67.2	66.5
Other non-current income and expenses	(6.1)	(10.8)	43.7
Other financial income and expenses	4.9	2.3	2.4
Net interest expenses	39.8	20.5	20.2
Corporate income tax	29.0	10.8	(9.2)
EBITDA	265.9	117.4	103.7
Non-cash items including provisions and reversals (transactions with no cash effect)	0.3	1.2	(1.7)
Other income and expenses paid	(9.8)	(3.1)	(9.8)
Changes in other long term assets and liabilities	(2.0)	(1.1)	4.1
Cash flow before net interest expenses & taxes	254.4	114.4	96.3
Corporate income tax paid	(23.5)	(1.3)	(15.9)
Change in working capital requirements	(21.5)	3.2	32.3
NET CASH FROM OPERATING ACTIVITIES: (A)	209.4	116.3	112.7
Purchase of property, plant & equipment and intangible assets	(102.2)	(50.3)	(22.2)
Proceeds from sale of tangible and intangible assets	27.9	18.5	6.6
Purchase of financial assets	0.3	0.5	(21.5)
Proceeds from the disposal of financial assets	14.8	13.3	0.5
Dividends from non-consolidated companies	0.4	0.3	0.1
NET CASH USED FOR INVESTING ACTIVITIES: (B)	(58.8)	(17.7)	(36.5)
Dividends paid to minority interests of consolidated companies: (a)	(4.8)	(2.4)	(1.3)
Net interest expense paid: (b)	(39.8)	(20.5)	(20.2)
Debt issue costs: (c)	---	---	(3.5)
Cash flow before change in borrowings: (d) = (A+B + a + b + c)	106.0	75.7	51.2
Increase in borrowings: (e)	41.6	33.6	4.5
Repayment of borrowings: (f)	(79.6)	(48.5)	(56.2)
NET CASH USED FOR FINANCING ACTIVITIES: (C) = a + b + c + e + f	(82.6)	(37.8)	(76.7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: (A + B + C)	68.0	60.8	(0.5)
Cash and cash equivalents at beginning of period	112.8	112.8	180.8
Cash and cash equivalents at end of period	180.8	173.6	180.3
Net indebtedness at beginning of period	1,047.0	1 047.0	964.0
Cash flow before change in borrowings: (d)	(106.0)	(75.7)	(51.2)
Capitalization of financial leases	34.7	18.9	54.5
Loan issue charges fixed assets (August, 2017)	--	--	(3.5)
Loan issue charges fixed assets	4.3	2.2	2.5
Assets held for sale	--	--	--
Fair value of financial hedging instruments	(5.0)	(3.7)	(0.8)
Dividend to paid	---	---	---
Change in scope of consolidation and other	(11.0)	(10.8)	(0.3)
Net indebtedness at end of period	964.0	977.9	965.2