



PURSUANCE OF THE DEVELOPMENT POLICY: +761 NEW BEDS

EXCEPTIONAL GROWTH POTENTIAL: 9,188 BEDS TO OPEN

STRENGTHENING AND OPTIMISATION OF MANAGERIAL STRUCTURES

Puteaux, 9th March 2011

ORPEA, a leading player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced:

- recent growth developments: 761 new beds;
- good progress in the Mediter integration process, which is on schedule;
- the adjustment of the Group's managerial organisation to this new size.

New developments

Although the Group carried out a very large external growth operation during the 2nd half of 2010, corresponding to two typical years of development, it has continued its selective growth policy in recent months with a further 761 new beds. These beds correspond to 8 new facilities and extensions to existing facilities, and break down as follows:

- 502 operational beds;
- 55 beds being renovated;
- 204 under construction.

In keeping with its European growth strategy in the Long-Term Care, Post-Acute Care and Psychiatric Care sector, over 50% of these new developments occurred abroad, notably in Belgium but also in Italy (with a major psychiatric clinic in Turin).

These beds are particularly complementary to the current network, and have substantial growth and profitability potential.

Operational integration of Mediter and Medibelge's facilities

The acquisition operation for Mediter and Medibelge's 4,866 beds was only finalised on 31st December 2010, but the operational integration of these beds is already well underway. Indeed, ORPEA possesses the necessary organisation, know-how, teams and procedures to efficiently and rapidly integrate this major acquisition.

In the facilities that are open, ORPEA's Quality procedures are gradually being deployed, whilst support functions are centralised.

For the facilities either under construction or still to be constructed, the projects are now in the hands of ORPEA's project management and construction departments, whose teams have decades of experience in designing and constructing health and medico-social facilities.

Lastly, ORPEA's Authorisations / Pricing and Construction department are already actively working, with the regulatory authorities, on grouping facilities together in order to create modern sites with a minimum capacity of 80 beds. These opportunities will create substantial value and will provide powerful leverage in terms of profitability.

Operational integration should therefore be completed by the end of the year, whilst ongoing projects will continue.

A benchmark European player positioning, with a network of 33,700 beds

Thus, as of 1st March 2011, the Group's European network of facilities comprised **33,700 beds across 364 sites**, broken down as follows:

	TOTAL	France	Spain	Belgium	Italy	Switzerland
Operational beds	27,862	22,447	1,776	2,681	883	75
<i>Of which currently being renovated</i>	3,350	2,859	0	491	0	0
Beds under construction	5,838	4,567	0	842	339	90
Total number of beds	33,700	27,014	1,776	3,523	1,222	165
Total number of sites	364	302	16	32	12	2

An exceptional growth reservoir of 9,188 beds

ORPEA still has the sector's largest growth reservoir, with 9,188 beds to be renovated or constructed, 2,100 of which will be opened in the coming 12 months.

Yves Le Masne, the Group's CEO, comments: *"Whatever the economic or financial context may be in the next 4 or 5 years, ORPEA has exceptional growth potential with its 9,188 beds still to open. These new modern facilities located in the heart of major towns and cities represent considerable leverage in terms of both sales and profitability. Furthermore, ORPEA now has the necessary teams, experience and expertise to easily integrate these new beds."*

Strengthening of managerial structures

To facilitate the integration and opening of the new facilities, to maintain buoyant growth of around 3,000 new beds a year (through a combination of organic and external growth) and to adapt its management to the Group's new size, ORPEA has strengthened and structured its organisation:

- Doctor Jean-Claude Marian, founder, is henceforth Chairman of the Board;
- Yves Le Masne, who has been with the Group for 17 years, is CEO;
- Jean-Claude Brdenk, who has been ORPEA's COO for the last 14 years, is Deputy CEO in charge of Operations;
- Laure Frères, Quality Manager, with 13 years of experience within the Group, becomes Corporate Secretary;
- Gérard Tubiana, who has been with ORPEA for 5 years, becomes Development Manager, coordinating all staff activity associated with growth operations.

ORPEA will therefore gradually integrate over 14,000 beds, with more than 9,000 ORPEA beds in the pipeline plus the 5,000 Mediter Group beds. This is why, regarding our network of facilities, our operational organisation is evolving to adapt to this new size, with the creation of divisions grouping together a number of regions in France and a strengthening of structures abroad. The aim is to further increase supervision of the Quality care we provide and each facility's operational and financial management.

Strategy and outlook

Doctor Jean-Claude Marian, Chairman, concludes: *“As shown by the increasing involvement of government authorities, the European Care sector will have to cope with some major challenges in coming years: an aging population, a shortage in the number of beds, tighter standards, aging facilities, etc. Today more than ever, ORPEA has the right structure to participate in addressing these challenges and to pursue its development in order to meet these requirements: over 20,000 loyal staff, acknowledged expertise in the Quality of our facilities and our care, an efficient organisation and solid financial means.”*

**Next press release: 2010 annual results
30th March 2011, before market**

About ORPEA (www.orpea.com): Listed on Euronext Paris since April 2002 and a member of the Deferred Settlement Service, the ORPEA group is the leading European player in the Long-Term Care and Post-Acute Care sectors. As of 1st March 2011, the Group has a unique European network of healthcare facilities, with 33,700 beds (27,862 of them operational) across 364 sites, including:

- 27,014 beds in France: 22,447 of them operational (including 2,859 being renovated) + 4,567 under construction, spread across 302 sites,
- 6,686 beds elsewhere in Europe (Spain, Belgium, Italy and Switzerland): 5,415 of them operational (including 491 being renovated) + 1,271 under construction, spread across 62 sites.

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