



Paris, July 31, 2014

Press Release

Results at end-June 2014

Robust operational performance on a like-for-like basis in a constrained pricing environment.

- Published revenue down by 10.1% following divestments in 2013, but up by 1.3% on a like-for-like basis;
- 8.6% decline in reported EBITDA, but improvement in EBITDA margin to 14.3%, compared with 14.0% in H1 2013;
- Decline in current operating profit limited to 6.3%, but increase in net income attributable to the Group.

Published revenue down by 10.1% at end-June 2014.

On a like-for-like basis, revenue grew by 1.3% compared with the first half of 2013. The Group recorded a rise in its number of short-term care stays (0.5%) with 444,000 stays on a like-for-like basis (excluding emergency care visits).

EBITDA reached €126.0 million, down by 8.6%.

Impacted by divestments in 2013 and penalized by restrictive measures on the part of the French government, reported EBITDA was down.

Published current operating profit is €71.7 million at end-June 2014, compared with €76.5 million in H1 2013.

Pascal Roché, the Group's Chief Executive Officer, said:

"In a persistently challenging pricing environment, the increase in revenue on a like-for-like basis and the operating performance, as measured by the increase in EBITDA margin, confirm the Group's sound fundamentals and its ability to generate profitable growth. At the same time, we are preparing the future and striving to refinance our debt in a sustainable manner. Committed to developing promising healthcare systems to meet the growing needs of patients (cancer, obesity, etc.), the Group is more than ever asserting its leadership in outpatient surgery, with a rate now above 54%, compared with 51% in H1 2013. Lastly, highly committed to its public service missions, the Group also recorded an increase in emergency care visits (growth of 2.8% in H1 2014), with a total of nearly 210,000 patients treated in the first half of the year, allowing us to play a vital role in care within our 19 clusters."

In € millions	End of June 2014	Change	End of June 2013
Revenue	882.8	-10.1%	982.1
EBITDA	126.0	-8.6%	137.8
Current operating profit	71.7	-6.3%	76.5
<i>As a % of revenue</i>	<i>8.1%</i>	<i>+0.3 point</i>	<i>7.8%</i>
Operating profit	67.8	+1.6%	66.7
Net income attributable to the Group	27.4	+2.2%	26.8
Net profit per share (in €)	0.49	+4.3%	0.47

Business – Decline in published revenue

Consolidated revenue for the first half of 2014 amounted to €882.8 million vs. €982.1 million for the same period in 2013, a decline of 10.1%. Excluding changes in the scope of consolidation, revenue grew by 1.3% in the period.

<i>In € millions -</i>	2014 End of June	2013 End of June	2014/2013 change	Q2 2014	Q2 2013	2014/2013 change
<i>Ile de France</i>	391.3	388.5	+ 0.7%	192.6	192.5	+ 0.1%
<i>Rhône Alpes</i>	145.6	142.6	+ 2.1%	71.1	70.3	+ 1.1%
<i>Nord</i>	100.3	98.9	+ 1.4%	48.8	49.2	- 0.8%
<i>Provence Alpes Côte d'Azur</i>	87.3	84.6	+ 3.2%	42.9	41.6	+ 3.1%
<i>Bourgogne</i>	55.9	55.9	--	27.2	27.6	- 1.4%
<i>Other regions</i>	102.4	100.7	+ 1.7%	51.0	50.0	+ 2.0%
<i>Other activities (1)</i>	--	110.9	- 100.0%	--	51.6	- 100.0%
Published revenue	882.8	982.1	- 10.1%	433.6	482.8	- 10.2%
Of which: - Organic	882.8	871.2	+ 1.3%	433.6	431.2	+ 0.6%
<i>inc. organic France</i>	870.6	858.8	+ 1.4%	427.4	424.9	+ 0.6%
<i>inc. organic Italy</i>	12.2	12.4	- 1.6%	6.2	6.3	- 1.6%
Change in consolidation scope	--	110,9	N/S	--	51.6	

(1) "Other Activities" include non-strategic activities whose assets have been sold

In France, the changes in scope are due to the disposals of Hôpital Privé Beauregard and Golfe de Saint-Tropez clinic in May, 2013, of the Le Floride clinic in June, 2013, and the Kerléna, Bazincourt and Les Sorbiers clinics in September, 2013.

On December 16, 2013, Générale de Santé also completed the disposal of its mental health businesses and the clinics that handled after-care and rehabilitation related to the mental health activities.

In France, the Hospital Care and Services activity recorded robust organic growth of 1.4% in the first half of 2014, driven by higher volumes.

During the first six months of 2014, the medical, surgery and obstetrics activity conducted in the Group's hospitals grew by 0.5% compared with the first half of 2013, on a like-for-like basis, reaching 444,000 stays. This growth breaks down as follows: surgery (+0.7%) and medicine (+0.5%), while obstetrics was down slightly (-1.1%).

In connection with the public service missions managed by the Group, the number of emergency care treatments rose by 2.8% at end-June 2014, based on over 207,000 patient visits to emergency departments.

Organic revenue in Italy was derived solely from the activity of the Omegna Hospital, which showed a slight decrease of 1.6% in H1 2014.

Results:

1) Decline in current operating profit

Despite the decline in published revenue, resulting from changes in the scope of consolidation, the Group limited the contraction in EBITDA to 8.6%, thanks above all to tight control of operating expenses.

Current operating profit follows the same trend, falling by just 6.3% to €71.7 million.

2) Growth in net profit

By contrast, operating profit increased, reaching €67.8 million at end-June 2014, compared with €66.7 million in H1 2013, due to a lower level of non-recurring expenses.

Net income attributable to the Group grew by 2.2% to €27.4 million, also buoyed by the lower cost of debt.

Net debt: seasonal increase in net financial debt per IFRS to €627.4 million at end-June 2014 (compared with €610.3 million at end-December 2013), down compared with June 2013 (€810.4 million)

Net financial debt per IFRS followed the classic seasonal pattern, increasing relative to its end-December 2013 position to €627.4 million due to the increase in the Group's working capital requirement between December and June.

Net debt includes €150.7 million in borrowings and long-term financial debt, €461.5 million in short-term financial debt and €28.1 million in bank overdraft facilities.

The interim accounts have been the subject of a limited review by the company's auditors.

About Générale de Santé:

Générale de Santé, listed on the Euronext Paris Eurolist (formerly known as the Premier Marché) since June 2001, is included in the Midcac Index. The leading private healthcare and services group, Générale de Santé has 19,000 employees, including 7,000 nurses and 4,000 care staff in 75 facilities and centers.

With almost 4,500 practitioners, it is the leading independent medical community in France. As a major player in hospital care, Générale de Santé covers the entire healthcare chain: medical, surgery and obstetrics, oncology, after-care and rehabilitation, and home medical services. Générale de Santé has developed a unique healthcare offering combining quality and safety of care, efficient organization, and a human touch. The Group offers comprehensive care with personalized support before, during, and after hospitalization, taking into account all aspects of the patient's needs; it also operates in the public health service and national healthcare network.

For more information, go to www.generale-de-sante.fr

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in million euros)	1 st half		
	2013	2013	2014
TURNOVER	1,869.7	982.1	882.8
Personnel expenses and profit sharing	(826.8)	(429.9)	(373.2)
Purchased consumables	(347.2)	(179.5)	(173.2)
Other operating income and expenses	(229.8)	(111.8)	(102.4)
Taxes and duties	(83.3)	(43.2)	(37.4)
Rents	(156.8)	(79.9)	(70.6)
EBITDA	225.8	137.8	126.0
Depreciation	(121.4)	(61.3)	(54.3)
Current operating profit	104.4	76.5	71.7
Restructuring costs	(6.9)	(5.4)	(4.4)
Result of the management of real estate and financial assets	65.8	(4.4)	0.5
Impairment of goodwill	--	--	--
Other non current income and expenses	58.9	(9.8)	(3.9)
Operating profit	163.3	66.7	67.8
Gross interest expenses	(32.1)	(15.1)	(13.2)
Income from cash and cash equivalents	0.7	0.2	0.2
Net interest expenses	(31.4)	(14.9)	(13.0)
Other financial income	0.7	0.1	0.1
Other financial expenses	(4.6)	(2.6)	(2.9)
Other financial income and expenses	(3.9)	(2.5)	(2.8)
Corporate income tax	(13.2)	(19.0)	(21.2)
Share of net profit of associates	--	--	--
NET PROFIT FOR THE PERIOD	114.8	30.3	30.8
<i>Revenues and expenses recognised directly as equity</i>			
- Retirement commitments	1.8	---	--
- Change in fair value of hedging financial instruments	10.2	5.6	3.4
- Translation differential	--	---	--
- Income tax on other comprehensive income	(4.5)	(2.0)	(0.7)
Results recognised directly as equity	7.5	3.6	2.7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	122.3	33.9	33.5
1 st half			
PROFIT ATTRIBUTABLE TO (in million euros)	2013	2013	2014
Group's share of net earnings	111.3	26.8	27.4
Non-controlling interests	3.5	3.5	3.4
NET PROFIT FOR THE PERIOD	114.8	30.3	30.8
NET EARNINGS PER SHARE (in euros)	1.97	0.47	0.49
NET DILUTED EARNINGS PER SHARE (in euros)	1.97	0.47	0.49
1 st half			
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (in million euros)	2013	2013	2014
Group's comprehensive income for the period	118.8	30.4	30.1
Non-controlling interests	3.5	3.5	3.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	122.3	33.9	33.5

CONSOLIDATED BALANCE SHEET – ASSETS

(in million euros)	12-31-2012	12-31-2013	06-30-2014
Goodwill	562.2	512.0	512.0
Other intangible fixed assets	19.0	18.8	20.0
Tangible fixed assets	809.8	697.9	669.8
Investments in associates	0.5	0.3	0.3
Other long-term investments	35.7	24.1	24.8
Deferred tax assets	44.5	49.3	41.4
NON CURRENT ASSETS	1,471.7	1,302.4	1,268.3
Inventories	33.2	33.2	34.5
Trade and other receivables	121.5	103.0	120.2
Other current assets	138.1	144.7	176.7
Current tax assets	2.5	6.5	11.8
Current financial assets	4.4	4.0	1.8
Cash and cash equivalents	---	---	---
Assets held for sale	1.5	5.3	5.2
CURRENT ASSETS	301.2	296.7	350.2
TOTAL ASSETS	1,772.9	1,599.1	1,618.5

CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY

(in million euros)	12-31-2012	12-31-2013	06-30-2014
Share capital	42.3	42.3	42.3
Additional paid-in capital	64.6	64.6	64.6
Consolidated reserves	211.5	228.2	299.4
Group's share of net profit	55.7	111.3	27.4
Group's share of equity	374.1	446.4	433.7
Non-controlling interests	12.2	11.3	14.0
TOTAL SHAREHOLDERS' EQUITY	386.3	457.7	447.7
Borrowings and financial debts	620.1	163.2	150.7
Provisions for retirement and other employee benefits	33.4	28.1	29.8
Non-current provisions	34.8	27.6	21.0
Other long term liabilities	24.9	11.7	5.9
Deferred tax liabilities	70.2	65.0	60.7
NON CURRENT LIABILITIES	783.4	295.6	268.1
Current provisions	8.9	11.6	11.0
Accounts payable	159.2	129.6	154.1
Other current liabilities	287.8	253.2	241.6
Tax liabilities due	3.9	4.0	6.4
Short-term borrowings	133.1	424.2	461.5
Bank overdraft	10.3	23.2	28.1
Liabilities related to assets held for sale	---	---	---
CURRENT LIABILITIES	603.2	845.8	902.7
TOTAL EQUITY AND LIABILITIES	1,772.9	1,599.1	1,618.5

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, 2012	42.3	64.6	224.9	(13.4)	55.7	374.1	12.2	386.3
Capital increase (including net fees)	--	--	(4.2)	--	--	(4.2)	--	(4.2)
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	--	--	--	--	--	--
Prior year appropriation of earnings	--	--	55.7	--	(55.7)	--	--	--
Distribution of dividends	--	--	(42.3)	--	--	(42.3)	(2.9)	(45.2)
Change in consolidation scope	--	--	--	--	--	--	(1.5)	(1.5)
Total comprehensive income for the period	--	--	--	7.5	111.3	118.8	3.5	122.3
Shareholders' equity at December 31, 2013	42.3	64.6	234.1	(5.9)	111.3	446.4	11.3	457.7
Capital increase (including net fees)	--	--	--	--	--	--	--	--
Treasury shares	--	--	--	--	--	--	--	--
Stocks options and free share	--	--	--	--	--	--	--	--
Prior year appropriation of earnings	--	--	111.3	--	(111.3)	--	--	--
Distribution of dividends	--	--	(42.3)	--	--	(42.3)	(1.2)	(43.5)
Change in consolidation scope	--	--	(0.5)	--	--	(0.5)	0.5	--
Total comprehensive income for the period	--	--	--	2.7	27.4	30.1	3.4	33.5
Shareholders' equity at June 30, 2014	42.3	64.6	302.6	(3.2)	27.4	433.7	14.0	447.7
	12-31-2012	12-31-2013	06-30-2014					
Dividends per share (in euros including pre-distribution)	0.75	0.75	0.75					
Number of treasury shares	25 301	25 301	25 301					

REVENUES AND EXPENSES RECOGNISED DIRECTLY AS EQUITY

(in million euros)	12-31-2012	Income and expenses 2013	12-31-2013	Income and expenses 1 st half 2014	06-30-2014
Translation differential	(0.3)	--	(0.3)	--	(0.3)
Retirement commitments	(2.8)	1.2	(1.6)	--	(1.6)
Fair value of hedging financial instruments	(10.3)	6.3	(4.0)	2.7	(1.3)
Results recognised directly as equity (Group's share)	(13.4)	7.5	(5.9)	2.7	(3.2)

CONSOLIDATED CASH FLOW STATEMENT

(in million euros)	2013	1 st half	
		2013	2014
Total net consolidated profit	114.8	30.3	30.8
Depreciation	121.4	61.3	54.3
Other non current income and expenses	(58.9)	9.8	3.9
Share of net profit of associates	--	--	--
Other financial income and expenses	3.9	2.5	2.8
Net interest expenses	31.4	14.9	13.0
Corporate income tax	13.2	19.0	21.2
EBITDA	225.8	137.8	126.0
Non cash items including provisions and reversals (transactions with no cash effect)	4.0	1.8	--
Other income and expenses paid	(19.8)	(8.5)	(11.1)
Changes in other long term assets and liabilities	(0.8)	(0.7)	(0.4)
Cash flow before net interest expenses & taxes	209.2	130.4	114.5
Corporate income tax paid	(28.6)	(16.3)	(8.0)
Change in working capital requirements	(29.3)	(39.5)	(44.5)
NET CASH FROM OPERATING ACTIVITIES : (A)	151.3	74.6	62.0
Purchase of property, plant & equipment and intangible assets	(67.4)	(46.3)	(33.2)
Proceeds from sale of tangible and intangible assets	110.2	--	--
Purchase of financial assets	---	--	(0.1)
Proceeds from the disposal of financial assets	79.3	3.8	0.7
Dividends from non consolidated companies	0.3	--	0.1
NET CASH USED FOR INVESTING ACTIVITIES : (B)	122.4	(42.5)	(32.5)
Capital increase: (a)	(4.2)	(4.2)	--
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)	(42.3)	--	--
Dividends paid to minority interests of consolidated companies: (e)	(2.9)	(1.5)	(1.2)
Net interest expense paid : (f)	(31.4)	(14.9)	(13.0)
Debt issue costs : (g)	---	--	--
Cash flow before repayment of borrowings: (h) = (A+B + a + b + c + d + e + f + g)	192.9	11.5	15.3
Increase in borrowings : (i)	15.0	15.0	43.1
Repayment of borrowings : (j)	(220.8)	(49.0)	(63.3)
NET CASH USED FOR FINANCING ACTIVITIES: (C) = a + b + c + d + e + f + g + i + j	(286.6)	(54.6)	(34.4)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: (A + B + C)	(12.9)	(22.5)	(4.9)
Cash and cash equivalents at beginning of period	(10.3)	(10.3)	(23.2)
Cash and cash equivalents at end of period	(23.2)	(32.8)	(28.1)
Net indebtedness at beginning of period	769.1	769.1	610.3
Cash flow before repayment of borrowings: (h)	(192.9)	(11.5)	(15.3)
Capitalization of financial leases	114.2	7.6	8.0
Loan issue charges fixed assets	3.5	1.8	2.1
Assets held for sale	3.8	0.8	(0.1)
Fair value of financial hedging instruments	(6.3)	(3.6)	(2.7)
Dividends to pay	---	42.3	42.3
Change in scope of consolidation and other	(81.1)	3.9	(17.2)
Net indebtedness at end of period	610.3	810.4	627.4