

Korian announces a significant upturn in results for 2013, surpassing all of its announced targets.

- Revenues are up by 23.7% at €1.371 billion
- EBITDAR has increased to €374.1m, bringing the margin rate to 27.3%
- EBITDA reaches €182.8m, up by 31.4%

With the completion of the merger on 18 March 2014, the Korian – Medica Group has become a top player in Europe on the Healthy Aging market, placing as leader in four important European countries: France, Germany, Italy and Belgium. The Group has a capacity of more than 57,000 beds in operation and employs more than 40,000 staff.

In France, the Group is concentrated on successful integration. With the appointment of the Group Executive Committee, the French Management Committee and the French regional directors coming the day after the merger, a first important step has already been taken. Korian – Medica is now fully operational.

Furthermore, Korian – Medica has adapted its governance to account for its increasingly international dimension. Yann Coléou, the Group CEO, has the support of a solid executive committee, which includes a vice-president for each country. This structure allows the Group to remain agile and capable of seizing the many opportunities offered by the international markets.

Korian – Medica's managed debt and the favourable circumstances of its recent refinancing gives the Group considerable financial flexibility. A dividend of €0.60 per share will be put forward at the next Annual Shareholders' Meeting.

For 2014, Korian – Medica is aiming to publish pro forma revenues of €2.5 billion in addition to increasing its operating profitability. For 2017, the Group is reiterating its ambition to achieve revenues of €3 billion.

Yann Coléou, CEO of Korian - Medica:

"During 2013, we implemented a strategy of transformation within Korian via the "Korian First" corporate initiative, with excellent results:

- *In terms of the Performance pillar, we made good our commitments and exceeded all our objectives: revenues of €1.37 billion (> €1.35 billion), an EBITDAR margin of 27.3% (> 27%) and managed leverage at 2.7x (< 3.0x).*
- *As regards the Innovation pillar, we focused our efforts on research, with the creation of the Korian Institut du Bien Vieillir (Institute for Healthy Ageing) and on practical applications to improve care for our residents. Our objective is to allow everyone to benefit from the best practices in a fast-changing profession.*
- *In terms of the Workforce pillar: with the development of our "Korian employer brand", we want to promote and attract the best talents and make our sector even more attractive.*
- *Concerning the Development pillar, our year was rich in development, with the objective of strengthening our position as the leading European player in Healthy Ageing. With the acquisition of Curanum in Germany finalised on 1 March 2013, the acquisition by Medica of the Senior Living Group, the leading player on the Belgian market, at the end of September, and the merger of Korian and Medica, we now have a solid foundation in four major European markets.*

In 2014, we intend to focus our efforts in France on the successful integration of Korian and Medica. We are building closer ties in a methodical and timely manner. It is a major challenge for us, and all the teams are already committed to help define this joint project. These works will help us achieve a perfectly defined organisation, operational from 1 January 2015.

Furthermore, our group governance is being further strengthened thanks to an executive committee that includes the VPs from the four countries and international candidates, set to take the new Group dimension into account. Our strong international base and our solid performance put us in a great position to benefit from the wide range of opportunities offered by the Healthy Ageing market. In 2014, we aim to achieve pro forma revenues of €2.5 billion, with a slight improvement in our operating profitability."

I. KORIAN EXCEEDS ITS GROWTH AND PROFITABILITY TARGETS

2013 results of Korian stand alone

<i>In millions of euros</i>	31/12/2013	31/12/2012	Change
Revenues	1,371	1,108	23.7%
EBITDAR ¹	374	277	35.2%
<i>Margin as a % of revenues</i>	27.3%	25.0%	
External rents	(191)	(138)	39.0%
EBITDA ²	183	139	31.4%
Operating income	100	87	15.9%
Financial income	(45)	(34)	31.9%
Net income (Group share)	29	23	22.8%
Current net income (Group share)⁴	41	28	46.2%
Net financial debt	716	562	27.4%
<i>Restated leverage</i>			
<i>(Net debt – Real estate debt) /</i>	2.7x	3.1x	
<i>(EBITDA – 7%* Real estate debt)</i>			

Strong growth

With published revenues of €1,371m, up 23.7%, Korian exceeded its initial objective of €1.35 billion for 2013. This sharp upturn in business was supported by robust organic growth of 4.2% and a strong development dynamic, with the opening of 8 nursing homes and 2 Clinics in Europe, and the acquisition in Germany of Curanum, effective from 1 March 2013.

An increase in profitability of 230bp

EBITDAR for 2013 amounted to €374m, up 35.2%. The EBITDAR margin rate is up at 27.3%, an improvement of 230 basis points, and more than the objective of 27% set at the beginning of the year. The margin rate increased in all countries.

<i>In millions of euros</i>	Consolidated		France		Germany		Italy	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues	1,371	1,108	766	762	414	157	192	190
EBITDAR	374	277	202	188	125	44	47	45
<i>Margin/revenues</i>	27.3%	25.0%	26.5%	24.7%	30.1%	28.0%	24.5%	23.6%

A solid financial structure

Net debt at the end of December 2013 stood at €716 million. Thanks to a sharp improvement in performance, leverage restated after real estate debt improved, reaching 2.7x EBITDA.

The accounts were approved by the Board of Directors of Korian-Medica, which met on 26 March 2014. The consolidated accounts have been audited. The certification report will be issued after finalisation of the procedures required for the purposes of publication of the annual financial report.

II. KORIAN-MEDICA, A SOLID GROUP

2013 results of Korian – Medica pro forma

<i>In millions of euros</i>	31/12/2013	31/12/2012	Change
Revenues	2,376	2,252	5.5%
EBITDAR ¹	655	601	8.9%
<i>Margin/revenues</i>	27.6%	26.7%	
External rents	(320)	(301)	6.5%
EBITDA ²	335	300	11.4%
Operating income	231	211	9.7%
Financial income	(71)	(70)	0.8%
Net income (Group share)	96	78	23.8%
Current net income (Group share)⁴	97	78	24.0%

Pro forma revenues for 2013 of over €2.3 billion, up 5.5%

The pro forma revenues figure for 2013 stands at over €2,376m, up 5.5%. Pro forma data reflects the impact of the merger with Medica, the acquisitions of Curanum and the Senior Living Group, and the sale of psychiatry activities that occurred during 2013.

A high level of profitability

Pro forma EBITDAR for 2013 stood at €655m, up 8.9%. The EBITDAR margin rate stood at 27.6%, an increase of 90 points.

<i>In millions of euros</i>	France		Germany		Italy		Belgium	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues	1,441	1,356	461	446	271	268	202	183
EBITDAR	402	361	138	131	65	64	50	45
<i>Margin/revenues</i>	27.9%	26.6%	29.9%	29.4%	24.0%	23.8%	24.7%	24.9%

Rents stood at €320m, or an increase of 6.5%, of which only 0.8% is due to indexing.

In 2013, pro forma EBITDA was thus up significantly by 11.4% to stand at €335m, and net current income (Group share) stood at €97m, expressing a profit of €1.24 per share.

Controlled debt

With a combined net financial debt of €1,376m, of which €492m is real estate debt, leverage restated after real estate debt stood at 2.9x EBITDA. As such, the financial structure of the new entity is solid. In this context, the Group refinanced the syndicated credits of both companies under good conditions, for a total amount of €1.1 billion, of which €300 million was in revolving credit. This refinancing operation shows the renewed confidence, which banks have placed in the corporate initiative, and gives the Group considerable leeway to calmly continue its development. Korian - Medica has some €550 million available in lines that can be used to help its growth.

III. A NEW DIMENSION FULLY OPERATIONAL ON JANUARY 1, 2015

2013 was marked by structural transactions for the Group and positions Korian-Medica as a leading player in Europe on the Healthy Ageing market.

In March 2013, Korian finalised its friendly takeover bid on Curanum. As such, Korian has strengthened its position in Germany by creating a leader in a market that offers opportunities for consolidation and organic growth.

In September 2013, Medica finalised the acquisition of the Senior Living Group, the leading group in the Belgian dependent care market, a market with high barriers to entry and favourable dependent-care financing procedures.

Announced in November 2013, the merger between Korian and Medica took place following the Shareholders' Meeting of 18 March 2014, with the approval of more than 99% of the votes.

Korian-Medica has thus become a leader on four major European markets, with over 57,000 beds in operation. The geographical diversification achieved will enable the Group to continue to develop, making the most of the growth opportunities offered internationally.

In 2014, the Group will focus its efforts on successful integration in France. In addition to day-to-day management activities, the mission of Olivier Derycke, VP France, is to implement operating synergies and to identify opportunities for organic growth. This grass-roots work will inform the Group's strategic plan, which should be finalised in late 2014, prior to operational implementation from 1 January 2015.

Furthermore, the Group's executive committee, led by Yann Coléou, is comprised of seven members, and includes the VPs of the four countries. This organisation reflects the Group's new truly international dimension.

IV. A SOLID OUTLOOK

With results up significantly, a strong financial structure and appropriate organisation, Korian-Medica has a good overview in terms of its business and an encouraging outlook. The Group aims to achieve pro forma revenues of €2.5 billion in 2014, and anticipates a slight increase in its operating profitability.

With a pipeline of 7 901 beds, including 3 391 beds to be opened and 4 510 beds to be restructured, and the many opportunities offered by our markets, Korian - Medica reiterates its revenue objective of €3 billion by 2017.

A proposed dividend of €0.60 per share

At the next shareholders' meeting, Korian-Medica will recommend the payment of a dividend of €0.60 per share with an option to take the payment in shares.

**Next press release: 14 May after close of trading
First-quarter revenues for 2014**

ABOUT KORIAN – MEDICA

Founded in 2001, Korian-Medica, the leading European specialist in healthy ageing, has the capacity to accommodate more than 57,000 residents and patients in Europe (France, Germany, Belgium and Italy) and employs some 40,000 staff. The group manages 506 nursing homes and 87 specialist follow-up care and rehabilitation clinics, has over 2,400 beds in assisted living facilities and provides homecare services for over 9,000 people.

Website: www.groupe-korian.com

The company has been listed on Euronext Paris Eurolist Compartment B since November 2006 and is part of the SBF 120 index.

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KORIAN STAND ALONE CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2013

<i>In millions of euros</i>	31/12/2013	31/12/2012	%
REVENUES	1,371.0	1,108.4	23.7%
Other income	0.0	0.0	
Income from activities	1,371.0	1,108.4	23.7%
Other external purchases and expenses	(295.3)	(256.2)	15.3%
Personnel expenses	(656.4)	(531.2)	23.6%
Taxes and duties	(45.2)	(44.2)	2.2%
EBITDAR ¹	374.1	276.8	35.2%
<i>% REV., NET OF TAX</i>	27.3%	25.0%	
External rents	(191.3)	(137.7)	39.0%
EBITDA ²	182.8	139.1	31.4%
<i>% REV., NET OF TAX</i>	13.3%	12.5%	
Amortisation and depreciation	(62.7)	(44.7)	40.3%
EBIT ³	120.1	94.4	27.2%
<i>% REV., NET OF TAX</i>	8.8%	8.5%	
Gains and losses on acquisitions and disposals of consolidated entities	(5.0)	(0.0)	
Other operating income & expenses	(14.7)	(7.7)	91.4%
Operating income	100.4	86.7	15.9%
<i>% REV., NET OF TAX</i>	7.3%	7.8%	
Cost of net financial debt	(43.0)	(31.7)	35.5%
Other financial expenses and revenue	(1.9)	(2.3)	-18.4%
Financial income	(44.9)	(34.0)	31.9%
Income before taxes	55.6	52.7	5.5%
Income tax	(24.2)	(26.8)	-9.8%
<i>% of income before taxes</i>	43.5%	50.9%	
Net income from continuing activities	31.4	25.9	21.4%
Income from suspended and sold activities net of corporation tax	0.0	0.0	
Share of profit or loss of SMEs	(0.0)	(0.0)	-75.6%
Net income	31.4	25.9	21.4%
Share of minority interests	(2.8)	(2.6)	8.7%
Group share	28.6	23.3	22.8%
Current net income (group share)⁴	41.3	28.3	46.2%

⁽¹⁾ EBITDAR is the interim management balance sheet measurement preferred by the Korian Group to monitor the performance of its facilities. It consists of EBITDA of the operating sectors before leasing expenses.

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

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

⁴ Current net income (Group share) represents net income (Group share) - (other operating income and expenses + gains and losses on acquisitions and disposals of subsidiaries) x (1 - standard corporate income tax of 35%), or restated net income (Group share) for non-recurring items.

KORIAN STAND ALONE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

<i>In millions of euros</i>	31/12/2013	31/12/2012		31/12/2013	31/12/2012
NON-CURRENT ASSETS			SHAREHOLDERS' EQUITY (Group share)		
INTANGIBLE FIXED ASSETS	1,419	1,325	Share capital	174	170
Including goodwill	749	667	Premiums	293	285
Including other intangible fixed assets	670	658	Reserves	250	234
			Consolidated results	29	23
PROPERTY, PLANT AND EQUIPMENT	557	387	Total shareholders' equity (Group share)	746	712
LONG-TERM FINANCIAL ASSETS	14	20	Minority interests	23	21
Investments in companies accounted for under the equity method	0	0	Total shareholders' equity	769	733
Deferred asset taxes	58	43	NON-CURRENT LIABILITIES		
Total non-current assets	2,047	1,775	Provisions for pensions	23	23
CURRENT ASSETS			Deferred taxes	246	238
Inventories	4	3	Other provisions	14	9
Trade receivables and related accounts	88	80	Borrowings and financial debts	714	665
Other receivables and current assets	136	119	Total non-current liabilities	997	936
Financial asset instruments	0	0	CURRENT LIABILITIES		
Cash and cash equivalents	52	163	Provisions for less than one year	7	5
Total current assets	280	364	Trade payables and related accounts	136	124
Assets held for sale	1	93	Other payables and accruals	322	296
TOTAL ASSETS	2,328	2,232	Borrowings – of one year and bank overdrafts	59	60
			Financial liability instruments	38	52
			Total current liabilities	562	537
			TOTAL LIABILITIES	2,328	2,232

CASH FLOW STATEMENT KORIAN STAND ALONE 31 DECEMBER 2013

<i>In thousands of euros</i>	31/12/2013	31/12/2012
Cash flow from operations after cost of net financial debt	86	59
Cash flow from operations before cost of net financial debt	134	91
Change in working capital requirement	(15)	35
Net cash flow from operating activities	119	126
Net cash flow from investment activities	(65)	(31)
Net cash flow	54	95
Net cash flow from financing activities	(166)	27
Change in cash	(112)	122
Cash	46	158

KORIAN-MEDICA PRO FORMA INCOME STATEMENT AS AT 31 DECEMBER 2013

<i>In millions of euros</i>	31/12/2013	31/12/2012	%
REVENUES	2,376	2,252	5.5%
Personnel expenses	(1,138)	(1,082)	5.1%
<i>% OF REVENUES</i>	47.9%	48.1%	
Other external purchases and expenses	(499)	(489)	2.0%
<i>% OF REVENUES</i>	21.0%	21.7%	
Taxes and duties	(85)	(80)	6.2%
EBITDAR	655	601	8.9%
<i>% OF REVENUES</i>	27.6%	26.7%	
External rents	(320)	(301)	6.5%
EBITDA	335	300	11.4%
<i>% REV., NET OF TAX</i>	14.1%	13.3%	
Amortisation and depreciation	(102)	(89)	15.1%
EBIT³	232	212	9.9%
<i>% REV., NET OF TAX</i>	9.8%	9.4%	
Other operating income & expenses	(2)	(1)	47.0%
Operating income	231	211	9.7%
<i>% REV., NET OF TAX</i>	9.7%	9.3%	
Cost of net financial debt	(68)	(66)	3.5%
Other financial expenses and revenue	(3)	(5)	-38.0%
Financial income	(71)	(70)	0.8%
Income before taxes	160	140	14.1%
Income tax	(63)	(60)	5.2%
<i>% of income before taxes</i>	39.3%	42.7%	
Net income from continuing activities	97	80	20.8%
Income from suspended and sold activities net of corporation tax	0	0	
Share of profit or loss of SMEs	2	0	
Net income	99	80	23.4%
Share of minority interests	(3)	(3)	8.7%
Net income (group share)	96	78	23.8%
Current net income (group share)⁴	97	78	24.0%

⁴Current net income (Group share) represents net income (Group share) - (other operating income and expenses + gains and losses on acquisitions and disposals of subsidiaries) x (1 - standard corporate income tax of 35%), or restated net income (Group share) for non-recurring items.

KORIAN-MEDICA PRO FORMA CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

<i>In millions of euros</i>	31/12/2013	30/06/2013		31/12/2013	30/06/2013
NON-CURRENT ASSETS			SHAREHOLDERS' EQUITY (Group share)		
INTANGIBLE FIXED ASSETS	3,174	2,876	Share capital	392	388
Including goodwill	1,805	1,534	Premiums	1,223	925
Including other intangible fixed assets	1,369	1,342	Reserves and consolidated results	278	257
			Total shareholders' equity (Group share)	1,893	1,569
PROPERTY, PLANT AND EQUIPMENT	1,024	986	Minority interests	29	27
			Total shareholders' equity	1,923	1,596
LONG-TERM FINANCIAL ASSETS	34	35	NON-CURRENT LIABILITIES		
Investments in companies accounted for under the equity method	0	0	Provisions for pensions	31	30
			Deferred taxes	511	491
Deferred asset taxes	61	58	Other provisions	38	23
Total non-current assets	4,293	3,955	Borrowings and financial debts	1,357	1,395
			Other non-current liabilities	30	31
			Total non-current liabilities	1,967	1,970
CURRENT ASSETS			CURRENT LIABILITIES		
Inventories	7	7	Provisions for less than one year	7	7
Trade receivables and related accounts	166	159	Trade payables and related accounts	240	195
Other receivables and current assets	209	235	Other payables and accruals	484	505
Financial asset instruments	1	0	Borrowings – of one year and bank overdrafts	163	196
Cash and cash equivalents	143	162	Financial liability instruments	42	49
Total current assets	527	562	Total current liabilities	936	952
Assets held for sale	28	24		23	24
TOTAL ASSETS	4,849	4,541	TOTAL LIABILITIES	4,849	4,541