ORPEA

LA VIE CONTINUE AVEC NOUS

PRESS RELEASE

H1 2009: strong growth in activity and results within the context of buoyant development

- **Revenue: +22.4%**
- **Recurring operating profit: +21.6%**
- **Net profit: €30.1m**

Puteaux, 8th September 2009

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 of 2009 to 30th June 2009.

In €m (IFRS)	**H1 2009**	**H1 2008**	**▲%**
Revenue	**404.1**	330.2	*+22.4%*
EBITDAR (EBITDA before rents)	**95.3**	78.6	*+21.2%*
EBITDA	**70.7**	57.7	*+22.5%*
Recurring operating profit	**52.6**	43.3	*+21.6%*
Operating profit	**62.1**	55.8	*+11.3%*
Net profit	**30.1**	28.2	*+6.7%*

Another half year of buoyant growth and strong results

Yves Le Masne, Chief Operating Officer, comments: "*The buoyant growth in our results over the half again illustrates the robustness and efficiency of ORPEA's business model. Indeed, recurring operating profit again rose by over 20%, the same rate of growth as revenue, despite a third of the network being under construction or being renovated and thus negatively impacting profitability. Independently of the economic and financial context, ORPEA is proving its ability to combine growth in activity, robust profitability and a buoyant development providing substantial visibility on its future growth.*"

[1] Unaudited

- **Profitability remains robust**

Over the first half of 2009, **revenue** recorded further buoyant growth of more than 20% to €404.1m, thanks to a combination of strong organic growth (+11.5%) and value-creating selective external growth.

EBITDAR (EBITDA before rents) totalled €95.3m, up 21.2%, a similar momentum to that of revenue.

This performance is the result of the strategy constantly applied by the Group in order to ensure:
- a high quality of service for residents and patients, through a dynamic and innovative HR policy with an emphasis on internal promotion and training;
- the optimisation of costs based on the centralisation of support services at the Group's headquarters: general services, human resources, sourcing and billing, legal, pay, cash, IT, maintenance and real estate development.

Recurring **EBITDA** rose 22.5% to €70.7m.

The Group's real-estate policy, which consists in retaining ownership of half of its buildings, participates in controlling the cost of its operational real estate.

The **Recurring operating margin** was stable. It reached 13.0% within the context of buoyant development.
The Group's profitability level has been preserved, whilst facilities under construction or being renovated, representing close to 8,000 beds in France and abroad, are continuing to weigh on profitability.

Operating profit (EBIT) increased by +11.3% to €62.1m, and includes €9.5m of non-recurring net income (versus €12.5m in H1 2008) essentially corresponding to the divestment of buildings.

The cost of financial debt was €22.2m (versus €17.4m in 2008), due to the maintaining of the buoyant rate of investments.

All in all, **net profit** for the first half of 2009 came to €30.1m.

- **Debt ratios under control**

At 30th June 2009, shareholders' equity stood at €564m, versus €541m at 31st December 2008.
Net financial debt was €1,314m, thus recording a small increase of 7% over the half, barely affected by the Group's development.

For the second half in a row, the Group's main debt ratio recorded an improvement at 30th June 2009:
- financial leverage = 3.30 versus 3.68 at 31/12/08 (5.5 authorised);
- restated gearing = 1.78 versus 1.75 at 31/12/08 (2.2 authorised).

75% of debt is hedged against the risk of interest rates fluctuation, with ORPEA favouring cautious financial management with a long-term vision.

The Group's debt is in vast majority real-estate debt (82%), and is backed by high-quality low-volatility assets that are the subject of much interest from investors.

As is the case every year, building divestments essentially take place over the second half of the year. €80m of divestments are already being undertaken, on top of the €20m undertaken in the first half.

The €217m OBSAAR bond issue finalised last August allowed the Group to extend the average maturity of its debt and to thus increase the Group's financial flexibility in order to support future developments.

❑ Value-creating real-estate assets

The Group's real-estate assets have a global value of €1,619m, consisting of:
- €1,232m of operational buildings representing over 500,000 m^2;
- €387m in assets currently under development (buildings under construction or being renovated).

These real-estate assets represent highly value-creating assets for ORPEA and guarantee the long-term robustness of operating profitability. These buildings are all new or recently renovated, strategically located in or close to major cities, and all benefit from regular maintenance.

❑ Guidance reaffirmed

Based on this particularly dynamic first half, the Group is confidently and serenely reaffirming its guidance:
- 2009 revenue of €830m;
- 2011 revenue of significantly more than a billion euros;
- Maintaining of solid profitability;
- Further improvement in debt ratios, within a context of controlled development.

❑ Pursuance of the value-creating strategy

Benefiting from a regularly-increasing network of fully-operational buildings and from increased financial flexibility, ORPEA is pursuing its cautious development policy:
- creation of new facilities through the granting of authorisations;
- selective acquisition of facilities to be restructured.

The development strategy has remained the same over recent years: to create value and to build a reservoir for future growth whilst maintaining robust profitability and dynamic organic growth.
The update on developments since March will be presented on 13th October.

Dr. Jean-Claude Marian, Chairman and CEO, concludes: "Over the first half, *ORPEA recorded another remarkable performance by combining growth in activity, solid profitability and value-creating development. The commitment and motivation of our 15,000 staff are one of the Group's main assets: they enable us to offer high-Quality, innovative and personalised care for each and every resident and patient in our facilities.*"

Next Press Release:
Update on development: 13th October 2009 before market opening

About ORPEA (www.orpea.com**)**: Listed on Euronext Paris since April 2002 and recently promoted to the Deferred Settlement Service, the ORPEA group is a leading player in the Long-Term Care and Post-Acute Care sectors. As of 1st March 2009, the Group has a unique European network of healthcare facilities, with 25,019 beds (20,540 of them operational) across 266 sites, including:
- 19,958 beds in France: 16,474 operational (including 2,774 being renovated) + 3,484 under construction, spread across 219 sites.
- 5,061 beds in Europe (Spain, Belgium, Italy and Switzerland): 4,066 operational (including 535 being renovated) + 995 under construction, spread across 47 sites.

Listed on Euronext Paris Compartment B of NYSE Euronext - ISIN: FR0000184798
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