H1 KEY HIGHLIGHTS

FINANCIAL PERFORMANCE IN LINE WITH ROADMAP

• Revenue growth of +4.9%
• Continued dynamic growth internationally
• Balanced mix between organic growth and bolt-on acquisitions
• EBITDA margin of 13.5%, stable vs H1 2016 underlying margin
• Double digit increase in net income* (+18.8%)

MAIN ACHIEVEMENTS

• Over 1,700 beds opened or acquired during the period
• Deployment of “asset smart” real estate strategy
• Key milestones achieved in German integration plan
• Financial flexibility increased thanks to successful issue of hybrid bonds
• Creation of Korian foundation to support corporate commitment to care and quality

*Group share
CONTINUATION OF GROUP DEVELOPMENT

OVER 1,700 BEDS OPENED OR ACQUIRED IN H1 2017

Organic growth

- Opening of 2 facilities in Germany
- Opening of 1 facility in Belgium
- Opening of 1st reconfiguration
  - 1 post acute clinic in France (merger + relocation)
  - 1 post acute clinic in Italy (relocation)

Bolt-on acquisitions

- Acquisition of 8 facilities in Belgium from the Senior Assist Group and of 2 facilities in Flanders
- Acquisition of 2 facilities in Italy (1 nursing home & 1 post acute clinic)
- Presence expanded in home care segment in Belgium (OTV) and Germany (3 businesses acquired year-to-date)
LEADING POSITION REINFORCED IN BELGIUM

- Acquisition of 8 facilities from the Senior Assist Group in June
- High complementarity with Korian’s existing network
- Solid development prospects (5 facilities not fully mature)
- An additional capacity of 1,000 beds incl. assisted living facilities and home care
- Following entry on home care segment in January with OTV acquisition
- A transaction consistent with Korian strategy to build “integrated platforms”: nursing home + service flats + home care

Korian Belgium (as of June 30, 2017)
- 89 facilities
- ≈ 8,500 nursing home beds
- ≈ 1,100 assisted living apartments
- An extensive range of home care services
REVITALIZE ORGANIC GROWTH IN FRANCE

OUR GOAL

Double French organic growth momentum to reach 4% within 3 years

SPECIFIC PLAN DESIGNED BY BUSINESS SEGMENT

France Senior  France Santé
SHORT-TERM ACTION PLAN TO INCREASE SALES AND OPERATIONS EFFICIENCY

Upgrade Customer Value Proposition

Better manage revenue through optimized organization

Implement digital strategy to increase direct sales

ACHIEVEMENTS TO DATE

- Service & hospitality
- Short stays
- Commercial offer with partners (shop corner on “Korian Generations”*)

- New pricing model in coherence with offer
- Local platforms pooling several facilities (30 platforms End H2 17 and 70 platforms End H1 18)

- Greater SEA investment
- Power up customer center (+60% in traffic in H1 17)
- New web site (launch Oct 17)

* Korian proprietary social network application
PORTFOLIO RECONFIGURATION TO SUPPORT CUSTOMER VALUE PROPOSITION

≈ 45 FACILITY UPGRADES

- 4,000 rooms to be refurbished by 2019
  → Align Korian core business nursing home range on state-of-the-art

≈ 20 GREENFIELDS

- Mainly relocations
  → State-of-the-art nursing homes and/or new concepts

≈ 40 EXTENSIONS

- Creation of additional beds using existing nursing home authorizations
  → Strengthened capacity & value proposition of existing facilities

- Creation of additional beds using construction potential, mainly sold as service flats
  → New “mixed” concepts enlarging customer base
**OPENINGS**

**Korian Parc des Dames**
Saint-Germain-En-Laye (78)
- Greenfield
- 84 beds incl. a 14-bed Alzheimer care unit
- Day-care centre
- A nursery Babilou located in the same building

Opened October 2016

**Korian Les Rives de la Zorn**
Saverne (67)
- Greenfield
- 75 beds incl. a 24-bed Alzheimer care unit
- 8 service flats

Opening November 2017

**Korian Château de la Couldre**
Montigny le Bretonneux (78)
- Greenfield
- 88 lits incl. a 28-bed Alzheimer unit
- Day care centre
- Reconfiguration of an existing building + extension

Opening January 2018
4 KEY LEVERS TO REVITALIZE ORGANIC GROWTH

Increase Revenue
- Develop outpatient care in 100% of facilities (vs 25% currently)
- Increase share of single rooms to 80% (from 60%)
- Increase specialization

Favour greater integration in local health care networks
- Develop public-private partnerships
- Develop relationships with city physicians

Improve efficiency
- Pooling support functions
- Automation of technical platforms
- IT upgrading

Maintain high quality
- Reach 80% of facilities with HAS A and B certification
- Upgrade medical care equipment
Merger and relocation of 2 post acute clinics & a home care centre

La Guyonne at Saint Rémy l’Honoré
75 beds post acute

Les Noës at Mesnil Saint Denis
60 beds post acute

Grand Parc at Guyancourt
110 beds post acute incl 82 single rooms
Creation of a day hospital: 30 beds
Home care: 150 patients

Increase Revenue
☑ Outpatient care
☑ Specialization
☑ Single Room

Improve efficiency
☑ Pooling support functions
☑ Automation of technical platforms
☑ IT upgrading

Greater integration in local health care networks
☐ Public/private partnership
☐ Develop relationships with city physicians

Maintain high quality
☑ Certification
☑ Upgrade equipment

France Santé

Opened January 2017
Greenfield: Korian Les Vergers (near Troyes) – 70 beds created

- Increase Revenue
  - ✓ Outpatient care
  - ✓ Specialization
  - ✓ Single Room

- Improve efficiency
  - ✓ Pooling support functions
  - ✓ Automation of technical platforms
  - ✓ IT upgrading

- Greater integration in local health care networks
  - ✓ Public/private partnership
  - ✓ Develop relationships with city physicians

- Maintain high quality
  - ✓ Certification
  - ✓ Upgrade equipment

Opening September 2017

France Santé

Greenfield: Korian Les Vergers (near Troyes) – 70 beds created

Opening September 2017

Increase Revenue
- ✓ Outpatient care
- ✓ Specialization
- ✓ Single Room

Improve efficiency
- ✓ Pooling support functions
- ✓ Automation of technical platforms
- ✓ IT upgrading

Greater integration in local health care networks
- ✓ Public/private partnership
- ✓ Develop relationships with city physicians

Maintain high quality
- ✓ Certification
- ✓ Upgrade equipment

2017 INTERIM RESULTS September 14th, 2017
Relocation: Korian Martigues

Before: Korian Saint Bruno (Marseille Est)
- 94 beds incl. 40% single rooms
- Aging infrastructure

Now: Korian Cap Ferrières (Martigues)
- 100 beds incl. 98% single rooms – specialized in musculoskeletal disorders
- Creation of a day hospital (20 beds)

Increase Revenue
- ✔ Outpatient care
- ✔ Specialization
- ✔ Single Room

Improve efficiency
- ✔ Pooling support functions
- ✔ Automation of technical platforms
- ✔ IT upgrading

Greater integration in local health care networks
- ✔ Public/private partnership
- ✔ Develop relationships with city physicians

Maintain high quality
- ✔ Certification
- ✔ Upgrade equipment

Opening September 2017
Public/private partnership: Korian Gléteins and Villefranche-sur-Saône hospital

Today

Château de Gléteins

Tomorrow

Located within the new building of Northwestern hospital

Increase Revenue
- Outpatient care
- Specialization
- Single Room

Improve efficiency
- Pooling support functions
- Automation of technical platforms
- IT upgrading

Greater integration in local health care networks
- Public/private partnership
- Develop relationships with city physicians

Maintain high quality
- Certification
- Upgrade equipment

Opening in 2019
IMPLEMENT OUR « ASSET SMART » REAL ESTATE STRATEGY

**REMEMINDER OF KEY PRIORITIES**

- **Regain control** over the development phase of greenfields & reconfigurations
  - Pipeline of ≈50+ projects on a 3-year rolling basis

- **Increase ownership rate** to 20% from 14%
  - Quality assets
  - Take advantage of gap between yield and fixed interest rate
  - Facilitate portfolio reconfiguration
  - Capture value
  - Equivalent to €500 M investments in real estate in the next 5 years

**ACHIEVEMENTS TO DATE**

- Signing of **partnership with ICADE** to conduct and finance the construction of a first set of 15 projects (greenfields and reconfiguration)

- **Real estate investments** to date
  - 5 buybacks completed and 5 buybacks to come (mostly Germany & Italy)
  - 15 new buildings under construction

- Creation of 2 **dedicated asset vehicles** (France and Germany)
  - Enable potential asset rotation and monetization under optimized conditions in the future
  - 5 assets “loaded”
INNOVATIVE PARTNERSHIP BETWEEN KORIAN AND ICADE

• Support Korian in the reconfiguration and expansion of its network in France
• Accelerate deployment of Korian “asset smart” strategy

• Partnership combining a development contract and a lease contract
• First set of 15 projects of nursing homes and post acute clinics, both greenfields and reconfigurations, by 2020
• Call option for Korian at the end of the construction phase

• No exclusivity
• A model to be further deployed in France and out of France
GERMANY: STRATEGIC MARKET FOR KORIAN

VERY FAVORABLE GROWTH PROSPECTS

- Largest senior market in Europe with 9 M people aged over 75
- Positive demographics:
  - People > 75 Y: +3%/year
  - People requiring care: +4.5%/year
- Sound and growing financing for dependency (€32 bn public funding – up +20% vs 2016)

KORIAN GERMANY WELL POSITIONED TO CAPTURE GROWTH POTENTIAL

- Korian by far #1 on the private senior market (size X 4 within 4 years)
- A broad portfolio of activities combining nursing homes, service flats, and home care
- A secured pipeline of more than 2,500 beds by 2019
- An active strategy of bolt-on acquisitions on the home care segment to densify local network
A BUSY AGENDA FOR GERMANY IN 2017

START IMPLEMENTING EFFICIENCY PLAN

• Global integration roadmap designed in 2016
• Roll-out from 2017 with key milestones reached in the 1rst half
  • Unification of operations performed in April -> one single network
  • Agreement reached with Casa Reha works council in July on central costs reduction plan
  • IT: migration of SAP Finance & Invoicing finalized
  • Management team strengthened

ADAPT BUSINESS TO NEW REGULATIONS

• PSG 2: new reimbursement grid favoring higher dependency
  • Progressive implementation
  • Resulting in higher staff keys in H117 not yet fully offset by tariff adjustments
• LHG: real estate, comfort and equipment standards
  • Upgrading plan ongoing (2017- 2020)
  • Reminder: estimated bed impact in a range of -300 to -800 beds
LAUNCHING KORIAN FOUNDATION TO SUPPORT CORPORATE COMMITMENT TO CARE AND QUALITY

- A solid track record of collaboration with research institutes and universities on positive care, ageing and technological innovation
- Creation of Korian Foundation
- Strengthening relationships with stakeholders
- Scientific committee comprising renowned academic experts
- Major focus on care, inclusion and communityship
**REVENUE BY COUNTRY**

<table>
<thead>
<tr>
<th>Country</th>
<th>H1 2016 (€M)</th>
<th>H1 2017 (€M)</th>
<th>Reported Growth (%)</th>
<th>Organic Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>778</td>
<td>784</td>
<td>0.8%</td>
<td>1.0%</td>
</tr>
<tr>
<td>International</td>
<td>692</td>
<td>758</td>
<td>9.4%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Germany</td>
<td>420</td>
<td>435</td>
<td>3.7%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Italy</td>
<td>156</td>
<td>152</td>
<td>-3.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Belgium</td>
<td>117</td>
<td>171</td>
<td>46.7%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Total</td>
<td>1,470</td>
<td>1,542</td>
<td>4.9%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Senior business line in **France** showed a growth momentum over ≈2%, driven by higher daily rates. At Santé business line, favorable case mix and sale of ancillary services offset most of the negative effect of reimbursement rates decrease.

Organic growth in **Germany** was driven by ramp-up of facilities opened over the last 18 months and some favorable price effect in relation with new regulations.

In **Italy**, decrease in reported revenue due to portfolio optimization actions in 2016 (-4 facilities).

Continued strong organic growth in **Belgium** driven by ramp up of facilities/beds opened in 2016 and H1 17. Perimeter effect related to acquisitions of Foyer de Lork, OTV and facilities acquired from Senior Assist.
EBITDA MARGIN: REMINDER OF H1 2016 ONE-OFF GAINS

-50BP DUE TO €9 M ONE-OFF GAINS

⇒ €5 M in other costs
⇒ €4 M in rentals

H1 2016 reported: 14.1%
H1 2016 underlying performance: 13.5%
H1 2017 reported: 13.5%
EBITDAR PERFORMANCE BY COUNTRY

<table>
<thead>
<tr>
<th>Country</th>
<th>EBITDAR value (€M)</th>
<th>EBITDAR % of sales</th>
<th>Change excl. H1 16 one-off gains (bp)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2016</td>
<td>214</td>
<td>27.5%</td>
<td>0 bp</td>
</tr>
<tr>
<td>H1 2017</td>
<td>215</td>
<td>27.5%</td>
<td></td>
</tr>
<tr>
<td>Change (%)</td>
<td>0.6%</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2016</td>
<td>179</td>
<td>25.9%</td>
<td>-140 bp</td>
</tr>
<tr>
<td>H1 2017</td>
<td>185</td>
<td>24.5%</td>
<td>-70 bp</td>
</tr>
<tr>
<td>Change (%)</td>
<td>3.6%</td>
<td>-1.4%</td>
<td>-70 bp</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2016</td>
<td>113</td>
<td>26.9%</td>
<td>-250 bp</td>
</tr>
<tr>
<td>H1 2017</td>
<td>106</td>
<td>24.4%</td>
<td>-130 bp</td>
</tr>
<tr>
<td>Change (%)</td>
<td>-5.8%</td>
<td>-2.5%</td>
<td>-130 bp</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2016</td>
<td>36</td>
<td>23.0%</td>
<td>120 bp</td>
</tr>
<tr>
<td>H1 2017</td>
<td>37</td>
<td>24.2%</td>
<td></td>
</tr>
<tr>
<td>Change (%)</td>
<td>2.1%</td>
<td>1.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2016</td>
<td>30</td>
<td>26.1%</td>
<td>-120 bp</td>
</tr>
<tr>
<td>H1 2017</td>
<td>43</td>
<td>24.9%</td>
<td></td>
</tr>
<tr>
<td>Change (%)</td>
<td>40.1%</td>
<td>-1.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2016</td>
<td>393</td>
<td>26.7%</td>
<td>-70 bp</td>
</tr>
<tr>
<td>H1 2017</td>
<td>401</td>
<td>26.0%</td>
<td>-40 bp</td>
</tr>
<tr>
<td>Change (%)</td>
<td>2.0%</td>
<td>0.0%</td>
<td>-40 bp</td>
</tr>
</tbody>
</table>

* See definitions

**Stable EBITDAR margin in France**

In **Germany**, underlying margin (excl. H1 16 one-offs gains) decreased by -130 bp due to:
- Increase in FTE on the back of PSG 2 regulation implementation as of Jan 1, 2017: reinforced care to be delivered to high dependency grades not yet fully offset by tariff adjustments
- Ramp up effect from facilities opened in H2’16
- Salary inflation contained at 3% (incl. catch-up at Casa Reha)

**Margin improvement in Italy (+120 bp)**
benefiting from portfolio optimization

In **Belgium**, decline in margin (-120 bp) due to dilutive effect from recent acquisitions

**Limited decline in Group EBITDAR margin: -40 bp**, excl H1 2016 one-off gains (€5 M)
## OPERATING PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>H1 2016 (€M)</th>
<th>H1 2017 (€M)</th>
<th>Change</th>
<th>Change excl. H1 16 one-off gains</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,470</td>
<td>1,542</td>
<td>4.9%</td>
<td>-</td>
</tr>
<tr>
<td>Personnel costs % of sales</td>
<td>(793)</td>
<td>(850)</td>
<td>7.2%</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>54.0%</td>
<td>55.1%</td>
<td>120 bp</td>
<td>-</td>
</tr>
<tr>
<td>Other charges % of sales</td>
<td>(284)</td>
<td>(291)</td>
<td>2.4%</td>
<td>0.6%</td>
</tr>
<tr>
<td></td>
<td>19.3%</td>
<td>18.9%</td>
<td>-50 bp</td>
<td>-80 bp</td>
</tr>
<tr>
<td>EBITDAR* % of sales</td>
<td>393</td>
<td>401</td>
<td>2.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td></td>
<td>26.7%</td>
<td>26.0%</td>
<td>-70 bp</td>
<td>-40 bp</td>
</tr>
<tr>
<td>External rents % of sales</td>
<td>(186)</td>
<td>(192)</td>
<td>3.2%</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>12.7%</td>
<td>12.5%</td>
<td>-20 bp</td>
<td>-50 bp</td>
</tr>
<tr>
<td>EBITDA* % of sales</td>
<td>207</td>
<td>209</td>
<td>0.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td></td>
<td>14.1%</td>
<td>13.5%</td>
<td>-50 bp</td>
<td>0 bp</td>
</tr>
</tbody>
</table>

* See definitions

**Staff costs**: increase of 120 bp due to:
- German specific context
- Continued shift to more internalized staff in Italy
- Impact of perimeter effect in Belgium

**Other charges**: improvement of 80 bp excluding H1 2016 one-off gains (€5 M)
- Less externalized staff in Italy
- Good control of costs and purchasing savings

**External rents**: down -50 bp restated of H1 2016 one-off gains (€4 M)
- Positive effect of rental renegotiation plan
- Favorable effect of changes in perimeter

**Stable EBITDA margin** at 13.5% vs H1 2016 margin restated of one-off gains (€9 M)
**PROFIT & LOSS**

Other net operating charges include restructuring costs, mainly in Germany, partly offset by a favorable effect related to a tax refund in France.

Financial result evolution is predominantly driven by increase in margin applicable to syndicated loan after Casa Reha acquisition.

Double digit increase of 18.8% in Net Profit Group share

<table>
<thead>
<tr>
<th></th>
<th>H1 2016 (€M)</th>
<th>H1 2017 (€M)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue*</td>
<td>1,470</td>
<td>1,542</td>
<td>4.9%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>207</td>
<td>209</td>
<td>0.9%</td>
</tr>
<tr>
<td>Depreciation &amp; Provisions</td>
<td>(78)</td>
<td>(79)</td>
<td>0.1%</td>
</tr>
<tr>
<td>Current operating income</td>
<td>128</td>
<td>130</td>
<td>1.4%</td>
</tr>
<tr>
<td>% of sales</td>
<td>8.7%</td>
<td>8.4%</td>
<td>(30 bp)</td>
</tr>
<tr>
<td>Other net operating charges</td>
<td>(14)</td>
<td>(4)</td>
<td>-67.3%</td>
</tr>
<tr>
<td>Operating income</td>
<td>114</td>
<td>126</td>
<td>9.7%</td>
</tr>
<tr>
<td>% of sales</td>
<td>7.8%</td>
<td>8.1%</td>
<td>40 bp</td>
</tr>
<tr>
<td>Financial result</td>
<td>(53)</td>
<td>(56)</td>
<td>6.3%</td>
</tr>
<tr>
<td>Income Tax</td>
<td>(29)</td>
<td>(30)</td>
<td>3.0%</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(1)</td>
<td>(2)</td>
<td>99.3%</td>
</tr>
<tr>
<td>Net profit Group share</td>
<td>32</td>
<td>38</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

* See definitions
FOCUS ON H1 REFINANCING OPERATIONS

- **Successful issue of undated convertible bonds (“ODIRANE”)** for an amount of €240 M on June 28
  - Nominal value per bond of €40.21, representing a conversion premium of 35%
  - Interest rate of 2.5% until December 31, 2022
  - Bond holders may exercise their conversion right until January 1, 2023. Upon exercise, bond holders will receive, at the option of Korian, either cash or shares (existing or new) or a combination of both
  - Korian has a “soft call” from January 1, 2021 if the share price exceeds 130% of the nominal value
  - From January 1, 2023, interest rate equal to EURIBOR 6-month increased by 900 bp
  - Settled on July 3, 2017 – not accounted for in balance sheet at end of June 2017

- In addition, **issue of €60 M in undated hybrid unlisted bonds**, giving no access to equity (settled on June 30, 2017)

- The two bonds are **classified as equity** in the consolidated financial statements, in accordance with IAS 32. Consequently the interest paid will not be accounted for in P&L (accounting similar to dividends)

- These issues provide the Group with **increased financial flexibility to pursue its development strategy through targeted acquisitions** (bolt-ons)
## CHANGE IN NET DEBT

<table>
<thead>
<tr>
<th>H1 2017 (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow before cost of financial debt</strong></td>
</tr>
<tr>
<td><strong>Change in WCR</strong></td>
</tr>
<tr>
<td><strong>Operating Capex (maintenance...)</strong></td>
</tr>
<tr>
<td><strong>Net financial charges</strong></td>
</tr>
<tr>
<td><strong>Operating Free Cash Flow</strong></td>
</tr>
<tr>
<td><strong>Development Capex</strong></td>
</tr>
<tr>
<td><strong>Bolt-on acquisitions</strong></td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
</tr>
<tr>
<td><strong>Real Estate Investments</strong></td>
</tr>
<tr>
<td><strong>Strategic acquisitions</strong></td>
</tr>
<tr>
<td><strong>Increase in equity</strong></td>
</tr>
<tr>
<td><strong>Net debt impact of change in perimeter &amp; others</strong></td>
</tr>
<tr>
<td><strong>Change in Total Net Debt</strong></td>
</tr>
</tbody>
</table>

- **Robust Cash flow generation** before cost of financial debt
- **Change in WCR**: in line with seasonality of activity
- **Operating Capex** = 2.7% of revenue, aligned with targeted range of [2.5% - 3%] of revenue
- **Bolt-ons** include acquisitions in Belgium (2016 and 2017) and Italy (2 facilities)
- **Real Estate Investments** aligned with Group strategy to selectively increase ownership rate (incl. 3 buy-backs operations)
- **Increase in equity** corresponding to the unlisted hybrid bond issue settled on June 30
### FINANCIAL POSITION AS OF 30 JUNE 2017

<table>
<thead>
<tr>
<th></th>
<th>31/12/2016 (€M)</th>
<th>30/06/2017 (€M)</th>
<th>Change (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicated loan</td>
<td>650</td>
<td>650</td>
<td>-</td>
</tr>
<tr>
<td>Bonds &amp; bilateral debt</td>
<td>1,076</td>
<td>1,102</td>
<td>26</td>
</tr>
<tr>
<td>Revolving credit facility</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Treasury loans, bank overdraft, commercial paper &amp; others</td>
<td>61</td>
<td>103</td>
<td>42</td>
</tr>
<tr>
<td><strong>Gross financial debt</strong></td>
<td>1,787</td>
<td>1,855</td>
<td>68</td>
</tr>
<tr>
<td>Cash &amp; cash equivalent</td>
<td>310</td>
<td>408</td>
<td>98</td>
</tr>
<tr>
<td><strong>Net financial debt excl Real Estate</strong></td>
<td>1,477</td>
<td>1,447</td>
<td>(31)</td>
</tr>
<tr>
<td>Real Estate Debt</td>
<td>838</td>
<td>871</td>
<td>33</td>
</tr>
<tr>
<td>of which IAS 17 operating leases</td>
<td>467</td>
<td>469</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total net financial debt</strong></td>
<td>2,315</td>
<td>2,317</td>
<td>2</td>
</tr>
<tr>
<td><strong>Restated leverage</strong></td>
<td>3.9X</td>
<td>3.8X</td>
<td></td>
</tr>
</tbody>
</table>

* See definitions

---

**Cash and cash equivalent** includes the proceeds of the €60 M hybrid bond issued on June 30. The proceeds of ODIRNANE issue (€240M) were cashed-in on July 3rd.

**Decrease in Net Financial Debt**

Increase in **Real Estate Debt** reflects additional refinancing of assets.

**Stable total net debt**

**Average cost of Debt: stable vs FY 16, below 3%** (Financial + Real Estate Debt excl. IAS17 operating leases)

**Restated leverage** – proforma of €240 M ODIRNANE issue: **3.2X**
CONCLUSION & OUTLOOK
CONCLUSION

• H1 2017 performance in line with roadmap defined in Korian 2020 strategic plan

• Expansion of the network to accelerate in H2 with 8 openings (incl. 1 reconfiguration) and further bolt-on acquisitions to achieve FY 17 objective of over 2,500 additional beds

• Korian will pursue the implementation of its strategic roadmap to strengthen its profitable growth model, based on
  • Accelerating value-added growth, thanks notably to reconfiguration of the network in France and ongoing targeted acquisitions
  • Optimizing real-estate management for the benefit of business expansion and value creation
  • Improving operational efficiency, through notably the implementation of “Success 2020” in Germany
  • Focusing innovation on medical care and digital
  • Investing in people

• Korian confirms its financial objectives for the fiscal year 2017
  • Revenue growth over 5%
  • Operating margin (EBITDA) of 13.7%, stable compared to full-year 2016 underlying margin
2016: A NEW STEP IN KORIAN INTERNATIONAL EXPANSION

REVENUE (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>478</td>
</tr>
<tr>
<td>2006</td>
<td>520</td>
</tr>
<tr>
<td>2007</td>
<td>608</td>
</tr>
<tr>
<td>2008</td>
<td>781</td>
</tr>
<tr>
<td>2009</td>
<td>851</td>
</tr>
<tr>
<td>2010</td>
<td>923</td>
</tr>
<tr>
<td>2011</td>
<td>1,015</td>
</tr>
<tr>
<td>2012</td>
<td>1,108</td>
</tr>
<tr>
<td>2013</td>
<td>1,356</td>
</tr>
<tr>
<td>2014</td>
<td>2,222</td>
</tr>
<tr>
<td>2015</td>
<td>2,579</td>
</tr>
<tr>
<td>2016</td>
<td>2,987</td>
</tr>
</tbody>
</table>

Company Acquisitions:
- Medidep
- Segesta
- Phônix
- IPO
- Medica
- Senior Living Group
- Curanum
- Foyer de Lork
- Casa Reha

2017 INTERIM RESULTS September 14th, 2017
A PERFORMING EUROPEAN LEADER IN THE SENIOR CARE AND SERVICE MARKET

4 COUNTRIES REPRESENTING MORE THAN 50% OF THE EU POPULATION >75

# IN THE PRIVATE NURSING HOME SECTOR

- #1 in France
- #2 in Italy
- #1 in Germany
- #2 in Belgium

4 COUNTRIES WITH #1 OR #2 MARKET POSITIONS

€2,987 M REVENUE\(^{(1)}\)

≈72,000 BEDS\(^{(2)}\)

715 FACILITIES\(^{(2)}\)

INTERNATIONAL BUSINESS 47% OF REVENUE\(^{(1)}\)

4 BUSINESS LINES

- Service Flats
- Nursing Homes
- Home Care
- Post Acute Clinics

VALUE CREATION THROUGH A JOINED-UP APPROACH

- Deploying enriched client paths
- Leveraging our strong asset base and interconnecting business

(1) Full-year 2016
(2) End of December 2016
KORIAN REAL ESTATE PORTFOLIO

OWNERSHIP

GEOGRAPHICAL SPLIT OF OWNERSHIP (IN €M)

<table>
<thead>
<tr>
<th>Country</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>11%</td>
</tr>
<tr>
<td>Germany</td>
<td>11%</td>
</tr>
<tr>
<td>Italy</td>
<td>1%</td>
</tr>
<tr>
<td>Belgium</td>
<td>77%</td>
</tr>
</tbody>
</table>

Ownership: 14% of operating assets

Real Estate portfolio valuation: €980 M

437,000 sqm / 98 buildings

GEOGRAPHICAL SPLIT OF RENTS (IN SQM)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>39%</td>
</tr>
<tr>
<td>Germany</td>
<td>42%</td>
</tr>
<tr>
<td>Italy</td>
<td>11%</td>
</tr>
<tr>
<td>Belgium</td>
<td>8%</td>
</tr>
</tbody>
</table>

Rentals: 86% of operating assets

80% of rented assets owned by institutional investors

3.3 million sqm / 614 buildings

Length of rentals: 9 to 27 years

NB: All figures as of 30th June 2016

2017 INTERIM RESULTS September 14th, 2017
### 5-Year Key Objectives*

#### Revenue (€)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>c. 3 bn</td>
<td>c. 3.4 bn</td>
<td>c. 3.8 bn</td>
</tr>
</tbody>
</table>

CAGR: c. +5%

#### Beds

- Average 2,500 to 3,000 new beds p.a*

#### Financial Objectives

- **EBITDA margin:** c.14.0% in 2019 to c.14.5% in 2021
- **Operating Free Cash Flow:** up 50% by 2021**
- **Dividend:** maintain existing policy

---

* Excluding strategic M&A
** Op. FCF defined as: cash generated from business - maintenance Capex - WCR change - financial charges - taxes
### BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>31/12/2016 (€M)</th>
<th>30/06/2017 (€M)</th>
<th>Change (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goodwill</strong></td>
<td>2,175</td>
<td>2,201</td>
<td>26</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>1,718</td>
<td>1,720</td>
<td>2</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,670</td>
<td>1,712</td>
<td>42</td>
</tr>
<tr>
<td>Long-term financial assets</td>
<td>33</td>
<td>34</td>
<td>1</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td>5,596</td>
<td>5,667</td>
<td>71</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>(491)</td>
<td>(491)</td>
<td>-</td>
</tr>
<tr>
<td>Working capital requirement</td>
<td>(526)</td>
<td>(532)</td>
<td>(6)</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>2</td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>4,581</td>
<td>4,644</td>
<td>63</td>
</tr>
<tr>
<td>Total shareholder's equity</td>
<td>2,037</td>
<td>2,097</td>
<td>60</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>59</td>
<td>62</td>
<td>4</td>
</tr>
<tr>
<td>Other provisions</td>
<td>154</td>
<td>158</td>
<td>5</td>
</tr>
<tr>
<td>Financial instruments</td>
<td>17</td>
<td>9</td>
<td>(8)</td>
</tr>
<tr>
<td>Total Net debt</td>
<td>2,315</td>
<td>2,317</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,581</td>
<td>4,644</td>
<td>63</td>
</tr>
</tbody>
</table>
**DEFINITIONS**

**REVENUE**: including other income.

**ORGANIC REVENUE GROWTH** includes: a) the change in the revenue between year Y and year Y-1 of facilities already in operation; b) the revenue generated in year Y by facilities created in year Y or Y-1; c) the change in the revenue between year Y and year Y-1 of facilities that were restructured or the capacity of which was increased in year Y or Y-1; d) the change in the revenue of recently acquired facilities observed in year Y relative to the equivalent period in year Y-1.

**EBITDAR**: the interim performance indicator selected by the Korian group to monitor the operating performance of its entities. It consists of gross operating surplus of the operating sectors before leasing expenses.

**EBITDA** corresponds to the EBITDAR defined above minus rental expenses.

**RESTATED LEVERAGE**: \((\text{Net debt} – \text{Real estate debt}) / (\text{EBITDA adj.} – (6.5\% \times \text{Real Estate Debt}))\).
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