



Paris, 3 May 2017

Revenue up 4.6% in first quarter 2017

- Solid business performance, driven by dynamic growth internationally
- First acquisitions to expand presence in Home care sector completed in Belgium and Germany
- Annual revenue growth and operating margin objectives confirmed

REPORTED REVENUE ¹

In € millions	1st quarter		Reported change	Organic change ²
	2016	2017		
France	387	389	0.4%	0.7%
<i>as a % of revenue</i>	53.0%	50.9%		
International	343	375	9.3%	4.6%
<i>as a % of revenue</i>	47.0%	49.1%		
Germany	208	217	4.2%	4.7%
Italy	77	74	-3.7%	1.1%
Belgium	58	84	45.2%	8.6%
Group Total	730	764	4.6%	2.5%

(1) Revenue and other income

(2) Organic growth in revenue includes: a) year on year change in revenue (year "N" vs. year "N-1") of existing facilities; b) revenue generated in year "N" by facilities created in year "N" or year "N-1"; c) the change in revenue (year "N" vs. year "N-1") of facilities that were restructured or expanded in year "N" or year "N-1"; and d) the change in revenue, in year "N" compared to the equivalent period in year "N-1", of facilities recently acquired.



Consolidated revenue up 4.6% in first quarter 2017

At 31 March 2017, the Group had consolidated revenue of €764 million, up 4.6% in reported figures. Growth was driven by the acquisitions in Belgium in the second half of 2016 (mainly Foyer de Lork and OTV) and organic growth of 2.5%.

The revenue of international subsidiaries grew by 9.3%, with organic growth of 4.6%, and now accounts for 49.1% of the Group's revenue.

In the first quarter, the number of beds that Korian operates increased by more than 500 units, primarily in Belgium and Italy.

The negative calendar impact, due to the fact that 2016 was a leap year, is estimated at approximately 1% for the period. On a same-day basis, organic growth was around 3.5%.

Strong business performance in France

Revenue in France totalled €389 million, up 0.4%. This figure includes the impact of the disposal of Centre Hospitalier des Courses early 2017. Restated for this impact, organic growth was 0.7%, and 1.5% on a same-day basis.

The Senior business line (nursing homes) posted an underlying growth momentum over 2% (on a same-day basis) thanks to healthy average daily rates, in line with the strategy of broadening the range of services offered to residents. The Group continued to deploy its proprietary social network application, called "Korian Generations", which is now available in all facilities. This approach is consistent with the Group's policy to introduce digital innovations for the benefit of its residents and their families.

In the Healthcare business line (mainly post-acute and rehabilitation clinics), the sale of additional services and a favourable case mix contributed to offset the decrease in rates. The occupancy rate remained very high. Furthermore, a first reconfiguration of existing facilities was successfully commissioned and, as a result, two facilities were combined on a new site at Guyancourt, close to Paris, and an out-patient care activity developed. Three other facilities (including one greenfield) are due to be completed in 2017 pursuant to the growth acceleration plan, which is based, in particular, on improving the case mix and developing out-patient activities and hospitality services.

Continued dynamic growth internationally

International revenue totalled €375 million, up 9.3%. The scope impact was primarily due to the acquisitions of Foyer de Lork and OTV in Belgium, partially offset by the ceasing of operation on four facilities in Italy in 2016. Organic growth was sustained at 4.6% (5.7% on a same-day basis), driven primarily by Germany and Belgium.



Germany posted organic growth of 4.7% in the quarter. Revenue increased by 4.2% after taking into account the ceasing of operation on a facility in connection with the portfolio optimisation policy. Growth was driven by the impact of prices due to the application of new regulations and the ramp-up of facilities opened over the last twelve months. Seven facility openings (greenfields) are scheduled by the end of the year. Moreover, the Group acquired a new home-care business, thereby continuing its strategy to expand its presence in the community-based care services sector.

Revenue in Italy fell by 3.7% in reported figures, due to the ceasing of the operation on four facilities in 2016. Organic growth totalled 1.1% as a result of higher occupancy rates and a positive trend in rates in the clinics division. The Company acquired two new facilities in the first quarter.

Organic growth was very strong in Belgium at 8.6%, driven by the ramp-up of the beds that were opened in 2016. Revenue increased by 45.2% in reported figures due to the consolidation of Foyer de Lork as from 1 September 2016, and of OTV, leading player in the home care business in Flanders, as from 1 January 2017.

Confirmation of annual objectives

The Group confirms its objectives of revenue growth and operating margin for 2017, as announced on March 15 when it released its 2016 annual results.



Telephone conference

Korian will hold a telephone conference on **3 May 2017** at **6.00 pm** (Paris time).

Dial-in numbers: **+33 1 70 77 09 35 / +44 203 367 94 53**

To re-hear the conference:

France: +33 1 72 00 15 00

UK: +44 203 367 94 60

access code: 308461#

Next event: 19 July 2017 after the close of trading
Q2 2017 revenue

ABOUT KORIAN

Korian, the expert in providing care and support services for seniors, with 715 facilities, operates Europe's largest network of long-term care nursing homes, specialised clinics, assisted-living facilities, home care and hospital home care services. At the end of December 2016, the Korian group has the capacity to accommodate around 72,000 beds in four countries (France, Germany, Belgium and Italy) and employs around 47,000 people.

For more information, please visit our website at www.korian.com

Korian has been listed on Euronext Paris Compartment A since November 2006 and is a component of the following indices: SBF 120, CAC Health Care, CAC Mid 60, CAC Mid & Small and MSCI Global Small Cap

Euronext Ticker: KORI – ISIN: FR0010386334 – Reuters: KORI.PA – Bloomberg: KORI.FP

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