

Press release, 28 July 2016

Attendo's report for the second quarter 2016: Substantial increase in new nursing homes

Attendo reports continued stable development of growth and earnings in the second quarter of 2016. Attendo sees a great need for new nursing homes, and the number of beds under construction has doubled through new building starts and acquisitions.

Comments by Henrik Borelius, CEO:

"The quarter shows stable growth and good margin development mainly driven by own operations. Our long-term efforts to grow own units, both organically and through acquisitions, have paid off and the quarter was the strongest ever in terms of new beds under construction. In Finland the work with the SOTE reform continues in a positive way. In Sweden the reporting on shortage of nursing home beds continues which confirms the large need to expand capacity.

Own operations show continued strong growth, both organic and acquired. The increase is mainly attributable to new own homes and improved occupancy in units that were under start-up during the corresponding quarter last year. We continue to invest in new own nursing homes and during the quarter three units were opened, one in Sweden and two in Finland and the number of homes under construction increased sharply. In Sweden and Finland combined, the construction of 11 units began which will add 480 new beds.

Attendo is an attractive partner for entrepreneurs who want to divest their operation. During the quarter, two new acquisitions were welcomed to Attendo Finland and one within home care in Sweden. The acquisitions added 370 new beds under construction, which together with Attendo's own development of new units resulted in 1,469 beds under construction at the end of the quarter. This is the highest level ever in Attendo's history. On the first of July this year, we completed the acquisition of Samsa which will strengthen Attendo's offering within highly specialized care for people with disabilities.

In *Outsourcing* operations net sales declined compared to the second quarter 2015 due to ending of contracts. During the quarter, Attendo won new contracts with estimated annual revenue of SEK 210m and lost contracts with estimated annual revenue of SEK 20m.

Net sales in *Staffing operations* shows a stable development. Our earlier assessment that both outsourcing and staffing will continue to be challenging markets remains.

Attendo's systematic quality work showed a continued stable development and positive results during the quarter. Attendo's vision *empowering the individual* and our values are vital to us and therefore important to persistently highlight. During the quarter, the annual values week was held with discussions and activities out in the operations along with Attendo's value coaches.

In Finland, a draft for new legislation related to the SOTE reform has been presented regarding the regional authorities' division, responsibilities and financing. In addition, a proposal to new guidelines for private health centers' service offering has been presented, these are in line with Attendo's current operations. We remain positive that the SOTE reform will mean greater freedom of choice and improved opportunities for private providers to contribute to the development.

The Swedish Municipal Workers' Union presented in early July a new report showing that fewer 80 year old people are granted residency at nursing homes. The report shows that both older people and relatives suffer when the need for nursing homes is greater than the availability of beds, which also has become a recurring theme in the media.

To summarize, Attendo showed good financial development during the first six months and a quarter with record growth in number of new beds under construction, giving great opportunities for continued growth.”

Summary of the second quarter 2016

- Net sales increased by 4 percent to SEK 2,525m (2,421). Adjusted for currency effects net sales increased by 5 percent. Adjusted for currency effects and deconsolidation of subsidiary, net sales increased by 8 percent.
- Operating profit (EBITA) increased by 20 percent to SEK 224m (186), representing an operating margin of 8.9 percent (7.7).
- Profit for the period amounted to SEK 146m (56), which represents a profit margin of 5.8 percent (2.3) and earnings per share diluted of SEK 0.91 (0.35).
- Operating cash flow amounted to SEK 157m (178).

Invitation to conference call

The report will be presented at a teleconference call on 28 July 2016 at 10.00am CET. The conference is hosted by Attendo's CEO Henrik Borelius and CFO Tomas Björksiö. The presentation will be held in English.

To participate, please call in on one of the following numbers at least ten minutes before the conference is scheduled to start:

SE: +46 8 566 426 62
FI: +358 9 817 104 91
UK: +44 20 30 08 98 07

You can follow the presentation and the conference on the following page:

<https://wonderland.videosync.fi/2016-07-28-attendo-q2report>

The quarterly report and other information material will be made public on:

www.attendo.com/investor-relations

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Attendo - the leading care and healthcare company in the Nordics

Attendo is the leading private provider of publicly financed care and healthcare services in the Nordic region. The company was founded in 1985 and was first to provide outsourced care for older people in Sweden. In addition to care for older people, Attendo provides care for people with disabilities, individuals and families, and, in Finland, healthcare and dental care. Attendo has 19 000 employees and is locally anchored with over 500 operations in more than 200 municipalities in Sweden, Finland, Norway and Denmark. www.attendo.com