



Paris, 28 October 2014

## Nine-month revenue figures for 2014: solid growth in a context of integration

- Consolidated revenues of €1,583 million, up 57%
- *Pro forma*\* revenues: €1,861 million, up 3.6%
- Further development in Germany
- Confirmation of 2014 financial objectives

Korian – Medica, a European leader in the area of Healthy Ageing, is today announcing its revenue figures for the third quarter of 2014 and the first nine months of the year. Due to major changes in the scope of consolidation over the period, the Group presents its consolidated revenues below followed by its *pro forma* revenues.

### CONSOLIDATED REVENUES

In millions of euros (IFRS data, not audited)	3rd quarter			9 months		
	2014	2013	Change	2014	2013	Change
France	381.0	188.1	+102.5%	939.2	576.3	+63.0%
<i>as % of revenues</i>	60.5%	53.7%		59.3%	57.3%	
International	249.2	162.1	+53.8%	643.8	429.2	+50.0%
<i>as % of revenues</i>	39.5%	46.3%		40.7%	42.7%	
Germany	120.4	116.9	+3.0%	353.8	297.2	+19.0%
Italy	76.2	45.2	+68.7%	186.6	131.9	+41.4%
Belgium	52.6	-	-	103.5	-	-
<b>Group total</b>	<b>630.2</b>	<b>350.2</b>	<b>+80.0%</b>	<b>1,583.1</b>	<b>1,005.5</b>	<b>+57.4%</b>

Korian – Medica generated consolidated revenues of €1,583.1 million as at 30 September 2014, a sharp rise of 57.4%. This growth is largely due to Medica's incorporation into the Group's scope of consolidation from 1 April 2014.

With over 57,500 beds in operation across 596 facilities, as well as nearly 40,000 employees, the merger of Korian and Medica has created a leader in the European Healthy Ageing market, occupying the top spot in France, Germany and Belgium, and the second position in Italy.

This merger also illustrates the Group's dynamic development: with target *pro forma* revenues of €2.5 billion for 2014, the Group will have recorded a compounded annual growth rate in revenue of 20% over the period from 2005 to 2014.

### PRO FORMA REVENUES

In millions of euros (IFRS data, not audited)	3rd quarter			9 months		
	2014	2013	Change	2014	2013	Change
<b>France</b>	<b>381.0</b>	<b>366.4</b>	<b>+4.0%</b>	<b>1,119.1</b>	<b>1,072.6</b>	<b>+4.3%</b>
<i>as % of revenues</i>	<b>60.5%</b>	<b>60.1%</b>		<b>60.2%</b>	<b>59.7%</b>	
<b>International</b>	<b>249.2</b>	<b>243.4</b>	<b>+2.4%</b>	<b>741.4</b>	<b>724.0</b>	<b>+2.4%</b>
<i>as % of revenues</i>	<b>39.5%</b>	<b>39.9%</b>		<b>39.8%</b>	<b>40.3%</b>	
Germany	120.4	116.9	+3.0%	353.8	344.6	+2.6%
Italy	76.2	75.3	+1.2%	233.4	229.1	+1.8%
Belgium	52.6	51.2	+2.7%	154.3	150.2	+2.7%
<b>Group total</b>	<b>630.2</b>	<b>609.7</b>	<b>+3.4%</b>	<b>1,860.6</b>	<b>1,796.6</b>	<b>+3.6%</b>

### Strong growth in a context of major change

Korian – Medica posted *pro forma* revenues of €630.2 million in the third quarter of 2014, up by 3.4% against the same period in 2013.

The preservation of a solid level of activity is fully consistent with the Group's strategic objective of carrying out the merger without any interruption to its operational performance. Within this context of integration, this robust growth specifically demonstrates the ability of Korian – Medica to move its revenues forward by optimising the management of its service range and the occupancy rate of its sites, which has remained as high as 95% for the Group's mature facilities.

The rates of revenue growth by country for the past quarter show a relatively insignificant change from the tendencies observed since the beginning of the year, with an expected slowdown in France and Italy. Growth in Germany remains solid despite an unfavourable base effect due to the closure of a site in August 2013. Adjusted for this closure, growth in the third quarter would have reached 3.4%.

Since the beginning of the financial year, the *pro forma* revenues generated by Korian – Medica have reached €1,119.1 million in France and €741.4 million internationally, an increase of 4.3% and 2.4% respectively, or Group revenues of €1,860.6 million, representing an increase of 3.6%.

### **A targeted acquisition in Germany**

In line with its strategy of development through targeted acquisitions, the Group recently signed an agreement with a view to acquiring an independent operator on the German market. The operation shall be finalised by early 2015, once the usual conditions have been fulfilled.

Established in western Germany, this regional Group operates six facilities and is developing four new projects, which will eventually provide it with over 1,100 beds in nursing homes and assisted living, generating revenues above €35 million.

This acquisition contributes to achieving the goal of 1,000 new beds per year set by Korian – Medica for itself in Germany.

### **Korian – Medica stands out thanks to its policies for women in its executive bodies**

The Ministry of Social Affairs, Health and Women's Rights recently published the 2014 edition of the business awards list for women in executive bodies. Korian – Medica ranked fourth in this list out of the 120 largest companies in France (SBF 120), and first among companies in the health sector.

The companies analysed received a score out of 100 on criteria such as the proportion of women in their Boards of Directors, Executive Committees and Top 100, or the recognition of diversity objectives and the presence of women's networks in the company. Of the executives in Korian – Medica's Top 100 in France, 53 are women. Moreover, 85% of these women have benefited from internal mobility and promotion to reach this high level of responsibility.

The Group is also continuing to strengthen the international profile of its organisation. The recent joining of new managers of central departments (purchasing, IT, communications), who all have long-standing professional experience obtained outside France, will allow the Group to face the growing cross-cultural challenges associated with its resolutely multinational dimension.

**Yann Coléou, CEO of Korian – Medica, said:** *“The past quarter shows how robust our development model is: while engaged in building the European leader in Healthy Ageing, the strength of our market positions and the quality of our networks allow us to maintain a steady rhythm of growth.”*

*The acquisition we have just made in Germany also illustrates our ability to identify and seize the best opportunities for growth in markets with strong development potential.*

*The growth sequence in the first nine months of the year reinforces the achievement of our financial objectives for 2014, namely pro forma revenues of €2.5 billion and an operating margin that is slightly up.”*

**Next press release: 2014 full-year revenues**

**Wednesday 11 February 2015 after close of trading**

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## **ABOUT KORIAN – MEDICA**

**Korian – Medica, Europe’s leading Healthy Ageing specialist**, founded in 2001, has the capacity to accommodate more than 57,500 residents and patients in Europe (France, Germany, Belgium and Italy) and employs around 40,000 staff members. The Group manages 509 nursing homes and 87 specialist follow-up care and rehabilitation clinics, has over 2,400 beds in assisted living facilities and provides home-care services for over 9,000 customers.

For more information, please visit the website: [www.groupe-korian.com](http://www.groupe-korian.com)

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**Korian – Medica has been listed on Euronext Paris Compartment B since November 2006 and is included in 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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\*: The Korian – Medica *pro forma* statement of revenues has been prepared using the following assumptions:

- integration of the Curanum group into Korian on 1 January 2013
- takeover of Senior Living Group by Medica on 1 January 2013
- sale of Korian’s psychiatry division before 1 January 2013
- merger of the Korian and Medica groups on 1 January 2013
- consolidation of 100% of Kinetika revenues on 1 January 2013. Kinetika was consolidated to the extent of 28% in 2013 and through the first quarter of 2014.