



LA VIE CONTINUE AVEC NOUS



## 2009 FULL-YEAR RESULTS

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March 2010





# SUMMARY

1. FY 2009 key events
2. Implementation of the growth strategy: practical example of the creation and renovation of a facility
3. 2009 annual results
4. Strategy and outlook

Appendices

# A EUROPEAN PLAYER IN LONG-TERM, POST-ACUTE AND PSYCHIATRIC CARE

## Our business: long-and medium-term physical and psychiatric care

- Long-term care / Secure Alzheimer unit
- Polyvalent and specialist post-acute care facilities
- Psychiatric clinics

## A European network of 28,073 beds on 300 sites

- 18% abroad (Italy, Spain, Belgium and Switzerland)
- 19,194 beds open and operational
- 8,879 beds under construction or being renovated



## Over 15,500 staff

- A proactive Human Resources policy
- Over 10,000 training courses given each year



## Property assets worth €1.64 billion

- 176 new or recent buildings
- Leading locations



## A solid history of development and profitable growth

- N° of beds 2004 – 2009: **+160%**
- Revenue 2004 – 2009: **+256%**
- Recurring EBIT 2004 – 2009: **+250%**

# 1

## FY 2009 KEY EVENTS

Nice Corniche Fleurie (06), Long-term care facility



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# REGULATORY CHANGES

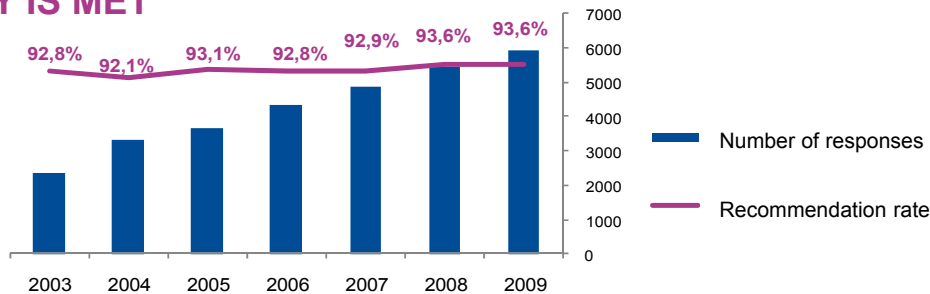
Change	Implementation	Objectives	ORPEA's assets
<b>Creation of ARS</b> (Regional Health Agencies)	Appointment of directors in Q4 2009 Organisation underway	<u>A single</u> authority for health and medico-social care A single representative	<b>An established network</b> with the various local Regulatory Authorities
<b>Requests for proposals</b>	Launch in October 2010	Increase in transparency and equity between players Readable 3-year timeframe	A <b>history</b> of sound care The ability to <b>mobilise financing</b> <b>Loyal and experienced teams</b>
<b>Inclusion of medicine</b> in care coverage packages	Experimentation in 2010		Experimentation in <b>chemist management</b> in clinics
<b>Post-Acute Care bill</b>	Ongoing	Overhaul of PAC and Physical Therapy activities on a shared basis, with variations by speciality	An opportunity to make known or to increase our specialisation and to develop the network (extensions, etc.)



**Easily-adaptable changes for structured groups**

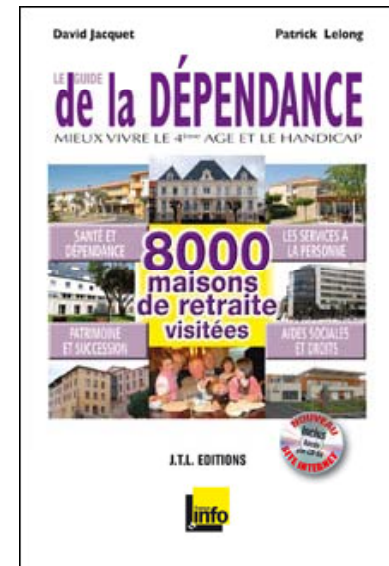
# ACKNOWLEDGEMENT OF ORPEA'S KNOWHOW AND QUALITY

- ▶ A satisfaction rate that remains high amongst residents, families and prescribing medical specialists, independently of the Group's buoyant development: **ORPEA's COMMITMENT TO QUALITY IS MET**



- ▶ *Guide de la Dépendance Mieux Vivre France Info* (Guide to long-term care): **ORPEA's facilities are amongst the best rated in most French departments. Examples:**

- ✓ Calvados (14): ORPEA Beaulieu home: n°1 (9.5/10)
- ✓ Alpes Maritimes (06): 3 homes in the TOP 8 (9.5 or 9/10)
- ✓ Seine et Marne (77): Résidence Des Noues: n°1 (10/10)
- ✓ Paris (75): 2 homes in the TOP 7 (9/10)
- ✓ Vaucluse (84): L'Oustau de Leo de Laq home: n°1 (9.5/10)



- ▶ **Regional awareness increased by numerous articles**



**The result of more than 20 years of experience of our Quality policy**

# SUSTAINABLE DEVELOPMENT AT THE HEART OF OUR CONSTRUCTION POLICY

- ▶ **Expertise developed over many years by internal project management and project contracting teams**
  - ✓ Energy saving and HQE approach initiated for a number of years
  - ✓ Integration of the sustainable development aspect very upstream from the actual construction
- ▶ **Implementation of the Sustainable Development approach for new constructions in order to obtain BBC® (low energy consumption building) certification**
  - ✓ Energy savings: thermal insulation, water management, etc.
  - ✓ Green construction: use of natural materials from near the site (terra cotta, wood, etc.)
  - ✓ Integration of sources of renewable energy
- ▶ **A practical approach in many recent constructions:**
  - ✓ Clinic in Bénodet: 132 m<sup>2</sup> of solar panels
  - ✓ Facility in Marseille; ground-coupled heat exchanger and solar panels for domestic hot water
  - ✓ Home in Soubise: integration of the majority of the 14 HQE targets
- ▶ **Continual reduction in costs: estimated overrun of 30% 5 years ago cut to around 10% in 2009**



 **All new BBC® constructions**

# STRENGTHENING OF OUR FINANCIAL FLEXIBILITY

## ► **€217m OBSAAR bond issue in July at very attractive conditions**

- ✓ Aims: optimise debt (€140m) and increase our development means (€77m)
- ✓ Attractive price: 3-month Euribor +1.37%
- ✓ Potential increase in shareholders' equity in 6 years' time with a limited dilutive effect (3.2% of capital)

## ► **€62.4m capital increase in October**

- ✓ Aim: strengthen shareholders' equity and seize external growth opportunities
- ✓ Market opportunity at a very low discount

## ► **New financing commitments from our banking partners**

- ✓ Medium- and long-term loans
- ✓ Leasing

## ► **Real-estate divestments within the framework of an arbitrage policy (proprietor of 50% of our assets): €120m**

- ✓ Via the Scellier bill at particularly attractive conditions
- ✓ To family offices seeking the visibility and security provided by ORPEA's property assets



**Diverse financing means in order to meet two objectives:  
improve debt ratios and pursue development**



# 2009 OPENINGS

## ► Opening of 10 facilities representing 983 beds

- ✓ 8 long-term care facilities: Caen II (14), La Valette du Var (83), Châteauneuf de Grasse (06), Carbon Blanc (33), Toulouse Crampel (31), Brasles (02), Brussels, Cagnes-sur-Mer (06)
- ✓ 2 post-acute care clinics: Rueil Malmaison (92), Grasse (06)



## ► Recruitment of close to 1,000 staff within the framework of these openings

- ✓ Long-term regional jobs that cannot be outsourced
- ✓ Diverse profiles: director, nurses, auxiliary nurses, etc.

 **A buoyant rate of openings for almost a decade**

# NEW VALUE-CREATING DEVELOPMENTS OF 3,174 BEDS (MARCH 2009 TO MARCH 2010)

## STRATEGY

**Creation of facilities via the granting of authorisations:**  
**main line of development**

## ASSETS

Acknowledgement of our knowhow  
Internal Authorisations / Conventions / Tariffs department  
Experience and loyalty of our teams

## 2009 RESULTS

**1,165 beds**  
Nîmes, Roquebrune  
Cap Martin, Nantes,  
Paris region,  
Switzerland

**Targeted acquisitions**

Multi-criteria analysis of the medium- and long-term potential  
Knowhow and experience in renovation

**2,009 beds**  
Of which 10 clinics  
50% to renovate

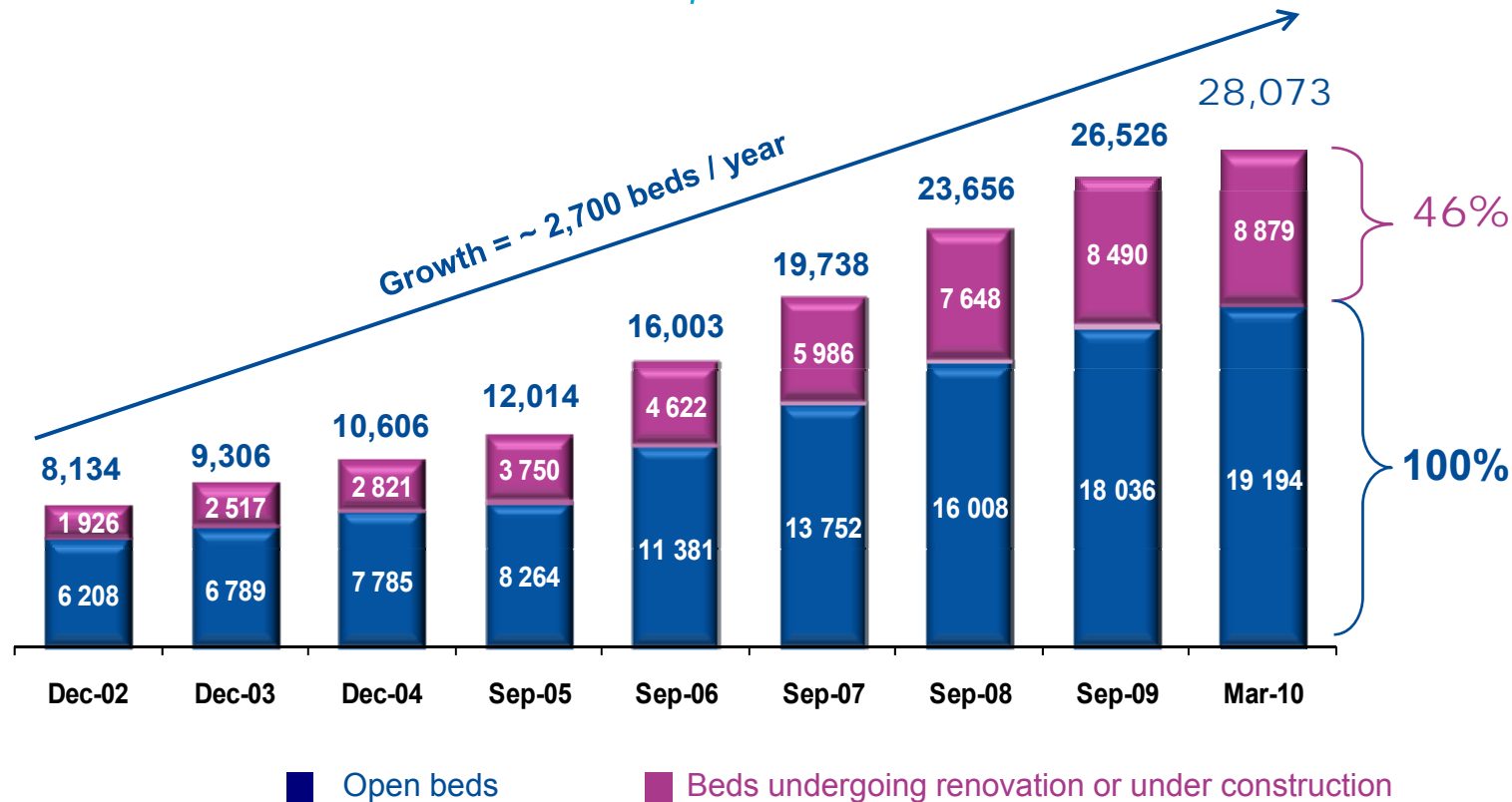
**3,174 beds**

**34 facilities + further authorisations**

**64% to build or renovate**

# UNINTERRUPTED GROWTH MOMENTUM FOR 10 YEARS

Growth of + 56% in 3 years  
+ 10,000 beds

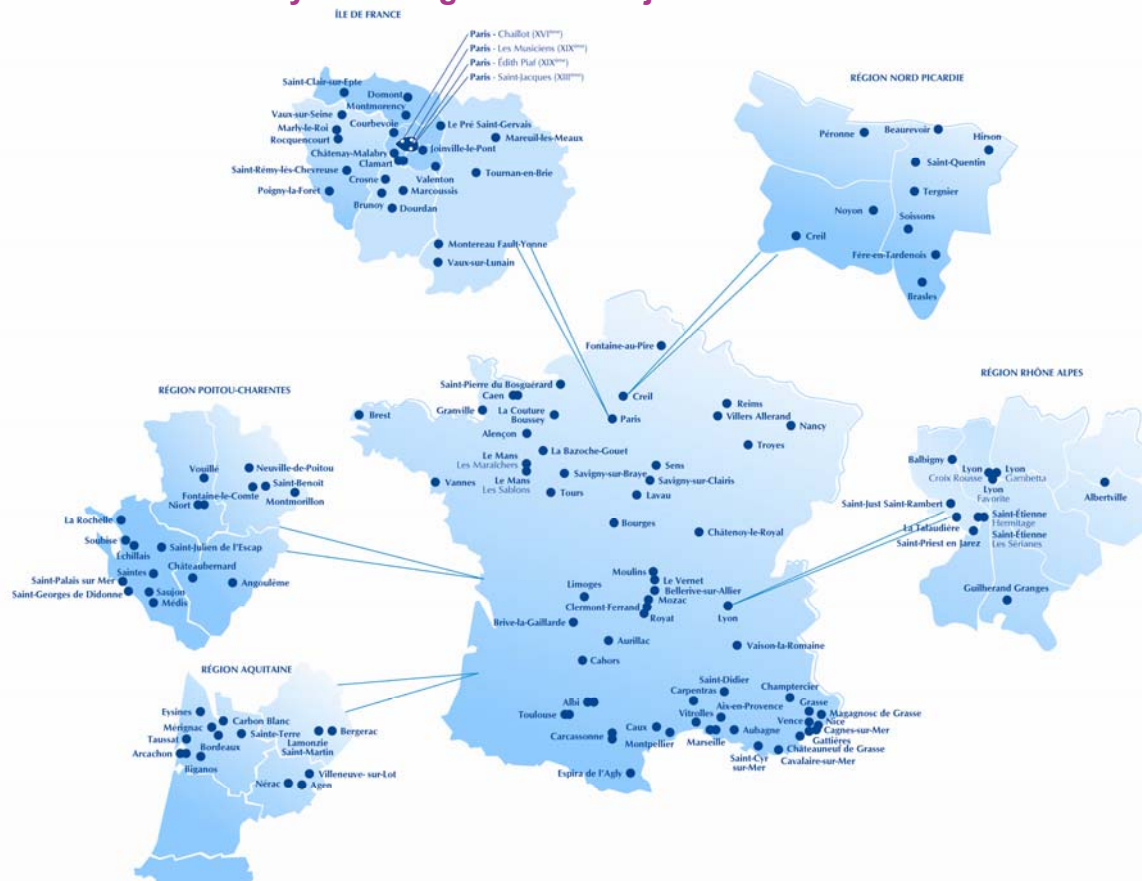


**Growth reservoir: 8,879 beds undergoing renovation or construction**  
**Total of 28,073 beds representing €1.225 billion secured revenue in 2012**

# FRANCE: STRATEGIC LOCATIONS

- **Network of 252 facilities, 22,892 beds**
  - ✓ 18,351 operational beds (2,854 of them undergoing renovation)
  - ✓ 4,541 beds under construction

## Location of operational Long-Term Care facilities in France: **Dynamic regions and major towns and cities**



## Location of Long-Term Care facilities and clinics in Paris area: **Predominance of the Western district**





# INTERNATIONAL DEVELOPMENT: SUCCESS OF THE FRENCH MODEL REPLICATION

- ▶ A network of **5,181 beds** (48 facilities) **50%** of which **under construction or renovation**
- ▶ Strategy: optimisation of **profitability** and development by **creation**

## Spain: 1,776 beds

100% of the network is operational



## Italy: 1,150 beds

54% of the network is operational: 66 beds undergoing renovation + 468 beds under construction

Acquisition of a 150-beds facility



## Belgium: 2,090 beds

50% of the network is operational: 442 beds undergoing renovation + 418 beds under construction



## Switzerland: 165 beds

45% of the network is operational

Authorisation for a Post-Acute and Physical Re-education clinic of 90 beds





# 2

## IMPLEMENTATION OF THE GROWTH STRATEGY

Toulouse Crampel (31), Long-term care facility



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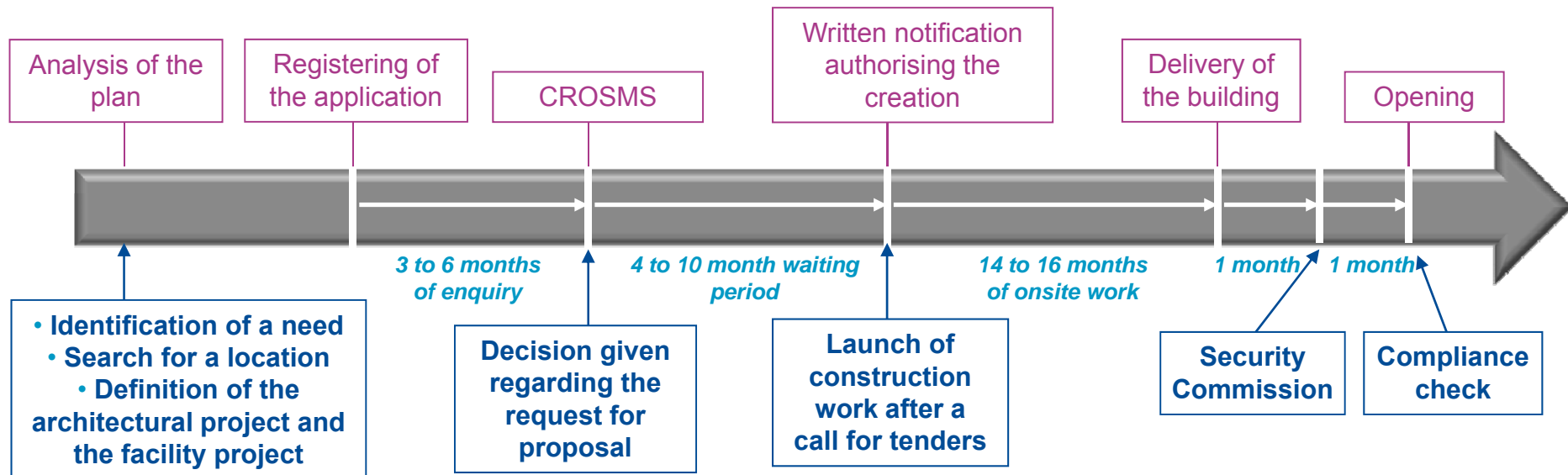
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# CREATION OF A LONG-TERM CARE FACILITY VIA AUTHORISATION PRIOR TO REQUEST FOR PROPOSALS

- ▶ A long process that takes between 24 and 36 months, depending on each case and region
- ▶ The opportunity to **create facilities** that perfectly meet:
  - ✓ the standards set by ORPEA
  - ✓ the demands of the Regulatory Authorities
  - ✓ the needs and expectations of the elderly and their families



## Guaranteed value creation



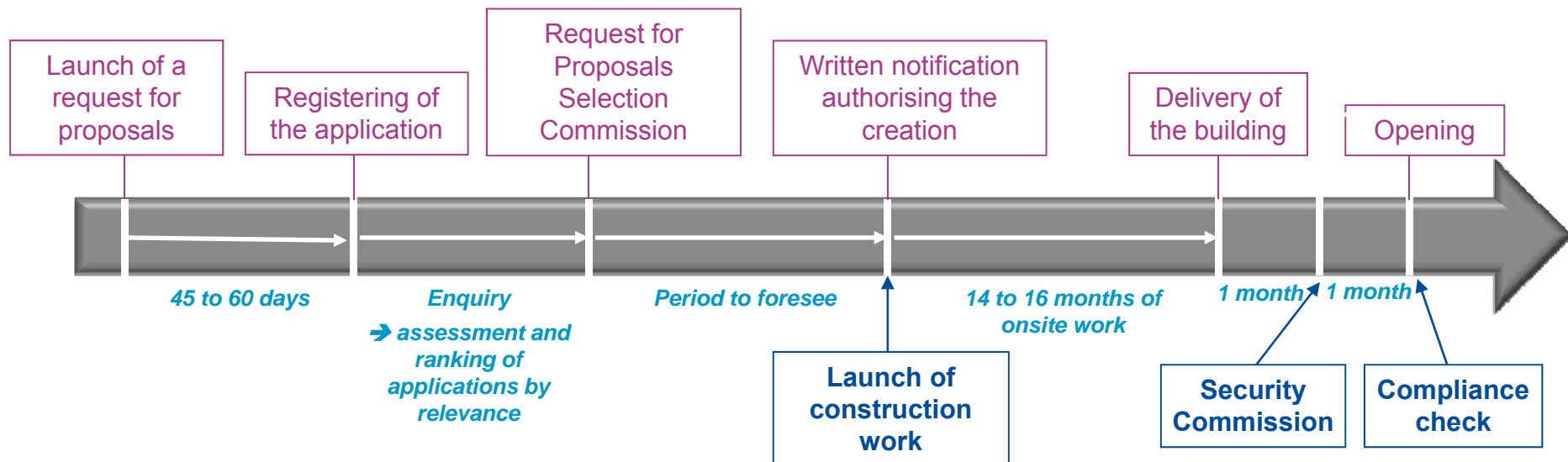
# CREATION OF A LONG-TERM CARE FACILITY VIA AUTHORISATION AFTER REQUESTS FOR PROPOSALS

## ► **Imminent regulatory change:** request for proposals procedure instigated by the HPST bill

- ✓ October 2010: launch of requests for proposals

## ► **Similar processes** enabling ORPEA to continue benefitting from its experience

- ✓ Requirements, intake capacity and location clearly defined in the request for proposal's list of specifications
- ✓ Similar timeframes
- ✓ CROSMS replaced by a Request for Proposals Selection Commission, which makes the final decision

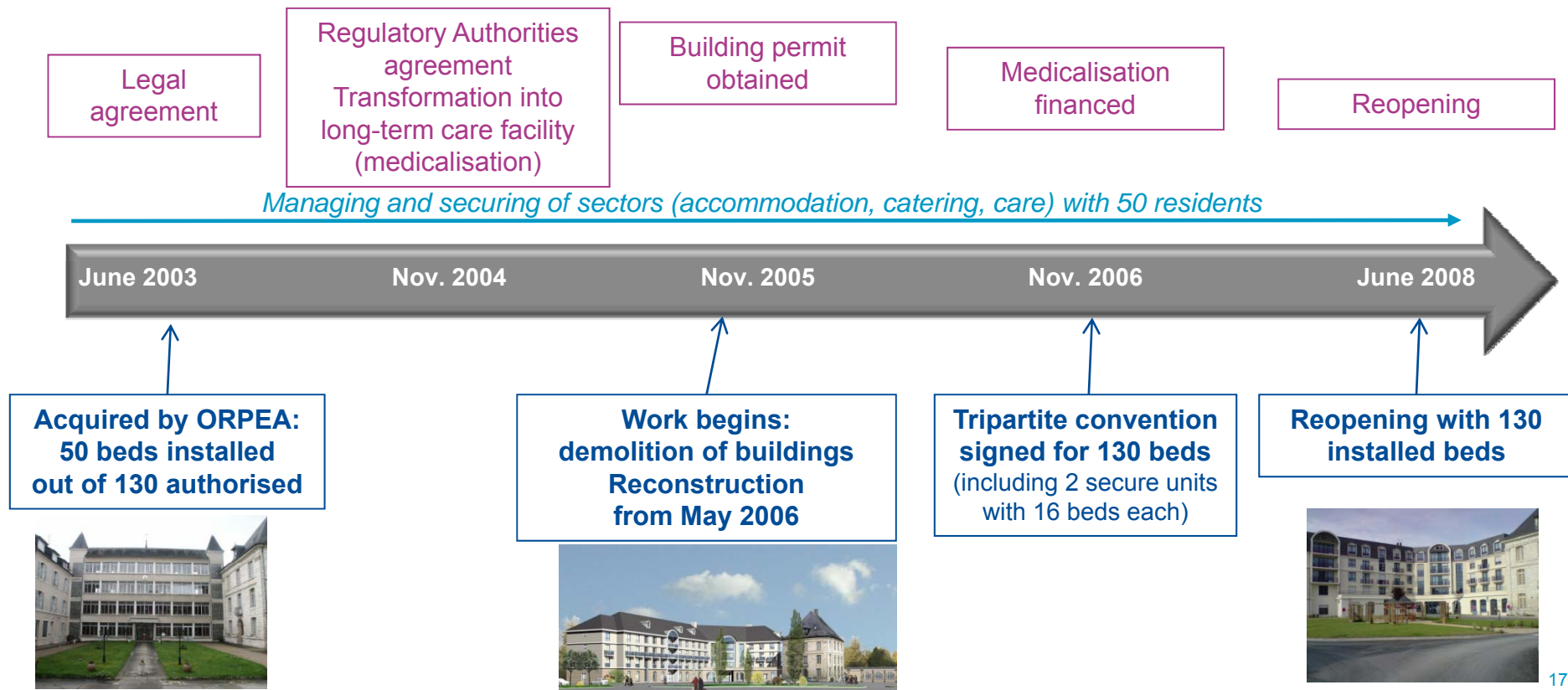


# TAKEOVER AND RENOVATION OF THE BOURGES LONG-TERM CARE FACILITY (18)

## ► Acquisition of 130 beds of a congregation

### ► Reasons behind this acquisition:

- ✓ Strategic location in the centre of Bourges
- ✓ 80 authorised beds not yet installed
- ✓ High value-creation potential following medicalisation and major renovation work





# « MA MAISON » BEFORE RENOVATION

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# « LE CLOS DES BÉNÉDICTINS » PROJECT

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# « LE CLOS DES BÉNÉDICTINS » HOME AFTER RENOVATION

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# RESULTS OF THE RENOVATION

	BEFORE renovation	AFTER renovation
Intake capacity	50 beds installed out of 130 authorised	130 beds installed and authorised
Per diem price	€20	€74
Single bedrooms	> 50%	100%
Average bedroom size	7 to 12 m <sup>2</sup> (22 m <sup>2</sup> if double)	21 m <sup>2</sup>
Bathroom and toilet	Shared	Individual
Animation	-	Daily programme organised by a qualified coordinator + Specific areas (activities room, Snoezelen, balneotherapy, physiotherapy...)
Catering	-	Specific team Meals cooked onsite and served in a bright room looking onto a terrace and park



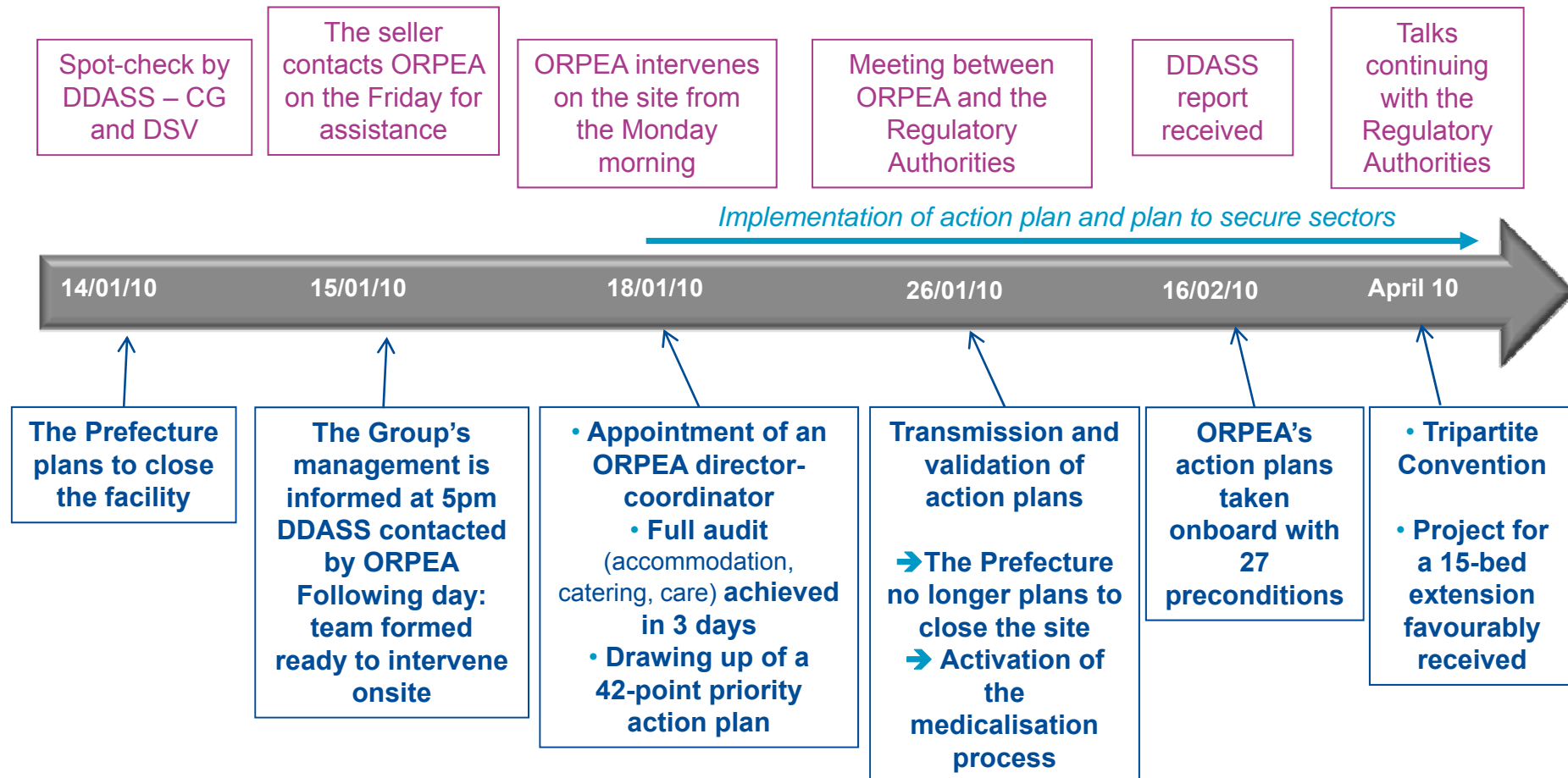
**Improvement in residents' quality of life**

**Optimisation of per diem prices and substantial value creation**

# TAKEOVER OF A LONG-TERM CARE FACILITY IN THE PARIS REGION (1/3)

## The context of the takeover:

► Takeover originally slated for 30/04/2010 (via a compromise dated October 2009)



# MEETING OF REGULATORY AUTHORITIES' PRECONDITIONS (2/3)

Extracts of the main preconditions	At 16/02/10		At 1/03/10		At 16/03/10		At 30/03/10
Set up medical and care files + bring together office-based health specialists to ensure their support for this approach	15/02/10						
Establish simple and efficient transmission terms, ensure that documents are updated in function of recommendations	15/02/10						
Review every medicine circuit and set up an organisation that complies with prevailing recommendations					09/03/10		
Review the terms under which medicine is handed out by the town's dispensary					03/03/10		
Regularise the assignments of staff vis-à-vis their qualifications							30/03/10
Apply verification and maintenance protocols for emergency equipment	27/01/10						
Train and supervise medical personnel in medical care best practices					16/03/10		
Stop all prescription transcripts	29/01/10						



**ORPEA's experience, knowhow and reactivity have enabled the situation to be unblocked and the future of this facility to be constructed**

- ▶ The Prefecture is **no longer considering closing the facility**
- ▶ **Reorganisation** of how the site is run
- ▶ Facility open and **medicalisation project** (tripartite convention currently being negotiated and recruitment of medical staff)
- ▶ Presentation to the Regulatory Authorities of a **15-bed extension**



**3 to 4-year objective:**

**An 80-bed facility in the heart of the Paris region,  
medicalised and entirely renovated,  
in line with the Group's quality standards and ratios**

# 3

## 2009 FULL-YEAR RESULTS

Les Jardins d'Arianne, long-term care facility, Brussels



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# ACHIEVEMENTS ABOVE TARGETS

## 2009 INITIAL TARGETS

**Sales growth:  
+17%**

**Strong organic growth  
(>10%)**

**Maintain strong  
Recurring Operating Margin**

**Further real estate sales  
at an attractive rate**

## 2009 ACHIEVEMENTS

**+20,1%**

**+11,1%**

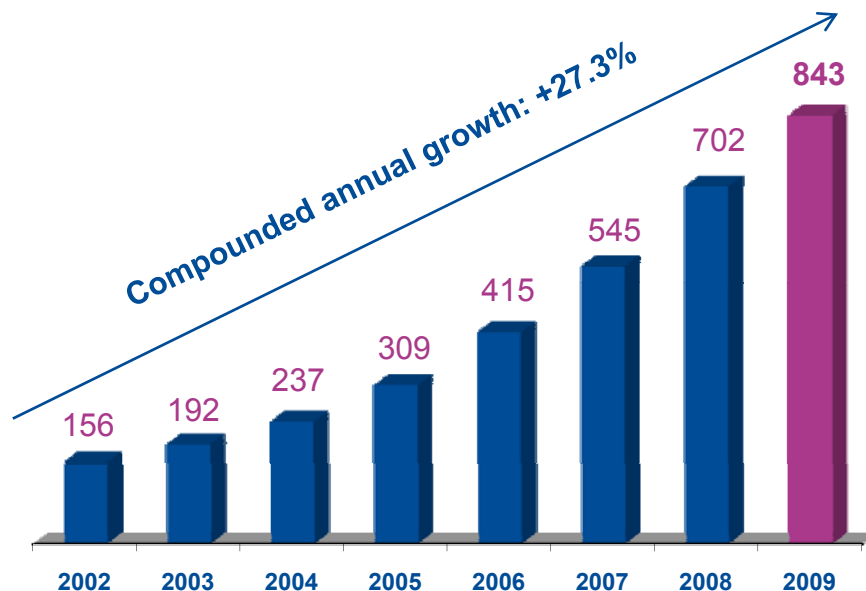
**13,7%**  
(13.5% in 2008)

**€120m**

# 2009: NEW FY OF STRONG AND SUSTAINABLE GROWTH

► 2009 sales: **€843,3m (+20.1%)**

► 2009 organic growth: **+11.1%**



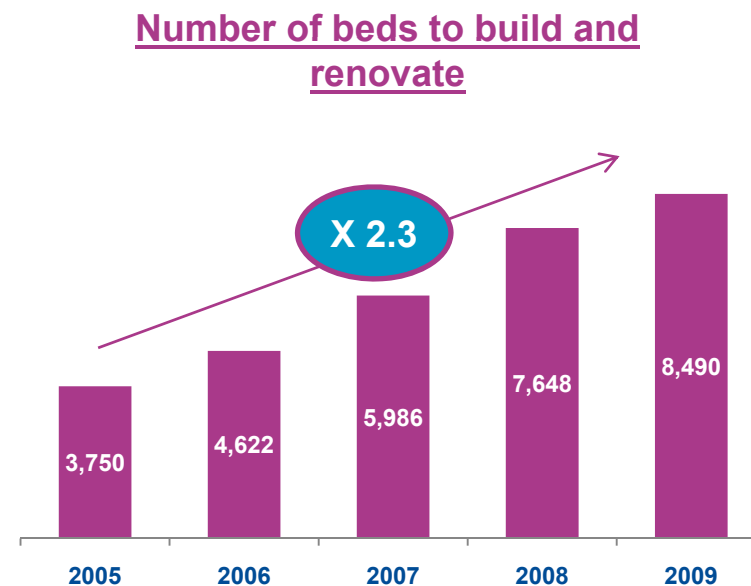
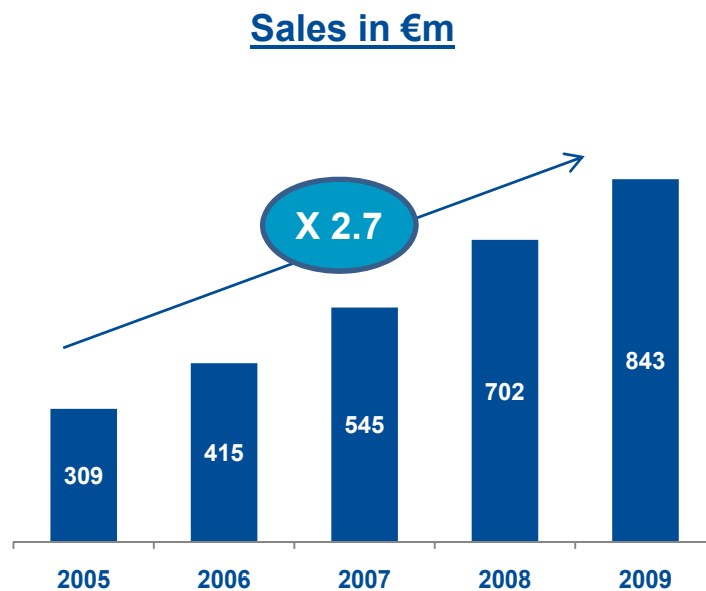
In €m	2009	2008	▲ %
France	739.2 88%	613.1 87%	+20.6%
International	104.1 12%	89.2 13%	+16.7%
Belgium	47.8	38.6	
Spain	28.7	27.2	
Italy	17.9	15.4	
Switzerland	9.7	8.1	
<b>Total</b>	<b>843.3</b>	<b>702.3</b>	<b>+20.1%</b>



**Solid momentum with strong organic growth and secured external growth**

# A PROFITABLE AND DYNAMIC DEVELOPMENT

- ▶ Average annual growth of sales over 5 years: **+29%**
- ▶ Average annual growth of beds under construction and renovation over 5 years: **+23%**



➡ **Ambitious and dynamic development policy**  
**Increasing profitability from 13.3% to 13.8% in 3 years**



# FULL-YEAR RESULTS – KEY FIGURES

In €m	2009	2008	▲ %
<b>Sales</b>	<b>843.3</b>	702.3	<b>+20.1%</b>
<b>EBITDAR</b> (EBITDA before rents)	<b>205.4</b>	168.1	<b>+22.2%</b>
<b>Recurring EBITDA</b>	<b>151.1</b>	123.6	<b>+22.2%</b>
<b>Recurring EBIT</b> (Rec. Ope. Profit)	<b>115.5</b>	94.9	<b>+21.7%</b>
<b>EBIT</b> (Operating profit)	<b>133.8</b>	106.9	<b>+25.1%</b>
<b>Financial result</b>	<b>-44.9</b>	-42.7	<b>(+5.1%)</b>
<b>Net profit</b>	<b>61.0</b>	48.4	<b>+26.1%</b>



**Strong growth in all performance criteria**  
**Increase of the Recurring Operating Margin**

# OPERATING PROFIT

In €m	2009	2008	▲ %
<b>Sales</b>	<b>843.3</b>	702.3	<b>+20.1%</b>
Staff costs	-423.7	-354.1	<b>+19.7%</b>
Expenses	-167.1	-140.9	<b>+18.6%</b>
Taxes and duties	-42.8	-36.4	<b>+17.5%</b>
Other costs and products	-4.4	-2.9	N.S.
<b>EBITDAR</b> (EBITDA before rents)	<b>205.4</b>	168.1	<b>+22.2%</b>
	24.4%	23.9%	
Rents	-54.2	-44.5	<b>+21.9%</b>
<b>Recurring EBITDA</b>	<b>151.1</b>	123.6	<b>+22.3%</b>
Amortizations & depreciations	-35.7	-28.6	<b>+24.5%</b>
<b>Recurring EBIT</b> (Rec. Oper. Profit)	<b>115.5</b>	94.9	<b>+21.7%</b>
	13.7%	13.5%	
<b>Non recurring items</b>	18.3	12.0	N.S.
<b>EBIT</b> (Operating profit)	<b>133.8</b>	106.9	<b>+25.1%</b>

# INCREASE IN INTERNATIONAL MARGINS

In €m	2009			2008		
	Sales	Recur. EBIDTA	% of sales	Sales	Recur. EBIDTA	% of sales
<b>France</b>	<b>739.2</b>	<b>139.7</b>	<b>18.9%</b>	613.1	116.8	19.0%
<b>Spain</b>	<b>28.7</b>	<b>0.8</b>		27.2	-0.1	
"GrupoCARE" only		+1.2			+0.4	
<b>Italy</b>	<b>17.9</b>	<b>1.7</b>		15.4	0.5	
<b>Belgium</b>	<b>47.8</b>	<b>7.6</b>		38.6	5.3	
<b>Switzerland</b>	<b>9.7</b>	<b>1.4</b>		8.1	1.1	
<b>International</b>	<b>104.1</b>	<b>11.5</b>	<b>11.0%</b>	89.2	6.8	7.6%

Recurring Ebitda: Recurring operating profit before amortization and depreciation

- **France** : maintaining solid profitability despite despite of facilities being opened or renovated and setting up of rents for sold facilities
- **Spain** : «Grupo CARE» EBITDA increased from -€0.5m to +€1.2m in 2 years
- **Italy** : 2 facilities on 5 in restructuration
- **Belgium** : strong growth in Ebitda

# STRENGTHENED FINANCIAL STRUCTURE

	In €m	31-Dec-09	31-Dec-08
<b>ASSETS</b>	<b>Fixed assets</b>	<b>2,651</b>	<b>2,299</b>
	Goodwill	202	179
	Intangible assets	770	610
	Tangible assets & inventories	1,642	1,479
	Others non current assets	37	31
	<b>Current assets</b>	<b>361</b>	<b>224</b>
	<i>Of which available &amp; marketable securities</i>	135	53
	<b>Assets held with a view to being sold</b>	73	49
	<b>TOTAL ASSETS</b>	<b>3,084</b>	<b>2,572</b>
<b>LIABILITIES</b>	<b>Shareholders' equity and infinite deferred tax</b>	<b>845</b>	<b>698</b>
	Shareholders' equity	635	541
	Deferred tax (Quasi shareholders equity)	210	157
	<b>Fixed liabilities</b>	<b>1,594</b>	<b>1,281</b>
	Other deferred tax liabilities	244	216
	Provisions for risks and charges	34	25
	Long-term financial debt	1,316	1,034
	<b>Current liabilities</b>	<b>572</b>	<b>551</b>
	<i>Of which short-term debt (bridge loans)</i>	115	153
	<b>Debt linked to assets held with a view to being sold</b>	73	42
	<b>TOTAL LIABILITIES</b>	<b>3,084</b>	<b>2,572</b>



# IMPROVEMENT OF DEBT RATIOS

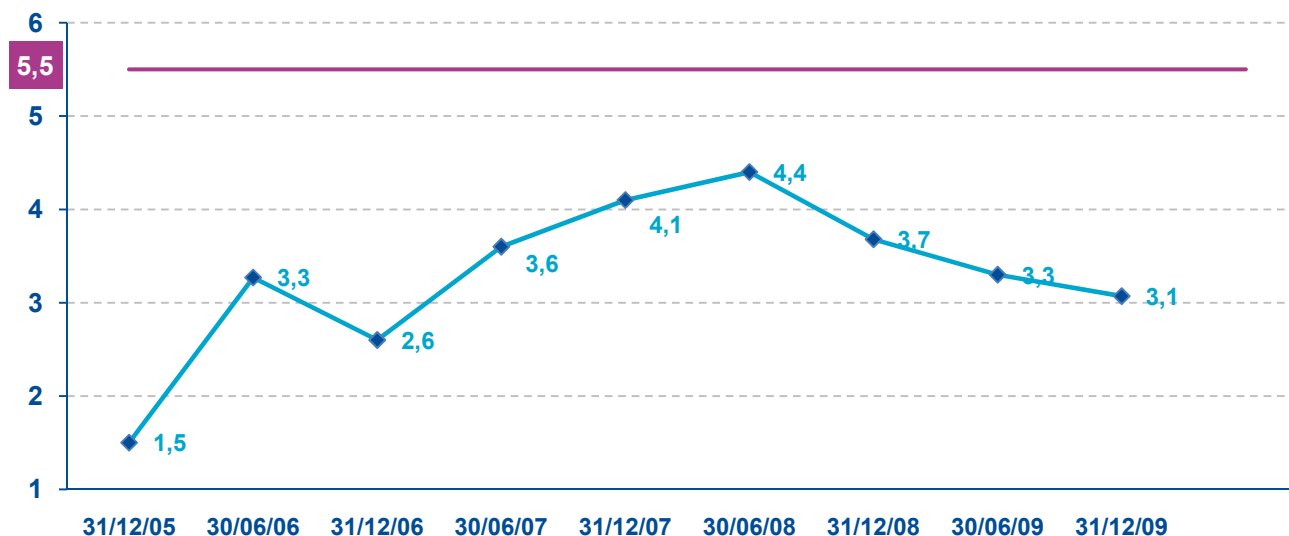
- ▶ Net financial debt as at 31.12.09 : **€1,295m\*** (81% of which in financing property)

- ▶ Debt ratios

**Restated financial leverage<sup>1</sup>:**  $\frac{\text{Net financial debt} - \text{Property debt}}{\text{Ebitda} - (6\% \text{ Property debt})} = 3.07 / \text{covenant } 5.50$

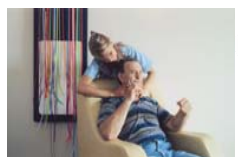
**Restated gearing:**  $\frac{\text{Net financial debt}}{\text{Shareholders equity} + \text{quasi equity}} = 1.62 / \text{covenant } 2.20$

## Change in Restated financial leverage



<sup>1</sup> Ebitda is reduced by 6% of the total property debt, with this debt including the property loans, corresponding to future Ebitda not taken into account in this ratio

\* Excluding the effect of the €73m of assets in the process of being divested.



## Assets

- ▶ **Network of 28,073 beds**
  - ✓ 19,194 in operation
  - ✓ 3,362 in operation to be renovated
  - ✓ 5,517 under construction
- ▶ **Carrying value: €770m**  
*+26% in 1 year*

## Liabilities

- ▶ **Financed by medium-term 5 to 7-year loans**
- ▶ **Hedged by derivatives: swaps**
- ▶ **Net operating debt: €259m**

**2012 secured sales = €1,225m**

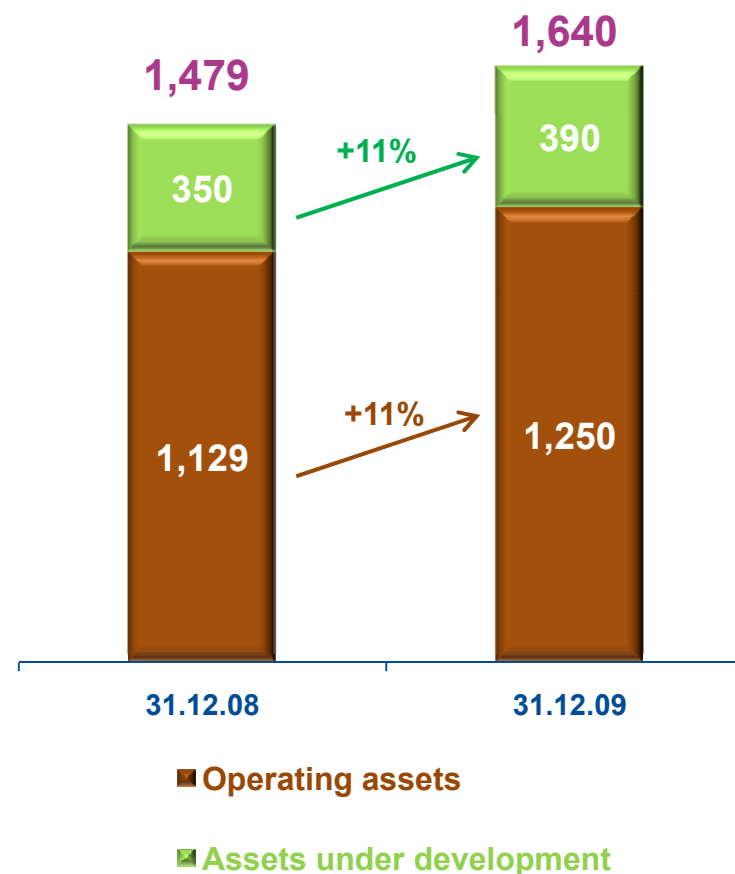


**Network of high-potential beds, partially valued as assets**  
(authorisations obtained by the Group not incorporated in the Balance sheet)

# SOLID REAL-ESTATE ASSETS

- **Strategic locations:** town centres (including in Marseille, Lyon, Paris...)
- Average age of buildings < 10 years old
- 176 buildings owned by the Group itself, 61 of them partially owned  
+ 16 buildings in 1 year
- Constructed surface area: 650,000 m<sup>2</sup> out of over 1 million m<sup>2</sup> of land  
+ 150,000 m<sup>2</sup> of constructed surface area in 1 year
- Total value of the Group's real-estate assets: €1,640m  
+11% in 1 year

Change in the total value of the Group's real-estate assets (€m)





## Assets

- ▶ **Operating property: 650,000 m<sup>2</sup>**  
out of more of a million m<sup>2</sup> of lands  
Secure and saleable assets, not especially  
vulnerable to fluctuations in the property  
market
- ▶ **Building land**  
**+ building under construction (€390m)**  
1,200 beds due to open in 2010  
+ 8,000 beds under construction or renovation
- ▶ **Asset value\*: €1,642m**

## Liabilities

- ▶ **Financed by leases and long-term  
loans (12 years)**
- ▶ **Property development credit lines**  
Exit via finance leases, sale to property  
investment companies or “LMP, LMNP, SCELLIER”,  
sale to institutional investors
- ▶ **Net property debt\*: €1,036m**



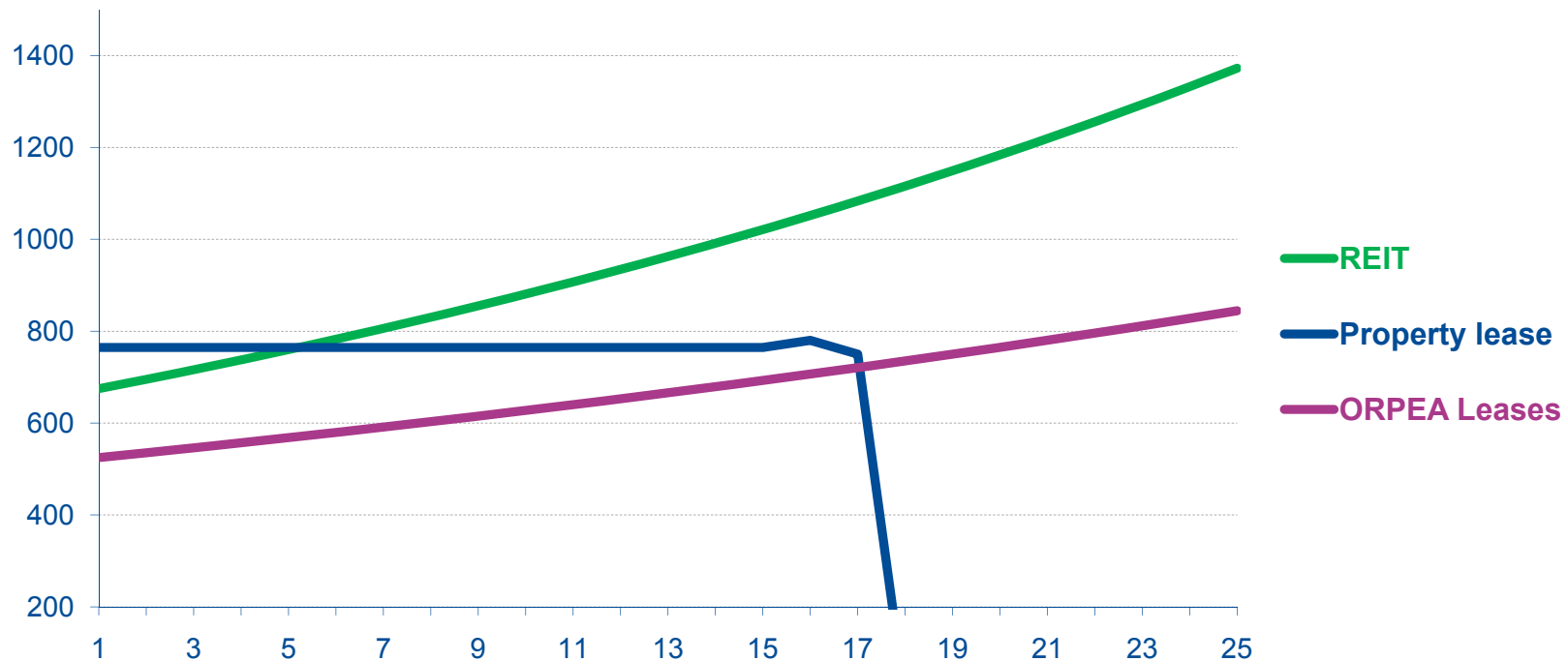
**These real estate assets, operational and under development,  
will allow the Group to maintain solid profitability and increase  
its network of operational beds by 50% over the coming 3 years**



# PROPERTY FINANCING STRATEGY

► **Assumptions adopted: cost of financing of a €10m property over 25 years**

- ✓ 15-year property leasing with a residual value of 15% spread over 2 years
- ✓ “Reit” rent with rent indexing of 3% (average Construction Cost Index over the last 10 years: 3.5%)
- ✓ 70% of ORPEA leases



**The property leasing financing strategy has never been so advantageous**

# AMBITIOUS INVESTMENTS FOR A SECURED GROWTH

In €m	2009	2008	▲ %
Recurring EBITDA	<b>151.1</b>	123.6	<b>+22%</b>
Net cash flow from operating activities	<b>119.1</b>	100.1	<b>+19%</b>
Net investment cash flow	<b>-241.0</b>	-375.1	<b>-36%</b>
Maintenance	-21.0		
Construction	-146.0		
Property sales	120.0		
Acquisitions	-194.0		
Net financing cash flow	<b>203.5</b>	273.6	<b>-26%</b>
Capital increase	62.0		
Bank financing	141.5		
Change in cash position	<b>81.6</b>	-1.4	<b>n.s.</b>



**Investments dedicated to a strong sustainable growth of EBITDA:  
Change on 5 years (2009 / 2004): +252%**

# 4

## STRATEGY AND OUTLOOK

Charleville Mézières (08), Long-term care facility project



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LA VIE CONTINUE AVEC NOUS



# 2010 OPENINGS

## ► Opening of around 10 facilities

- ✓ Long-term care facilities: Soubise (17), Chartres (28), Marseille (13), Nice (06), Neuilly-sur-Seine (92), Charleville Mézières (08), Saint Vrain (91)
- ✓ Post-acute care clinics: Asnière (92)





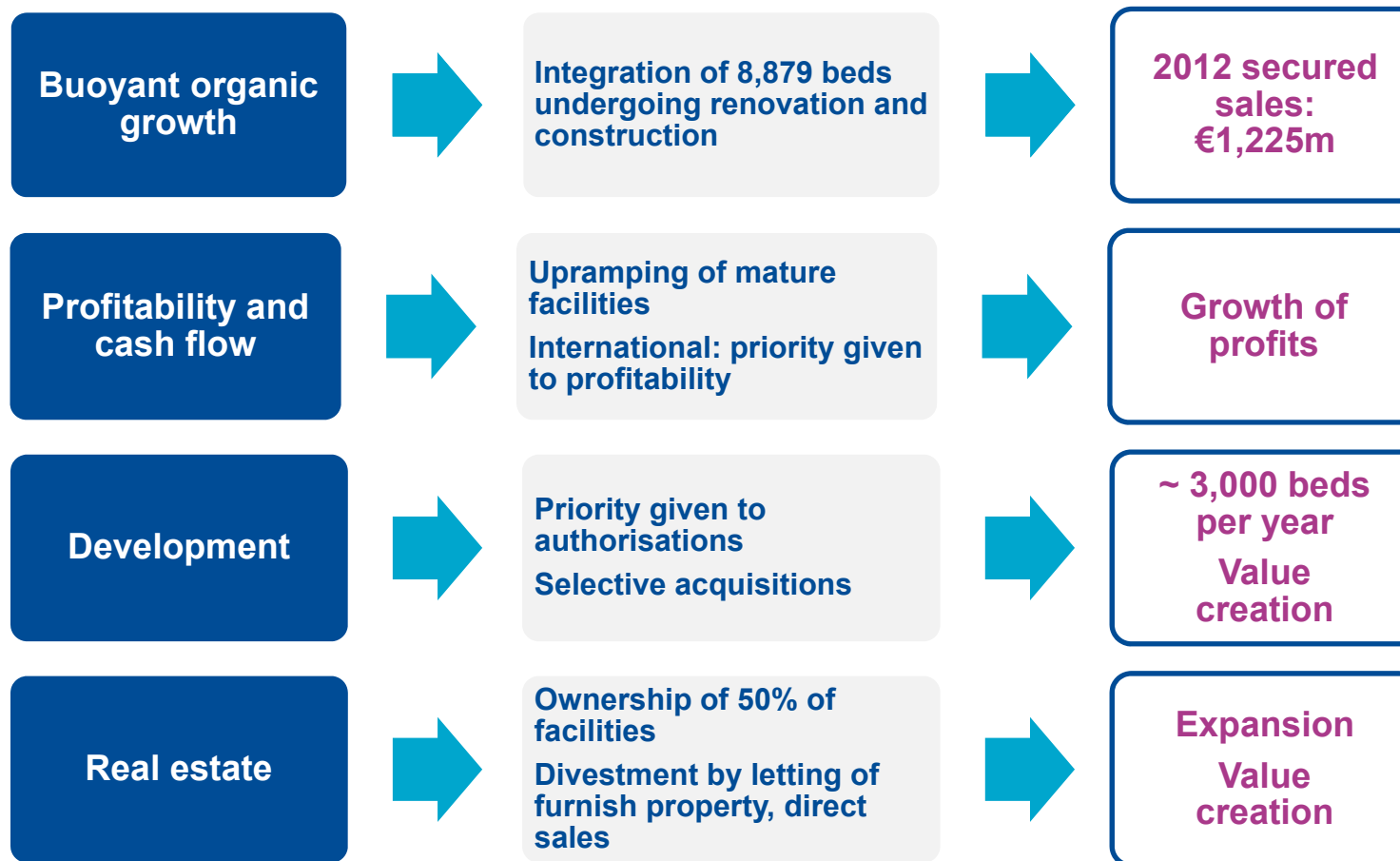
# ONGOING DEVELOPMENT PROJECTS

## ► More than 20 development projects: construction, renovation, extension

- ✓ Long-term care facilities: Marseille Saint Luc (13), Nantes (44), La Garenne Colombes (92), Roquebrune Cap Martin (06)
- ✓ Post-acute care clinics: Paris Mechain (75), Asnières (92), Osny (95), Meaux (77)



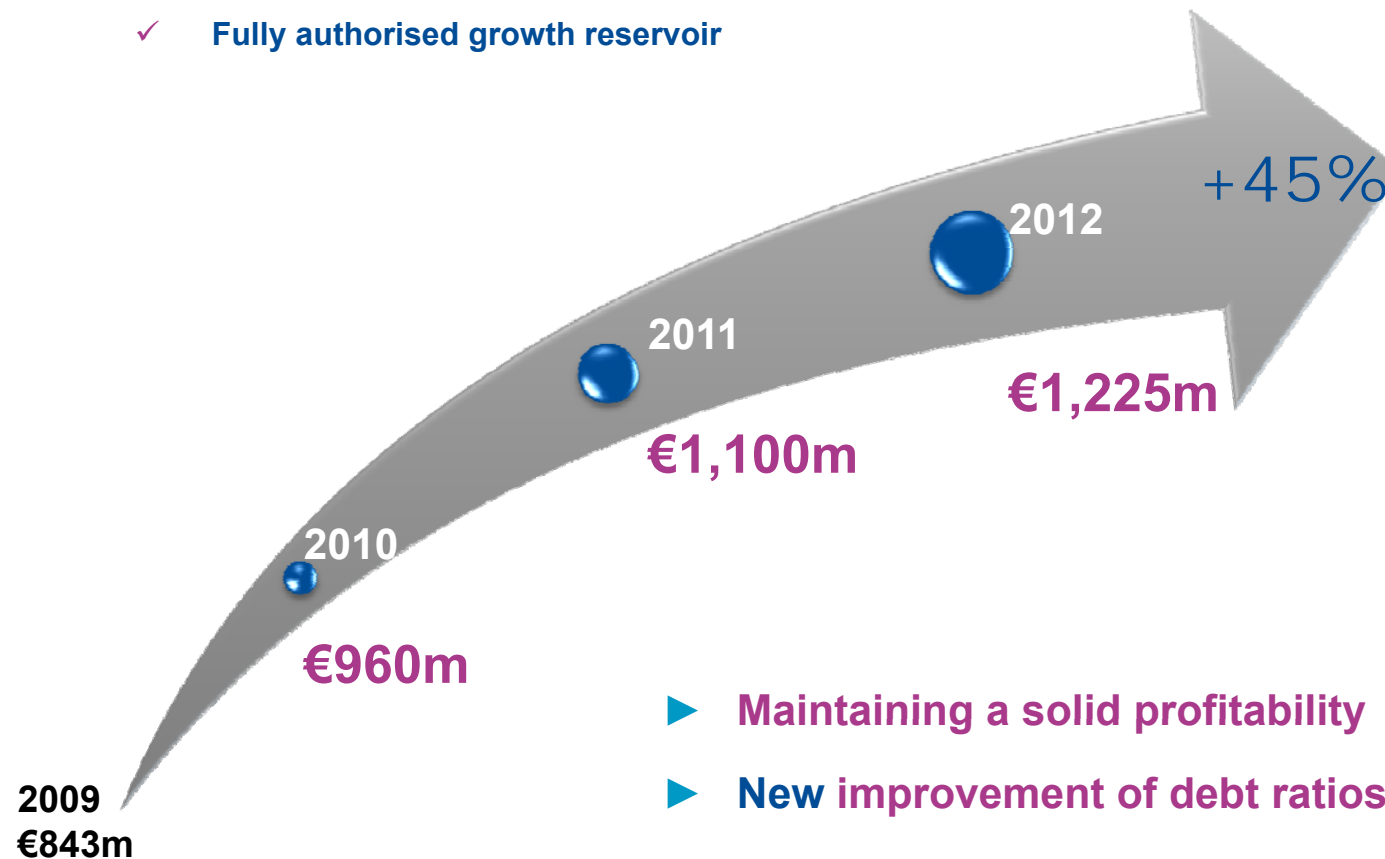
# PURSUANCE OF A PROFITABLE GROWTH STRATEGY



# EMBEDDED GROWTH OF +45% OVER THE COMING 3 YEARS

► A unique visibility ensuring a **strong increase in revenue**

- ✓ Non-including further developments
- ✓ Fully authorised growth reservoir



- Maintaining a solid profitability
- New improvement of debt ratios



# APPENDICES



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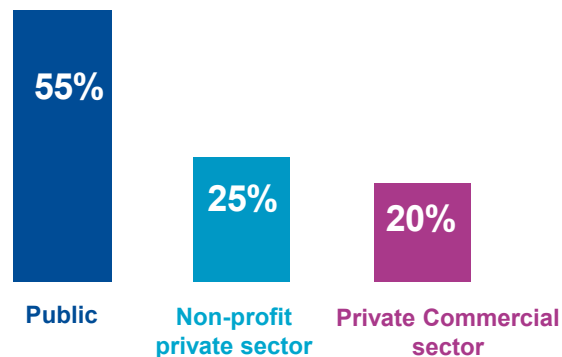
Les jardins de Grasse (06), long-term care facility



# A STILL FRAGMENTED SECTOR IN FRANCE

## ► Low representativity of the private commercial sector:

On a total of 530,000 beds



### 2001-2005 changes:

- ✓ Public sector: -1.5%
- ✓ Non-profit private sector: +3.5%
- ✓ Private Commercial sector: +7.0%

### As a reminder:

- ✓ UK: 70% for Private Commercial Sector
- ✓ Spain: 50% for Private Commercial Sector

## ► A Private Commercial sector still fragmented

- ✓ 5 major groups (> 4,000 beds)

Group	Number of beds in France	Number of beds abroad	Total
DOMUS VI / DOLCEA	15,555	1,989	17,544
ORPEA	12,010	3,946	15,956
KORIAN	10,106	5,943	16,049
MEDICA	7,636	1,428	9,064

Source: "Mensuel des Maisons de Retraite," (Monthly Professional Newspaper) January 2010\*

- ✓ 15 mid-sized groups (between 500 and 4,000 beds)
- ✓ 800 individual owners (including 700 managing between 5 and 40 beds)

\* for ORPEA, total number at last count (01.03.10): 28,073 beds (22,892 beds in France and 5,181 beds abroad ), including post-acute, rehabilitation and psychiatry)

# GROWING DEMAND BUT AN OFFER THAT REMAINS STILL INSUFFICIENT

## ► Promising long-term trends for the dependency sector :

- ✓ Increase in the number of people aged over 85: +66% between 2008 and 2015 (from 1.2m to 2m)
- ✓ Shorter and shorter stays in surgery (development of post-acute care)
- ✓ A sharp rise in people affected by mental deficiency (i.e. Alzheimer's)

## ► Solvent demand:

- ✓ Potential increase in revenue of +45% between 2005 and 2020 for over 85s
- ✓ Increase in the average assets of elderly people
- ✓ Little sensitivity to price changes associated with Quality

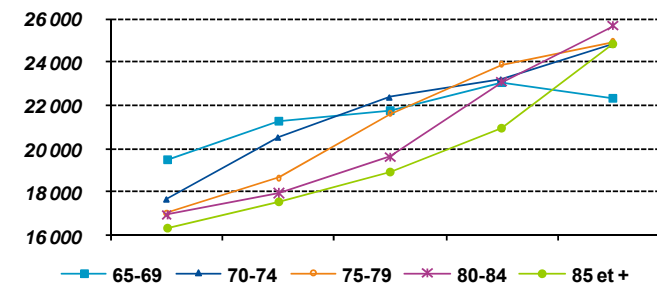
## ► An offer that is insufficient given requirements:

- ✓ Lack of qualified and continuously trained staff
- ✓ Insufficient number of beds: shortfall estimated lack still at 30 / 40,000 EHPAD\* beds

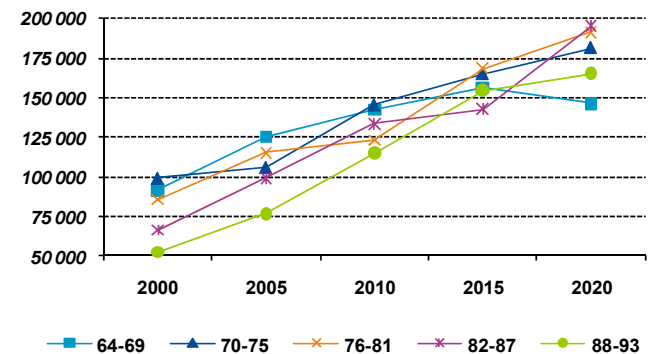


## A high-visibility sector

Change in global annual income by age bracket  
(in 2000 / euros per consumer unit)



Change in median patrimony by age bracket  
(in 2000 / euros per household)



Source: research by Kervasdoué, Chair of Health Services Management and Economy at the CNAM

\* EHPAD : "Établissement pour Personnes Âgées Dépendantes" = Facilities for elderly dependent people

# PER DIEM PRICE FIXING

## Long-Term Care facilities

Care: 20%  
paid directly  
by National  
Health  
Insurance



### **Dependency: 10%**

- Dependent on the level of dependency and resources
- most of the part paid by the General Council (« APA ») and a smaller part paid by the resident

Accommodation: 70%  
paid directly by the  
residents



Average per diem  
price for  
accommodation in  
a French facility:  
€70 (outside Paris  
and Paris area)

## Post-Acute Care clinics

Care &  
accommodation (in  
double bedroom): 80%  
paid directly by  
National Health  
Insurance



Single room sup.: 20%  
paid directly by  
patients and/or mutual  
insurance company

# ORPEA AND THE STOCK EXCHANGE

## ► Stock data (12 last months) :

- ✓ Average daily volume: 60,518 shares
- ✓ Price: €30.505
- ✓ High (12 months): €34.97
- ✓ Low (12 months): €28.16
- ✓ Turnover: 40% in 12 months
- ✓ Mkt Cap: €1,185m
- ✓ Nb of shares: 38,847,172

Data as at 26 March 2010



## ► Indices:

- ✓ Compartment A of Euronext Paris by NYSE Euronext
- ✓ Member of SBF 120
- ✓ Member of SRD

**ORP**  
**LISTED**  
**NYSE**  
**EURONEXT**

## ► Financial calendar\*:

- ✓ Q1 2010 sales: 05.05.2010 (before market opening)
- ✓ H1 2010 sales: 21.07.2010 (before market opening)

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\*Subject to modifications