H1 2011: BUOYANT GROWTH IN RESULTS

- **REVENUE: €594.2M, *+26.6%***
- **EBITDAR: €150.0M, *+32.3%***
- **NET PROFIT: €40.3M, *+24.1%***

2011 SALES GUIDANCE REAFFIRMED AT €1,230M (+27.6%)

Puteaux, 14th September 2011

ORPEA, a leading player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its consolidated results[1] for the first half to 30th June 2011.

In €m (IFRS)	**H1 2011**	**H1 2010**	**▲%**
Revenue	**594.2**	469.2	*+26.6%*
EBITDAR (EBITDA before rents)	**150.0**	113.4	*+32.3%*
EBITDA	**105.6**	83.3	*+26.8%*
Recurring operating profit	**78.1**	62.6	*+24.8%*
Operating profit	**90.8**	72.3	*+25.6%*
Attributable net profit	**40.3**	32.5	*+24.1%*

Yves Le Masne, CEO of ORPEA, comments: "*The buoyant growth in our results in the first half of 2011 illustrates the solidity of ORPEA's business model and its defensive aspect in the current economic and financial context. This excellent performance in terms of both activity and profitability is the result of:*

- *the well-controlled integration of Mediter;*
- *the sharp upramping of the facilities opened or renovated in recent years;*
- *the high occupancy rate in the mature facilities.*

ORPEA has shown its ability to integrate over the half year almost 5,000 beds, whilst improving its EBITDAR margin by 100 bp and pursuing its development strategy.
The Group, whose activity has very little sensitivity to the economic situation, is particularly confident in its ability to pursue its profitable growth development. ORPEA is confidently reaffirming its 2011 guidance of €1,230m in annual revenue (+27.6%) along with solid profitability."

[1] The limited examination procedures are currently underway

Buoyant increase in the EBITDAR margin

Revenue for the 1st half of 2011 increased by +26.6% to €594.2m, doped by solid organic growth (+8.5%), by the contribution of MEDITER (Mediter and Mieux Vivre facilities), as well as by the rapid upramping of facilities opened or renovated in recent months.

Within a context marked by the acquisition of a significant number of facilities, including those of MEDITER, **EBITDAR** (EBITDA before rents) recorded a buoyant increase of +32.3% and totalled €150.0 million, or 25.2% of revenue compared to 24.2% in the first half of 2010.
ORPEA's scope (excluding MEDITER) recorded an EBITDAR margin of 25.7% over the first half of 2011, compared to 24.1% over the same period of 2010, i.e. an improvement of 150 bp.

Rental costs represented €44.4m, of which €8.8m was due to the acquisition of MEDITER. On a constant scope basis, the increase in rents was limited to just +1.7%.

EBITDA came to €105.6m, an increase of +26.8%.

Recurring Operating Profit was up +24.8%, and represented 13.1% of revenue. Excluding the impact of MEDITER, this recurring operating profit represented 14.2% of revenue. This performance proves that ORPEA has a solid base of mature facilities that enable it to pursue its development policy without weighing on operating profitability.

Operating profit (EBIT) was up +25.6% at €90.8m. ORPEA recorded other non-recurring income and expenses, which came to a positive net total of €12.7m, notably because of the sale of some real-estate assets. The operating margin thus totalled 15.3% of revenue.

The net cost of financial debt was €31.7m over the half, an increase of +25.3%, within a context of buoyant development.

Attributable net profit for the first half of 2011 totalled €40.3m, up +24.1%.

Real-estate assets of over 2 billion euros

Over the first six months of the current financial year, ORPEA pursued its real-estate investments by increasing its real-estate assets by €110m (acquisitions and construction completions net of the sales carried out over the period).
At 30th June 2011, ORPEA owned 226 buildings, 82 of them part-owned. These assets represent a total surface area of 745,000 sqm (out of over a million sqm of land), and a global value of €2,021 million[2], including €511m of buildings under construction and land.

The buildings owned by the Group are new or recent, modern and mainly centrally located within major French cities. They represent attractive assets for numerous individual and institutional investors (Scellier, LMP / LMNP, Family Offices, institutional).

The Group intends to pursue its real-estate strategy that aims to keep ownership of 50% of its real-estate assets in order to ensure buoyant short, medium and long-term operating profitability and to reinforce its unique real-estate dimension.

Financial structure sized for development

At 30th June 2011, attributable shareholders' equity totalled €906m.

Net financial debt[2] stood at €1,723m. It is up 9.7% over the half-year, essentially due to real-estate acquisitions. As is the case each year, most real-estate divestments will take place over the 2nd half.

[2] Excluding the effect of the €141m of assets to be divested

The majority of the Group's debt continues to be real-estate debt (80%), amortisable and backed by high-quality assets with low volatility.
ORPEA has no major refinancing deadlines over the next four years.

The Group's two main debt ratios stood as follows, at 30th June 2011, comfortably meeting its banking covenants:

– financial leverage = 3.59 (5.5 authorised);
– restated gearing = 1.56 (2 to 2.2 authorised).

Three quarters of debt is hedged against the risk of interest rates fluctuations, and this hedging is continually optimised. Over the first half of 2011, the debt's average interest rate was around 4.50%, and will mechanically continue to decrease to reach around 3.80% by 2015.

ORPEA thus has a particularly solid financial structure, benefitting from an attractive cost, with no major deadlines and backed by high-quality real-estate assets that can be easily sold and benefit from substantial interest from investors.

Outlook

With the operational integration of MEDITER's took part during the first half of 2011, ORPEA will now pursue the development of synergies.

The Group will of course remain on the lookout for further development opportunities in France and abroad, whilst sticking to its very selective acquisition criteria.

The deployment of the growth reservoir will accelerate, with the opening of 1,500 new beds by the end of the first quarter of 2012.

Thanks to a sizeable base of profitable mature facilities and a unique growth reservoir of over 9,000 beds under construction or being renovated, ORPEA is particularly confident in the pursuance of the profitable growth momentum recorded over the first half. Thus, for FY 2011, the Group is reaffirming its guidance of €1,230m in annual sales, buoyant profitability and a flexible financial structure adapted to its development.

Governance

ORPEA has called a shareholders' meeting for 17th October with a view to strengthening its Board of Directors through the appointment of two new members:

– FFP, whose permanent representative will be Mr Thierry Mabille de Poncheville, entered the Group's capital last July, taking a 6% stake with a long-term investment philosophy;
– NEO-GEMA, whose permanent representative will be Mr Philippe Austruy, entered the Group's capital in December 2010 at the time of the MEDITER acquisition.

These two new members will bring their know-how and experience to the Board, which will then have 7 members, and to the Group's other committees (audit committee, compensation committee).

Doctor Jean-Claude Marian, Chairman, concludes: "*The first half of 2011 was particularly dynamic for the Group, which reaped the rewards of its development policy, as shown by the increase in profitability. Thanks to the expertise of all its staff and to the structuring of the organisation carried out upstream, the integration of MEDITER was completed faster than expected.*
These excellent financial performances were achieved within the context of a continual improvement in the quality of care provided to our residents and patients thanks to the permanent mobilisation of ORPEA's teams.
Lastly, FFP's entry into the ORPEA group's capital last July reflects the confidence that a prestigious family group that shares our ethical and patrimonial values, has in the ORPEA business model.
Backed by well-adapted governance, by traditional environmental responsibility in all its constructions and by permanent ethical and social commitment, inherent to its core business, ORPEA is positioned as a Socially Responsible Investment player."

Next press release: revenue for the 3rd quarter of 2011,
9th November 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) over 364 sites, including:

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

Listed on Euronext Paris Compartment A of NYSE Euronext
Member of the **CAC Mid 60** and **SBF 120** indices - Member of the **SRD**
ISIN: FR0000184798 - Reuters: **ORP.PA** - Bloomberg: **ORP FP**

ORP LISTED NYSE EURONEXT

Investor Relations:

ORPEA

Yves Le Masne	Steve Grobet
CEO	Investor Relations
	Tel: +33 (0)1 47 75 77 66
	Email: s.grobet@orpea.net

*New***Cap.**
Dusan Oresansky / Emmanuel Huynh
Tel: +33 (0)1 44 71 94 94
orpea@newcap.fr