PRESS RELEASE

- **Growth boosted by the dynamics of the European subsidiaries**
- **Consolidated EBITDAR margin remains high at 23.5%**
- **Net income Group share surges 21.5%**
- **Dividend of €0.60 per share**

Paris, 29 March 2010 **Korian, the European leader in comprehensive dependent care homes, presents its 2009 consolidated annual results.**

€m	*31/12/2009*	*31/12/2008*	*Change*
Revenues	**850.6**	**781.3**	**8.9%**
EBITDAR*	**199.9**	**185.9**	**7.6%**
% Revenue	*23.5%*	*23.8%*	
External rents	105.6	92.4	14.2%
EBITDA**	**94.3**	**93.5**	**0.9%**
Income before taxes	**30.5**	**28.3**	**8.1%**
Net income group share	**21.9**	**18.0**	**21.5%**
Net debt	463	545	-15.1%
Cost of debt	30.7	38.2	-19.6%

*** 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.**
**** EBITDA equals EBITDAR stated above less rent**

The financial statements were approved by the board of directors who met on 24 March 2010. The auditing procedures were performed on the consolidated financial statements. The audit report will be issued once the required procedures for publishing the annual report have been finalised.

PROFITABLE GROWTH IN ALL THREE COUNTRIES

€m	Consolidated			France			Italy			Germany		
	Dec-09	Dec-08	var.	Dec-09	Dec-08	var.	Dec-09	Dec-08	var.	Dec-09	Dec-08	var.
Revenues	850.6	781.3	8.9%	628.8	601.4	4.6%	121.0	90.8	33.3%	100.7	89.1	13.0%
EBITDAR	199.9	185.9	7.6%	152.2	150.9	0.9%	25.2	19.1	31.9%	22.5	15.8	42.0%
% Revenue	*23.5%*	*23.8%*		*24.2%*	*25.1%*		*20.8%*	*21.0%*		*22.3%*	*17.8%*	

Buoyant European subsidiaries

2009 revenues posted sustained 8.9% growth, which for the 2008-2009 fiscal year combines 9.3% organic growth, the sale of 13 non-strategic facilities (including 9 in France and 4 in Germany), and two targeted acquisitions in Italy. This growth was particularly significant in the European subsidiaries, which confirmed their momentum with an overall 23.1% increase, accounting for over a quarter of the Group's business.

EBITDAR margins remain high – Recovery in Germany

The EBITDAR margin is holding steady at a high level of 23.5%. Analysis by zones reveals:

- In Germany, the margin picked up sharply, rising 4.6 points to 22.3% boosted by strong volume growth with 1,766 beds opened over the past three years. Given that four fifths of its facilities are new, the subsidiary's network is perfectly in line with the strict local operating standards.
- In Italy, EBITDAR margin remained high at 20.8% in a context of buoyant growth.
- In France, the margin reached 24.2% and shows potential for further improvement in facilities currently undergoing restructuring, which represent nearly 20% of the subsidiary's business.

Net income group share surges 21.5%

The 14.2% increase in rents is explained principally by a combination of

- Outsourcing of buildings, which helps to reduce Korian's debt
- Opening new buildings, a source of future growth.

The effect of indexation on rents remains limited at 2.2%.

Furthermore, while 2009 interest expenses continued to fall (down 19.6%), this does not yet include the full effect of the debt reduction launched in June 2008.

Dividend

Based on these strong results, Korian will propose a dividend of €0.60 per share at the next AGM.

SHARP DEBT REDUCTION – INCREASED FINANCIAL FLEXIBILITY

Korian has spent the last 18 months reducing group debt. This has reduced net debt to €462.9m, down nearly 15% in 2009 alone, and more than 28% since June 2008.

This €200m debt reduction over the last 18 months was made possible by the strong operating cashflow, property sales of nearly €151m and a €70m share issue in June 2009.

Additionally, Korian has improved the terms of its borrowings by:

- renegotiating the calculation of its bank covenants, which are now adjusted to take account of real estate borrowings
- extending the maturity of its debt by refinancing €70m in leasing over a period of 12 years

All in all, Korian now has considerable financial flexibility thanks to a ratio of net debt adjusted for real estate borrowings which represent 4.2 x EBITDA, compared to a bank covenant limit of 5.5.

A RESERVE OF GROWTH ON MORE THAN 6,100 BEDS

Korian's organic growth over the next three years is confirmed by the progressive implementation of a pipeline of identified growth of 6,142 beds, which breaks down as follows:

- **2,011 new beds** completing the current facilities, either through new creations or through acquisitions already under agreement (371 beds)
- **823 beds** built and currently being filled
- **3,308 operational beds** for which restructuring projects have been earmarked, constituting an important pipeline to improve margin.

This development growth momentum guarantees strong visibility for the group's growth over the next three years. For 2010, Korian is confident it will achieve minimum revenue growth of 7% for 2010 before any new external growth operations.

In addition, after 2009 when Korian concentrated on the integration and in-depth consolidation of its current businesses, the group intends to resume its opportunity based M&A strategy targeting businesses that will add to its offer while aligning perfectly with its cluster strategy. In a market returning to reasonable valuation levels, the group has just completed two transactions, one close to Milan involving 280 beds, the other in France for 91 beds.

Lastly, Korian is constantly adapting its position to meet market developments as effectively as possible.
In France, the creation of a new organisation and the development of a global offer will enable Korian to fully take advantage of future opportunities in the form of tender bids.
In Italy, Segesta continues its development with emphasis on management takeover and public facilities management that offer opportunities requiring little capital.
In Germany, after 5 new openings scheduled for 2010 (totalling 581 beds), Phönix continues to orient its actions towards scaling up new locations.

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

"*These positive results illustrate the importance of Korian's European growth strategy based on three firmly established platforms in France, Germany and Italy. This strategy, which is adapted to each country, relies on experienced local staff, whose professionalism and involvement I would like to highlight. These three growth markets are the foundation for sustainable development that the group intends to step up in order to bolster its leadership."*

About KORIAN: the Korian Group, founded in 2001, is the European temporary and permanent comprehensive dependent care market leader. A private group employing over 14,000 people, Korian has three platforms established in France, Italy and Germany.

At 31 December 2009, Korian's 218 facilities represented a combined total of 20,759 beds in operation:
In France: 116 retirement homes, 35 follow-up care and rehabilitation clinics, and 11 psychiatric clinics for a total of 13,698 beds
In Europe: 22 facilities in Italy with a total of 3,032 beds and 34 facilities in Germany for a total of 4,029 beds in operation.
The company has been listed on Euronext Paris Eurolist Compartment B since November 2006.

Next announcement: Q1 2010 revenues, 11 May 2010

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