

PRESS RELEASE

Tuesday, June 9th, 2009

NOT FOR DISTRIBUTION OUTSIDE OF FRANCE

<p>Korian pursues its investments and strengthens its financial structure by a EUR 70 million capital increase</p>

- **Capital increase without preferential subscription rights and with a priority offer period for existing shareholders**
- **Priority offer period to subscribe for 2 new shares for 15 existing shares at a subscription price of EUR 19 per share, a 16% premium over closing price on June 5, 2009**
- **Priority offer period for existing shareholders and public offer in France from June 9, to June 11, 2009 inclusive**

The capital increase aims at increasing the Group's financial flexibility in the implementation of its investment programme, which will allow new beds openings and rationalisation of existing facilities. The capital increase is part of the adaptation of Korian's business model to the current market environment, which includes a prudent balance sheet management and a greater selectivity in its target investments.

The main terms of the proposed capital increase are as follows:

- A EUR 70,033,392 capital increase (including the issue premium) through the issuance of 3,685,968 new shares at a subscription price of EUR 19 per share, without preferential subscription rights.
- Korian's shareholders as of the closing of June 8, 2009 trading day will be granted a non-negotiable, non-transferable priority offer for a period of three trading days to subscribe on an irreducible basis at a ratio of 2 new shares for every 15 existing shares at EUR 19 per share. Subscriptions in the frame of the priority offer period will be received from June 9, to June 11, 2009 inclusive. The 41,896 treasury shares held by Korian will not be granted the priority offer period.
- The new shares other than those that have been subscribed for by shareholders during their priority offer period will be subject, between June 9 and June 11, 2009 inclusive, to a public offer in France.
- Settlement, delivery and listing of the new shares on Eurolist by Euronext Paris are scheduled to occur on June 19, 2009.
- The new shares will be entitled to dividends rights as of January 1, 2009. Upon issuance, they will be listed for trading on Euronext Paris on a separate quotation line (ISIN code FR0010769646) until the close of the record date for the dividend that could be voted by the shareholders' meeting in respect of fiscal year 2008. As from the ex-dividend date, the new shares will become fungible with the existing shares and will be traded on the same quotation line.

Three of Korian Group's main shareholders have expressed their intention to subscribe on a pro rata basis the new shares offered in the capital increase. Two of them (Malakoff Mederic and MACSF) have also committed to subscribe to shares remained unsubscribed after the subscription on an irreducible basis. Such intention and commitments, which cover the entire capital increase have been consented by: Prédica (total subscription amount of EUR 21.7 million), Malakoff Mederic (total maximum subscription amount of EUR 21.7 million) and MACSF (total maximum subscription amount of EUR 26.6 million).

BNP PARIBAS and Rothschild are Joint Lead Managers and Joint Bookrunners of the offering.

Centralisation agent

Société Générale Securities Services / Global Issuer Services, BP 81236, 32 rue du Champ-de-Tir, 44312 Nantes Cedex 03.

KORIAN

The Korian Group, founded in 2001, is the European temporary and permanent dependency care market leader. A private group employing over 12,000 people, Korian has a broad portfolio of activities that dovetail effectively with one another in France, Italy and Germany. Its 216 Korian facilities represented a combined total of 19,890 beds at 31 December 2008:

In France: 119 retirement homes (EHPAD), 35 follow-up care and rehabilitation clinics (SSR) and 12 psychiatric clinics for a total of 13,836 beds.

In Europe: 19 facilities in Italy for a total of 2,495 beds and 31 facilities in Germany for 3,559 beds.

Korian has authorisations to open 1,800 new beds in the three countries in which it is established.

The company has been listed on Eurolist Paris Euronext (Compartment B) since November 2006.

Information for the public

A prospectus approved by the Autorité des marchés financiers (the "AMF", the French Securities Regulator) under No. 09-180 Visa on June 8, 2009 is available free of charge at the head office of Korian, through the Joint Lead Managers and Joint Bookrunners, as well as on the Internet websites of Korian (www.groupe-korian.com) and the AMF (www.amf-france.org). The prospectus consists of the reference document filed with the AMF on June 3, 2009 under No R.09-051 and an offering memorandum (note d'opération) (which includes a summary) on June 8, 2009.

Korian Group draws the attention of investors to the sections concerning risk factors of the prospectus approved by the AMF.

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No public offer of Korian shares will be made in the United Kingdom. In the United Kingdom, this press release is intended only for persons (i) who have professional investment experience, or (ii) meet the criteria laid down in the provisions of Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as modified.

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