

Korian is announcing a significant increase in its earnings:

All the indicators show positive trends, with revenues climbing 9.2% to €1,108 million, EBITDA growing more quickly, up 13.4% to €139 million, and current net income (group share) coming in at €28.2 million.

Net debt is down €57 million compared with 2011 to €562 million. Thanks to its strong cash flow generation and sales of real estate assets, the Group has the leeway required to finance its development.

Thanks to the successful public takeover bid for Curanum, the Group has consolidated its position as the joint European market leader, with 35,000 beds in operation, including 58% outside of France, and 26,000 employees.

These good results and this operation are in line with the new strategic project “Korian First” launched by the Chief Executive Officer, Yann Coléou.

Looking ahead to 2014, Korian is targeting revenues of over €1.4 billion, combined with higher profitability, while maintaining a sound financial structure.

Paris, 27 March 2013.

Yann Coléou, CEO of Korian stated:

“Our results for 2012 show strong growth and truly mark a new starting point for Korian. Looking ahead to 2014, we are targeting at least €1.4 billion in revenues, while continuing to improve our profitability.

To achieve these ambitious goals, and respond to the far-reaching transformations within our business sector, we have decided as of now to ensure transformation is a core focus within our strategy. This involves rolling out a new company project, called “Korian First”, guided by four driving forces: Performance, Development, Innovation and People.

This transformation will enable us to take up leading positions in the areas that will be decisive in the future: international development and innovation.

Korian First has already paved the way for the following:

- *Deployment of a Performance project to achieve industry-leading standards and free up financial leeway,*
- *Major operation on Curanum to become the market leader in Germany, positioned to capitalise on future opportunities (organic growth and consolidation trends),*
- *Creation of the Korian institute for healthy ageing to drive the Group's innovation and explore new possibilities,*
- *Rollout of a managerial project to attract, train and retain staff.*

Thanks to the confidence and trust of our shareholders, and the commitment and dedication shown by our teams, Korian is well positioned to become the future market leader in terms of service, quality and innovation”.

1) IMPROVED PERFORMANCE

<i>In millions of euros</i>	31 Dec 12	31 Dec 11	Change
Revenues	1,108.4	1,014.8	9.2%
EBITDAR ¹	276.8	247.9	11.7%
<i>Margin / revenues</i>	25.0%	24.4%	
External rents	(137.7)	(125.2)	10.0%
EBITDA ²	139.1	122.7	13.4%
Operating income	86.7	79.4	9.2%
Financial income / loss	(34.1)	(33.2)	3.0%
Net income (group share)	23.2	21.7	7.0%
Current net income (group share) ⁴	28.2	25.7	9.5%
Net financial debt	562.0	618.9	-9.2%
<i>Restated leverage</i>	3.1x	3.8x	

The accounts were approved by Korian's Board of Directors at its meeting on 27 March 2013. The audit procedures on the consolidated accounts have been completed. The certification report will be issued once the necessary procedures have been finalised for publishing the annual financial report.

Robust growth

In 2012, the Group achieved 9.2% growth, driven by:

- A solid foundation for organic growth of 5%,
- Strong growth internationally, a key area for growth, up 15%
- Targeted external growth operations (including four nursing homes in Germany and three in France over 2012).

Improvement in profitability

<i>In €M</i>	Consolidated		France		Italy		Germany	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues	1,108	1,015	762	713	190	164	157	139
EBITDAR	277	248	188	175	45	36	44	36
% of revenues	25.0%	24.4%	24.7%	24.6%	23.6%	22.2%	28.0%	26.1%
<i>Change in margin</i>	+60 bp		+10 bp		+140 bp		+190 bp	

The EBITDAR margin rate is progressing in all the countries, climbing to 25% of consolidated revenues. More specifically, this good performance reflects the continued improvement in the margin in Germany, with Phönix reaching maturity, as well as the good performance by Segesta in Italy.

Rents are up 10%, with only 1.8% linked to indexation. Indexation remains limited thanks to the significant work accomplished with the Group's main lessors to change over to indexes that are in line with our activities.

As a result, consolidated EBITDA shows a strong rate of growth, up 13.4% to **€139.1 million**

The cost of net financial debt came to €34.1 million, compared with €33.2 million in 2011, giving a very limited increase of 3%, with net debt remaining virtually stable during the year. The significant reduction in net debt was achieved in December 2012.

The average cost of debt came to 4.4% at the end of December 2012.

Lastly, current net income (group share) is up 9.5% to €28.2 million.

Financial capacity further strengthened

Net debt is down €57 million to €562 million, significantly lower than 2011, thanks to the high level of cash flow from operations generated and the real estate sales carried out at the end of the year. Leverage restated for real estate debt comes out at 3.1x EBITDA, well below the covenant set at 5.0x.

At the end of 2012, Korian had €158 million in cash and close to €350 million in authorised lines.

The accounts for 2012 reflect the first impacts of “Korian First”, with an improvement in margins and a reduction in debt, freeing up significant leeway with a view to financing the Group's development.

Korian will be submitting a proposal to pay a dividend of €0.60 per share, with an option for the dividend to be paid in shares

2) INTERNATIONAL DEVELOPMENT

The friendly takeover bid for Curanum, completed on 22 March, has been a success, with 78% of its shareholders putting their securities forward for the offer.

This operation highlights the Group's commitment to developing and capitalising on sources of growth that open up internationally.

In this way, Korian has consolidated its position as the joint European market leader and established the Group as the leading operator in Germany, a sector with major potential. Indeed, Germany is the largest country in Europe with favourable demographics for our business, offering opportunities for consolidation and organic growth, with the potential for nearly 200,000 new beds by 2025. In addition, its public funding system for long-term-care is viable over the long term.

3) STRONG VISIBILITY

The first actions taken in line with Korian First are ensuring a strong level of visibility for the Group and opening up encouraging prospects. The Group is targeting over €1.3 billion in revenues for 2013 and €1.4 billion from 2014. Alongside this, the EBITDAR margin is expected to reach 26% in 2013 and continue progressing in 2014 thanks to our international development. The debt ratio is expected to gradually fall to less than 3x EBITDA in 2014.

About KORIAN

The Korian Group, founded in 2001, is the European market leader for temporary and permanent comprehensive care. A private group employing 26,000 people, Korian has three platforms established in France, Italy and Germany.

At 26 March 2013, Korian's 327 facilities represented a combined total of 34,797 beds in operation.

- *In France: 171 facilities with a total of 14,739 beds.*
- *In Europe: 125 facilities in Germany, with 15,709 beds in operation, and 31 facilities in Italy, with a total of 4,349 beds.*

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

Next announcement: 15 May 2013 (after close of trading) 2013 first-quarter revenues

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CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2012

<i>In € M</i>	31 Dec 2012	31 Dec 2011	%
REVENUES	1,108.4	1,014.8	9.2%
Other income	0.0	0.3	
Operating income	1,108.4	1,015.1	9.2%
Other external purchases and expenses	(256.2)	(246.7)	3.9%
Personnel expenses	(531.2)	(480.3)	10.6%
Tax	(44.2)	(40.2)	10.0%
EBITDAR ¹	276.8	247.9	11.7%
<i>% of pre-tax revenues</i>	25.0%	24.4%	126.5%
External rents	(137.7)	(125.2)	10.0%
EBITDA ²	139.1	122.7	13.4%
<i>% of pre-tax revenues</i>	12.5%	12.1%	3.8%
Depreciation and amortisation	(44.7)	(37.1)	20.6%
EBIT ³	94.4	85.6	10.3%
<i>% of pre-tax revenues</i>	8.5%	8.4%	1.0%
Income from acquisition and sale of consolidated interests	(0.0)	(3.2)	-98.8%
Other operating income and expenses	(7.7)	(3.0)	152.3%
Operating income	86.7	79.4	9.2%
<i>% of pre-tax revenues</i>	7.8%	7.8%	0.0%
Cost of net financial debt	(31.7)	(31.9)	-0.5%
Other financial income and expenses	(2.4)	(1.3)	90.9%
Financial income / loss	(34.1)	(33.2)	3.0%
Income before taxes	52.5	46.2	13.7%
Corporate income tax	(26.8)	(20.5)	30.7%
<i>% of income before taxes</i>	51%	44%	15.0%
Net income from continued operations	25.8	25.7	0.1%
Income before tax from sold or discontinued activities	0.0	(0.8)	-100.0%
Share in earnings of equity affiliates	(0.0)	(0.2)	-91.4%
Net income	25.8	24.8	3.8%
Minority interests	(2.6)	(3.1)	-17.8%
Group share	23.2	21.7	7.0%
Current net income (group share) ⁴	28.2	25.7	9.5%

¹ EBITDAR is the Korian Group's preferred interim management balance for monitoring the operational performance of its facilities. It is based on the gross operating surplus for the operating segments before leasing expenses.

² EBITDA is equivalent to EBITDAR as defined above, less leasing expenses.

³ EBIT is equivalent to EBITDA as defined above, less depreciation, amortisation and provisions.

⁴ Current net income (group share) is defined as net income (group share) – (other operating income and expenses + income / acquisition and sale of consolidated equity interests) * (1 – standard corporation tax at 35%), i.e. net income (group share) restated for non-current items

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2012

	€'000	31 Dec 12	31 Dec 11		31 Dec 12	31 Dec 11
NON-CURRENT ASSETS				SHAREHOLDERS' EQUITY (Group share)		
INTANGIBLE FIXED ASSETS		1,324.7	1,371.6	Share capital	170.2	163.6
Of which, goodwill		666.8	687.6	Premiums	284.9	277.1
Of which, other intangible fixed assets		657.9	684.0	Reserves	236.5	240.4
				Consolidated earnings	23.2	21.7
TANGIBLE FIXED ASSETS		386.8	404.8	Total shareholders' equity (Group share)	714.8	702.8
				Minority interests	20.5	20.0
LONG-TERM FINANCIAL ASSETS		20.2	17.6	Total shareholders' equity	735.3	722.8
Equity-consolidated securities		0.0	1.5			
Deferred tax assets		42.8	35.3	NON-CURRENT LIABILITIES		
Total non-current assets		1,774.5	1,830.8	Pension provisions	19.4	19.5
				Deferred tax	239.7	245.9
CURRENT ASSETS				Other provisions	8.9	7.3
Inventories		3.0	3.0	Borrowings and financial debt	665.2	622.6
				Total non-current liabilities	933.2	895.4
Trade receivables and related		77.9	91.5	CURRENT LIABILITIES		
				Provisions for less than one year	5.0	2.1
Other receivables and current assets		120.7	118.8	Trade payables and related	123.8	114.5
				Other liabilities and adjustment accounts	296.4	269.2
Financial instrument assets		0.0	0.1	Borrowings < 1 year and bank overdrafts	59.5	37.4
Cash and cash equivalents		162.7	41.2	Financial instrument liabilities	52.4	44.8
Total current assets		364.4	254.7	Total current liabilities	537.2	467.9
Assets held for sale		92.9	3.5		26.1	2.9
TOTAL ASSETS		2,231.9	2,089.0	TOTAL LIABILITIES	2,231.9	2,089.0

CASH FLOW STATEMENT AT 31 DECEMBER 2012

	€'000	31 Dec 2012	31 Dec 2011
Cash flow from operations after cost of net financial debt		58.8	58.9
Cash flow from operations before cost of net financial debt		90.9	94.0
Change in working capital requirement		35.4	4.5
Net cash from operating activities		126.3	98.5
Net cash from investment activities		(30.9)	(107.9)
Net cash flow		95.4	(9.4)
Net cash from financing activities		27.0	1.9
Change in cash		122.4	(7.5)
Cash		157.8	35.4