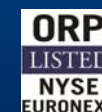




LA VIE CONTINUE AVEC NOUS



2010 FULL-YEAR RESULTS



CONTENTS & SPEAKERS

1. Dependency care sector issues

2. 2010 highlights

3. Strengths of a growing network

4. 2010 results

5. Outlook and targets



Dr Jean-Claude Marian M.D.
Chairman



Yves Le Masne
Chief Executive Officer



Jean-Claude Brdenk
Chief Operating Officer



Laure Frères
Corporate Secretary

Appendices

ORPEA: European leader in dependency care



Business

- ▶ Long-term care facilities
- ▶ Post-acute and rehabilitation care facilities
- ▶ Psychiatric care facilities
- ▶ 364 facilities – 33,700 beds in Europe



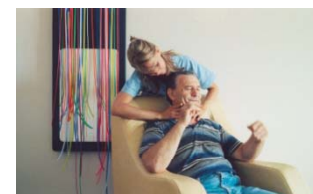
Mission

- ▶ Offer a high-quality of care and services
- ▶ Ensure the well-being of residents and patients



Resources

- ▶ More than 20,000 loyal, motivated and trained employees
- ▶ Permanent quality improvement
- ▶ High-quality property portfolio



1 DEPENDENCY CARE SECTOR ISSUES

Long-term care facility of
Neuilly sur Seine (92)



Sector fundamentals: demand growing faster than supply

Trends in resident profile

- ▶ Only 15% of people aged 85+ go to nursing homes
- ▶ **Increase in average entry age: 86**
- ▶ **Decrease in length of stay: 18 to 24 months**
- ▶ Increasingly heavy dependency

Needs growing rapidly

- ▶ People aged 85+: +66% from 2008 to 2015
- ▶ Increase in **disorientation** problems (60% of people in homes): 225,000 new cases of neurodegenerative illnesses diagnosed each year

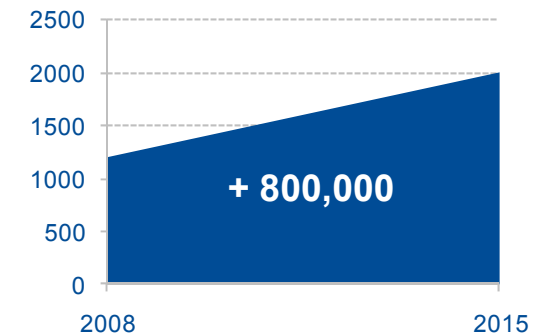
Insufficient and inadequate supply

- ▶ 20,000 to 30,000 more beds will be needed by 2015 (200-350 per *département* – French county)
- ▶ 5 to 10% of existing beds "inadequate"
- ▶ High occupancy rate in care facilities: 96%
- ▶ No new authorisations granted in 2010

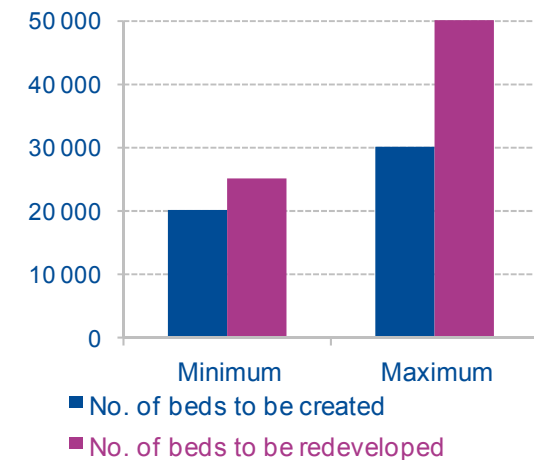


Fundamentals will drive growth

Trends in the number of people aged 85+



Trends in the number of new or redeveloped beds in the next 5 to 10 years



Major financing issues for the public authorities

► Construction budget to find for the sector in the next 5 to 10 years

- ✓ Average construction (or redevelopment) cost: €90,000 per bed (€80,000 for public sector, €100,000 for private) (without cost of land)
- ✓ Number of beds:
 - to be created (bids 2011-2015): 20,000 to 35,000*
 - to be renovated: 25,000 to 50,000 existing "inadequate" beds

➔ **€4.05 to €7.2 billion** (excluding cost of land)

► Operating budget under Tripartite Agreements

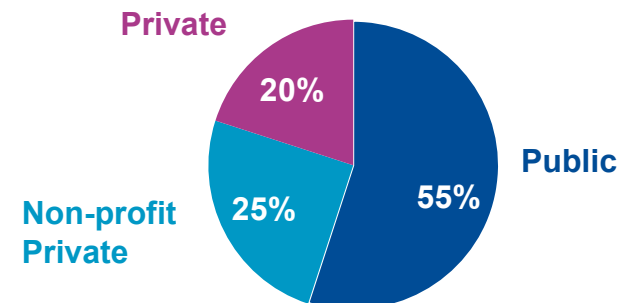
- ✓ Care allowance (paid by the national health service): €17 to €27 per day
- ✓ Dependency allowance (paid by the local authority): €5 to €7 per day
- ✓ No profit margin for facilities

➔ **€230 to €375m per year**

► Low market share of Private sector (20% of beds)

- ✓ Number of long-term care beds in France: 540,000
- ✓ Given the state of national, regional and local public finances, the Public and Non-profit Private sectors have limited investment capacity

Breakdown of care beds



Private sector: growing role linked to its investment capacity

* This figure is not high impact: 540,000 existing beds, therefore 20,000 to 35,000 beds only represent 4% to 7% more than the existing network

Increase in elderly revenues

Comparison of nursing home cost vs. wealth

Average cost of
care for a
resident

€46,200

Assumptions:

- ▶ Average room cost:
€2,200 per month
- ▶ Average length of stay:
21 months

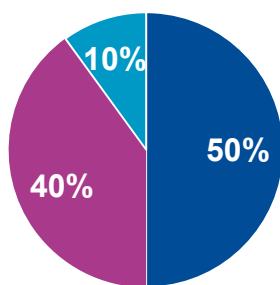
Average wealth
of people aged
85+

€135,000

Source: IGAS 2010 report: €110,000 to €160,000

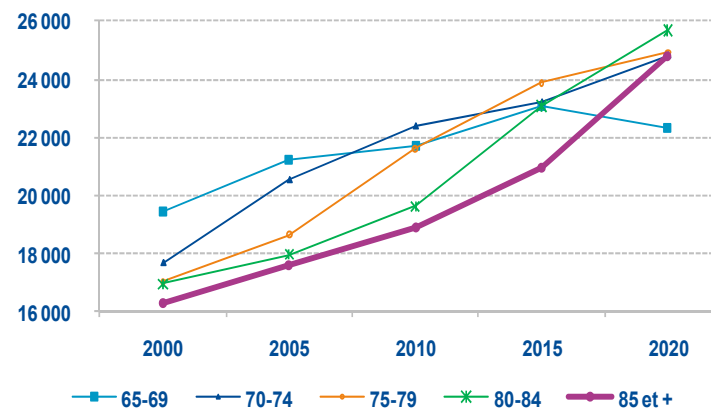
Income of the elderly

Average pension (excluding other income):
€1,300 per month with wide disparities



- < €1,250
- €1,250 € - €2,250
- > €2,250

Trends in income of the elderly by age bracket (in € 2,000 per consumption unit)



Source: Report by Jean De Kervasdoué, Professor of Health Services Economics and Management, CNAM

1

Competitive bidding

- ▶ Defined process
- ▶ Probable launch in 2nd half of 2011
- ▶ Assumptions: 150 to 200 facilities in two years

2

Reform of dependency care financing

Advances

- ▶ Introduction of a consultation process with the creation of 6 commissions

Timeframe

- ▶ Commission results in June 2011
- ▶ Some changes planned in the Social Security Financing Act

Objectives of reform

- ▶ Secure the long-term financing of Care and Dependency allowances
- ▶ Reduce the "residual cost" to "middle class" residents

Proposed solutions

- ▶ Financing through national solidarity: tax increase, 2nd solidarity day
- ▶ Private financing: developing private long-term care insurance in addition to strengthening public assistance



Advantage for large structured groups

2 2010 HIGHLIGHTS

Post-acute clinic of Hyères (83)



LA VIE CONTINUE AVEC NOUS

Exclusive partnership with Afer: recognition of Orpea's expertise and professionalism

► Afer: pioneer in pension savings with a single contract

- ✓ 740,000 members
- ✓ Including 200,000 aged 75+



La référence en épargne retraite

► A comprehensive long-term care insurance contract launched in January 2011 providing

- ✓ Financial solution
- ✓ Services for carers and dependents

► Afer has chosen Orpea as its partner for

- ✓ Its consistent quality of care provided
- ✓ Monitoring tools in its long-term care facilities to ensure consistent quality of services

► Partnership principles:

- ✓ Carer is provided with a Carer's Booklet
- ✓ Orpea takes part in Afer's educational meetings
- ✓ Policyholders have priority over free beds in Orpea nursing homes



Orpea anticipating reform by forging a partnership with an insurer

2010 openings: 14 facilities

Toulouse Crampel
(31)

Long-term care facility: 83 beds



Carbon Blanc
(33)

Long-term care facility: 82 beds



Neuilly sur Seine
(92)

Long-term care facility: 135 beds



Limoges
(87)

Long-term care facility: 97 beds



Chartres
(28)

Long-term care facility: 108 beds



Loos les Lille
(59)

Psychiatric clinic: 50 beds



Nice
(06)

Long-term care facility: 78 beds



Sevrier
(06)

Psychiatric clinic: 75 beds



Marseille
(13)

Long-term care facility: 85 beds



Sainte Terre
(33)

Long-term care facility: 75 beds



Charleville Mézières
(08)

Long-term care facility: 80 beds



Asnières SSR
(92)

Post-acute care clinic: 100 beds



Soubise
(17)

Long-term care facility: 78 beds



Brasles
(02)

Long-term care facility: 128 beds



Strategic acquisition of almost 5,000 beds

► 57 facilities totalling 4,866 beds

- ✓ **France: 47 facilities** (3,810 beds)
- ✓ **Belgium: 10 facilities** (1,056 beds)
- ✓ **Diverse activities:** long-term care facilities, post-acute and psychiatric care facilities

► Strong revenue and profitability potential

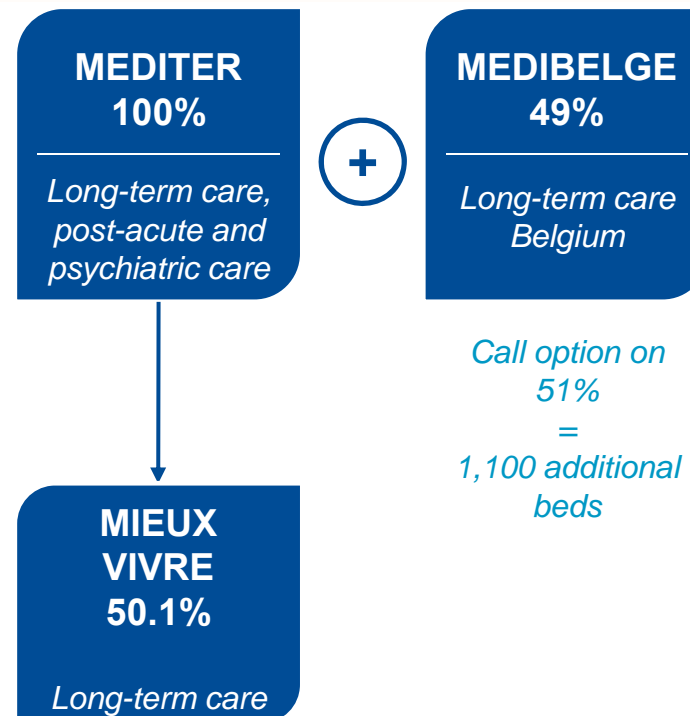
- ✓ **67% of beds in operation recently opened**
- ✓ **33% of beds under construction or redevelopment**

► A quality network easy to integrate

- ✓ **80% of facilities have 80 beds or more**
- ✓ **Recent, well-located buildings**
- ✓ **No heavy centralised structure**

► Attractive financing for €129m

- ✓ **€113.8m (88%) through a new Orpea SA share issue at €32.50**
- ✓ **€15.2m (12%) in cash**
- ✓ **Proposal to appoint Philippe Austruy to the Board of Directors as ORPEA's third shareholder**



Potential revenue*: €250 to €280 million

* Once all beds under redevelopment and construction are in operation and assuming exercise of Medibelge option

Quality of assets acquired

FRANCE



BELGIUM



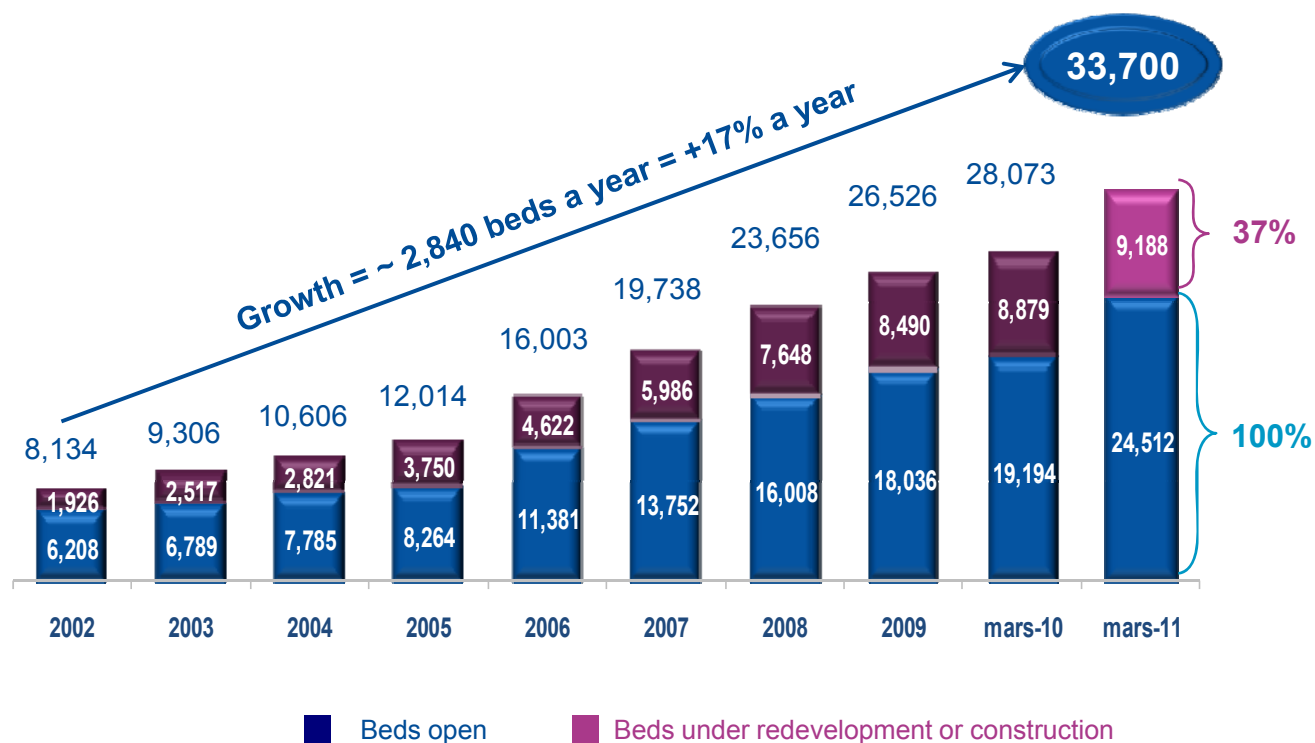
Continued expansion

Network doubled in 4 years: +17,697 beds

Selective value-creating
acquisitions in France
and international:
+761 beds in 6 months

Creation of private long-
term care facilities
on public land

- ✓ Garenne-Colombes (92)
- ✓ Cannes (06)
- ✓ Batignolles (75)



**The biggest growth reserves in the sector:
9,188 beds under construction or redevelopment**

- ▶ **€180m convertible bond (OCEANE) issue: > 5 times oversubscribed**
 - ✓ Issue price: €44.23 = 27.50% premium over the reference price of €34.6899
 - ✓ Nominal rate: 3.875%
 - ✓ Maturity: 5 years (due 1 January 2016)
 - ✓ Current price: €48.45 (38% premium over current share price)

- ▶ **€114m capital increase**
 - ✓ Attractive acquisition financing
 - ✓ Private placement with Philippe Austruy at €32.50 per share

- ▶ **New financing facilities from banking partners**
 - ✓ Medium and long-term loans
 - ✓ Finance leases

- ▶ **Classic property disposals: €113m**
 - ✓ Under the "Scellier law" on very attractive terms
 - ✓ To Family Offices seeking the visibility and security offered by Orpea property



Diversification of funding sources

3 STRENGTHS OF A GROWING NETWORK

Long-term care facility of
Neuilly sur Seine (92)



ORPEA

LA VIE CONTINUE AVEC NOUS

How do residents and their families choose a home?

- ▶ **DREES¹ study published in 2011: Life in a care home for the elderly from the viewpoint of residents and their families**
- ▶ **Selection criteria for residents and their families (several answers allowed)**

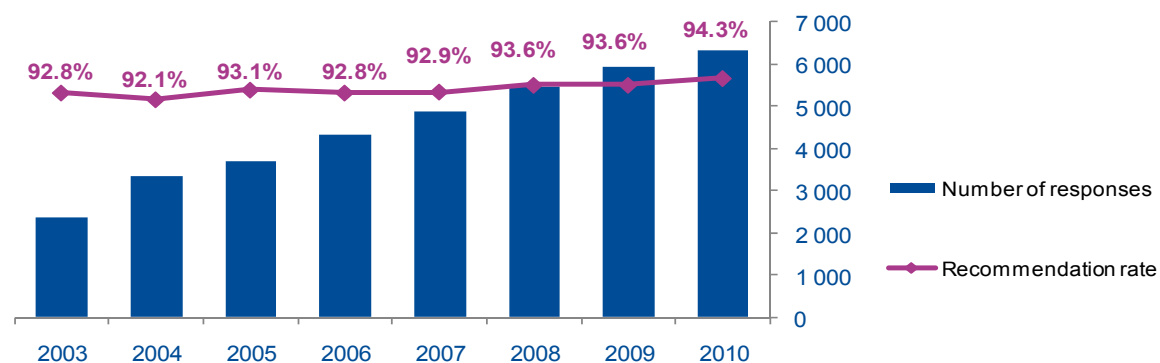
Rank	Criterion	Residents	Family
1	Geographical location	48%	69%
2	Good reputation	33%	33%
3	Waiting list	7%	17%
4	Offering adapted to state of health	8%	14%
5	Cost	3%	13%



Cost is not a decisive factor in the choice of a care home
Geographical location and reputation: 2 key features of Orpea homes

► Further improvement in satisfaction levels in 2010

- ✓ **92.5% of residents and families satisfied or very satisfied** with the quality of life and care provided (vs. 91.2% in 2009)
- ✓ **94.3% of residents and families would recommend an Orpea home** to people they know (vs. 93.6% in 2009)



► Performance confirmed by results of certification audits (independent external assessments)

- ✓ **Long-term care facilities:** Orpea is a pioneer in the sector with 72 facilities having obtained QualiCert service certification from SGS
- ✓ **Short-term care facilities:** 100% of the Group facilities meet the Health Authority's V2/2007 certification procedure, with 96.5% certified level 1 (no recommendation or qualification)



Success of Orpea's quality approach confirmed

Results of 2011 care home league tables (national and regional media)

► GUIDE DE LA DÉPENDANCE (France Info – 2011 edition):

- ✓ Top group cited with 23 facilities ranked 1st or 2nd in their local area
- ✓ 41 Orpea facilities are rated either 9/10 or 10/10 (including 5 rated 10/10 of the 45 selected by the Guide)
- ✓ 73 facilities rated > 8/10 (national French average 7/10)

9,500 nursing homes visited of the 10,305 facilities authorised in France (public, community and private sector combined – Source: DREES)



► FIGARO MAGAZINE (January 2011)

- ✓ 36 Orpea facilities cited in the Figaro Magazine rankings



Attractive facilities that meet the needs of residents and families



Orpea's newest facilities head the rankings in their local area



**EHPAD
RESIDENCE CRAMPEL**
100, avenue de Crampel
31400 TOULOUSE
Tél. : 05 62 19 37 00
83 lits - Inscription : immédiate

Confort de vie
Pour la personne :  **UA**
À l'usage de tous : 
Santé, social : Médicalisé / APA.
Prix : Chambre individuelle : 83.70€ + 4.64€ = 88.34€
Notre avis : Tout ce qui compose aujourd'hui un EHPAD de la nouvelle génération, est intégré dans cette nouvelle résidence privée du groupe ORPEA. Située dans un quartier résidentiel de Toulouse, son bâtiment s'intègre parfaitement, dans un cadre calme. S'articulant autour d'un atrium, les chambres réparties en unités et les lieux de vie, proposent une qualité de confort et de standing rare. Pour les chambres, elles sont climatisées, équipées d'un écran plasma, d'un accès Internet et de toute la gérontechnologie. Les lieux de vie, sont eux, multiples voire exhaustifs : salle de restaurant, bar, terrasse, cave de grands vins, espace bien-être, salle de bain, de kiné, de massage, de coiffure, d'arts plastiques et un espace Snoezelen. Bien sûr de telles prestations ne sont pas accessibles à tous, mais le tarif est parfaitement justifié.

+ Prestations uniques. - Aucun. **10**

- **Résidence Crampel**
Toulouse (31)
No. 1: 10/10




**EHPAD
LES JARDINS DE CHARTRES**
1, place Drouaise
28000 CHARTRES
Tél. : 02 37 18 03 00
110 lits - Inscription : immédiate

Confort de vie
Pour la personne :  **UA**
À l'usage de tous : 
Santé, social : Médicalisé.
Prix : Chambre individuelle : 76.65€ + 5.35€ = 82€
Notre avis : Ce magnifique EHPAD privé, géré par le groupe ORPEA, est installé à Chartres, proche du centre-ville, en lieu et place de «Ma Maison» aujourd'hui rasée. Comme pour les dernières créations du groupe les prestations et les conditions d'hébergement sont hors normes. Bâtiment de grand standing, planté au cœur d'un vaste jardin arboré ; Décor intérieur luxueux, avec des espaces de vie lumineux; Chambres toutes individuelles, soignées ; Deux unités protégées de 16 lits pour les personnes Alzheimer avec jardin sécurisé ; Des lieux de vie complets : espace Snoezelen, salle de kinésithérapie, de bain, de coiffure, d'esthétique, salons divers, et nombreuses terrasses. Tout est pensé pour le bien être du résident. Soins, restauration et animations sont du même ordre, et si le tarif n'est pas neutre, il est totalement justifié par les prestations fournies.

+ Prestations haut de gamme. - Aucun. **9,5**

- **Résidence Les Jardins de Chartres**
Chartres (28)
No. 1: 9.5/10




**EHPAD
RESIDENCE LES CYGNES**
2, rue Jacques Delivre
54000 NANCY
Tél. : 03 83 18 71 00
120 lits - Inscription : Immédiat

Confort de vie
Pour la personne :  **UA**
À l'usage de tous : 
Santé, social : Médicalisé / APA.
Prix : Chambre individuelle : 77.40€ + 3.25€ = 80.65€
Notre avis : Dans un écrin de verdure - un jardin paysagé - est logée cette petite perle, la nouvelle résidence «les Cygnes» du groupe privé ORPEA. On peut ignorer être dans un quartier de Nancy, tant l'ambiance est sereine, le calme absolu. Le bâtiment est neuf, le décor choisi, le mobilier «art nouveau». Comme pour toutes ses dernières créations, le groupe propose des installations conçues pour le bien-être des résidents, ainsi dispose-t-il d'une salle de kinésithérapie, d'un espace Snoezelen et d'un salon de beauté. Ses chambres toutes individuelles sont intimes, agréables à vivre. Les repas sont servis dans son restaurant «le Saint-Nicolas». Ses animations sont quotidiennes et variées, avec des sorties extérieures. Son tarif - au regard des prestations offertes - demeure raisonnable, car les prestations sont hors normes.

+ Son cadre de vie. - Aucun. **10**

- **Résidence Les Cygnes**
Nancy (54)
No. 1: 10/10



Orpea's newest facilities head the rankings in their local area



**EHPAD
RÉSIDENCE LES BORDS DE SEINE**
74/76, boulevard Bourdon
92200 NEUILLY-SUR-SEINE
Tél. : 01 41 92 20 20
130 lits - Inscription : Immédiat

Confort de vie
Pour la personne :  **UA**
À l'usage de tous : 
Santé, social : Médicalisé / APA.
Prix : Chambre individuelle : 179.00€ + 5.04€ = 184.04€
Notre avis : On ne peut rêver meilleure situation, sur les bords de Seine, côté Neuilly, face à l'île de la Jatte, quartier huppé s'il en est. C'est ici que le dernier EHPAD du groupe Orpea a élu domicile. Il a la dénomination EHPAD mais s'apparente davantage à un hôtel quatre étoiles luxe qu'à une maison de retraite. Son bâtiment est neuf, d'excellente facture, son décor très luxueux, aux matériaux choisis, à l'ambiance tamisée. Sa restauration est préparée par un chef et servie à l'assiette. Côté soins, il dispose d'une salle d'ergothérapie avec piscine, d'un espace Snoezelen, d'un ergothérapeute, d'un psychologue et d'un psychomotricien à demeure. Pour finir ses animations sont quotidiennes, variées, ses sorties extérieures fréquentes. Cet établissement haut de gamme est une réussite, mais son tarif est à la hauteur de ses prestations.

+ Toutes ses prestations haut de gamme. - Aucun. **10**

- **Résidence Les Bords de Seine**
Neuilly (92)
No. 1: 10/10




**EHPAD
RÉSIDENCE CORNICHE FLEURIE**
89, Boulevard Corniche Fleurie
06200 NICE
Tél. : 04 97 18 12 00
83 lits - Inscription : immédiate

Confort de vie
Pour la personne :  **UA**
À l'usage de tous : 
Santé, social : Médicalisé / APA.
Prix : Chambre individuelle : 106.00€ + 0 € = 106€
Notre avis : Surplombant la plaine du Var, ce nouvel EHPAD du groupe privé ORPEA bénéficie d'un cadre exceptionnel. Proximité du centre ville, du jardin botanique et vue superbe. Le bâtiment neuf est lui aussi pourvu de nombreux atouts avec des lieux de vie multiples, raffinés, confortables, et entièrement climatisés. Salons à tous les étages, espaces de détente, nombreuses terrasses avec vue, salon de coiffure, salle de kiné, balnéothérapie et espace Snoezelen (multi-sensoriel) tout est fait pour le bien être des résidents. L'hébergement est digne d'un 4 étoiles. Les animations sont fréquentes et variées avec des sorties extérieures. La restauration est réalisée sur place et servie à l'assiette sur tables nappées. Si toutes les prestations proposées sont de très haute qualité, le tarif ne les réserve qu'à une minorité, c'est dommage...

+ Prestations haut de gamme. - Tarif élevé. **9,5**

- **Résidence Corniche Fleurie**
Nice (06)
No. 2: 9.5/10




**EHPAD
RÉSIDENCE LE VIGÉ**
5, rue du Maréchal Juin
17780 SOUBISE
Tél. : 05 46 83 55 00
78 lits - Inscription : immédiate

Confort de vie
Pour la personne :  **UA**
À l'usage de tous : 
Santé, social : Médicalisé / APA.
Prix : Chambre individuelle : 63.00€ + 5.01€ = 68.01€
Notre avis : Si ce nouvel EHPAD, n'est pas le plus luxueux ou prestigieux du groupe privé ORPEA auquel il appartient, son standing reste cependant de très bonne qualité et il se différencie par sa conception novatrice ainsi que sa grande richesse en lieux de vie. Son architecture de plain-pied, est voulu ergonomique, fonctionnel afin de respecter la prise en charge spécifique des personnes désorientées ou Alzheimer. Nous en avons rarement vu autant de lieux de vie au sein d'un même établissement. Si l'hébergement est parfait les animations proposées 7 jours sur 7 le sont aussi. La restauration est réalisée sur place de façon traditionnelle. Nous mettons la note maximale, sur le projet qui nous a été présenté et pour le tarif peu excessif des prestations.

+ Concept et lieux de vie - Aucun. **10**

- **Résidence Le Vigé**
Soubise (17)
No. 1: 10/10



A leading European player in the dependency care sector

33,700 beds across 364 facilities in 5 countries
including 24,512 beds in operation (excluding those under redevelopment)

France
27,014 beds
302 facilities

Beds in operation: 22,447
Beds under redevelopment: 2,859
Beds under construction: 4,567

Belgium
3,523 beds
32 facilities

Beds in operation: 2,681
Beds under redevelopment: 491
Beds under construction: 842



Spain
1,776 beds
16 facilities

Beds in operation: 1,776
Beds under redevelopment: 0
Beds under construction: 0

Italy
1,222 beds
12 facilities

Beds in operation: 883
Beds under redevelopment: 0
Beds under construction: 339

Switzerland
165 beds
2 facilities

Beds in operation: 75
Beds under redevelopment: 0
Beds under construction: 90

Unique strengths for integrating and opening new facilities

Track record of successful acquisitions

- ▶ Solid track record: Orpea network doubled over four years: +17,697 beds

- ▶ Experience in integrating independent facilities acquired
- ▶ Opening new facilities built by the Group (14 in 2010)

- ▶ Integration of Mediter: identical process to independent facilities

Organisation sized for growth

- ▶ France: creation of divisions covering several regions
- ▶ International: structures strengthened

- ▶ Organisation adapted to business imperatives: monitoring key management indicators, improving Quality, etc.

- ▶ Flexible organisation geared to pace of expansion

Experienced, expert teams

- ▶ Overseen by Regional Director
- ▶ Clearly defined role for each person

- ▶ A "local" operations officer appointed by the Regional Director
- ▶ Expert "flying" teams
- ▶ Head office logistics and support services

- ▶ Group Corporate Secretary to strengthen relations between Head Office and Facilities for greater responsiveness



Orpea on track to absorb growth

12,500 beds to be integrated or opened in the next 3 to 4 years

Tried and tested integration process

STEP 1

Preliminary analysis

- ▶ **Audit of each facility** (safety, accessibility, assessment of works)
- ▶ **Audit of 3 businesses**
(hotel / foodservice / medical care according to Orpea's Quality grid)

STEP 2

Implementation and monitoring

- ▶ **Carrying out works and ordering equipment**
- ▶ **Communicate about acquisition to reinforce new Orpea Group membership**
(presentation meeting, information media and tools)
- ▶ **Implement approved action plans**
(participative approach, Quality procedures, centralisation of support functions, etc.)
- ▶ **Setting out priority actions in training and drawing up the associated budget**

STEP 3

Key success factors

- ▶ **Understanding and control over procedures by everyone**
- ▶ **Effective organisation that guarantees quality implementation**
- ▶ **Traceability of practices to secure care:** "I know what I did...and I can prove it!"
- ▶ **Continuously monitor, adapt and improve**
- ▶ **Action plans monitored over time**



Integration of a facility in 6-9 months

	Ongoing	Completed
<u>Facilities open and operating</u>		
Deployment of Orpea Quality procedures and care protocols	✓	
Implementation of management tools		✓
Centralisation of support functions	20%	80%
<u>Facilities under construction/redevelopment</u>		
Takeover of sites by Orpea's Works and Development teams		✓
Review and revision of architectural concepts by Medical Department		✓
<u>Mergers of identified facilities</u>		
Preliminary study done by Authorisation / Pricing / Business Development teams	✓	
Consultation with supervisory authorities for new modern facilities with 80+ beds	✓	



Swift integration thanks to Orpea's expertise and shared values

4 2010 RESULTS

Long-term care facility of
Saint-Maure des Fossés (94)



LA VIE CONTINUE AVEC NOUS

2010: new FY of profitable growth

2010 TARGETS

**Sales: €960m
+13.8%**

Strong organic growth

**Maintain a high level
of profitability**

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

2010 ACHIEVEMENTS

**€964.2m
+14.3%**

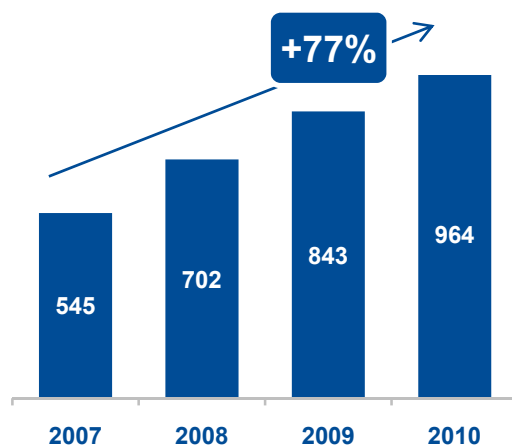
+8.7%

**Recurring operating margin
13.5%**

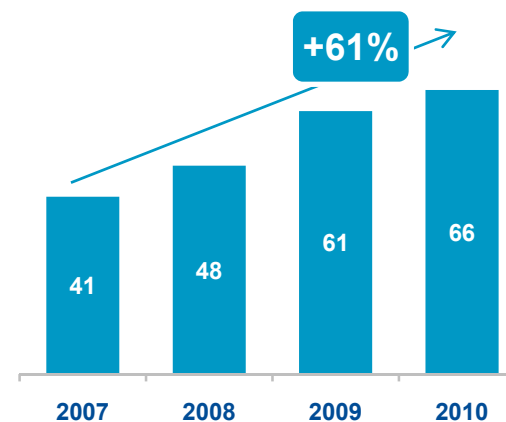
€113m

4 years of profitable and value-creating development

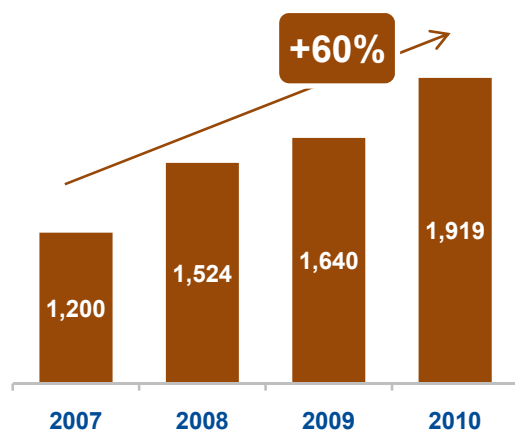
Sales (€m)



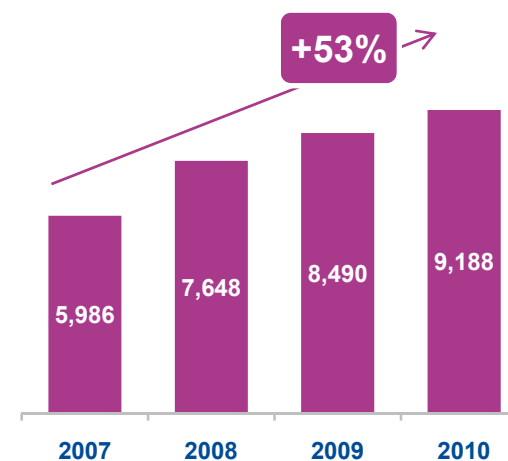
Net profit (€m)



Real-estate assets (€m)



Growth reservoir (nb of beds)



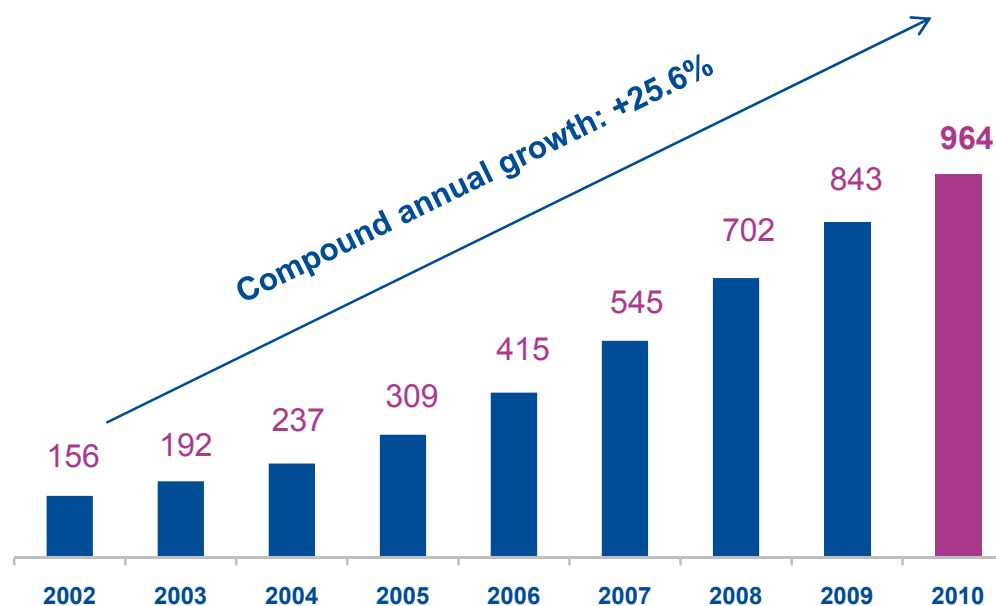
Strong increase in sales

► **2010 sales: €964.2m (+14.3%)**

► **2010 organic growth: +8.7%**

In €m	2010	2009	▲ %
France	848.1 88%	739.2 87%	+14.7%
International	116.1 12%	104.1 12%	+11.4%
Belgium	58.0	47.8	
Spain	29.9	28.7	
Italy*	17.1	18.0	
Switzerland	11.1	9.6	
Total	964.2	843.3	+14.3%

* Including sale of a facility in Italy in 2009



Solid organic growth + targeted external growth

Growth in all indicators

in €m	2010	2009	▲ %
Sales	964.2	843.3	+14.3%
EBITDAR (EBITDA before rents)	236.3	205.6	+14.9%
Recurring EBITDA	172.1	151.4	+13.7%
Recurring EBIT (Rec. Ope. Profit)	130.0	115.4	+12.7%
EBIT (Operating Profit)	151.4	134.5	+12.6%
Financial result	(52.4)	(45.7)	(+14.7%)
Net profit (Group share)	66.4	61.2	+8.5%



Solid profitability despite nearly 30% of network in development
Net profit record: €66.4m

Strong profitability

In €m	2010	2009	▲ %
Sales	964.2	843.3	+14.3%
Staff costs	(490.6)	(425.0)	+15.4%
Expenses	(187.7)	(165.5)	+13.4%
Taxes and duties	(45.5)	(42.8)	+6.4%
Other income and expenses	(4.1)	(4.4)	N.S.
EBITDAR (EBITDA before rents)	236.3	205.6	+14.9%
	24.5%	24.4%	
Rents	(64.1)	(54.2)	+18.2%
Reccuring EBITDA	172.1	151.4	+13.7%
Amortisation and depreciation	(42.2)	(36.0)	+17.2%
Reccuring EBIT (Rec. Ope. Profit)	130.0	115.4	+12.7%
	13.5%	13.7%	
Non-reccuring items	21.4	19.1	N.S.
EBIT (Operating Profit)	151.4	134.5	+12.6%

Geographical breakdown of profitability

In €m	2010			2009		
	Sales	Recur. EBITDA	% Sales	Sales	Recur. EBITDA	% Sales
France	848.1	160.0	18.9%	739.2	139.7	18.9%
Spain	27.0	1.6	6.0%	26.4	1.2	4.7%
Italy	11.8	1.1	9.1%	11.8	0.8	6.5%
Belgium	50.9	9.5	18.6%	47.8	7.6	16.0%
Switzerland	14.9	2.3	15.6%	9.7	1.4	14.9%
International, excluding heavy restructuring	104.6	14.5	13.9%	95.7	11.1	11.6%
SUBTOTAL	952.7	174.5	18.3%	834.9	150.8	18.1%
International, heavy restructuring						
Restructuring in Spain (1 site)	2.8	(0.3)	(12.0)%	2.3	(0.4)	(18.0)%
Restructuring in Italy (2 sites)	5.3	0.0	0.0%	6.1	0.9	15.0%
Opening in Belgium (1 site)	3.4	(2.1)	(61.0)%	0.0	0.0	
TOTAL	964.2	172.1	17.9%	843.3	151.4	17.9%

Recurring EBITDA : Recurring operating profit before amortisation and depreciation

Sound financial structure

	in €m	31 Dec. 2010	31 Dec. 2009
ASSETS	Fixed assets	3,274	2,670
	Goodwill	406	204
	Intangible assets	919	775
	Tangible assets & property assets under development	1,919	1,662
	Other non-current assets	30	29
	Current assets	540	309
	<i>Of which cash and cash equivalent & marketable securities</i>	<i>277</i>	<i>135</i>
	Assets held for sale	120	82
	TOTAL ASSETS	3,934	3,061
LIABILITIES	Shareholders' equity Group share and perpetual deferred	1,113	861
	Shareholders' equity Group share	878	642
	Deferred tax (Quasi shareholders equity)	235	219
	Minority interests	30	
	Fixed liabilities	1,840	1,450
	Other deferred tax liabilities	298	236
	Provisions for liabilities and charges	32	34
	Long-term financial debt	1,510	1,180
	Passif Courant	831	668
	<i>Of which short-term debt (bridging loans and property refinancing)</i>	<i>328</i>	<i>258</i>
	Debt linked to assets held to sale	120	82
	TOTAL LIABILITIES	3,934	3,061

**Cash
&
cash
equivalent**

€277m

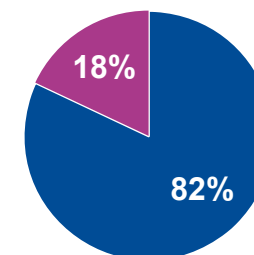
**Equity
Group
share**

+37%
€878m

Debt and financial flexibility

Breakdown of the debt

Indicators	31 Dec. 2010 Excluding Mediter	31 Dec. 2010 Mediter included	30 June 2010
Net financial debt*	1,483	1,561	1,429
Restated financial leverage ¹	2.86	3.39	3.23
Restated gearing ²		1.51	1.72



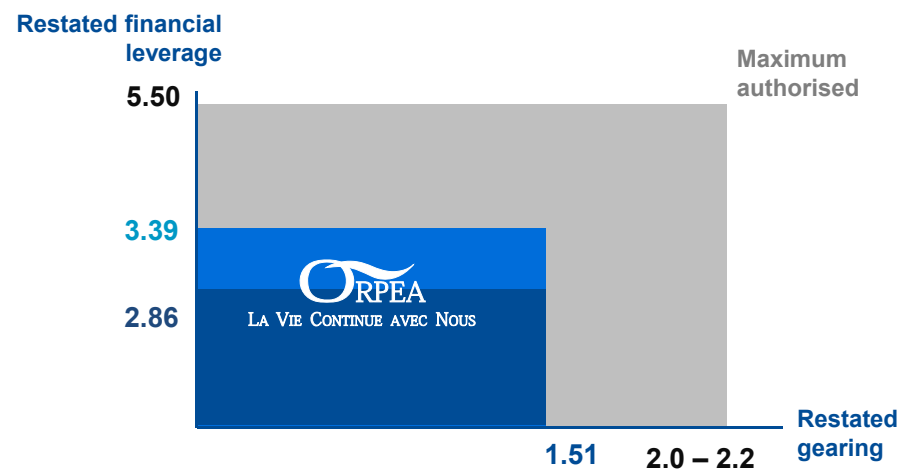
■ Property debt ■ Operating debt

¹ $\frac{\text{Net financial debt} - \text{Property debt}}{\text{Ebitda} - (6\% \text{ Property debt})}$

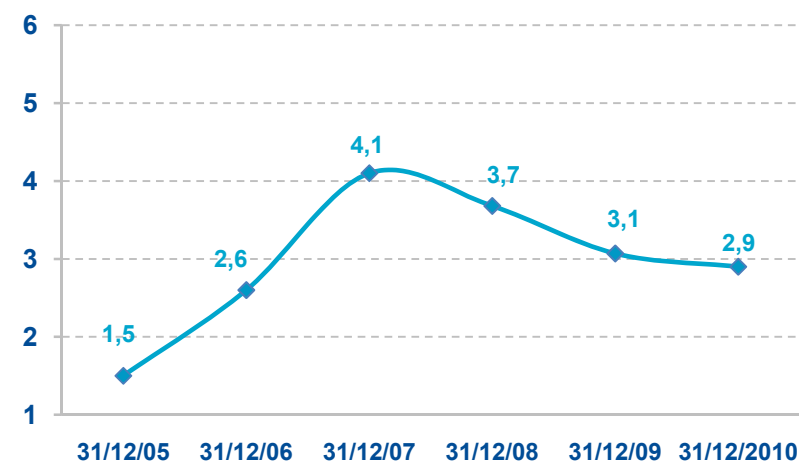
² $\frac{\text{Net financial debt}}{\text{Shareholders' equity} + \text{quasi equity}}$

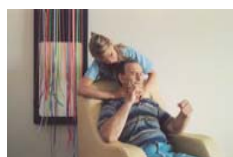
* Excluding the impact of the assets being sold for €120m

Banking covenants



Change in restated financial leverage





Assets

- ▶ Network of 33,700 beds
 - ✓ 24,512 operational
 - ✓ 3,350 operational but to be renovated
 - ✓ 5,838 under construction



Value of intangible assets:

€919m

+19% in 1 year

Liabilities

- ▶ Financing by medium-term 5 to 7-year loans
- ▶ No significant maturity: loans progressively repaid
- ▶ Hedged by derivatives: fixed-rate swaps



Net operating debt:

€281m



Network of high-potential beds, partially valued as assets
No obtained authorisation incorporated in the Balance sheet since 10 years

Real-estate assets revaluation

Quality of assets

Age < 10 years
Strategic locations

206 facilities

81 of which partially owned

Constructed surface area

701,000 m²
+51,000 m² over 1 year

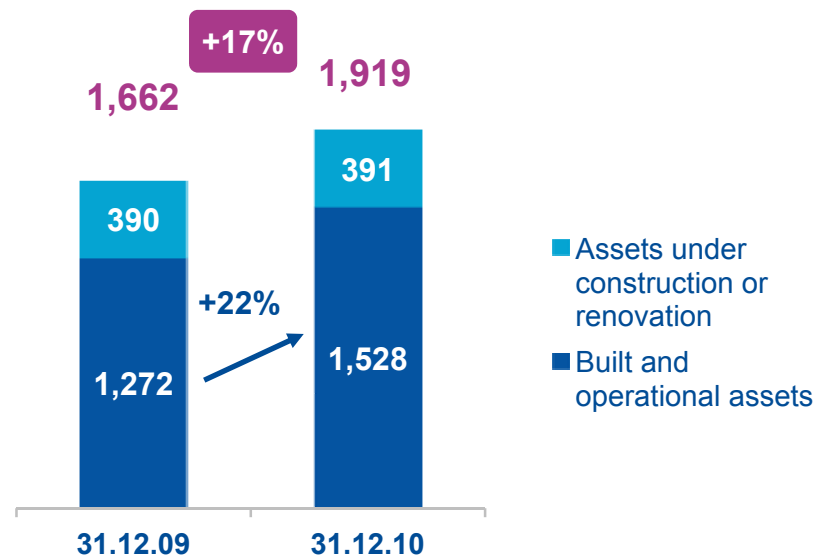
Value: €1,919m

+17% over 1 year
+4.9% on like-for-like basis

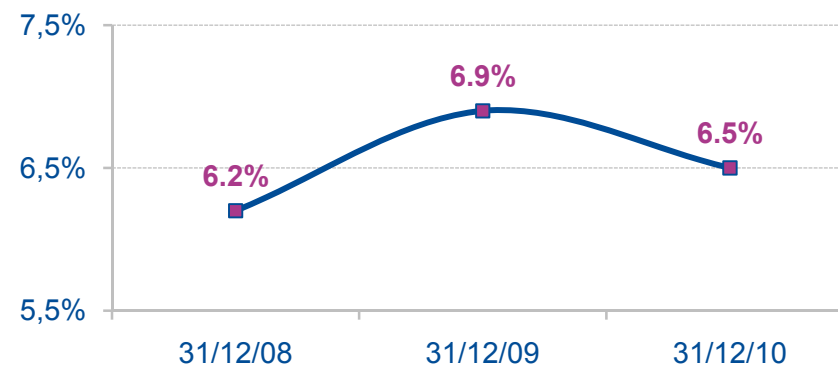
Average value per m²

€2,181m

Change in real-estate assets value (€m)



Change in discounting rate



Real-estate: securing future profitability



Assets

- ▶ **Operating property: 701,000 m²**
out of more than 1 million m² of land
Secure and saleable assets, not especially
vulnerable to fluctuations in the property
market
- ▶ **Building land + buildings under
construction (€391m)**
9,188 beds under construction or
renovation



Asset value*

€1,919m

Liabilities

- ▶ **Financed by leases & long-term
loans (12 years)**
- ▶ **Property development credit lines**
2 exit possibilities:
 - ✓ Continue to own property
 - ✓ Sales of properties:
 - via “LMP, LMNP, SCELLIER”
 - to institutional investors



Net property debt*

€1,280m

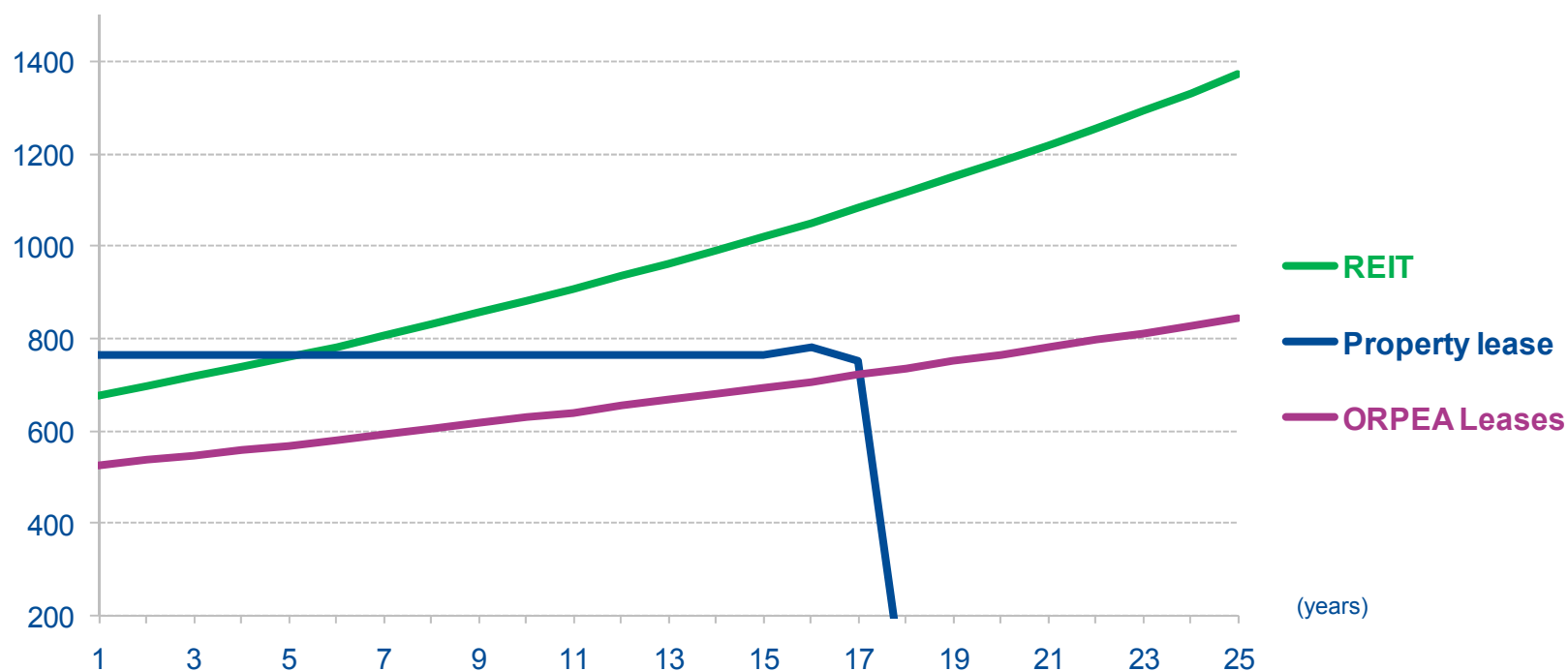
* Excluding assets and liabilities held for sale for €120m



**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**

► **Assumptions made: 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	2010	2009	▲ %
Recurring EBITDA	172	151	+14%
Net cash flow from operating activities	130	127	+2%
Net investment cash flow	(422)	(258)	+63%
Maintenance	(29)	(25)	
Construction	(214)	(185)	
Property sales	114	158	
Acquisitions	(294)	(206)	
Net financing cash flow	433	213	+103%
Capital increase	113	62	
Bank financing	320	151	
Change in cash position	141	82	n.s.



**Investments dedicated to a strong sustainable growth of EBITDA:
Change on 5 years (2010/2005): +199%**

Principle

- ▶ Accounting treatment of property leases
- ▶ Capitalisation at present value of minimum lease payments

Objectives and timeframe

- ▶ Strengthen transparency and clarity
- ▶ Facilitate comparability of financial statements independently of property strategy
- ▶ Implementation due in 2014 with proforma statements in 2013

Impacts

- ▶ Balance sheet: ↗ Liability and ↗ Non-current asset representing the right to use the leased item (right-of-use asset)
- ▶ Earnings: ↗ EBITDA, ↗ amortisation, ↗ financial expense
- ▶ Strategy: less interest in off-balance sheet financing in debt reduction strategies



Reform favourable to companies that already have a large property portfolio, encouraging them to keep and develop it to increase wealth in the longer term

5 OUTLOOK AND TARGETS

Long-term care facility of
Saint Laurent du Var (06)



Next 12 months openings: 2,100 beds

Le Cannet
(06)

Long-term care facility



Boussy Saint Anoine
(91)

Long-term care facility



Osny
(95)

Post-acute care clinic



Mareuil lès Meaux
(77)

Post-acute care clinic



Roquebrune
(06)

Long-term care facility



Saint Maur des Fossés
(94)

Long-term care facility



Toulon
(83)

Psychiatric clinic



Saint Laurent du Var
(06)

Long-term care facility



Boulogne
(92)

Long-term care facility



Nîmes
(30)

Long-term care facility



Le Cateau Cambrésis
(59)

Long-term care facility



Sigoule
(24)

Long-term care facility



Other development projects

Clichy Batignolles (75)

Long-term care facility



Brasles (02)

Long-term care facility



La Garenne Colombes (92)

Long-term care facility



Berlaimont (59)

Long-term care facility



Cannes Montfleury (06)

Long-term care facility



Meyzieux (69)

Post-acute care clinic



Chamalières (63)

Post-acute care clinic



Valmante (13)

Post-acute care clinic



Montchenot (51)

Long-term care facility



Saint Maxime (83)

Post-acute care clinic



Pursuance of a profitable growth strategy

Sales

- ▶ Integration of 9,188 beds under redevelopment or construction

Profitability and cash flow

- ▶ Constant growth of mature facilities
- ▶ Ramp up on new facilities

Development

- ▶ New authorisations
- ▶ Selective acquisitions
- ▶ International

Real Estate

- ▶ Ownership of 50% of facilities
- ▶ Divestment by letting of furnish property, direct sales

Debt

- ▶ Growth of the number of facilities at maturity

**2011 sales
at €1,210m
+26%**

**Growth
in profits**

**~ 3,000 beds
per year**

**Growth of the
portfolio**

**Improvement
of debt ratios**



Profitable growth dynamic

APPENDICES

Long-term care facility of
Marseille (13)



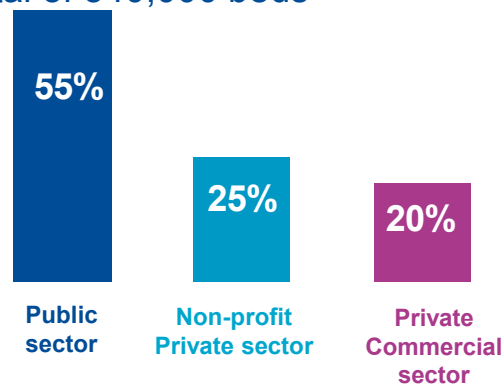
ORPEA

LA VIE CONTINUE AVEC NOUS

A sector that remains fragmented in France

► **Low representativity** of the private commercial sector:

Out of a total of 540,000 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 is still highly fragmented**

- ✓ 4 major groups (> 4,000 beds)

Group	Number of beds in France	Number of beds abroad	Total
ORPEA	16,417	4,040	20,457
DOMUS VI / DOLCEA	16,511	1,989	18,500
KORIAN	10,699	6,668	17,367
MEDICA	8,785	1,522	10,307

Source: "Mensuel des Maisons de Retraite," (Monthly Professional Newspaper) January 2011*

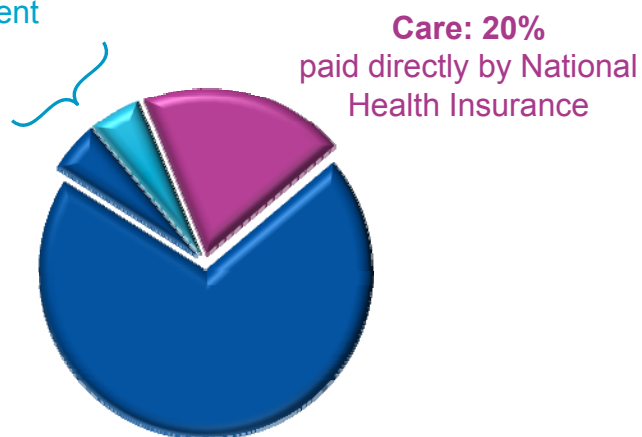
- ✓ 15 mid-sized groups (between 500 and 4,000 beds)
- ✓ 800 individual owners (including 700 with between 5 and 40 beds)

* for ORPEA, total number at last count (01.01.11): 32,939 beds (26,702 beds in France and 6,237 beds abroad), including post-acute, rehabilitation and psychiatry)

► long-term care facilities

Dependency care: 10%

- ✓ Dependent on the level of dependency and resources
- ✓ Mostly paid by the Local Authority ("APA") with a small portion 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

Single room sup.:

- ✓ 20% paid directly by patients and/or private health insurance



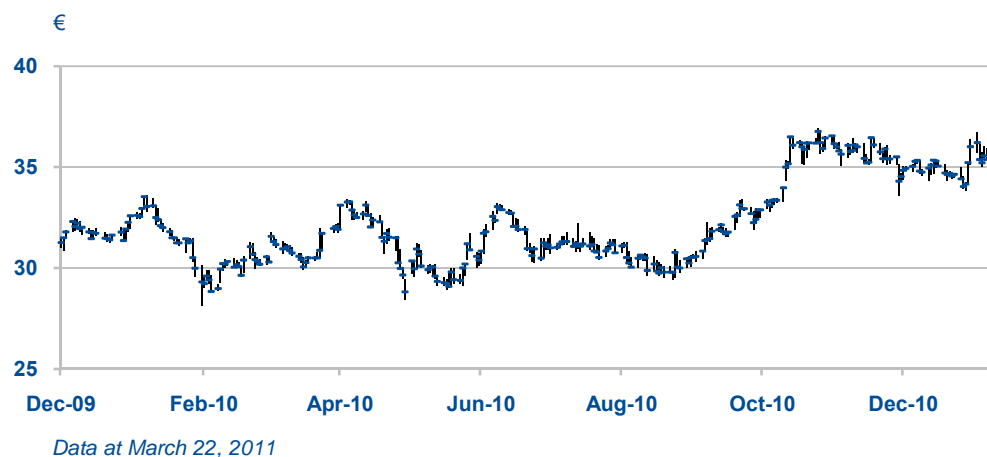
Care & accommodation (in a double bedroom):

- ✓ 80% paid directly by National Health Insurance

Stock market information

► Market data (last 12 months):

- ✓ **Average daily volume:** 56,961 shares
- ✓ **Price:** €34.68
- ✓ **High (12 months):** €36.94
- ✓ **Low (12 months):** €28.16
- ✓ **Turnover:** 35% in 12 months
- ✓ **Mkt Cap:** €1,469m
- ✓ **Nb of shares:** 42,352,795



► Indices:

- ✓ **Compartment A of Euronext Paris by NYSE Euronext**
- ✓ **Member of MID CAC 60 and SBF 120**
- ✓ **Member of SRD**

► Financial calendar*:

- ✓ **2011 Q1 sales:** 04.05.2011 (before market opening)

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**Subject to change*