



L'esprit de service

LVL Médical Groupe

DISCOVERY MEETING

SEPTEMBER 2007



Our history

- **1987 in France:** opening to the private sector of the home respiratory assistance market : an **interministerial tariff** for this type of health service (LPP) was instituted
- **1989:** Jean-Claude Lavorel founded LVL Medical **originally specialized in home respiratory assistance**
- **1996: joining the stock market:** extended national coverage, new services.
- Baked by its experience in this specific therapeutic field, the Group is also specialized in
 - **home infusion (1997),**
 - **nutrition and insulin therapy (2001)**
 - **home medical equipment branch as an additional offer (1997).**
- **An international opening:**
 - **Germany since 1999 (Pflegedienst 2002, Bonitas 2004)**
 - England (2002-2003)
 - Spain (2003-2006)



L'esprit de service

Our expertise



LVL Médical Groupe in France

1 business, 2 activities with high added value

⇒ **The Homecare reference**

(« provider of homecare services »)

■ Two major activities

- **Home respiratory assistance: historical activity**

On-going care, visibility and increasing tariff rates

(More than 27,000 patients at 31 March 2007)

- **Home infusion/nutrition/insulin therapy (INI): strategical activity with high technical added value**

A large network of prescribing physicians => Strong opportunities for growth

(More than 5,500 patients at 31 March 2007)

■ A complementary offer: medical equipment for home use



LVL Medical Groupe in Germany ***2 activities, a position of national leader...***

...on the strong market of the nursing and home care services

- Nursing and home care services (Pflegedienst), a recognized expertise

A real know-how in organization and management

- *Nursing care*
- *Coordination of intervention by local social services*
- *Setting up and coordinating treatments*

- Intensive care => in dedicated structures
=> at home

Accelerated growth in activity



L'esprit de service

Sustained development and favourable outlook

1. France

2. Germany



France

Our business model

- **Service provider, our teams both start and monitor a medical prescription**

A team of specialist representatives developing the prescribing physician network

Co-ordinating the patient's return home

Installing equipment and training the patient and the patient's close relatives

Maintenance of equipment

*Administrative management with direct billing to the Assurance Maladie funds**

Monitoring compliance with treatment

24/24 hour and 7/7 day telephone and technical assistance

Informing the medical profession about home follow up

- ***All of our services are billed directly to the Health Insurance funds according to tariffs set by the Minister of Health (LPP under article L 165-I of Social Security code), with no advance fees for the patient.**

- **An optimised organisation and management due to a new ERP**

=> For almost 18 years, our experiences and track record, alongside the current economic and social climate, have afforded LVL Medical a legitimate role in the health system.



France

Sustained continuity of a service company

- **Quality and security for a long term viability**
- **Optimal organisation** based on best practices in the Group
- **A new enhanced information system**
- **Professional approach**
- **Management through quality**
- **Risk management** (regulatory and operational)

=> Harmonization of practices



France

Strongly implicated...

■ **A strong local presence, a highly implicated team**

- 40 agencies, 5 regional headquarters
- Round the clock Technical and answering services
- A phone call 2 days after setting up the home care treatment

■ **Rules of conduct**

Ethics, respect, listening, presence

■ **Principles for action**

Quality, security, proximity, transparency, professionalism

... for ongoing improvement in service quality!



France

... On a perennial market

- **Economic advantages**
 - Homecare can cost **3 to 10 times less than hospital care**

- **Demographic factor**
 - Growing need: due to **population ageing: 30% of the french population is more than 60 years old** (*source INSEE, bilan démographique*)

- **Improved standard of living**
 - Desire for a better quality of life and comfort linked to homecare

- **Activities under development**
 - **Technical and technological Innovations**, earlier detection of diseases and therapeutic protocols adapted to homecare

- **A clearly stated ambition of the French Government. A strong preference expressed by patients**



France

Market trends by activity

■ Home respiratory assistance

- On-going activity (long term illnesses)
- **Significant growth potential due to under-diagnosed pathologies: COPD** (1.9m France), asthma, **sleep apnoea**(1.3 – 2.6 m France) ...

=> **Increasing tariff rates since July, 5th.2007: from 0.9% to 1.4%**

■ Home enteral nutrition

A vast market to be conquered

- Treatments averaging **from 3 to 6 months**
- **A large network of prescribing physicians**
- A structurally limited growth potential but a **substantial volume**



France

Market trends by activity

■ Home insulin therapy: an increasingly more professional activity

Updated official services list

- **Adjustment** of the monthly price
- Valorisation of patient education

■ Home infusion: a promising future market

A significant future growth

- **Numerous treatments:** chemotherapy, antibiotic therapy, pain management, palliative care, rehydratation, immunoglobulin, ...
- **Specific expertise that limits competitive pressure** (high technical added value)



France

Entry obstacles: a real limit to competition

■ Numerous actors in the field

- 3 national players, lots of regional players, around 60 **associations**

■ More and more complex sanitary environment, business increasingly professional: opportunities for LVL Médical !

- **Regulated activity**
- **A higher level of control**
- **Necessity of a global care**
- **Service quality, professional approach**
- **A real technical added value**
- **A fault-less logistics**
- **The need for a large network of prescribing physicians**

=> An ambition to lead the perennial market in assistance for medical home care in France !



LVL Médical Groupe in Germany

A reliable market

⇒ **A position of leader on the intensive care market**

■ **A perennial market**

- **No significant change on the ambulant and intensive care market**
(on-going need due to population ageing)
- **A strong political commitment** for alternative solutions to hospitalisation



L'esprit de service

Half year 2006-2007

Key events



Key events in France

- **“LVL 2007”:** Optimisation of organisation and sustained growth
 - **3 dimensions of project**
 - Business, organisation
 - Information Technology
 - HR/social change
 - **An ERP, back bone of a safe and optimised organisation**
 - => **Optimised risk management for better reporting, forecasting, and sustainable strategy**
 - => **Optimise agency profitability through:**
 - More efficient repartition of HR
 - Great mastery of operational performance
 - => Harmonisation of profitability in the subsidiaries
 - => Zone 1 going to come online in February 2008
- **Management of the process and maintenance costs**
Centralised maintenance platform (CMP May, 1st. 2007)



Key events in France

■ Human Resources

- **Recruitment**

- Professional approach

- Recruitment process with professionals

- **Training of newcomers**

- **Dynamic internal communication:** managing and accompanying change

■ Stock option plan



Key events in Germany

- Q1 2007 : A national declination of our business model
Opening of a new dedicated structure for intensive care in Hamburg
 - First “intensive care patients”** in the North of Germany
 - Managing development with local hospitals

=> **Growth outlook in the geographical area**

- June 2007 : Accelerating in geographical implantations
Opening of a new intensive care unit close to the Cologne Hospital

- July 2007 : Take-over of two medical care structures in Kiel, grouped in a new subsidiary: “Ihre Assistenz im Norden GmbH & Co.KG”



L'esprit de service

2006-2007 half-yearly results: 31 March 2007

- 1- Key figures**
- 2- LVL Médical in France**
- 3- LVL Médical in Germany**
- 4- Net financial charges**
- 5- Financial flows and net closing cash**



Half-yearly results

Key consolidated figures

	In €m	31 March 07	31 March 06	Variation in %
Turnover		46.1	39.7	+16.1%
Current operating income before stock options		7.1	5.7	+23.5%
Operating margin before stock options		15.3%	14.4%	-
Current operating income		6.7	5.7	+16.7%
Operating margin		14.5%	14.4%	-
Operating profit		7.2	5.4	+32.3%
Net financial charges		-1.3	-1.2	-9.4%
Pre-tax profit		5.8	4.2	+37.2%
Tax		-1.2	-0.9	-34.2%
Total net profit		4.5	3.3	+38.1%
Net margin		9.8%	8.2%	-
Attributable net profit		4.4	3.2	+37.0%



Half-yearly results

Key consolidated figures

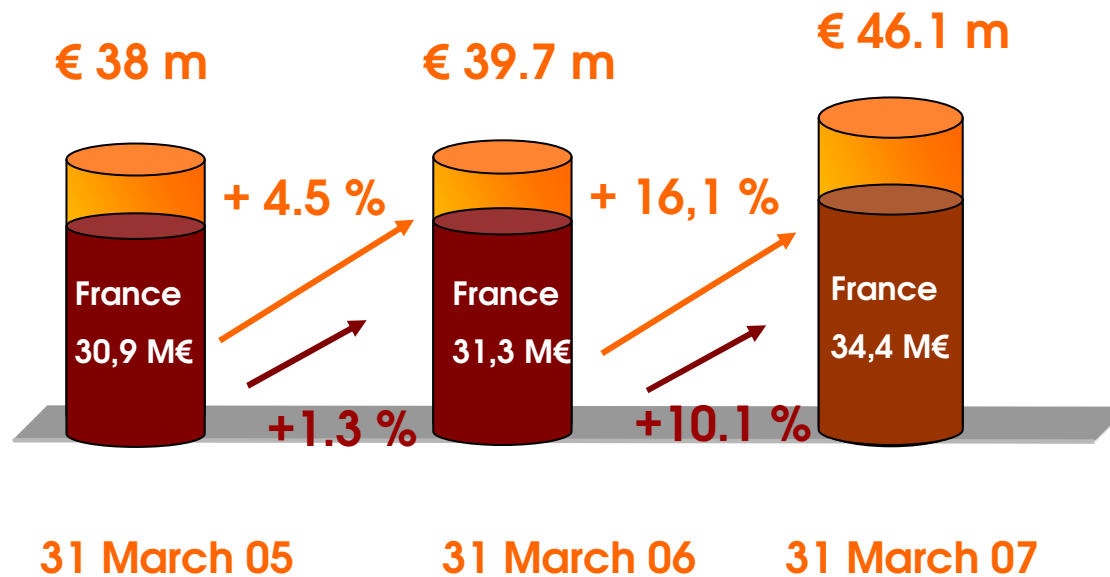
	en €m	31 March 07	30 September 06	Variation in %
Total equity capital		9.5	7.7	+23.3%
Océane (*)		27.1	27.5	-1.7%
Net cash available		4.7	7.6	-38.8%
Financial debt (*)	out of which	9.6	12.6	-24,4%
- Bank loans		9.1	10.4	-13,0%
- Financial leases		0.5	2.2	-77,7%
Net financial debt		4.9	5.0	-2.5%

(*) : including long term and short term



Half-yearly turnover

Consolidated turnover

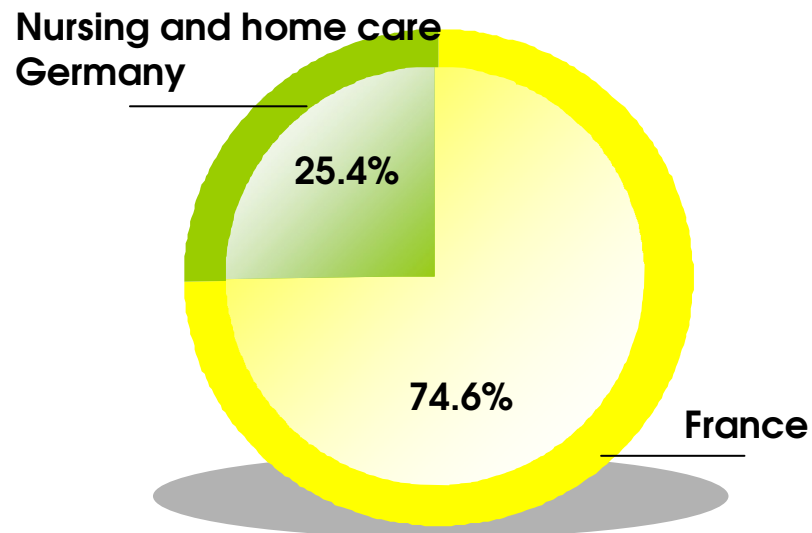


- ▶ Strong growth: + 16.1%
- ▶ 38,5% increase in turnover in Germany
- ▶ 10.1% growth in France

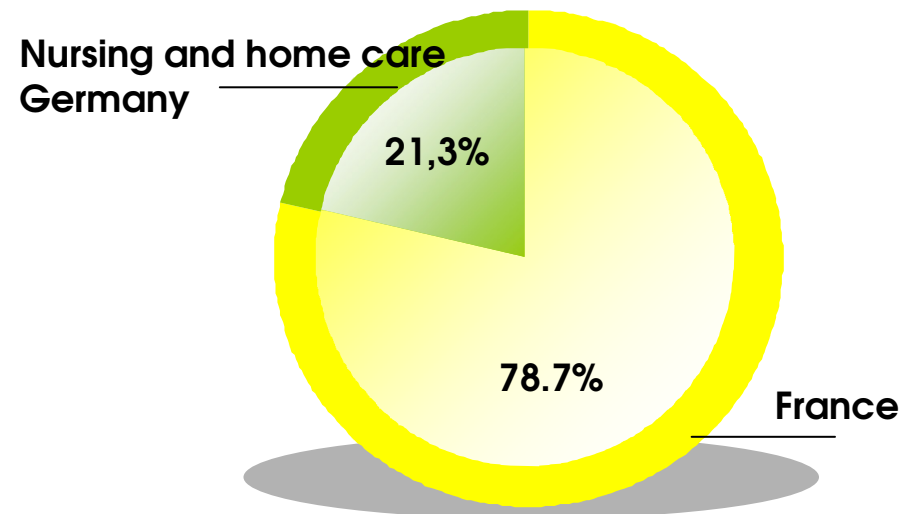


Half-yearly results

Activity: breakdown by country



31 March 2007



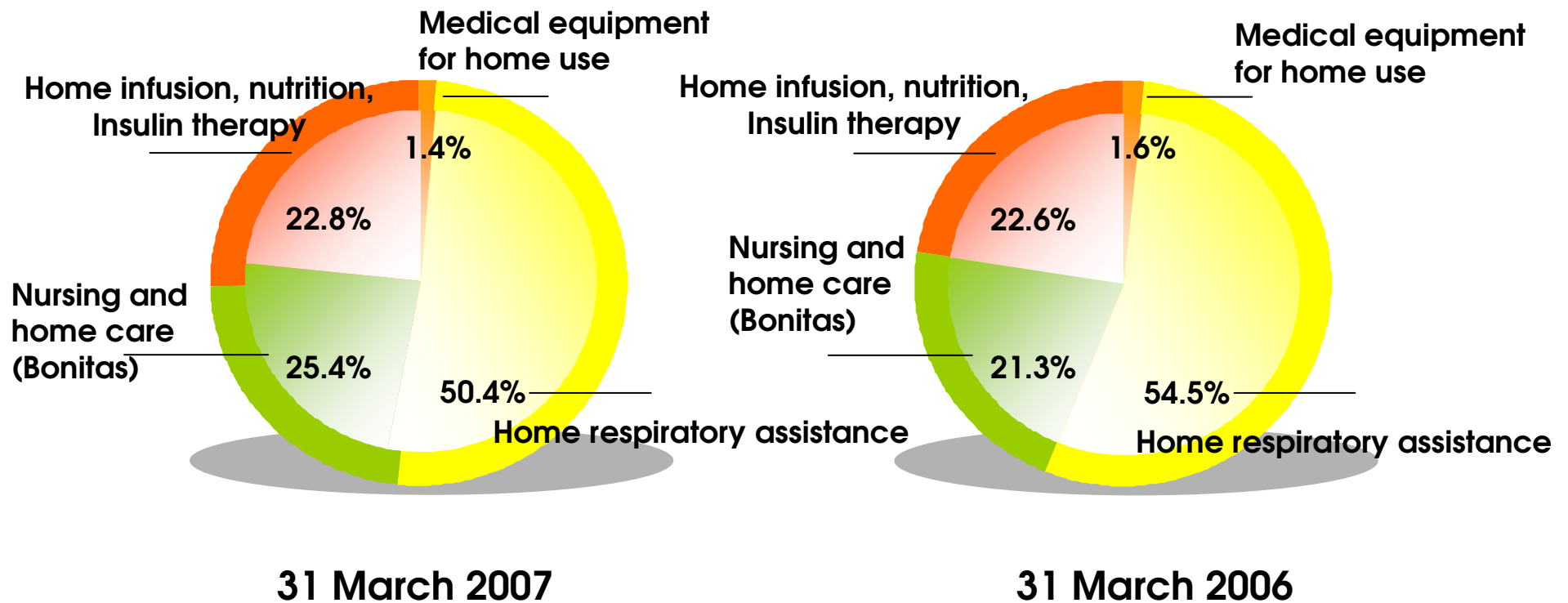
31 March 2006

* In % of turnover



Half-yearly results

Split by activity *

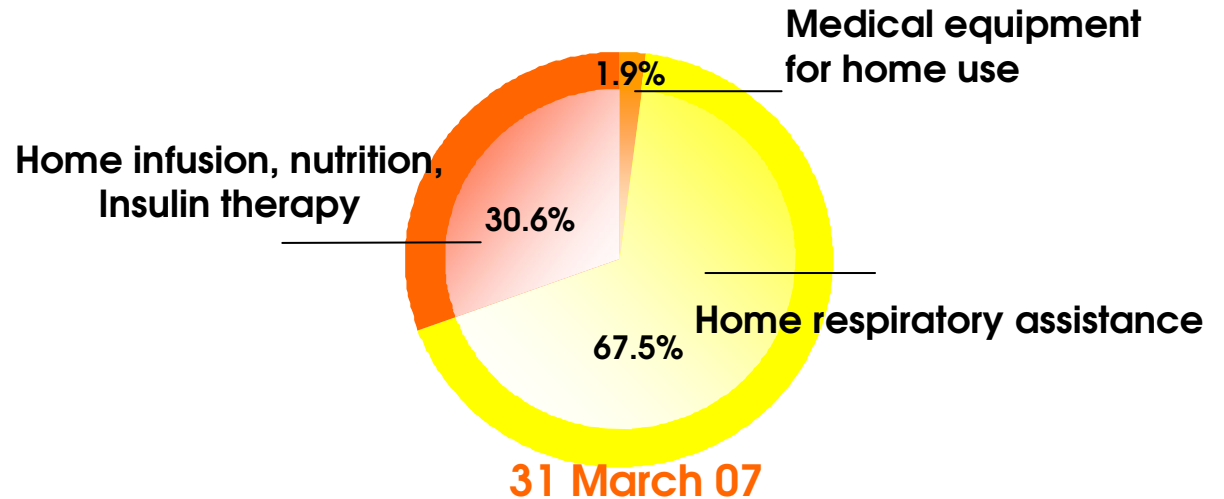
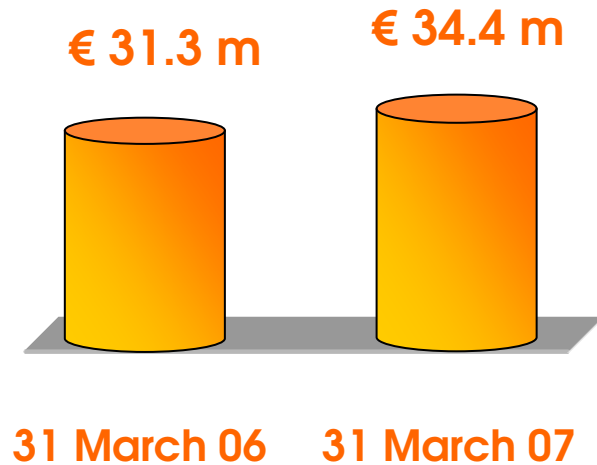


* In % of turnover



LVL Médical in France

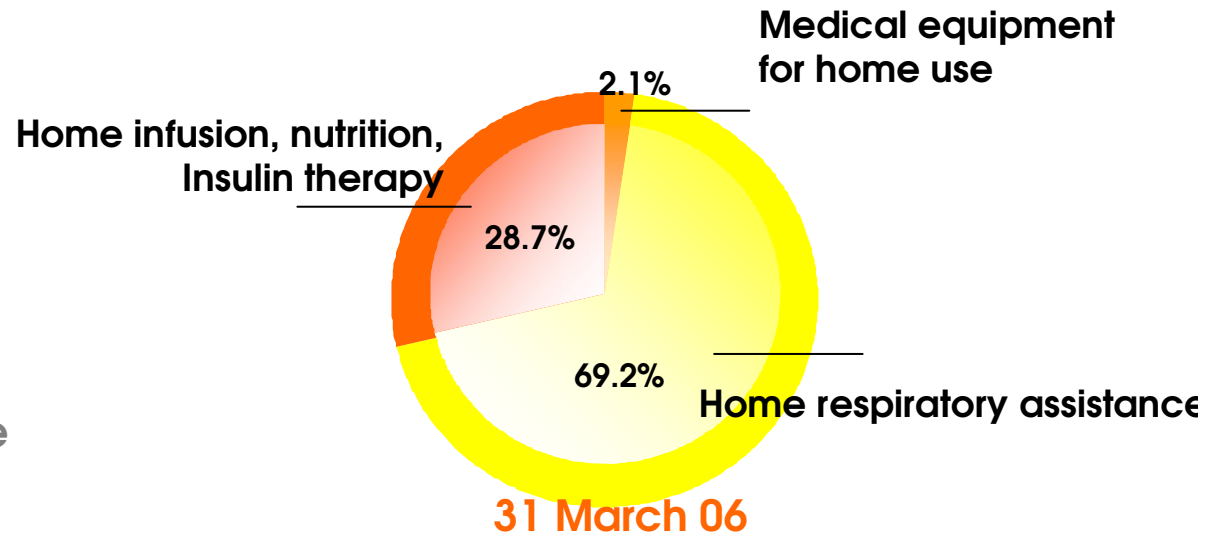
Half-yearly activity



Respiratory Assistance
23.2 M€ + 7.3% vs 31 March 06

Infusion, Nutrition, Insulin therapy
10.5 M€ + 17.3% vs 31 March 06

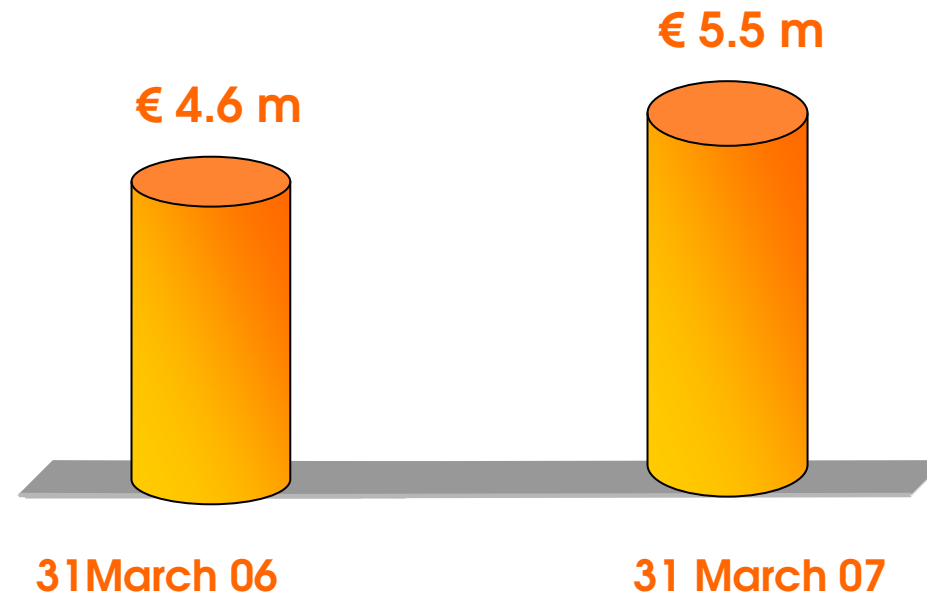
Medical equipment for home use
0.7 M€ + 3.6% vs 31 March 06





LVL Médical in France

Current operating profit before stock options



► Performances which confirm the operational turn-round

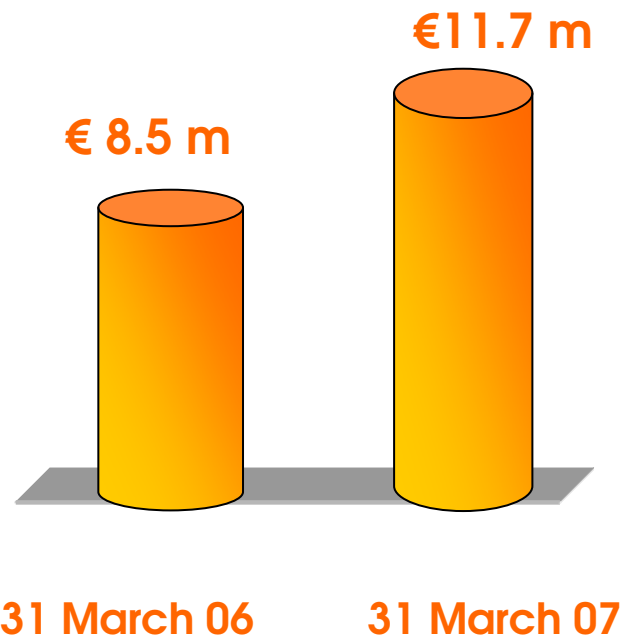
⇒ ***A 15.9% operating margin* for the half year versus 14.8% at 31 March 2006***

(*) : Current operating profit / Turnover



LVL Médical in Germany (Bonitas)

Half-yearly activity



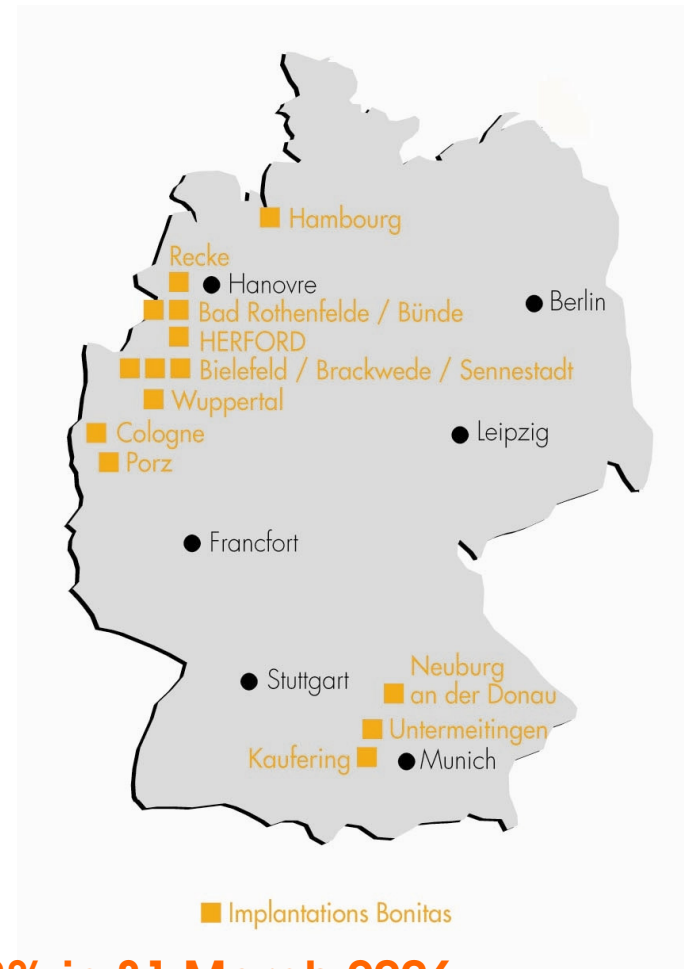
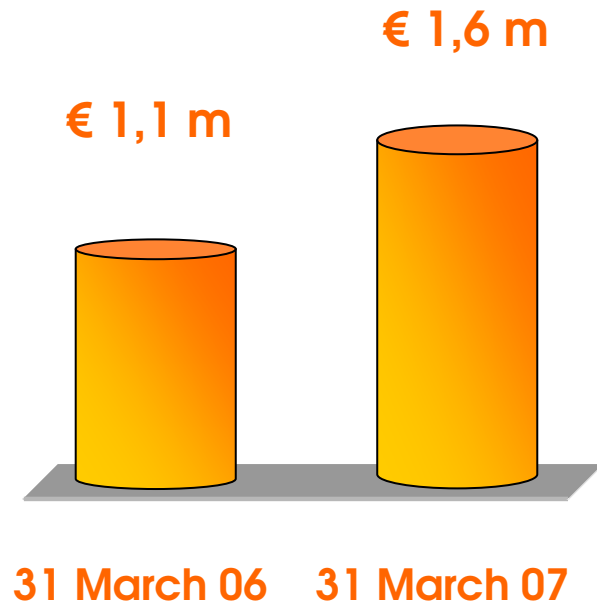
Performances Superior to forecast

=> Organic growth of over 38% for the half year



LVL Médical in Germany (Bonitas)

Current operating income



► An operating margin of 13,9% vs 13,3% in 31 March 2006



Half year results at 31 March 2007

Net financial charges

■	Océane interest	€ -0,8 m
■	Interest / bank and financial leases	€ -0,5 m
■	Interest/ other financial debts	€ -0,1 m
■	Gross financial charges	<u>€ -1,4 m</u>
■	Treasury Yield	€ +0,1 m
■	Net financial charges	<u>€ -1,3 m</u>



Half year results

Consolidated cash flow statement

	in €m	10/01/06- 03/31/07	10/01/05- 03/31/06
Cash flow before net financial charges and taxes		10,3	8.7
Working capital		0.3	1.1
Tax paid		-1.0	-1.9
Cash flow from operations		9.5	7.8
Capital expenditure		-6.2	-4.0
Disposal of assets		0.1	-
Impact of changes in the scope of consolidation		0.6	-1.0
Cash flow from investment activities		-5.5	-5.1
Purchase/ sale of own shares		-2.7	-
Increase in loans		-	0.7
Reimbursement of loans		-3.9	-4.9
Net financial interest paid		-0.3	-0.5
Dividends paid		-	-0.1
Cash flow of financing activities		-6.9	-4.8
Net cash flow		-3.0	-2.1
Net closing cash		4.7	6.0



Half year results

Working capital

	in €m	31 March 07	30 September 06	Variation
Net inventories		2,9	2,7	-0.1
Net customer receivables		11.5	11.1	-0.4
Other account receivable		3.5	3.1	-0.4
Current assets		17.8	16.9	-0.9
Accounts payable		7.1	5.9	1.3
Other liabilities		11.0	11.1	-0.1
Current liabilities		18.1	17.0	1.2
Working capital		-0.3	0.0	0.3
Turnover		46.1	82.3	
Working capital as% of turnover		-0.4%	0.0%	



L'esprit de service

Second half of 2007: strategy and outlook

1. France

2. Germany



Strategy and outlook in France

An aggressive strategy

Strengthen our hold on our market share in respiratory activity

Diversify our prescription network and extend our services



Optimise and extend our geographical coverage

Continue to innovate and differentiate our service to patients and prescribing physicians



Be the French leader in assistance for medical home care

** According to developments in regulation*



Strategy and outlook in France

Means of growth

1. Diversify our prescription network and extend our services

- Looking for new care services
 - ▶ Nursing and home care services: German system
 - ▶ “HAD” structures (hospitalization at home)
 - ▶ Subcontracted dialysis
 - ▶ Outsourced patients

- Develop our network of independant nurses and gain their loyalty



Strategy and outlook in France

Means of growth

■ Infusion, a vast source of growth

Chronical diseases + Complementary treatments

- Treatment of mucoviscidose
- Osteite
- Pain management
- Apokinon (treatment of Parkinson's disease)
- Immunoglobulin

2. Optimising and extending our geographical coverage

- Opening new agencies in 2008
- Creating a regional headquarters for the South- West



Strategy and outlook in France

Means of growth

3. Strengthen our hold on market share in the respiratory activity

- **Develop the loyalty** of our prescribing physicians network
- **Develop this network** by optimising and accelerating in geographical implantations

4. Continue to innovate and differentiate the service given to both patients and prescribing physicians

- **A phone call 2 days after setting up** the home care treatment
- **Web site dedicated to our prescribing physicians network**, with a secured connexion



Strategy and outlook in France

Develop mastered sustainable growth

■ HR

- Recruitments and integration
- Initial and on-going training
- Accompanying change

■ Marketing and communication

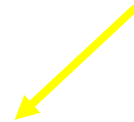
- Developing the **communication pool**
- Creating a « head of marketing » **post**
- Creating **new sales tool to develop the loyalty** of our prescribing physicians network
- New **Web site www.lvl-medical.com**



Strategy and outlook in Germany

Consolidating our national leadership

BONITAS



Internal growth

- Developing at home nursing care activities and intensive care
- Creating dedicated structures for ambulant care



Opportunities for external growth



Strengthen our hold on market share

Consolidate our national leadership



Strategy and outlook in Germany

Outlook: Strong and long-term growth

- Accelerated growth

- Intensification of our bargaining power with the trusteeships
 - Size of the company
 - Important and increasing number of patients
 - Quality and professionalism



L'esprit de service

**2006-2007 financial year
Ambitious targets !**



LVL Médical Groupe 2007 targets

Ensure sustained growth and create value

Very favourable outlook
on the French and German markets

+

Excellent fundamentals

**Capacity to ensure sustained growth and create value
for the long-term**

- **Higher than planned growth for the 2006-2007 financial year**
- **Improved results**



L'esprit de service

Stock information

ISIN FR0000054686, Bloomberg LVL:FP , Reuters : LVLM.PA

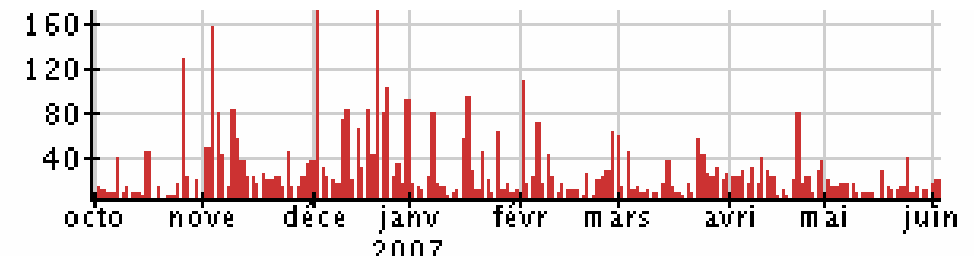


Stock information

A new-found confidence in the future



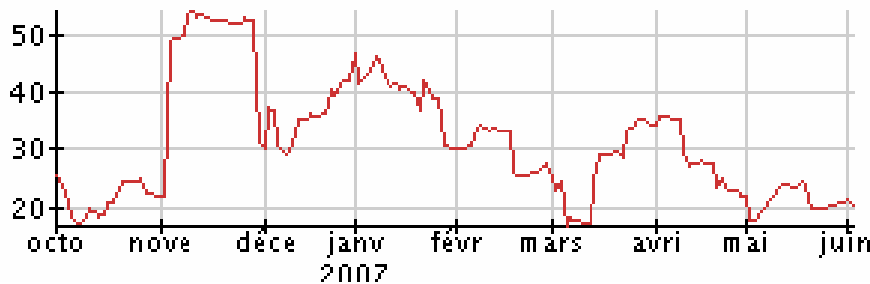
Source Fininfo



Excellent level of liquidity:

3 588 682* stock exchanged during the first six months of the financial year: **33.7%** rotation of the capital

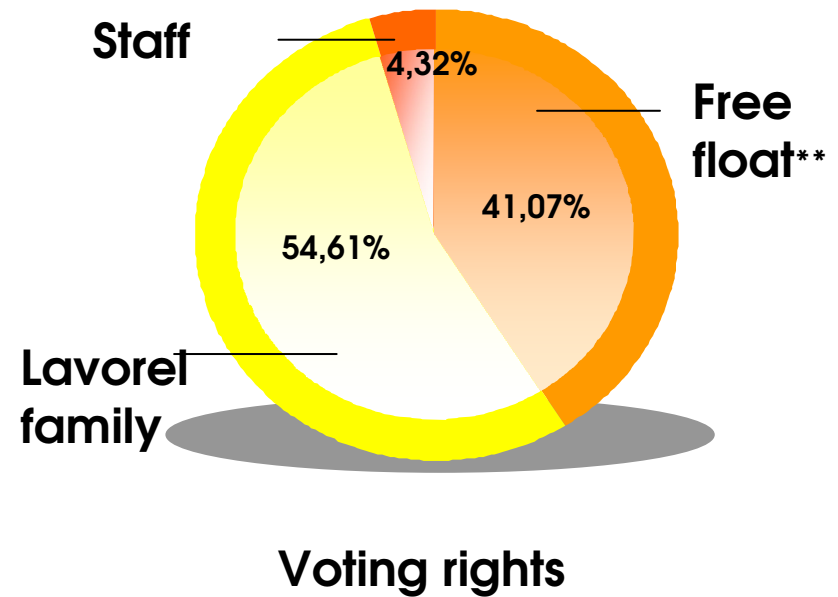
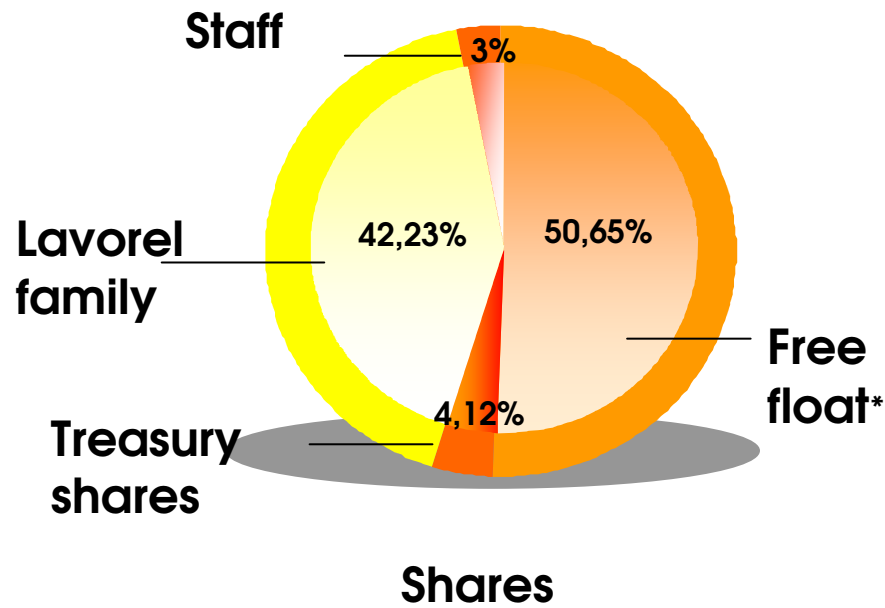
** source Oddo Gestion*



Decline in share volatility



Shareholders



Number of shares at 31 May 2007 : 10 624 304

*Of wich Amber Master Fund 10%

** Of wich Amber Master Fund 8,23%



L'esprit de service

Next meetings:

Annual turnover: 25 October 2007

Annual results : December 2007