



•
2013 full-year results
•

27 March 2014



SPEAKERS

Yann Coléou

Chief Executive Officer

Jean-Brieuc Le Tinier

Group CFO



27 March 2014

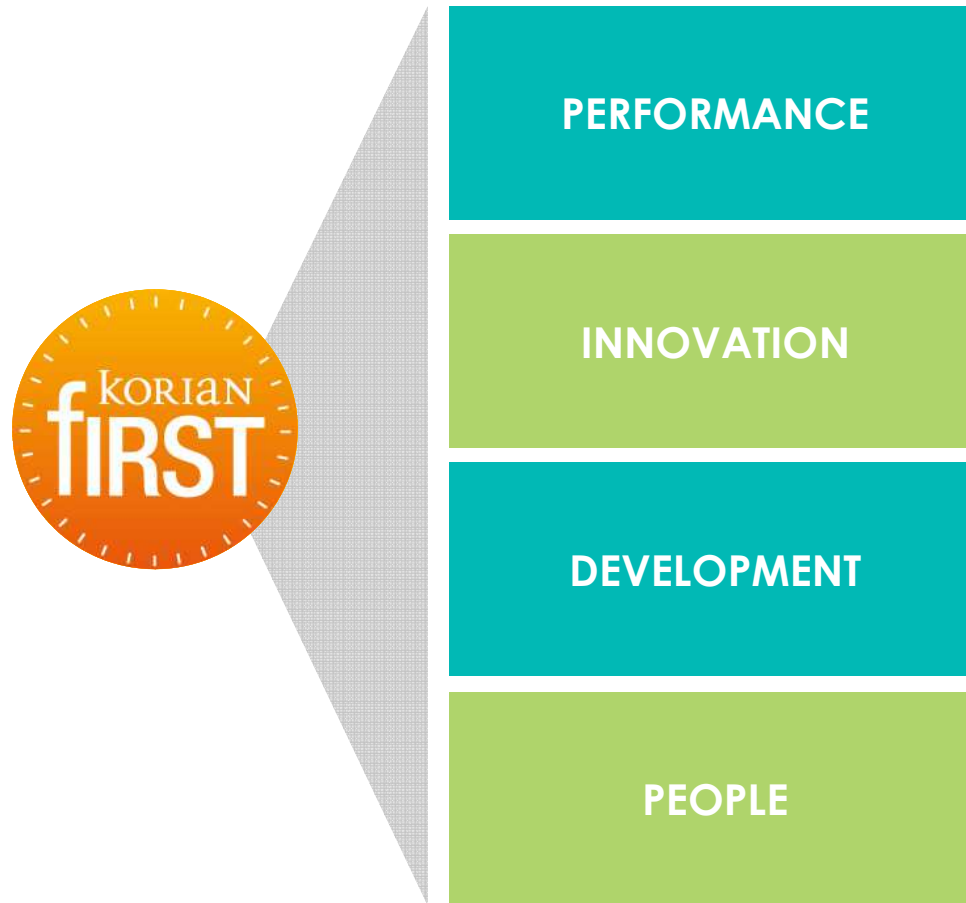
The background is a solid light green color. On the left side, there are several stylized, overlapping leaf shapes in a slightly darker shade of green, creating a sense of growth and nature.

01

KORIAN: 2013. a year of great change

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A structural corporate initiative



2013: A year of great change



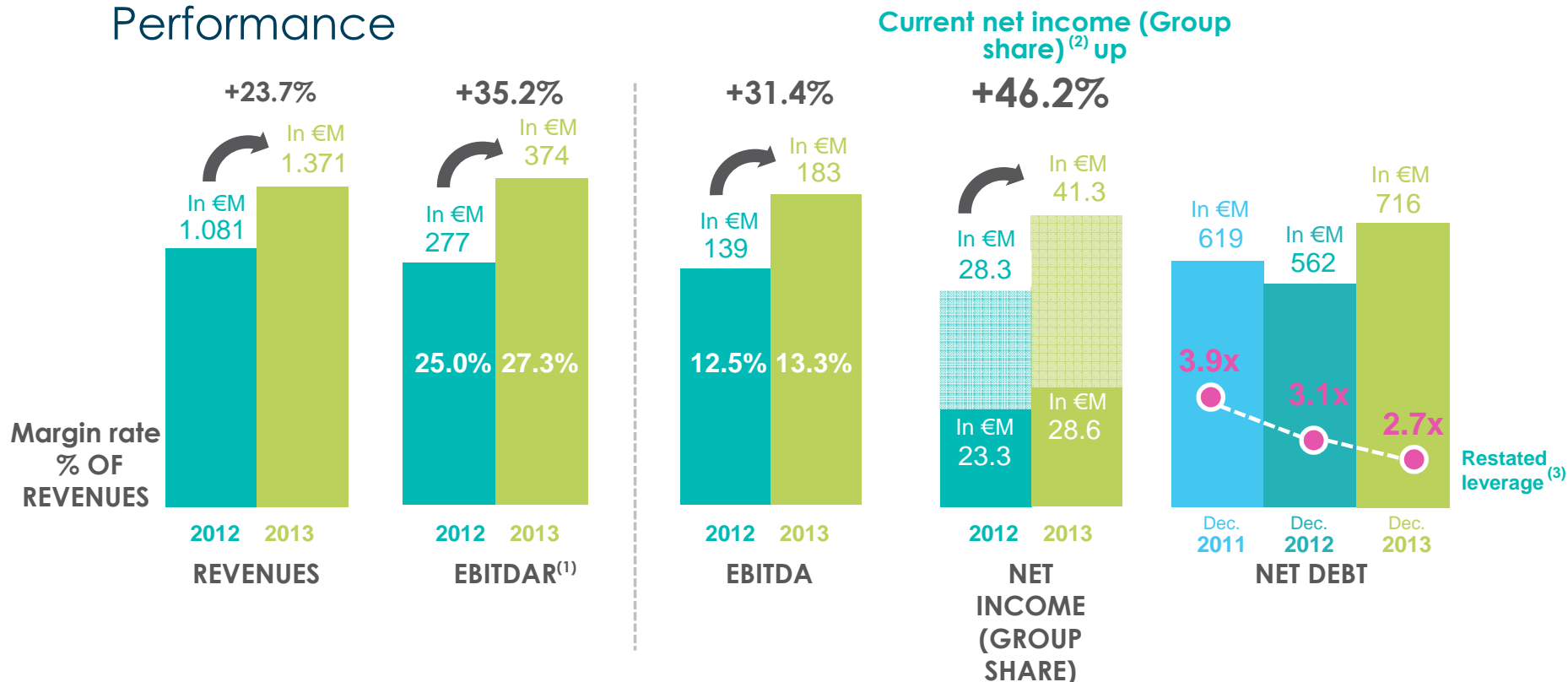
Performance

All objectives set for 2013 were exceeded

	2013 SFAF March	2013 SFAF sept	Actual	
Revenue	€1.3 billion	€1.35 billion	€1.37 billion	✓
EBITDAR	26 %	27 %	27.3 %	✓
Restated debt ratio	3x	3x	2.7x	✓

Substantial improvement in performance

Performance



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

(2) 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.

(3) (Net debt - Real estate debt) / (EBITDA - 7%* Real estate debt)

Profitability up significantly in all countries

Performance

In millions of euros

	Conso		France		Germany		Italy	
	2012	2013	2012	2013	2012	2013	2012	2013
Revenues	1.108	1.371	762	766	157	414	190	192
EBITDAR	277	374	188	202	44	125	45	47
% of revenues	25.0%	27.3%	24.7%	26.5%	28.0%	30.1%	23.6%	24.5%
Change in margin	+230bp		+180bp		+210pb		+90bp	

Changes in the scope of consolidation

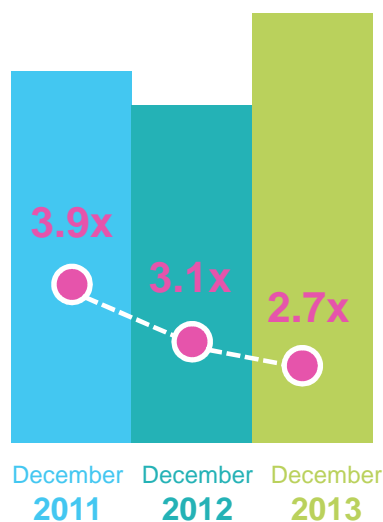
Sale of the psychiatry division complete by the end of H1

Acquisition of Curanum integrated on 1 March 2013

A solid financial structure

Performance

Net debt trends



	December 2011	December 2012	December 2013
Net debt in millions of euros	619	562	716
Syndicated credit	465	465	315
Commitments	0	37	105
Real estate debts	154	173	282
Other payables	34	45	65
Cash	(34)	(158)	(51)

Reduced leverage

$$\frac{\text{Net debt} - \text{Real estate debt}}{\text{EBITDA} - 7\% \text{ Real estate debt}} = 2.7x$$

Default covenant at 4.75x

- Continued debt diversification with the issue of a **€67.5m private placement** in August 2013

Innovation at the core of the corporate initiative

Innovation

Innovation in research and at the service of facilities

Role

- **Societal research**
- **Applied research** through mining of our data
- **Korian's scientific research and sharing**
(e.g. Medication booklet)

Official launch on 11 December 2013 in the presence of the French Minister for the Elderly and Dependent Care. Michèle Delaunay



INSTITUT DU BIEN VIEILLIR KORIAN

In practice

- **A booklet containing 20 case studies to help improve the care given to our residents**
- **Competitions to create competition**
- **National campaigns to develop temporary and respite accommodation**

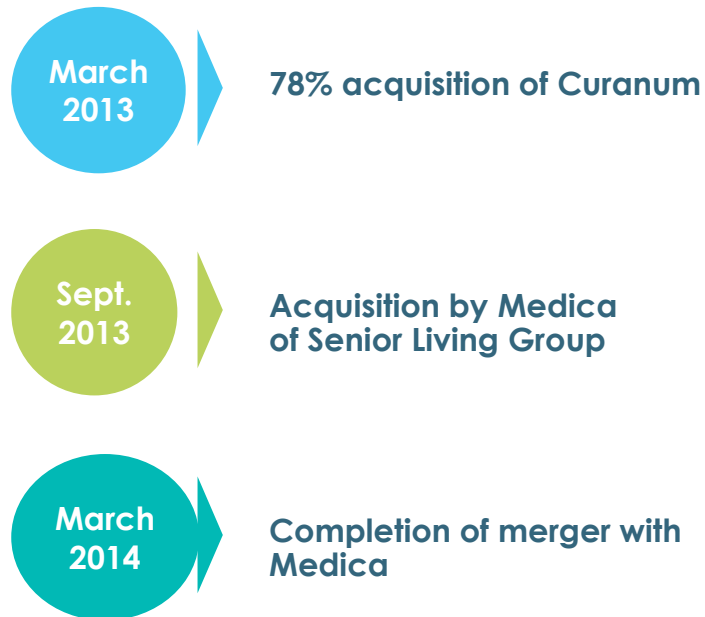


Creating the European leader



Development

Milestones:



Objectives:

Creating a market leader in Germany with some 15.000 beds

Acquisition of the leader in Belgium

Strengthening of our positions in France and Italy

A strong lead in the four largest private markets in Europe

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02

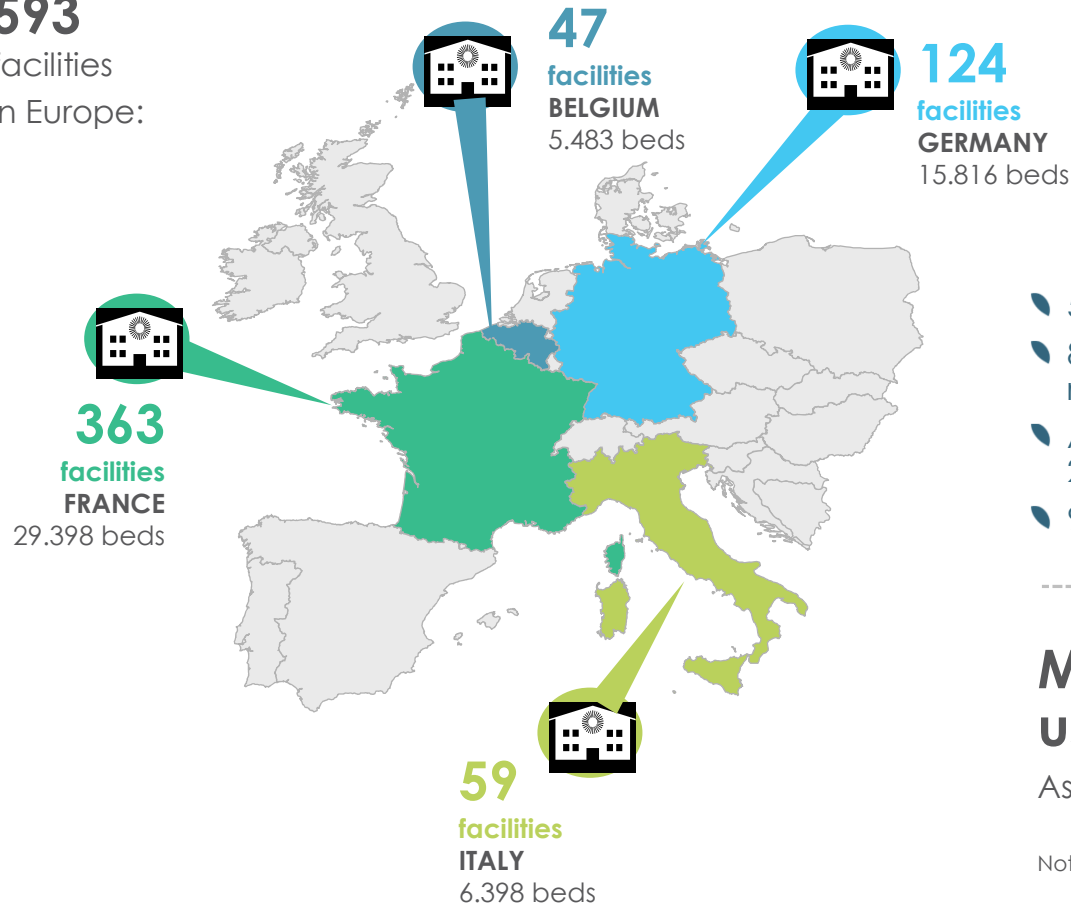
Creating the leader in healthy ageing

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A leading presence in four European countries



593
facilities
in Europe:



- 506 nursing homes
- 87 specialist follow-up care and rehabilitation clinics
- Accommodation capacity of more than 2,400 people in assisted living facilities
- 9,000 people receiving homecare services

More than 57,000 beds in use

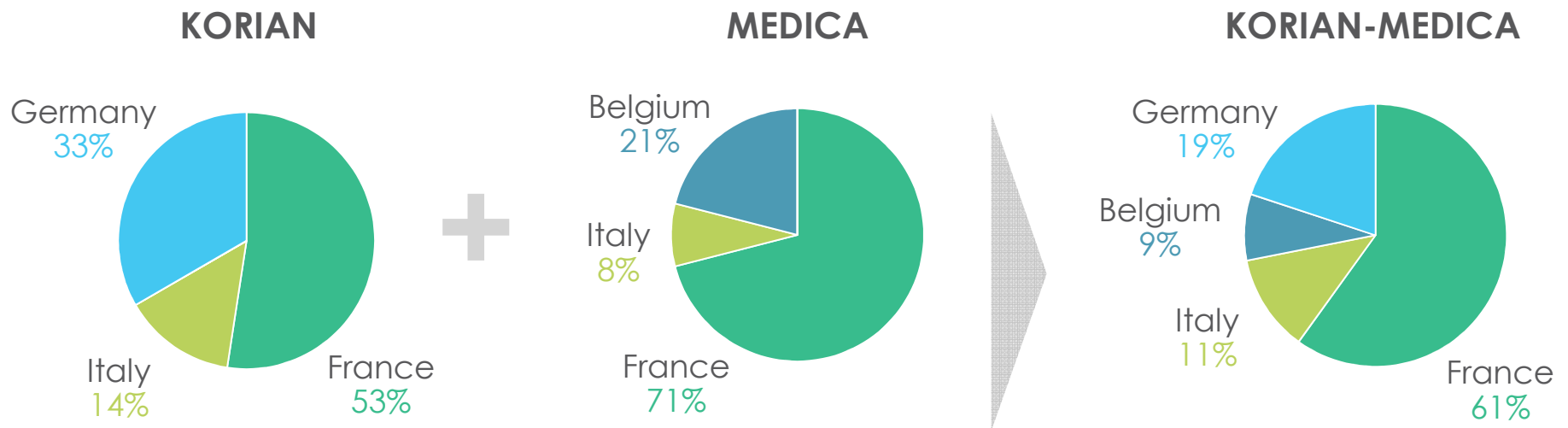
As well as additional activities

Note: Scope of consolidation as at 31 December 2013

Korian-Medica. providing additional geographic coverage



2013 pro forma revenues⁽¹⁾ by country



2013 data including 100% of the scope of consolidation of Koran. Medica. Senior Living Group. Curanum and excluding the Korian Psychiatry Division from 1 January 2013

A leading player in four markets with solid fundamentals



France

- 62% increase in the number of people over 80 by 2035
- Increase in the number of people suffering from age-related diseases
- ~35% of the nursing home tariff⁽¹⁾ and 80% of the clinic tariff⁽¹⁾ reimbursed by public authorities

Solid market fundamentals

Germany

- 55% increase in the number of people over 80 by 2035
- The main European market: 2.3m dependent persons
- 200.000 beds in nursing homes to be created in the next ten years.
- ~50% of the total cost of one day's stay reimbursed by social security

A growth market supported by secure public funding

Italy

- 47% increase in the number of people over 80 by 2035
- Public authorities wish to turn clinics/hospitals into nursing homes
- ~50% of the total cost of one day's stay reimbursed by social security

Group positioning in the market's most attractive regions

Belgium

















- 47% increase in the number of people over 80 by 2035
- The population living in nursing homes is set to grow by 2.500 residents per annum until 2025
- Operating licenses
- 44% of the total cost of one day's stay reimbursed by social security

Opportunities for development in the Flemish region

Source: INSEE. DREES. World Bank. Pflegestatistik. Istat. Euromonitor. (1) Korean data

Growth

Potential for development by adding to our offer on a country-by-country basis

	France	Germany	Italy	Belgium
Follow-up care and rehabilitation clinics				
Homecare				
Intermediate facilities				
Nursing homes				

Develop through the transfer of business models



A strong brand in the domain of healthy ageing



- **Making the most of the Korian brand:** a brand strong, dynamic, international and unifying, able to transform the market and support our societies as they age.
- **A strong symbol** representing the excellence and know-how of the leading European company specialising in healthy ageing.
- **A brand set to roll out over the network,** to display and share this emblem of excellence with families, care providers, partners, prescribers, service providers, investors and so on.

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03

A group ready for action

New governance



Half of the members of the Board of Directors are independent



Jacques Bailet
Chairman



Christian Chautard
Vice-Chair



Jacques Ambonville
Independent Director



Martin Hoyos
Independent Director



Anne Lalou
Independent Director



Guy de Panafieu
Independent Director



Catherine Soubie
Independent Director



Prédica
*Permanent representative:
Françoise Debrus*



Jérôme Grivet
*Director appointed
by Prédica*



Batipart Invest SA
*Permanent representative:
Charles Ruggieri*



MAAF Assurances SA (Covéa)
*Permanent representative:
Sophie Beuvadén*



Malakoff Médéric Assurances
*Permanent representative:
Hugues du Jeu*

The Committees of the Board of Directors

Committees and Observer

Audit committee

Guy de Panafieu

Chairman

Appointments and Compensation committee

Anne Lalou

Chairwoman

Investment committee

Jérôme Grivet

Chairman

Ethics and Risks committee

Jacques Ambonville

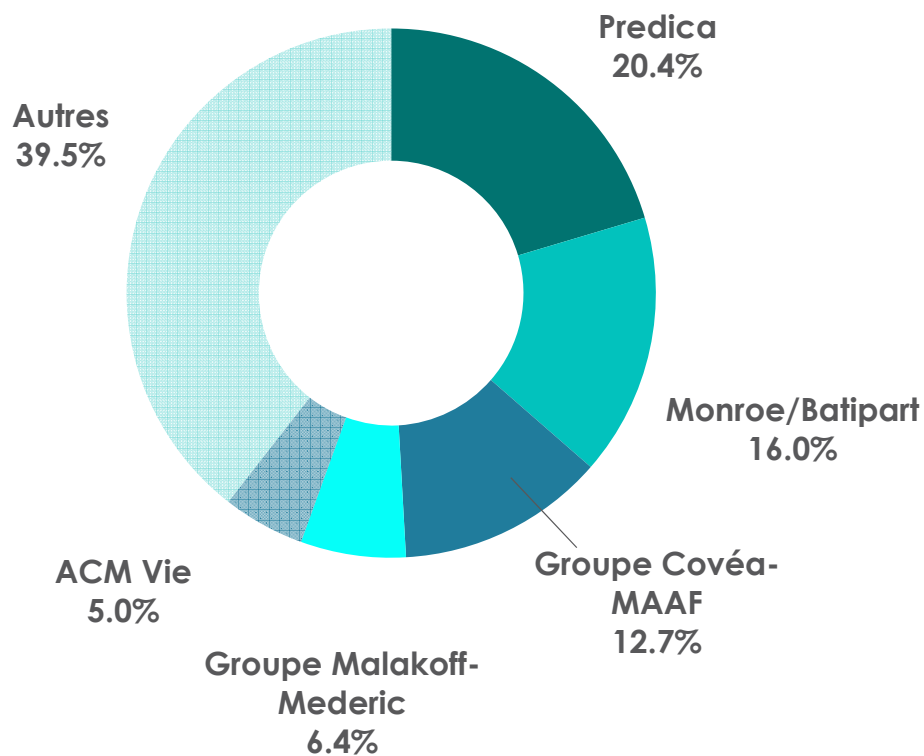
Chairman



Jean-Claude Georges-François

Observer

Long-term Shareholders – Capitalisation of €2 billion



- Capitalisation of €2 billion

- With a float that represents some 40% of share capital

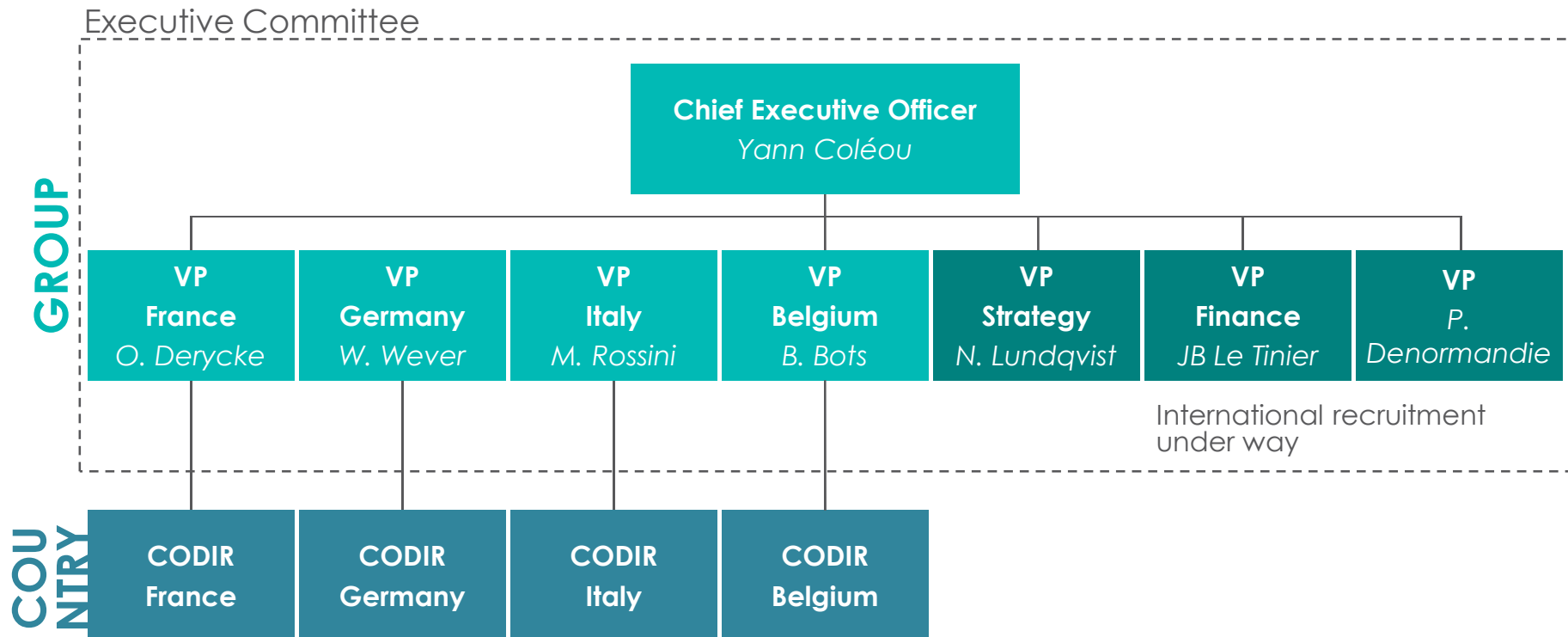
KORIAN - MEDICA
included in the SBF
120

Notes: Based on the Korian Medica share price on 14 March 2014

Number of shares: 78,388,873

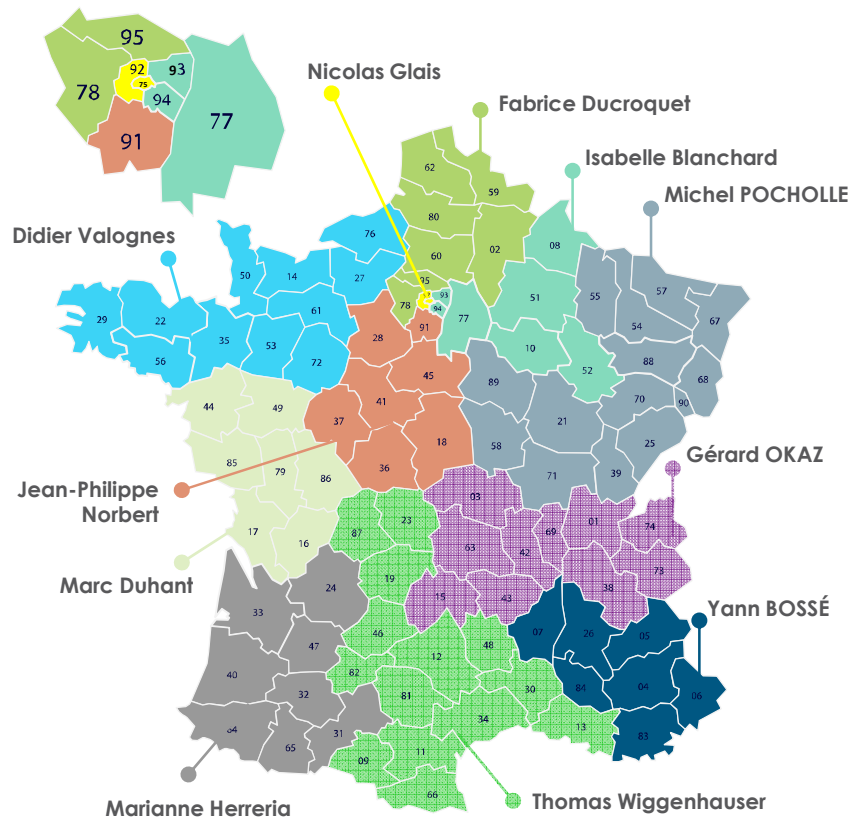
Five Covéa entities are individual shareholders in Korian – Medica: GMF Vie, MMA Vie, MAAF SA, MAAF Vie and Covéa Risks

Organisation that takes into account the Group's international dimension

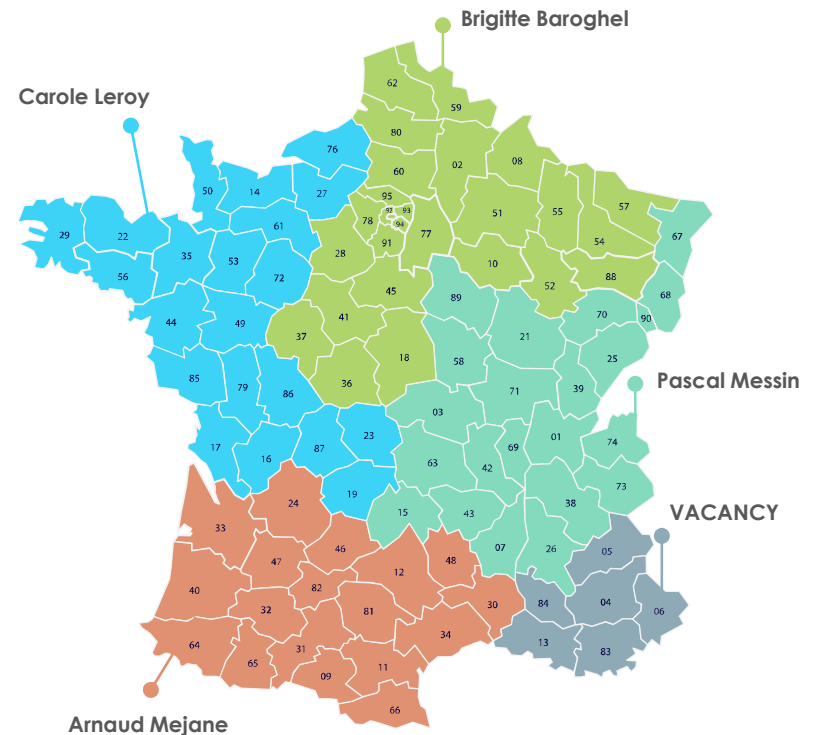


Regional divisions in France operational the day after the merger

Organisation of nursing homes in France



Map of healthcare business in France



The organisation will seek out new development opportunities



Example of health facilities restructured in 2012/3

Before

52 beds in LYON (69) specialising in the nervous system + **65 beds** in Haute-Savoie Nutritional clinic

Total annual revenues = **€9.5m**



After



- Full hospitalisation: **115 beds**
- Day care: **2.300 days**
- Specialising in: **dialysis, the digestive system, obesity, the nervous system, etc.**
- Annual pro forma revenues: **€12m**
- EBITDAR margin: **+1.000 bps**

102 beds in Nans les Pins specialising in respiratory care + **90 beds** in Marseille

Total annual revenues = **€12.1m**



- Full hospitalisation: **205 beds**
- Day care: **7.300 days**
- Specialising in: **respiratory care, ENT, etc.**
- Annual pro forma revenues: **€17m**
- EBITDAR margin: **+600 bps**

Sharing best practices



New sources of development

Takeover by Medica of 3 associative facilities to be restructured

- **90 beds in Mulhouse. Haut-Rhin**
- **122 beds in Poitiers. Vienne**



Expertise in a market with high growth potential
(associative facilities represent 29% of the market in France)

Takeover by Medica of two homecare facilities

- **Normandy: new territory covered**
- **Vosges: extension of territory**

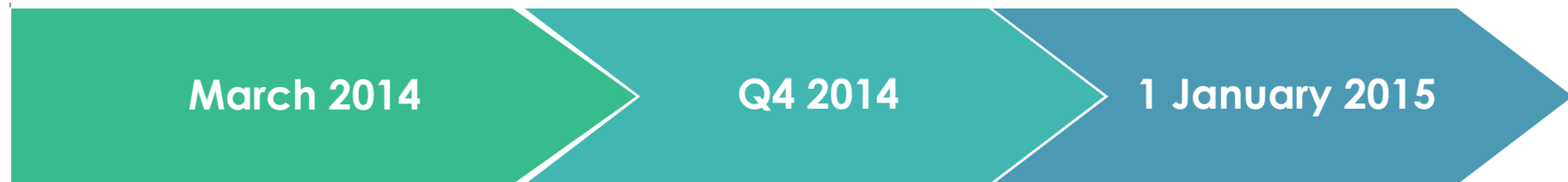
A growing activity that meets the public authorities' needs



Key stages in the merger



18 November 2013:
Merger announced




- 18 March: Date of the shareholders' meetings approving the merger
- Governance in place
- Operational teams

- Analysis and optimisation of our organisations and resources from Group level down to local level
- Review of development pipeline

- New, fully operational organisation

At the beginning of 2015, integration will be complete, and the first synergies will be seen

A stylized graphic of a plant with several large, light blue leaves and a stem, positioned on the left side of the slide. The leaves are layered, with some appearing behind others, creating a sense of depth. The background is a solid, vibrant blue.

04

Results: Korian-Medica

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Korian stand alone Performance 2013



In millions of euros	31/12/2013	31/12/2012	Variation	
Revenues	1 371	1 108	23.7%	of which 4.2% is organic growth
Personnel expenses	(656)	(531)	23.6%	
% of revenues	47.9%	47.9%		
Other external purchases and external expenses	(295)	(256)	15.3%	Control of expenses
% of revenues	21.5%	23.1%		
Tax and duties	(45)	(44)	2.2%	
EBITDAR	374	277	35.2%	
% of revenues	27.3%	25.0%	230 pb	
External rents	(191)	(138)	39.0%	of which +0.8% is indexing
EBITDA	183	139	31.4%	
% of revenues	13.3%	12.5%	80 pb	

Medica stand alone Performance 2013



In millions of euros	31/12/2013	31/12/2012	Variation	
Revenues	834	719	16.1%	of which 7.4% is organic growth
Personnel expenses	(389)	(329)	18.0%	
% of revenues	46.6%	45.8%		
Other external purchases and external expenses	(171)	(154)	10.8%	
% of revenues	20.5%	21.5%		
Tax and duties	(38)	(33)	14.2%	
EBITDAR	236	201	17.3%	
% of revenues	28.3%	28.0%	30 pb	
External rents	(100)	(84)	19.4%	of which +0.8% is indexing
EBITDA	136	118	15.9%	
% of revenues	16.3%	16.4%	- 10 pb	

Medica's income statements are reclassified to be comparable with Korian's accounting methods. Specifically, external rents include VAT on rents.

Korian-Medica proforma 2013 by perimeter

▮ The pro forma income statements were prepared using the following assumptions:

- Sale of the KORIAN Psychiatry Division on 30/06/2013 ► **removal of impact of Korian psych. div. 2013 and 2012**
- Acquisition of CURANUM on 01/03/2013 ► **integration of Curanum in January and February 2013 and 2012**
- Acquisition of SENIOR LIVING GROUP on 01/10/2013 ► **integration of SLG over 9 months in 2013 and 2012**
- Merger between KORIAN and MEDICA in 2014 ► **KORIAN and MEDICA consolidation 2013 and 2012**

In millions of euros	Pro forma TOTAL 31/12/2013	Korian perimeter			Medica perimeter	
		Korian stand alone	- Psych. clinics	+ Curanum 2 months	Medica stand alone	+ SLG 9 months
Revenues	2 376	1 371	(27)	48	834	150
Ext. purchases & expenses	(499)	(295)	5	(7)	(171)	(30)
Personnel expenses	(1 138)	(656)	14	(25)	(389)	(83)
Taxes and duties	(85)	(45)	2	(3)	(38)	(1)
EBITDAR	655	374	(6)	13	236	37
EBITDAR margin rate	27,6%	27,3%	20,8%	28,0%	28,3%	24,6%
External rents	(320)	(191)	2	(9)	(100)	(21)
EBITDA	335	183	(4)	4	136	16

Korian-Medica pro forma Performance 2013

In millions of euros	31/12/2013	31/12/2012	Variation	
Revenues	2.376	2.252	5.5%	
Personnel expenses	1.138	1.082	5.1%	
% of revenues	47.9%	48.1%		
Other external purchases and external expenses	499	489	2.0%	Control of expenses
% of revenues	21.0%	21.7%		
Tax and duties	85	80	6.2%	
EBITDAR	655	601	8.9%	
% of revenues	27.6%	26.7%		
External rents	320	301	6.5%	Limited rent increases of 0.8% due to indexing
EBITDA	335	300	11.4%	
% of revenues	14.1%	13.3%		

Profitability analysis by country – pro forma

In millions of euros	31/12/2013	Change	31/12/2012	
Revenues	2.376	5.5%	2.252	
France	1.441	6.3%	1356	
Germany	461	3.5%	446	
Italy	271	1.4%	268	
Belgium	202	10.6%	183	
		% of revenues		% of revenues
EBITDAR	655	27.6%	601	26.7%
France	402	27.9%	361	26.6%
Germany	138	29.9%	131	29.4%
Italy	65	24.0%	64	23.8%
Belgium	50	24.7%	45	24.9%

Strong improvement in net income Korian – Medica pro forma

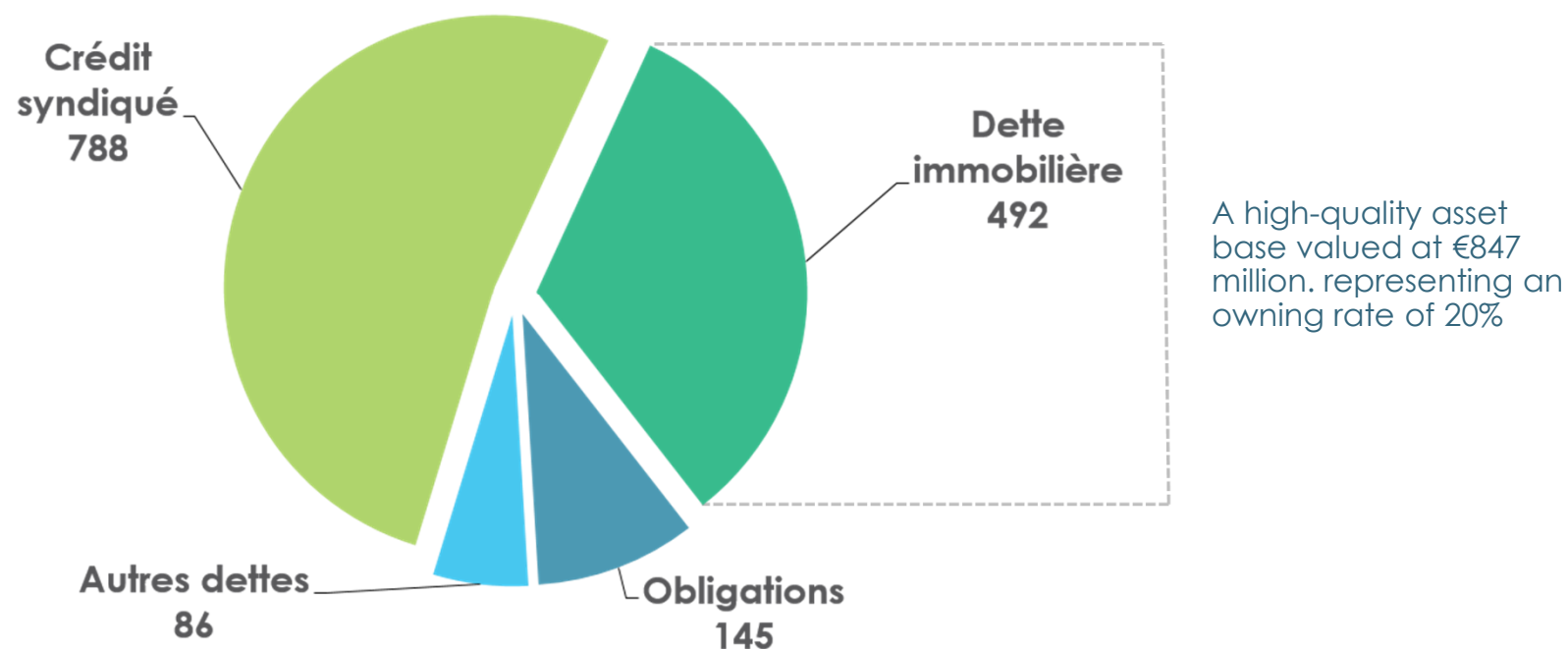
In millions of euros	31/12/2013	31/12/2012	Variation
EBITDA⁽¹⁾	335	300	11.4%
Amortisation and provisions	(102)	(89)	15.0%
EBIT (OPERATING INCOME)	233	212	9.9%
Non-recurring items	(2)	(1)	
Operating income	231	211	9.7%
Financial income	(71)	(70)	0.8%
Income before taxes	160	140	14.2%
Income tax	(63)	(60)	5.2%
% income before taxes	39.3%	42.7%	
Net income (Group share)	96	78	23.8%
Current net income (Group share)⁽²⁾	97	78	24.0%
Current EPS	€1.24 per share	€1.00 per share	24.0%

(2) 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.

Debt of Korian-Medica pro forma



Gross debt by type (in millions of euros)

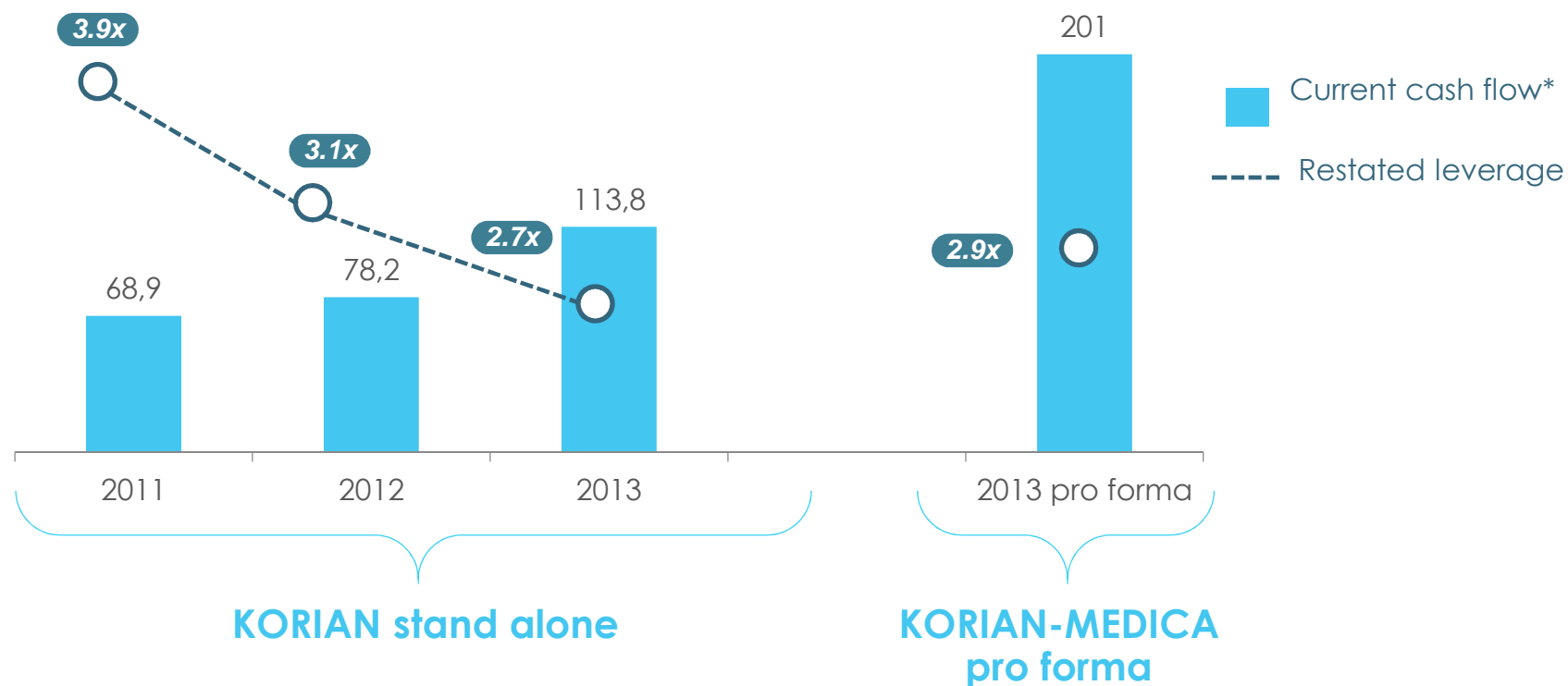


Korian – Medica net debt of €1.376m as at 31 December 2013
A diversified financing structure
High-quality real estate assets

Debt of Korian-Medica



In millions of euros



Solid recurring cash flow
Managed financial leverage of under 3.0x

* EBITDA – financial income – income tax

Refinancing of syndicated credits



Refinancing: the first synergies following the merger

Over €550m available

Optimised group financing

Refinancing of Korian and Medica syndicated credits of €800m in March 2014

- 5-year maturity (March 2019)
- covenant 4.5x
- attractive margins (impact of €2m before tax)

A revolving credit line of €300m

Additional debts authorised

- real estate debt for €700m
- other debts: €150m

Available on 26 March

€300 million

€208 million

€65 million

- An average residual maturity extended to 6.1 years
- A financing cost of 4.3% expected to fall from 2014 onwards

Significant financial flexibility with over €550m available

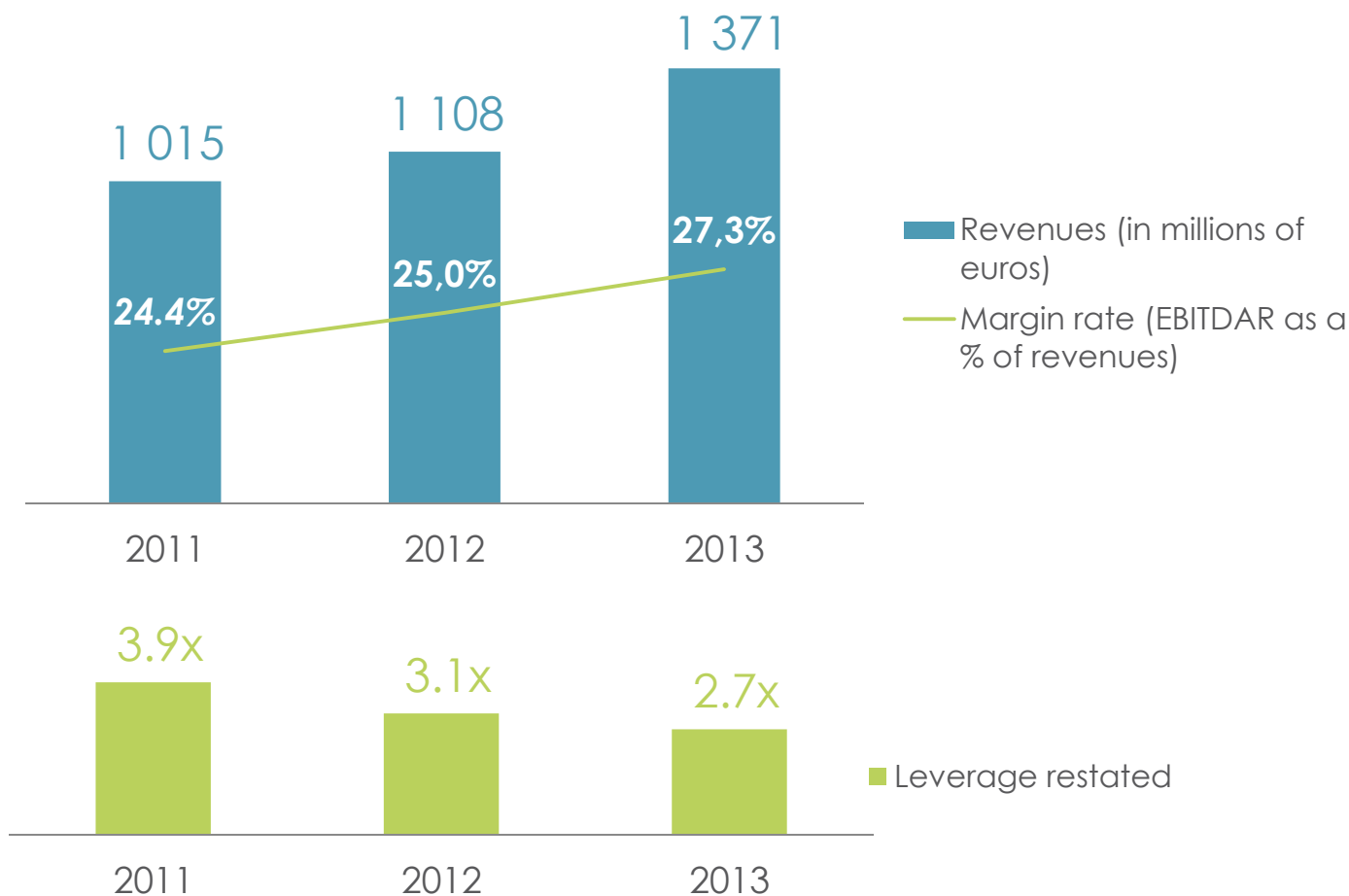
A stylized graphic of a plant branch with several leaves, rendered in a lighter shade of blue than the background. The leaves are arranged in a fan-like pattern, with some pointing upwards and others downwards. The background is a solid, medium-blue color.

05 Prospects

2013 full-year results • 27 March 2014

Korian: a history of profitable growth

Korian has met its targets in terms of growth, improved profitability and reducing financial leverage.



Secure growth



Type of beds	Number of beds	France	Germany	Italy	Belgium
Beds to be constructed	3 391	1 277	570	288	1 256
Beds to be restructured	4 510	3 257	179	1 074	0
Total	7 901	4 534	749	1 362	1 256

Korian – Medica : major inherent potential for growth with a pipe line of 7 901 beds

Two clear priorities for 2014



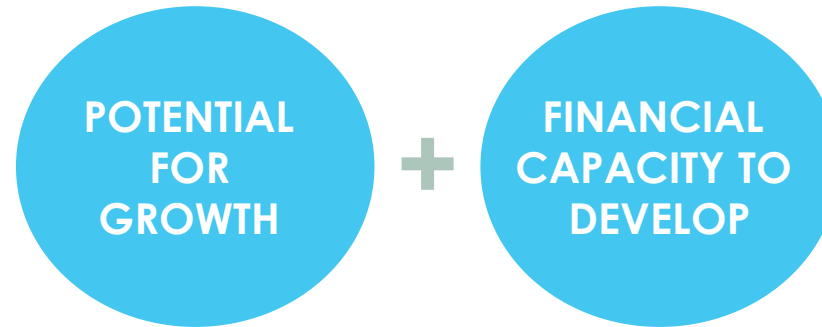
1 - Operational objective

FRANCE



Objective of finalised integration by 1 January 2015

INTERNATIONAL



Managerial organisation on a country-by-country basis allows the Group to remain agile in terms of its international development

Two clear priorities for 2014



2 - Financial Targets

2014 Objectives

Pro forma revenue of €2.5billion*

EBITDAR margin rate slightly up

2017 Objectives

Revenues of €3 billion

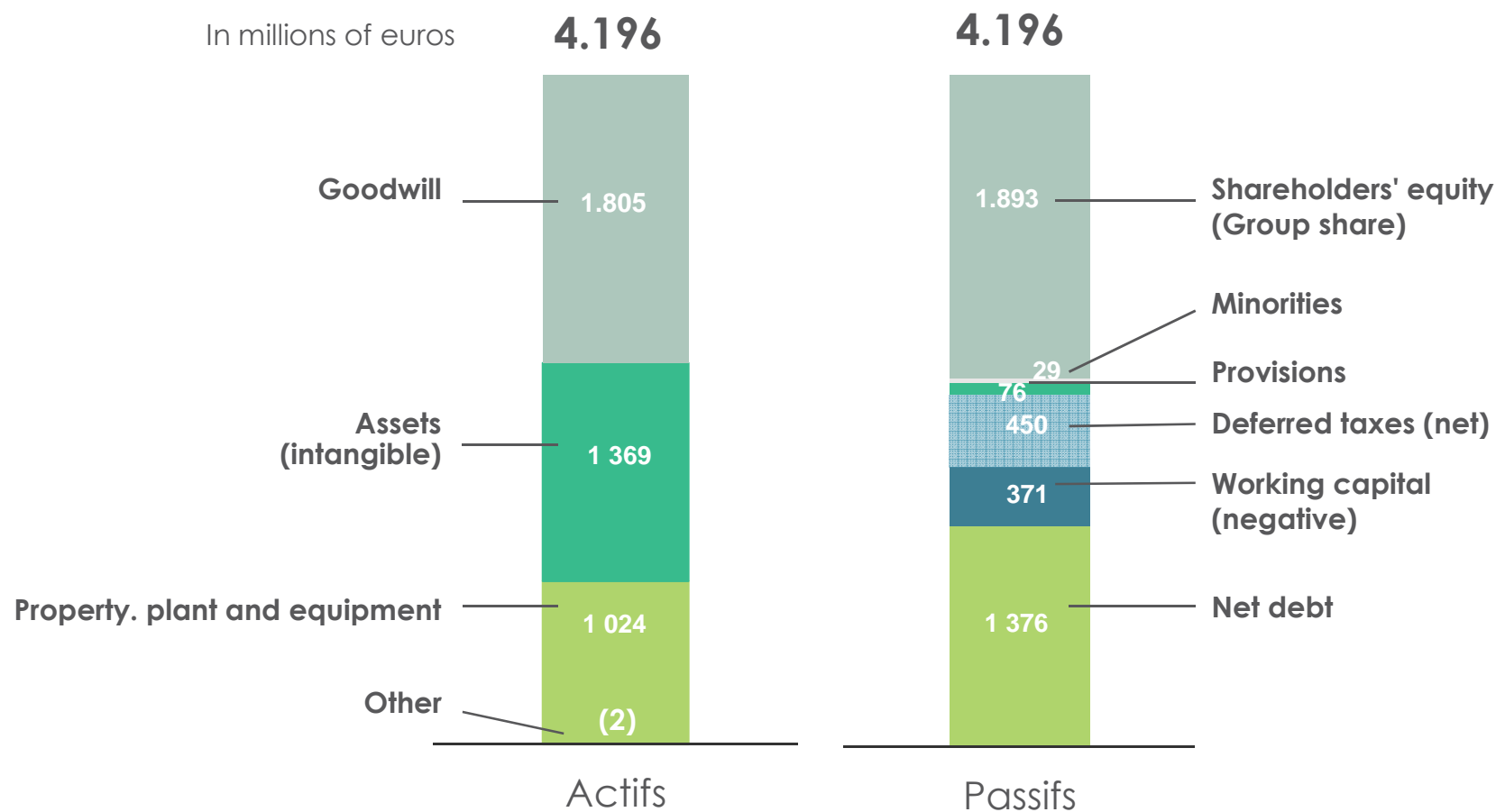
* For consolidated account of Korian – Medica in 2014, Medica perimeter will be integrated as of 1 of April 2014

A large, stylized graphic of a plant branch with several leaves, rendered in a light green color, is positioned on the left side of the slide. The background is a solid, muted green color.

06 Appendices

2013 full-year results • 27 March 2014

Economic balance sheet of Korian Medica Pro forma as at 31 December 2013



Net income Korean

In millions of euros	31/12/2013	31/12/2012	Variations
EBITDA⁽¹⁾	183	139	31.4%
Amortisation and provisions	(63)	(45)	40.3%
EBIT (OPERATING INCOME)	120	94	27.2%
Non-recurring items ⁽²⁾	(20)	(8)	
Operating income	100	87	15.9%
Financial income	(45)	(34)	31.9%
Income before taxes	56	53	5.5%
Income tax	(24)	(27)	(9.8%)
% income before taxes	43.5%	50.9%	
Net income (Group share)	29	23	22.8%
Current net income (Group share)⁽³⁾	41	28	46.2%

(1) EBITDA is equivalent to EBITDAR as defined above, less rental expenses

(2) Non-recurring items mainly include costs related to development operations: merger with Medica (€6m), acquisition costs of Curanum stocks (€4m), integration costs in Germany (€2m) and restructuring costs for residual activities of €4m in Germany

(3) 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.

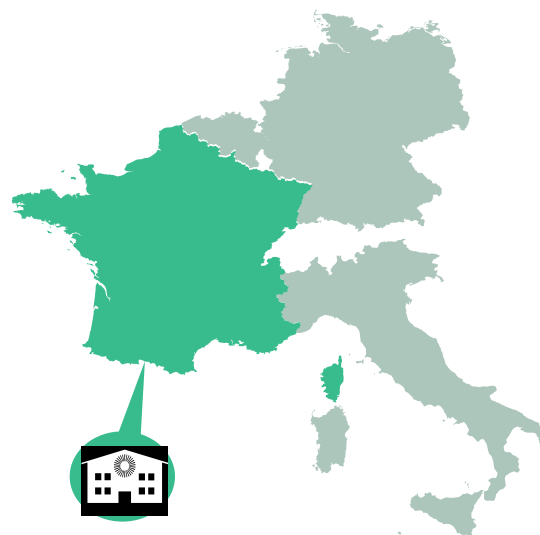
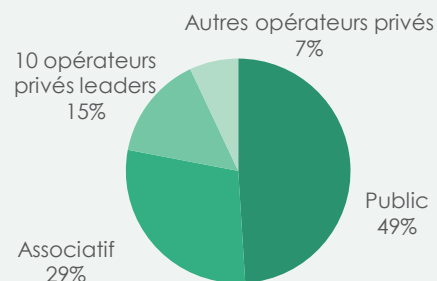
Appendices – key markets

France - Nursing homes market

Market presentation

- Population: 65.7 million
- ~17% aged over 65
- 684.000 beds in nursing homes
- 127 beds for 1.000 people aged over 75
- Korian-Medica market share: 3.4%

Breakdown of French nursing home market



363
facilities
29.398 beds

Attractiveness factors

- Ageing population: 62% increase in the number of people over 80 by 2035
- Operating licenses
- Increase in the number of people suffering from age-related diseases
- ~35% of the nursing home tariff⁽¹⁾ and 80% of the clinic tariff⁽¹⁾ reimbursed by public authorities

Solid market fundamentals

of facilities as at 30 December 2013
Source: INSEE, DREES, World Bank

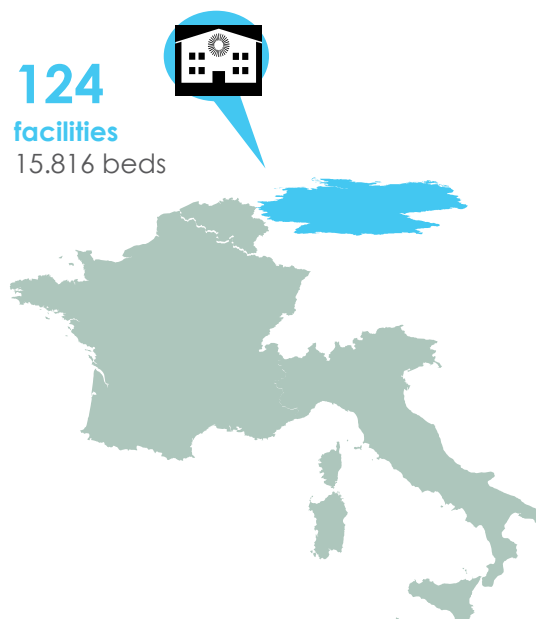
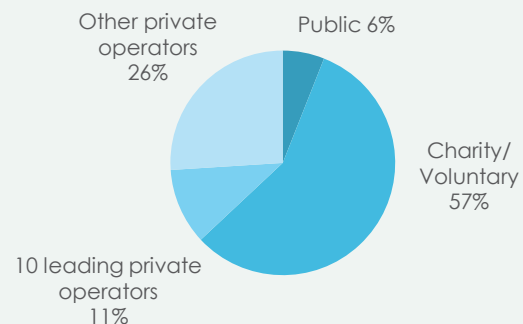
Appendices – key markets

Germany - Nursing home market

Market presentation

- Population: 81.9m
- ~21% aged over 65
- 876.000 beds in nursing homes
- 114 beds for 1.000 people aged over 75
- Korian-Medica market share: 1.8%

Breakdown of German nursing home market



Attractiveness factors

- Main European market: 2.3m dependent persons
- 55% increase in the number of people over 80 by 2035
- 200.000 beds in nursing homes to be created in the next ten years
- ~50% of the total cost of one day's stay reimbursed by social security

A growing market supported by secure public funding

of facilities as at 31 December 2013
Source: Pflegestatistik, World Bank

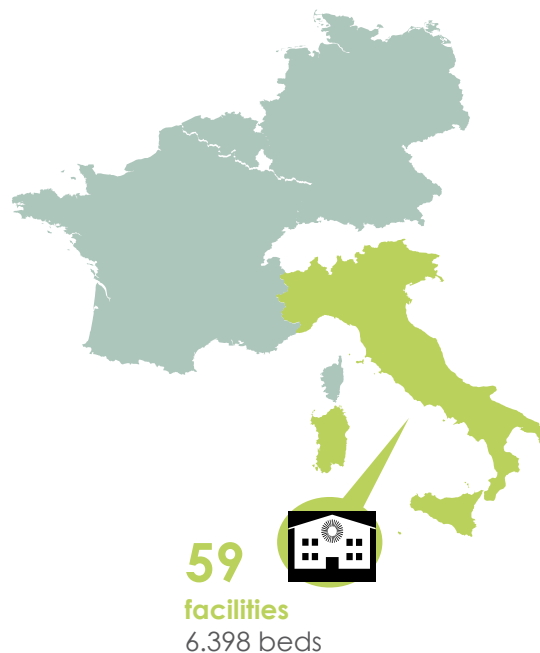
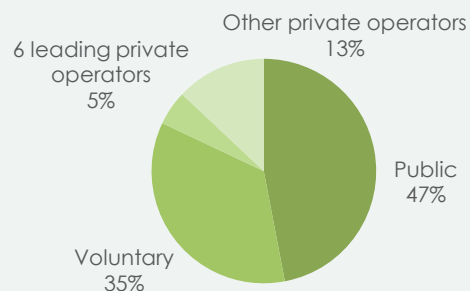
Appendices – key markets

Italy - Nursing home market

Market presentation

- Population: 60.9 million
- ~21% aged over 65
- 340.000 beds in nursing homes
- 64 beds for 1.000 people aged over 75
- Korian-Medica market share: 1.4%

Breakdown of Italian nursing home market



Attractiveness factors

- 47% increase in the number of people over 80 by 2035
- ~50% of the total cost of one day's stay reimbursed by social security
- Public authorities wish to turn clinics/hospitals into nursing homes
- Operating licenses

Positioning of the new entity focused on the most attractive regions of the market

of facilities as at 31 December 2013
Source: Istat, Euromonitor, World Bank

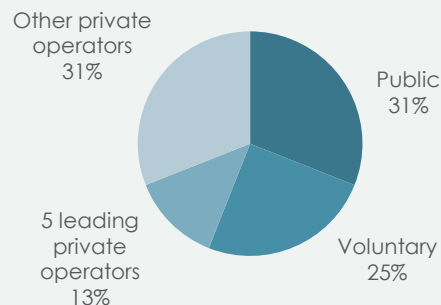
Appendices - key markets

Belgium - Nursing home market

Market presentation

- Population: 11.1m
- ~18% aged over 65
- 135.000 beds in nursing homes
- 139 beds for 1.000 people aged over 75
- Korian-Medica market share: 4.0%

Breakdown of Belgian nursing home market



47 facilities
5.483 beds



Attractiveness factors

- The population living in nursing homes should grow by 2.500 residents per annum by 2025
- 47% increase in the number of people over 80 by 2035
- Operating licenses
- 44% of the total cost of one day's stay reimbursed by social security

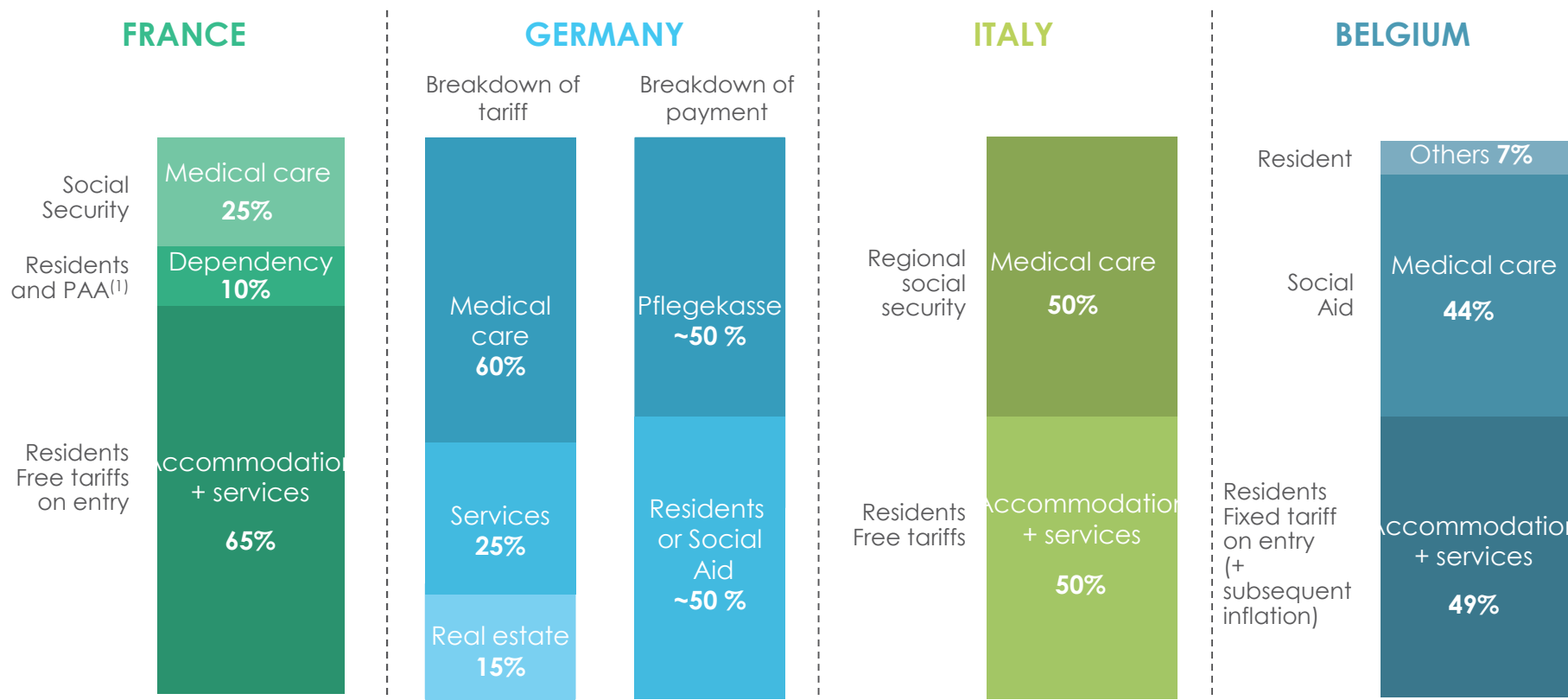
A market with a high potential for organic growth and market consolidation

of facilities as at 31 December 2013
Source: LEK, Medica, World Bank

47

Appendices - key markets

Typical structure of the daily nursing home tariff



Source: Korian, Medica and LEK
 (1) Personalised autonomy allowance (PAA)