

**KORIAN: CONTINUED INCREASE IN OPERATING EARNINGS IN ALL COUNTRIES
SIGNIFICANT NEW DECREASE IN DEBT**

Paris, 14 September 2009. Korian, the European leader in the comprehensive dependency care market, today announced a strong increase in consolidated first-half operating earnings, once again demonstrating the robustness of the company's business model.

Consolidated revenues rose 9.4%, to €414.4 million. This was attributable primarily to the strong performance of the European subsidiaries, which posted growth of 24.7% and now generate more than one quarter of the Group's activity.

Consolidated EBITDAR* increased 12.4%, to €94 million. The fact that the increase in this figure was higher than the increase in revenues demonstrates the efficient management of the Group.

Moreover, in less than one year, Korian has significantly strengthened its financing structure. The Group succeeded in increasing its capital by €70 million and expanding its shareholder base to long-term investors in the healthcare industry: the Malakoff Médéric Group and MACSF. Korian also reduced its bank loans by nearly €200 million (-30%), as well as its cost of borrowing (-65 bp).

Over the next 3 years, continuation of the Group's strategy to create value will, in part, hinge on implementing the more than 2,000 beds already authorized and restructuring more than 3,000 beds currently under management.

Korian has a strong visibility and is well positioned to take advantage of the rapidly expanding healthcare markets in Europe.

12.4% INCREASE IN EBITDAR

<i>in € millions</i>	30.06.09	30.06.08	Change
Revenues	414.4	378.7	9.4%
EBITDAR	94.0	83.7	12.4%
<i>% of Revenues</i>	<i>22.7%</i>	<i>22.1%</i>	
Rent	52.0	44.5	16.8%
EBITDA	42.1	39.2	7.4%
Operating income	25.5	21.4	19.5%
Interest expense and cost of borrowing	-15.9	-18.2	-12.2%
Other financial expenses and income	-0.6	10.8	-35.4%
Income before taxes	9.0	14.0	-35.4%
Net income	7.5	7.6	-0.5%
Net income Group share	6.5	6.4	2.0%
Net financial debt	450	646	-30.3%

* EBITDAR is the Korian Group's preferred interim income statement benchmark for measuring the operating performance of its facilities. It is comprised of operating income (EBITDA = earnings before interest, taxes, depreciation and amortisation) before rent.

SUSTAINED ORGANIC GROWTH IN FRANCE

in € millions	EHPAD			Healthcare			TOTAL France		
	June 2009	June 2008	change	June 2009	June 2008	change	June 2009	June 2008	change
Revenues	199.3	185.3	7.6%	110.7	109.7	0.9%	310.0	295.0	5.1%
EBITDAR	52.9	47.6	11.0%	21.5	20.7	3.7%	74.4	68.4	8.8%
<i>% of Revenues</i>	26.5%	25.7%	+ 0.8 pt	19.4%	18.9%	+ 0.5 pt	24.0%	23.2%	+ 0.8 pt

EHPAD

Revenues from the EHPAD business (retirement homes) increased 7.6% in the 1st half of 2009 to €199.3 million, thanks to organic growth of 9.2% and the disposal of non-strategic facilities. The occupancy rate remained high at 94.0%.

HEALTHCARE

Revenues from the healthcare business (follow-up care clinics, rehabilitation clinics and psychiatric clinics) rose 0.9%, to €110.7 million. On a like-for-like basis, growth reached 2.3%. The occupancy rate was stable at 97.6%.

RAPID GROWTH IN EUROPE

in € millions	Italy			Germany			TOTAL Europe		
	June 2009	June 2008	change	June 2009	June 2008	change	June 2009	June 2008	change
Revenues	56.8	41.2	38.1%	47.6	42.5	11.8%	104.4	83.7	24.7%
EBITDAR	10.5	7.5	39.6%	9.2	7.8	17.6%	19.7	15.3	28.4%
<i>% of Revenues</i>	18.5%	18.3%	+ 0.2 pt	19.3%	18.3%	+ 1.0 pt	18.8%	18.3%	+ 0.5 pt

EBITDAR generated by the activities outside of France increased by more than 28% to €19.7 million, mainly because of the numerous facilities opened in Italy and Germany. Profitability should show strong gains over the next three years as the ramp up of opened facilities and the management improvements connected with the Group's growth in each national market will take effect.

In Italy, Segesta reported revenues of €56.8 million, representing a sharp increase of 38.1%, more than 60% of which was due to organic growth.

In Germany, the opening of 12 facilities by Phönix over the last 2 years was primarily responsible for the 11.8% increase in revenues to €47.6 million.

INDEXATION OF RENT LIMITED TO 2.5%

The average index-based increase in rent paid by Korian is 2.5%. Aside from that, rent increases are due to the start up of new facilities, the source of future growth.

€200 MILLION DECREASE IN NET DEBT AND BANK MARGINS

As at 30 June 2009, the Group's net financial debt stood at €450 million, approximately €200 million lower than a year ago and down €95 million since 31 December 2008.

This sharp decrease is due mainly to the building disposals carried out with Cofinimmo (€151 million) and the successful share placement of €70 million. This had a direct impact on the borrowing cost, which will decline by 65 bp.

As at 30 June 2009, net debt stood at 4.4 x EBITDA, well below the bank covenant level of 5.5x.

Furthermore, Korian has negotiated a modification in the way this ratio is calculated; from now on, it will be adjusted for the real-estate debt. This significant relaxation in the bank covenant will give Korian more flexibility in implementing its investment plan.

GROWTH SECURE THANKS TO 2,000 NEW AUTHORISED BEDS AND 3,000 RESTRUCTURED BEDS

Over the next 3 years, Korian will continue to grow organically by gradually implementing the more than 2,000 beds currently approved and by restructuring more than 3,000 beds currently under management. Korian's ability to quickly adjust its financing structure means that it is in a strong position to implement its ambitious strategy for creating value.

Korian's growth plan is designed to fit the needs of each of its national markets.

In France, Korian continues to make targeted investments by giving priority to projects with a high degree of added value, particularly those that involve obtaining new authorized beds. In addition, Korian continues to concentrate on its strategy of setting up and strengthening local networks that are well positioned in the healthcare sector.

In Europe, Korian has strong growth opportunities in Italy and Germany, where it plans to become one of the key players in the local markets by applying the same expertise and business model that have been used successfully in France.

In Italy, the Group's Italian subsidiary, Segesta, has tripled in size in only two years whilst sharply increasing its profitability. In this market, Korian plans to pursue a strategy of selective development, taking advantage of the numerous opportunities relating to the ongoing market structuring.

In Germany, Korian will continue its programme of opening new facilities. Over the medium term, 80% of the facilities operated by its Phönix subsidiary will be new.

Rose-Marie Van Lerberghe, Chairman of Korian's Executive Board, stresses:

"These good first-half results once again demonstrate the strength of our business model in a difficult financial and economic environment. This performance was made possible by the quality of our facilities and by the hard work and professionalism of our teams. For 2009, we reaffirm our revenue growth target of at least 7%.

The successful €70 million capital increase in June 2009 was a major step in preparing for the future. This share placement, which was intended to increase the Group's financial flexibility for implementing its investment plan, made it possible for Malakoff Médéric and MACSF to increase their equity interest in the Group, alongside the existing shareholders Prédica, Batipart and ACM.

Long term, the expansion and nature of the shareholder structure will enable us to continually develop new, more individualised and higher-performing medical, welfare and healthcare solutions in order to satisfy the increasing demand for dependent care."

About KORIAN: *the Korian Group, which was set up in 2001, is the European leader in the temporary and permanent dependency care market. A private Group employing more than 14,000 people, Korian has a broad portfolio of complementary activities in France, Italy and Germany.*

As at 30 June 2009, Korian operated 214 facilities with a total of 19,886 beds:

In France: 117 retirement homes (EHPAD), 35 follow-up care and rehabilitation clinics (SSR) and 12 psychiatric clinics, for a total of 13,768 beds In Europe: 19 facilities in Italy, with a total of 2,495 beds, and 31 facilities in Germany, with a total of 3,633 beds under management.

Korian has authorization to add an additional 2,000 beds in the three countries where it operates.

The company has been listed since November 2006 on the Euronext Paris Eurolist under "Compartiment B"

Next press release: 10 November 2009, Revenues for the 3rd quarter of 2009

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