

PRESS RELEASE

2011 second-quarter revenues: +10.2%
Robust organic growth: +6.8%
Integration of 1,874 beds in Europe

Paris, 27 July 2011. Korian recorded €248.5 million in revenues for the second quarter of 2011, up 10.2% in relation to 2010. This good level of business reflects robust organic growth of 6.8%, with development picking up pace, seen as of the second quarter. Since the start of the year, in the three countries where it operates, the group has integrated 1,874 new beds, which will help drive future growth. Korian is maintaining its target for over €1 billion in revenues for 2011.

In €M	Quarterly figures*			Half-yearly figures*		
	Q2 2011	Q2 2010	D Q2 11/10	H1 2011	H1 2010	D H1 11/10
France	176.9	161.4	9.6%	348.8	319.9	9.0%
% total revenues	71%	72%		72%	72%	
Nursing homes	115.0	103.8	10.7%	226.6	205.3	10.4%
Healthcare	61.9	57.5	7.6%	122.2	114.6	6.6%
International	71.6	64.1	11.7%	136.8	122.9	11.3%
% total revenues	29%	28%		28%	28%	
Italy	40.2	35.5	13.3%	75.6	66.6	13.5%
Germany	31.4	28.6	9.7%	61.1	56.2	8.7%
Group total	248.5	225.5	10.2%	485.5	442.8	9.7%

* unaudited figures

CONTINUED DYNAMIC DEVELOPMENT

In the second quarter of 2011, the group's revenues climbed 10.2% to €248.5 million, an acceleration compared with the first quarter's 9.1% growth.

This good level of business across Europe reflects:

- A sound foundation of organic growth, maintained at 6.8%, with two thirds of this growth resulting from a volume effect. The remainder factors is an active pricing policy thanks to the quality of the facilities in operation, as well as ongoing moves to roll out a bed specialisation strategy and regular negotiations with the supervisory authorities,
- The impact of recent acquisitions, representing 730 beds in 2010 and 1,874 beds in 2011, with 1,177 making a partial contribution to revenues over the first half of the year,
- Despite the sale of the last clinic in Germany (169 beds) and the phasing out of a partnership in France concerning 409 clinic beds.

With growth already coming in at 9.7% for the first half of the year, the group is able to confirm its target for over €1 billion in revenues for the full year in 2011.

EUROPEAN DEVELOPMENT PICKING UP PACE

Since the start of the year, Korian has actively developed its business across its three European platforms, with 1,874 new beds integrated:

- In France, the group has acquired three clinics with 322 beds in Southwest France and is moving forward with the consolidation of the Seniors Santé facilities, with the integration of an 88-bed nursing home,
- In Italy, Segesta is actively pursuing its policy to further strengthen its local clusters, with the acquisition of five clinics in Sardinia and one RSA¹ in the Apulia region. Over the first half of the year, Segesta integrated 767 new beds,
- In Germany, Phönix is finalising the acquisition of the Weidlich group, with 698 beds in seven Pflegeheime² located primarily in southern Germany. The process to integrate these high-quality facilities will be finalised at the end of this year.

All of these acquisitions will represent around €65 million in full-year revenues. In view of the divestments carried out in France and Germany, the net impact of external growth will be limited to €20 million in 2011.

SIGN OF CONFIDENCE FOR OUR SHAREHOLDERS

On 28 July, Korian will be paying out a dividend of 60 cents per share. 43% of shareholders have opted for their dividends to be paid in shares. This will increase the capital by €8.2 million and result in the creation of 518,643 new shares.

As Rose-Marie Van Lerberghe, Chair of Korian's Executive Board, explains: "These good levels of growth confirm the active resumption of our development and the very strong visibility of our business sectors. These results have been possible thanks to level of dedication shown by all our staff in caring for our residents and patients. We are demonstrating our quality commitment and know-how by gradually deploying the Korian brand at European level".

About KORIAN

The Korian Group, founded in 2001, is the European temporary and permanent comprehensive care market leader. A private group employing over 15,000 people, Korian has three platforms established in France, Italy and Germany.

At 30 June 2011, Korian's 231 facilities represented a combined total of 22,775 beds in operation:

- In France: 123 retirement homes, 36 follow-up care and rehabilitation clinics, and 7 psychiatric clinics for a total of 14,350 beds.
- In Europe: 29 facilities in Italy with a total of 4,119 beds and 36 facilities in Germany for a total of 4,306 beds in operation.

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

Next announcement: 8 September 2011 before start of trading 2011 half-year earnings

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¹ : nursing home in Italy

² : nursing home in Germany