Prospectus dated 18 December 2015

Orpéa

€20,000,000 2.568 per cent. Notes due 22 December 2022

€6,000,000 3.144 per cent. Notes due 22 December 2025

Issue Price of the 2022 Notes: 100 per cent.

Issue Price of the 2025 Notes: 100 per cent.

The €20,000,000 2.568 per cent. notes due 22 December 2022 (the "**2022 Notes**") and the €6,000,000 3.144 per cent. notes due 22 December 2025 (the "**2025 Notes**" and, together with the 2022 Notes, the "**Notes**") of Orpéa (the "**Issuer**") will be issued on 22 December 2015 (the "**Issue Date**").

Interest on the 2022 Notes will accrue from, and including, the Issue Date at the rate of 2.568 per cent. *per annum*, payable annually in arrear on 22 December in each year, and for the first time on 22 December 2016 for the period from, and including, the Issue Date to, but excluding, 22 December 2016, as further described in "Terms and Conditions of the 2022 Notes – Interest".

Interest on the 2025 Notes will accrue from, and including, the Issue Date at the rate of 3.144 per cent. *per annum*, payable annually in arrear on 22 December in each year, and for the first time on 22 December 2016 for the period from, and including, the Issue Date to, but excluding, 22 December 2016, as further described in "Terms and Conditions of the 2025 Notes – Interest".

Unless previously redeemed or purchased and cancelled, in accordance with the terms and conditions of the 2022 Notes, the 2022 Notes will be redeemed at their principal amount on 22 December 2022. Unless previously redeemed or purchased and cancelled, in accordance with the terms and conditions of the 2025 Notes, the 2025 Notes will be redeemed at their principal amount on 22 December 2025. Notes may, and in certain circumstances shall, be redeemed before their maturity date, in whole but not in part, at their principal amount, together with any accrued interest thereon, in the event that certain French taxes are imposed (see "Terms and Conditions of the 2022 Notes – Redemption and purchase – Redemption for taxation reasons" and " Terms and Conditions of the 2025 Notes – Redemption and purchase – Redemption for taxation reasons"). Each Noteholder (as defined respectively in the terms and conditions of the 2022 Notes and the terms and conditions of the 2025 Notes) will be entitled, in the event of a Change of Control (as defined respectively in the terms and conditions of the 2022 Notes and the terms and conditions of the 2025 Notes) of the Issuer, to request the Issuer to redeem all, but not some only, of its Notes at their principal amount, together with any accrued interest thereon (see "Terms and Conditions of the 2022 Notes – Redemption and purchase – Redemption following a Change of Control" and "Terms and Conditions of the 2025 Notes – Redemption and purchase – Redemption following a Change of Control"). In addition, the Issuer may redeem all, but not some only, of the 2022 Notes and/or 2025 Notes at any time prior to their respective maturity date at their relevant Make-whole Redemption Amount (see "Terms and Conditions of the 2022 Notes – Redemption and purchase – Early redemption at the Make-whole Redemption Amount" and "Terms and Conditions of the 2025 Notes – Redemption and purchase – Early redemption at the Make-whole Redemption Amount").

The Notes will be issued in dematerialised bearer form in the denomination of €100,000 each. Title to the Notes will be evidenced by book entries in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. "**Account Holder**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France and includes Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, Luxembourg.

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and the Council dated 4 November 2003, as amended. Application has been made for the Notes to be admitted to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and the Council dated 21 April 2004, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority.

Neither the Notes nor the long-term debt of the Issuer has been rated.

So long as any of the Notes is outstanding, copies of this Prospectus together with the 2013 Reference Document and 2014 Reference Document will be available on the websites of the Issuer (www.orpea-corp.com) and of the *Autorité des marchés financiers* (www.amf-france.org). The 2015 Interim Financial Report is available on the website of the Issuer.

See the "Risk Factors" section for a description of certain factors which should be considered by prospective investors prior to any investment in the Notes.

In accordance with Articles L. 412-1 et L. 621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* (the "**AMF**") has granted to this Prospectus the visa No. 15-635 on 18 December 2015.

This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

Joint Lead Managers

Crédit Agricole CIB **ING**

*This Prospectus has been prepared for the purposes of giving information with respect to the Issuer, the Issuer and its subsidiaries taken as a whole (the "**Group**") and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer as well as the rights attached to the Notes.*

This Prospectus is to be read and construed in conjunction with all the documents which are incorporated by reference herein (see "Documents incorporated by reference"). The Issuer accepts responsibility for the information contained or incorporated by reference herein. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

*Crédit Agricole Corporate and Investment Bank and ING Bank N.V. Belgian Branch (the "**Joint Lead Managers**") have not separately verified the information contained or incorporated by reference in this Prospectus. The Joint Lead Managers do not make any representation, express or implied, nor accept any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by, or on behalf of, any of the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes.*

No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Notes not contained or incorporated by reference in this Prospectus. Any information or representation not so contained or incorporated by reference herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Lead Managers. The delivery of this Prospectus or any offering or sale of Notes at any time does not imply (i) that there has been no change with respect to the Issuer or the Group since the date hereof and (ii) that the information contained or incorporated by reference in it is correct as at any time subsequent to its date.

This Prospectus and any other information relating to the Issuer or the Notes should not be considered as an offer, an invitation or a recommendation by any of the Issuer or the Joint Lead Managers to subscribe or purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The Joint Lead Managers do not undertake to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Notes of any information coming to its attention. Investors should review inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase the Notes. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, its business, its financial condition and the issued Notes and consult their own financial or legal advisers about risks associated with an investment in the Notes and the suitability of such an investment in light of their particular circumstances. Prospective investors should read carefully the section entitled "Risk Factors" set out in this Prospectus prior to any investment in the Notes.

The distribution of this Prospectus and the offering or the sale of the Notes in certain jurisdictions may be restricted by law or regulation. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution, offering or sale. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of any Note or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Notes and distribution of this Prospectus and of any other offering material relating to the Notes, see "Subscription and Sale" below.

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are being offered outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*

*In this Prospectus, references to "**€**", "**EURO**", "**EUR**" or to "**euro**" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.*

FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

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RESPONSIBILITY

1. Person responsible for the information contained in the Prospectus

ORPEA
115, rue de la Santé
75013 Paris
France

Duly represented by:

Yves Le MASNE
Chief Executive Officer

2. Responsibility statement

After having taken all reasonable measures to ensure that such is the case, I hereby certify that the information contained or incorporated by reference in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

The reports of the statutory auditors of the Issuer and the financial statements for the years ended 31 December 2013 and 31 December 2014 are incorporated by reference in this Prospectus. In the report of the statutory auditors of the Issuer on the consolidated financial statements of the Issuer for the year ended 31 December 2013, included on pages 292 and 293 of the 2013 Reference Document, the statutory auditors made an observation.

The limited review report of the statutory auditors of the Issuer and the condensed consolidated financial statements of the Issuer as at 30 June 2015 are incorporated by reference in this Prospectus. In the limited review report of the statutory auditors of the Issuer on the condensed consolidated financial statements of the Issuer as at 30 June 2015, included on pages 58 and 59 of the 2015 Interim Financial Report, the statutory auditors made an observation.

Paris, 18 December 2015

ORPEA
Duly represented by Yves Le MASNE, Chief Executive Officer

Signed by his duly authorised attorney:
Yamina Emmungil, Head of Legal Affairs

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with:

- the sections referred to in the table below included in the 2013 registration document of the Issuer in the French language (*document de référence 2013*) which was filed with the *Autorité des marchés financiers* (the "**AMF**") on 16 May 2014 under No. D.14-0539 (the "**2013 Reference Document**") and which includes the statutory audited consolidated and unconsolidated financial statement of the Issuer,
- the sections referred to in the table below included in the 2014 registration document of the Issuer in the French language (*document de référence 2014*) which was filed with the AMF on 19 May 2015 under No. D.15-0510 (the "**2014 Reference Document**") and which includes the statutory audited consolidated and unconsolidated financial statement of the Issuer, and
- the interim financial report of the Issuer in the French language (*rapport financier semestriel*) which includes the condensed consolidated financial statement of the Issuer as at 30 June 2015 and the related limited review report from the statutory auditors of the Issuer (the "**2015 Interim Financial Report**"),

which are incorporated by reference in, and shall be deemed to form part of, this Prospectus.

So long as any of the 2022 Notes or 2025 Notes is outstanding, as described in "Terms and Conditions of the 2022 Notes" and "Terms and Conditions of the 2025 Notes" below, copies of the documents incorporated by reference are available on the Issuer's website (www.orpea-corp.com) and upon request, free of charge, at the principal office of the Issuer during normal business hours on any weekday (except Saturdays, Sundays and public holidays). The 2013 Reference Document and 2014 Reference Document are also available on the AMF's website (www.amf-france.org). The 2015 Interim Financial Report has been filed with the AMF.

The information incorporated by reference in this Prospectus shall be read in connection with the cross reference list below. Any information not listed in the following cross-reference list but included in the documents incorporated by reference in this Prospectus is given for information purposes only and shall not be deemed to be incorporated, and to form part of, this Prospectus. Any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise); any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Rule	INFORMATION INCORPORATED BY REFERENCE Annex IX of the European Regulation 809/2004/EC	2013 Reference Document (page number and section)	2014 Reference Document (page number and section)	2015 Interim Financial Report (page number)
3.	**RISK FACTORS**			
3.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors"		Chapter 5, Section 5, p.156 to 191	
4.	**INFORMATION ABOUT THE ISSUER**			
4.1	**<u>History and development of the Issuer</u>**		Chapter 4, Section 1.1, p 95 and 96	
4.1.1	The legal and commercial name of the issuer		Chapter 2, Section 1, p 10	
4.1.2	The place of registration of the issuer and its registration number		Chapter 2, Section 6, p 11	
4.1.3	The date of incorporation and the length of life of the issuer, except where indefinite		Chapter 2, Section 2, p 10	
4.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its		Chapter 2, Sections 1 to 3, p 10	

	registered office			
4.1.5	Any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency		Not applicable	Not applicable
5.	**BUSINESS OVERVIEW**			
5.1	**Principal activities**		Chapter 4, p 94 to 106	
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed		Chapter 4, p 94 to 106	
5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position		Chapter 4 Section 2, p. 106 to 119	
6.	**ORGANISATIONAL STRUCTURE**			
6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it		Chapter 4, Section 1, p.103 to 106, Chapter 5, Section 6, p.193 to 194 and Chapter 8, Section 1 p.304 and 305	
6.2	If the Issuer is dependant upon other entities within the group, this must be clearly stated together with an explanation of this dependence.		Not applicable	
8.	**PROFIT FORECAST OR ESTIMATES**		Not applicable	Not applicable
9.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**			
9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.		Chapter 3, Section 1, p.27 to 30	
9.2	Administrative, Management, and Supervisory bodies conflicts of interests		Chapter 3, Section 1, p.32	
10.	**MAJOR SHAREHOLDERS**			
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused		Chapter 2, Section 14, p.20 to 21	
10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer		Chapter 2, Section 14, p. 21	
11.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**			
11.1	**Historical Financial Information** Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report	Chapter 4, Management report, p.146 to 152	Chapter 5, Management report, p.138 to 146	Chapter 2, p. 13 to 56

	in respect of each year If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following: (a) the balance sheet (b) the income statement (c) the accounting policies and explanatory notes	Chapter 5, Consolidated financial statements, p.237 to 293: - balance sheet p.239 - income statement p.237-238 - accounting policies p.244 to 291 Chapter 4, Management report, p.153 to 157 Chapter 6, Statutory financial statements, p.294 to 319 - balance sheet p.295 - income statement p.294 -accounting policies p.296-301	Chapter 7, Consolidated financial statements, p.234 to 293: - balance sheet p.236 - income statement p.234-235 - accounting policies p.241 to 291 Chapter 5, Management report, p.146 to 150 Chapter 8, Statutory financial statements, p.294 to 319 - balance sheet p.295 - income statement p.294 -accounting policies p.296-301	
11.2	**Financial statements** If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document	Chapter 5, Consolidated financial statements, p.237 to 293	Chapter 7, Consolidated financial statements, p.234 to 293	Chapter 2, p. 13 to 56
11.3	**Auditing of historical annual financial information**			
11.3.1	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given	Chapter 5, Section 2, p.292 and 293 Chapter 6, Section 2, p.318 and 319	Chapter 7, Section 2, p.292 and 293 Chapter 8, Section 2, p.318 and 319	Chapter 4, p. 58 to 59
11.3.2	An indication of other information in the registration document which has been audited by the auditors.	Chapter 2, Section 2, p.76 to 77 Chapter 2, Section 3, p.78 to 86 Chapter 6, Section 4, p.229 to 232 Chapter 7, Section 3, p.373 to 378	Chapter 3, Section 3, p.84 to 85 Chapter 3, Section 4, p.86 to 93 Chapter 6, Section 4, p.230 to 233 Chapter 9, Section 3, p.347 to 349	Not applicable
11.4	**Interim and other financial information**	Not applicable	Not applicable	Chapter 2, p. 13 to 56
12	**MATERIAL CONTRACTS**		Not applicable	Not applicable
13	**THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**			
13.1	Where a statement or report attributed to a person as an expert is included in the registration document,		Not applicable	Not applicable

	provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the registration document.			
13.2	**Third party information** Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.		Not applicable	Not applicable

RISK FACTORS

The Issuer considers that the risk factors described below are important to make an investment decision in the Notes and/or may alter its ability to fulfill its obligations under the Notes towards investors. All of these factors are contingencies which are unpredictable and may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or to any of its subsidiaries.

The following describes the main risk factors relating to the Issuer and the Notes that the Issuer considers, as of the date hereof, material with respect to the Notes. The risks described below are not the only risks the Issuer faces and they do not describe all of the risks of an investment in the Notes. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations or on an investment in the Notes.

Prior to making an investment decision in the Notes, prospective investors should consider carefully all the information contained or incorporated by reference in this Prospectus, including the risk factors detailed below. In particular, prospective investors, subscribers and holders of Notes must make their own analysis and assessment of all the risks associated to the Notes and the risks related to the Issuer, its activities and its financial position. They should also consult their own financial or legal advisors as to the risks entailed by an investment in the Notes and the suitability of such an investment in light of their particular circumstances.

The Notes should only be purchased by investors who are financial institutions or other professional investors who are able to assess the specific risks implied by an investment in the Notes, or who act on the advice of financial institutions.

The order in which the following risk factors are presented is not an indication of the likelihood of their occurrence.

Terms defined in the "Terms and Conditions of the 2022 Notes" and the "Terms and Conditions of the 2025 Notes" sections of this Prospectus shall have the same meaning where used below.

1. Risks related to the Issuer and its activities

The risk factors relating to the Issuer and its activities are described in the 2014 Reference Document and incorporated by reference in this Prospectus (see "Documents Incorporated by Reference" herein) and include the following:

- obtaining and renewing operating licences and authorisations;
- pricing of the Group's facilities;
- a change of public policy in France;
- difficulties in recruiting qualified staff;
- climate risk;
- occurrence of pandemic;
- competitive risks;
- risk of maltreatment;
- risk related to the safety of premises;
- risks linked to provision of care and good practices;
- risks related to food products;
- the Group's growth strategy;
- property risk;
- information systems risk;
- dependency on subcontractors and suppliers;
- departure of key employees;
- international operations of the Group;
- customer risk;
- credit, liquidity and treasury risk; and

- legal risks.

The Issuer expressly advises prospective investors to carefully consider in full the risk factors set out in the 2014 Reference Document (pages 156 to 191).

2. Risks related to the Notes

An investment in the Notes might not be suitable for all investors

Each prospective investor must determine based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. In particular, each prospective investor should:

(i) have sufficient knowledge and experience to properly assess the Notes, the merits and risks of investing in such Notes and the information contained or incorporated by reference in this Prospectus;

(ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and sensitivity to the risk, an investment in the Notes and the impact the Notes might have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including any currency exchange risk when the currency in which payment of principal or interests is to be made is different from that of the prospective investor;

(iv) understand thoroughly the terms of the Notes and related risks and be familiar with the behaviour of the financial markets and any relevant indices;

(v) be able to assess (either alone or with the help of a financial adviser) possible changes in the economy, rates of interest or in other factors that may affect its investment and its ability to bear the applicable risks; and

(vi) consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowings and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Legality of Purchase

Neither the Issuer, the Joint Lead Managers, nor any of their respective affiliates have or assume responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates, or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for their own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

The Notes might be redeemed or purchased by the Issuer prior to their stated maturity date

The Issuer reserves the right to purchase Notes in the open market or otherwise at any price in accordance with applicable regulations. Such transactions shall have no impact on the normal repayment schedule of outstanding Notes, but they decrease the yield of Notes which would be redeemed prior to their stated maturity date.

In the event that the Issuer would be obliged to pay additional amounts in respect of any Note due to any withholding as provided in Condition 7 of the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes, the Issuer may, and in certain circumstances shall, redeem all of the Notes then outstanding in accordance with such Condition.

In addition, the Issuer may redeem all, but not some only, of the Notes at any time prior to their stated maturity date, at their relevant Make-Whole Redemption Amount, as provided in Condition 5.3 of the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes, together with any accrued interest on the Notes to (but excluding) the Make-Whole Redemption Date.

Any early redemption of the Notes may result, for the Noteholders, in a yield that is considerably lower than anticipated. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

Change of control – Put option

In the event of a Change of Control of the Issuer (as defined in Condition 5.4 of the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes), each Noteholder will have the right to request the Issuer to redeem all, but not some only, of its Notes at their principal amount, together with any accrued interest thereon (as more fully described in Condition 5.4 of the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes). In such case, any trading market in respect of those Notes in respect of which such redemption right is not exercised may become illiquid.

In addition, if, as a result of Condition 5.4 of the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes, the aggregate principal amount of the then outstanding Notes is equal to, or less than, fifteen per cent. (15 %) of the aggregate principal amount of the Notes issued on the Issue Date, the Issuer may redeem all (but not some only) of the then outstanding Notes, at any time prior to their stated maturity date, at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption.

Any early redemption of the Notes may result, for the Noteholders, in a yield that is considerably lower than anticipated. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

The Notes may not be protected by restrictive covenants, and do not prevent the Issuer from incurring additional indebtedness, including indebtedness that would come prior to or rank equally with the Notes

Apart from clauses relating to a Change of Control of the Issuer or the termination of all or substantially all of the Issuer's business, the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes contain Financial Covenants. However, these Financial Covenants are not applicable to the Issuer if an Investment Grade Rating is assigned to the Issuer and no Event of Default has occurred and is continuing. There are no specific restrictions on the payment of dividends, the incurrence of unsecured indebtedness or the issuance or repurchase of securities by the Issuer or any of its Subsidiaries. As a result, it is possible that the Issuer could enter into or be the subject of transactions that are disadvantageous to the Noteholders.

The Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes contain a negative pledge undertaking that prohibits the Issuer in certain circumstances from creating security over assets, but subject to certain exceptions.

Subject to the above mentioned restrictions with respect to compliance with the Financial Covenants and negative pledge and the restrictions existing in its other debt instruments, the Issuer and its Subsidiaries may incur significant additional debt that could be considered before or rank equally with the Notes. Although these restrictions are significant, they are subject to a number of important exceptions, and debt incurred in compliance with these restrictions could be substantial. If the Issuer incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding. If the Issuer or its subsidiaries incur significant additional debt that is structurally senior or that would otherwise come prior to the Notes, it could intensify the risks of Noteholders as compared with the holders of such instruments.

Potential Conflicts of Interest

The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in the ordinary course of business, in investment banking, commercial banking transactions and/or other financial advisory dealings with, and may perform services for, the Issuer and its affiliates and in relation to securities issued by the Issuer. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Potential conflicts of interest may arise between the Calculation Agent (as defined in the preamble of the Terms and Conditions of the Notes) for the Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that the Calculation Agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

Credit risk

Noteholders are exposed to the credit risk of the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Notes, thus creating a loss for the investor.

Modification of the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes

Holders of the 2022 Notes will be grouped automatically for the defence of their common interests in a *Masse* and a general meeting of holders of the 2022 Notes can be held. The Terms and Conditions of the 2022 Notes permit in certain cases a defined majority of holders of the 2022 Notes to bind all holders of the 2022 Notes, including those who did not attend or vote at the relevant general meeting or those who voted in a manner contrary to the majority.

In addition, the general meeting of holders of the 2022 Notes may deliberate on any proposal relating to the modification of the Terms and Conditions of the 2022 Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Holders of the 2025 Notes will be grouped automatically for the defence of their common interests in a *Masse* and a general meeting of holders of the 2025 Notes can be held. The Terms and Conditions of the 2025 Notes permit in certain cases a defined majority of holders of the 2025 Notes to bind all holders of the 2025 Notes, including those who did not attend or vote at the relevant general meeting or those who voted in a manner contrary to the majority.

In addition, the general meeting of holders of the 2025 Notes may deliberate on any proposal relating to the modification of the Terms and Conditions of the 2025 Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Change in current legislation

The Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change to French law, regulation or administrative practice (or to the interpretation thereto) after the date of this Prospectus.

French Insolvency Law

The Issuer is incorporated under the laws of France. Accordingly, any insolvency proceedings with respect to the Issuer or its French subsidiaries would likely be carried out under the laws of France, including Article 1244-1 of the French *Code civil* and laws relating to conciliation procedure (*procédure de conciliation*) and safeguard procedure, accelerated financial safeguard procedure, accelerated safeguard procedure, judicial reorganization or liquidation proceedings (*procédure de sauvegarde*, *procédure de sauvegarde financière accélérée*, *procédure de sauvegarde accélérée, redressement* or *liquidation judiciaire*).

Certain provisions of insolvency laws in France are less favourable to creditors than are the bankruptcy laws of other countries. In general, French reorganization or liquidation legislation favours the continuation of a business and protection of employment over the payment of creditors.

Pursuant to Article 1244-1 of the French *Code civil*, French courts may, in a civil proceeding involving a debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations. In addition, pursuant to Article 1244-1 of the French *Code civil*, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be allocated to repayment of the principal.

As a general rule, creditors whose debts arose prior to the commencement of bankruptcy proceedings must file a claim with the creditors' representative within certain periods (which may depend on the domicile of the creditor) of the publication of the court order commencing bankruptcy proceedings (safeguard procedure, accelerated financial safeguard procedure, judicial reorganization or liquidation proceeding). Creditors who have not submitted their claims during this period are barred from receiving distributions made in connection with the bankruptcy proceedings and their unasserted claims will be unenforceable against the debtor both during and following the implementation of the continuation plan, provided the debtor has complied with the plan's terms.

French courts may order that the date on which the company became unable to pay its debts as they came due be deemed to be an earlier date of up to eighteen (18) months prior to the order commencing bankruptcy proceedings (*report de la date de cessation des paiements*). This date marks the beginning of a "suspect period" (*période suspecte*) during which certain transactions that are entered into may be voided.

In addition, from the date of the court order commencing bankruptcy proceedings, the debtor is prohibited from paying debts outstanding prior to the court order, subject to limited exceptions. Contractual provisions that would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events, such as those contained in the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes, may be subject to an automatic stay of payment under French law applicable to debts outstanding at the time of commencement of bankruptcy proceedings.

Holders of the 2022 Notes will be grouped automatically for the defence of their common interests in a *Masse* and holders of the 2025 Notes will be grouped automatically for the defence of their common interests in a *Masse*. However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") if a safeguard procedure (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*plan de sauvegarde*), accelerated safeguard plan (*plan de sauvegarde accélérée*), accelerated financial safeguard plan (*plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling payments which are due and/or partially or totally writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the amount of debt securities held by the holders which have cast a vote at such Assembly). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the 2022 Notes and the Terms and Conditions of the 2025 Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Taxation

Prospective purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or of other jurisdictions. In some jurisdictions, no official statements of the tax authorities nor court decisions are available for securities such as the Notes. Prospective investors are advised not to rely upon the tax overview contained in this Prospectus but to ask for their own tax adviser's advice based on their individual situation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the prospective investor. These investment considerations should be read in connection with the "Taxation" section of this Prospectus.

The proposed financial transactions tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") implementing a strengthened cooperation in the field of the financial transactions tax which, if adopted at present, could levied a tax on the financial transactions in respect of the Notes issued (the "**Tax**"). The Draft Directive shall be implemented and enter into effect in eleven (11) EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia) (the "**Participating Member States**" and each a "**Participating Member State**").

Pursuant to the Draft Directive, the Tax would apply on financial transactions provided that at least one party to the financial transaction, or a person acting for his name is established or deemed established in a Participating Member State. The Tax shall, however, not apply to primary market transactions referred to in Article 5(c) of regulation (EC) No. 1287/2006 of the Commission of 10 August 2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. The Tax shall be payable by each financial institution established, or deemed established in a Participating Member State provided it is a party to the financial transaction or is acting in the name of a party to the transaction or the transaction has been carried out in its own account. The rates of the Tax shall be fixed by each Participating Member State but shall amount for transactions involving financial instruments other than derivatives to at least 0.1 per cent. of the taxable amount.

Each prospective investor should therefore bear in mind that any sale, purchase or exchange of the Notes could be subject to the Tax at a minimum rate of 0.1 per cent. provided the above mentioned prerequisites are met. The investor would either have to bear the Tax or reimburse the financial institution for the relevant charge. In addition, the Tax may affect the value of the Notes.

A joint statement issued on 27 January 2015 by ten (10) of the eleven (11) Participating Member States indicated an intention to implement the Tax no later than 1st January 2016, with the widest possible base and low rates.

The Draft Directive is still subject to negotiation between the Participating Member States. Therefore it may be modified before the implementation which the schedule is uncertain.

Prospective holders of the Notes are advised to seek their own tax advice in relation to the Tax.

EU Directive on the taxation of savings income

The directive on taxation of savings income in the form of interest payments (2003/48/EC) adopted by the EC Council on 3 June 2003 (the "**Savings Directive**") requires each Member State to provide to the tax authorities of another Member State details of payments of interest and other similar income (within the meaning of the Savings Directive) made by a paying agent (within the meaning of the Savings Directive) within its jurisdiction to, or under circumstances to the immediate benefit of, a beneficial owner (within the meaning of the Savings Directive) resident in that other Member State.

However, for a transitional period, Austria instead imposes a withholding tax of 35% on any interest payment (within the meaning of the Savings Directive), unless the beneficiary of interest payment elects for the exchange of information. This transitional period will terminate at the end of the first full fiscal year following the conclusion of certain other agreements relating to exchange of information with other countries which are not members of the European Union.

Several countries and territories not members of the European Union, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland applies unless the beneficiary of interest payment elects for the exchange of information). The current withholding tax rate amounts to 35%.

On 24 March 2014, the Council of the European Union adopted a directive amending the Savings Directive (the "**Amending Directive**") strengthening the European rules on exchange of information relating to savings in order to enable Member States to fight tax fraud and tax evasion. The Amending Directive will amend and broaden the scope of the requirements described above, notably to cover new types of savings, income and products that generate interests or similar revenues and the scope of reporting obligations owed to tax administration. The Member States will have until 1st January 2016 to implement the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

However, the European Commission has proposed the repeal of the Savings Directive from 1st January 2017 in the case of Austria as from 1st January 2016 in the case of other Member States (subject to the on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding on, payments made before these dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by Council Directive 2014/107/EU. The proposal provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Absence of rating

Neither the Notes nor the long-term debt of the Issuer is rated. The assessment of the Issuer's ability to comply with its payment obligations under the Notes is made more complex for investors. One or more independent credit rating agencies may assign credit ratings to the Notes on an unsolicited basis. A credit rating may be revised or withdrawn by the rating agency at any time, without prior notice. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

3. Risks related to the market

Market value of the Notes

The market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors, including economic and market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries.

The value and the volatility of the Notes depend on a number of interrelated factors, including economic, financial or political events in France or elsewhere, or factors affecting capital markets generally and the market on which the Notes are admitted to trading.

The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder. If the creditworthiness of the Issuer deteriorates or if economic and market conditions decline, the value of the Notes may also decrease and Noteholders selling their Notes prior to maturity may lose all or part of their investment.

A secondary market for the Notes might not develop nor be liquid

An investment in the Notes should be considered primarily with a view to holding them until their maturity. As of the date of this Prospectus, there is no existing market for the Notes, and there can be no assurance that, any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market, in which case the market or trading price and liquidity of the Notes may be adversely affected. Noteholders may be unable to sell their Notes easily or within satisfactory price conditions, in particular in respect of the yield available in similar investments with a secondary market. The sale price of the Notes prior to maturity will be equal to their market price, which may entail either a gain or a loss for the selling Noteholders.

The liquidity of any market for the Notes will depend upon the number of Noteholders (which could be very limited), the amount of Notes outstanding at any time, the market for similar securities, the interest of securities dealers in making a market, general economic conditions and the Issuer's financial condition, performance, prospects and other factors. Historically, the market for indebtedness with characteristics similar to the Notes has not been consistently liquid and has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for the Notes will not be subject to similar disruptions. Any such disruptions may have an adverse effect on Noteholders. In addition, market-making activity in the Notes, if any, will be subject to limits imposed by applicable laws and regulations. As a result, the Issuer cannot assure Noteholders that an active trading market will develop for the Notes.

Exchange rate risks and exchange controls

Principal and interest on the Notes will be paid in Euro, which may present certain risks if a Noteholder's financial activities are denominated principally in a currency or currency unit other than Euro (the "**Investor's Currency**"). These include the risk that exchange rates may significantly change (notably due to depreciation of Euro or appreciation of the Investor's Currency). As a result, Noteholders may receive less interest or principal than expected. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Government and monetary authorities with jurisdiction over the Investor's Currency may impose (as some have done in the past) exchange controls or modify their exchange control. Such exchange controls could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Fixed interest rate

The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of a fixed interest rate note is determined during the term of such note or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the note varies in the opposite direction. If the Market Interest Rate increases, the price of the note typically decreases, until the yield of the note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed-rate note typically increases, until the yield of the note equals approximately the Market Interest Rate.

Noteholders should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for Noteholders if they sell Notes during the period in which the Market Interest Rate exceeds the fixed rate of the Notes.

TERMS AND CONDITIONS OF THE 2022 NOTES

The issue by Orpéa (the "**Issuer**") of its €20,000,000 2.568 per cent. notes due 22 December 2022 (the "**Notes**") was authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 17 December 2015.

A fiscal agency agreement relating to the Notes (the "**Fiscal Agency Agreement**") will be entered into on 22 December 2015 between the Issuer and Société Générale, as fiscal agent, paying agent, calculation agent and put agent (the "**Fiscal Agent**", "**Paying Agent**", "**Calculation Agent**" and "**Put Agent**" which expressions shall, where the context so admits, include any successor for the time being as fiscal agent, paying agent, calculation agent or put agent, as the case may be). A copy of the Fiscal Agency Agreement is available free of charge for inspection at the specified office of the Paying Agent.

References below to the "**Noteholders**" are to the persons whose names appear in the account of the relevant Account Holder (as defined below) as being the holders of such Notes. References below to "**Conditions**" are to the numbered paragraphs below.

1. Form, denomination and title

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced by book-entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France ("**Euroclear France**") which shall credit the accounts of the Account Holders. For the purposes of these Conditions, "**Account Holder**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**").

Title to the Notes shall be evidenced and will pass upon by entries in the books of Account Holders and transfer of Notes may only be effected through registration of the transfer in such books and in denominations of €100,000.

2. Status

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer (*engagements chirographaires*), and rank *pari passu* without any preference amongst themselves and with all other unsecured and unsubordinated indebtedness and guarantees (subject to exceptions imposed by French law), present or future, of the Issuer.

3. Negative pledge

The Issuer agrees that so long as any of the Notes remains outstanding, it will not create any mortgage, charge, pledge, lien, right or security interest which would constitute a *sûreté réelle* or its equivalent under any applicable legislation other than Permitted Lien (as defined below) upon all or part of its business (*fonds de commerce*), assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) unless the obligations of the Issuer under the Notes are equally and rateably secured therewith so as to rank *pari passu* with such Relevant Indebtedness.

This undertaking relates exclusively to the incurrence of Relevant Indebtedness and in no way affects the Issuer's ability to dispose of its assets or to otherwise grant any security interest over or in respect of such assets in any other circumstances.

For the purposes of these Conditions:

"**Financial Statements**" means the latest consolidated financial statements of the Issuer (whether annual or semi-annual).

"**Global Amount of Tangible and Intangible Assets Unpledged (except goodwill)**" means the sum of the amounts of "Net intangible assets" (*immobilisations incorporelles nettes*), "Net Real Estate, plant & equipment" (*immobilisations corporelles nettes*), "Real Estate under construction" (*immobilisations en cours de construction*) (or equivalent) less the "Debt-related commitment" (*engagements liés à la dette*) (or equivalent), all as set out in, or derived from, the respective balance sheet items of the Financial Statements, as amended from time to time.

"**Net Financial Debt**" means "Non-current financial liabilities" (*dettes financières à long terme*) (or equivalent) plus "Current financial liabilities" (*dettes financières à court terme*) (or equivalent) plus "Others liabilities such as liabilities associated with assets held for sale" (*autres dettes telles que la dette associée à des actifs détenus en vue de la vente*) (or equivalent) less "Cash and Cash equivalents" (*trésorerie et équivalents de trésorerie*) (or equivalent) as set out in the respective balance sheet items in the Financial Statements, as amended from time to time.

"**outstanding**" means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those in respect of which claims have become prescribed under Condition 8.

"**Permitted Lien**" means encumbrances:

(a) which result from the operation of statutory provisions; or

(b) which result from the operation of provisions under standard business terms of banks or saving banks; or

(c) which existed at the time of the issue of the Notes; or

(d) which are granted after 1 December 2016 to noteholders under notes issued in 2012 having a residual maturity of more than nine (9) years, provided that the relevant lien guarantees no more than the lowest of (i) €60,000,000 (sixty million euros) (or its equivalent in any other currency) and (ii) thirty-five (35%) per cent. of the outstanding principal amount of the notes so guaranteed; or

(e) which are established with the prior consent of the Noteholders; or

(f) including liens that fall under item (c) and (d), which are granted or will be granted to banks, credit institutions, noteholders or lenders under a loan agreement or any other financing agreement or instrument provided that the Issuer maintains, on the basis of the figures reported in the Financial Statements, an amount of tangible and intangible assets unpledged (except goodwill) (the "**Free Unpledged Amount**") which equals at least 1.5 times the aggregate principal amount of the Notes. The Free Unpledged Amount means the Global Amount of Tangible and Intangible Assets Unpledged (except goodwill) less the Unsecured Net Financial Debt on the basis of the figures reported in the Financial Statements.

"**Relevant Indebtedness**" means any present and future obligations of the Issuer under bank loans, bonds, loan agreements under the format of "Schuldschein", registered debentures and dematerialised debt securities, that may be (i) entered into or issued from time to time by the Issuer and/or (ii) traded under a book-entry transfer system.

"**Unsecured Net Financial Debt**" means the Net Financial Debt less the "Debt-related commitment" (*engagements liés à la dette*) (or equivalent) as set out in, or derived from, the respective balance sheet items of the Financial Statements, as amended from time to time.

4. Interest

The Notes bear interest from, and including, 22 December 2015 (the "**Issue Date**") to, but excluding, 22 December 2022 (the "**Maturity Date**") at the rate of 2.568 per cent. *per annum*, payable annually in arrear on 22 December in each year. The first payment of interest will be made on 22 December 2016 for the period from, and including, the Issue Date to, but excluding, 22 December 2016.

Each Note will cease to bear interest from their due date for redemption, unless the Issuer defaults in payment for their redemption on said date. In such event, it shall continue to bear interest at the rate of 2.568 per cent. *per annum* (both before and after judgment) until the day (included) on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

If interest is required to be calculated for a period of less than one year, it will be calculated on an actual/actual basis for each period, being the actual number of days elapsed during the relevant period divided by 365 (or by 366 if a 29 February is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

5. Redemption and purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 5 or Condition 9.

5.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.

5.2 Redemption for taxation reasons

(i) If, by reason of a change in any law or regulation of France, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its sole discretion, at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their principal amount, together with accrued interest to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their principal amount together with all interest accrued to the date fixed for redemption of which notice hereunder may be given, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date has passed, as soon as practicable thereafter.

5.3 Early redemption at the Make-whole Redemption Amount

The Issuer may, subject to having given (i) not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11 and (ii) not less than fifteen (15) calendar days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and the Calculation Agent (which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**")), redeem all, but not some only, of the Notes then outstanding at any time prior to the Maturity Date at their relevant Make-whole Redemption Amount together with any accrued interest on the Notes to (but excluding) the Make-whole Redemption Date.

For the purposes of this Condition:

"**Benchmark Rate**" means, with respect to any Make-whole Redemption Date, the rate per year equal to the annual equivalent yield to maturity of the French government bond (*Obligations Assimilables du Trésor* - OAT) bearing interest at a rate of 2.25 per cent. *per annum* and maturing on 15 October 2022 (ISIN code: FR0011337880), as determined by the Calculation Agent on the fourth (4^{th}) Business Day preceding the Make-whole Redemption Date. If such French government bond is no longer outstanding, a Similar Security will be reasonably chosen by the Calculation Agent, after prior consultation with the Issuer if practicable under the circumstances.

"**Make-whole Margin**" means + 0.50 per cent. *per annum*.

"**Make-whole Redemption Amount**" means the amount in Euro rounded to the nearest cent (half a cent being rounded upwards), determined by the Calculation Agent, equal to the greater of (i) the principal amount of the Notes and (ii) the sum of the then present values on the Make-whole Redemption Date of the Remaining Scheduled Payments of principal and interest on the Notes discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in case of a leap year) by 366) at a rate equal to the Make-whole Redemption Rate.

"**Make-whole Redemption Rate**" means the sum of the Benchmark Rate and the Make-whole Margin.

"**Remaining Scheduled Payments**" means, with respect to each Note, the remaining scheduled payments of principal thereof and interest thereon that would be due after the related Make-whole Redemption Date; provided, however, that, if the Make-whole Redemption Date is not an interest payment date with respect to the Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon on the Make-whole Redemption Date.

"**Similar Security**" means a reference bond or reference bonds issued by the French Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

5.4 Redemption following a Change of Control

If a Change of Control (as defined below) occurs at any time while any Note remains outstanding, each Noteholder will have the option to require the Issuer to redeem all (but not some only) of the Notes held by such Noteholder (the "**Put Option**") as described below.

The Notes will be redeemed at their principal amount, together with interest accrued since the last Interest Payment Date (or, if applicable, since the Issue Date) to, but excluding, the Optional Redemption Date (as defined below).

If a Change of Control occurs, the Issuer shall promptly give notice to the Noteholders, in accordance with Condition 11. Such notice will specify that any Noteholder has the option to require the early redemption of its Notes, and will specify (i) to the extent permitted by applicable law, the nature of the Change of Control, (ii) the date fixed for the early redemption (the "**Optional Redemption Date**"), which date shall be no earlier than twenty-five (25) Business Days (as defined in Condition 6.2) and no later than thirty (30) Business Days from the date of publication of the notice, (iii) the period (the "**Put Period**"), of at least fifteen (15) Business Days, during which the Put Option and the relevant Notes must be received by the Put Agent and (iv) the procedure for exercising the Put Option.

To exercise the Put Option, the Noteholder must transfer (or cause to be transferred by its Account Holder) its Notes to be so redeemed to the account of the Put Agent (details of which are specified in the Change of Control Notice) for the account of the Issuer within the Put Period together with a duly signed and completed notice of exercise in the then current form obtainable from the Put Agent (a "**Put Option Notice**") and in which the Noteholder may specify an account denominated in euro to which payment is to be made under this Condition. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

Following the Put Option Notice, the Issuer shall redeem the Notes tendered as provided above on the Optional Redemption Date.

If, as a result of this Condition, the aggregate principal amount of the then outstanding Notes is equal to, or less than, fifteen per cent. (15 %) of the aggregate principal amount of the Notes issued on the Issue Date, the Issuer may, to the extent permitted by applicable law and on giving not less than fifteen (15) nor more than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11, redeem all (but not some only) of the then outstanding Notes, at any time prior to their Maturity Date, at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption.

For the purposes of this Condition:

"**Affiliates**" means:

(A) in relation to a legal entity (*personne morale*), any subsidiary or parent of that legal entity, and any subsidiary of any such parent for the time being, where:

   (i) a "subsidiary" is a company that is a directly or indirectly controlled by that legal entity;

   (ii) a "parent" is a company that directly or indirectly controls that legal entity; and

(B) in relation to an individual (*personne physique*), a legal entity controlled by such individual, as well as any subsidiary (as defined above) of any such legal entity.

"**Change of Control**" shall be deemed to have occurred each time that any Third Party acting alone or in concert shall come to hold the Control of the Issuer.

"**Control**" means holding (directly or indirectly, through companies themselves controlled by the relevant person(s)) (x) the majority of the voting rights attached to the Issuer's shares or (y) more than 40% of these voting rights if no other shareholder of the Issuer, acting alone or in concert, holds (directly or indirectly through companies controlled by such shareholder(s)) a greater percentage of voting rights and

"**Main Shareholders**" means one or several of the following shareholders:

(i) Canada Pension Plan Investment Board;

(ii) Mr. Jean-Claude MARIAN, his Affiliates and his heirs (*ayants droits à titre universel*);

(iii) FFP Invest and its Affiliates; and

(iv) Sofina.

"**Third Party**" means any person other than the Main Shareholders.

5.5 Purchases

The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price in accordance with applicable laws and regulations (notably Articles 238-2 and 238-2-1 of the General Regulations of the *Autorité des marchés financiers*).

All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held or cancelled in accordance with applicable laws and regulations.

Notes purchased by the Issuer may be held by it in accordance with Article L.213-1 A of the French *Code monétaire et financier* to promote the liquidity of the Notes, it being specified that the Issuer may not hold Notes for more than one (1) year after their purchase date pursuant to Article D.213-1 A of the French *Code monétaire et financier*.

5.6 Cancellation

All Notes which are redeemed pursuant to Conditions 5.1, 5.2 and 5.4 or purchased for cancellation pursuant to Condition 5.5, will forthwith be cancelled and accordingly may not be reissued or sold.

6. Payments

6.1 Method of payment

Payment of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account on which credits or transfers may be made in Euro) as specified by the beneficiary in a city where banks have access to the TARGET System. In these Conditions, "**TARGET System**" means the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) or any succeeding system.

Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear France, Euroclear and Clearstream, Luxembourg) and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agent, as the case may be, in respect of such payments.

Payments will be subject in all cases to any tax or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.2 Payments on Business Days

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and shall not be entitled to any interest or other additional sums in respect of such postponed payment.

In these Conditions, "**Business Day**" means any day (not being a Saturday or Sunday) on which commercial banks and foreign exchange markets are opened for general business in Paris and on which the TARGET System is operating and on which Euroclear France is open for general business.

6.3 Fiscal Agent, Paying Agent, Calculation Agent and Put Agent

The initial Fiscal Agent, Paying Agent, Calculation Agent and Put Agent and its specified office are as follows:

Société Générale
CS 30812 - 32, rue du Champ de Tir
44308 Nantes Cedex 3
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent or Put Agent and/or appoint another Fiscal Agent, Paying Agent, Calculation Agent or Put Agent or additional Paying Agents or Put Agents, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders, in accordance with Condition 11, and as long as there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) a leading investment bank active on the market acting as Calculation Agent and (iii) so long as the Notes are admitted to trading on Euronext Paris, a Paying Agent having a specified office in a European city and ensuring the financial service in France.

Any termination or change of Fiscal Agent, Paying Agent, Calculation Agent or Put Agent will be notified to the Noteholders in accordance with the provisions of Condition 11.

7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any French law or regulation should require that any payment of principal or interest in respect of the Notes be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision or authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, after such deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)):

(i) who is subject to such taxes, duties, assessments or other governmental charges, in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or

(ii) where such deduction or withholding is imposed on a payment required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (as amended by the EU Council Directive 2014/48/EU adopted by the Council on 24 March 2014 and as may be amended from time to time) or any other European Union Directive implementing the conclusion of the ECOFIN Council meetings of 26 and 27 November 2000 or any subsequent meeting of the ECOFIN Council on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 7.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed after five (5) years (both for principal and interest) from the due date for payment thereof.

9. Events of Default

The Representative (as defined in Condition 12), acting upon request of any Noteholder, may, upon written notice given to the Issuer (copy to the Fiscal Agent), cause all, but not some only, of the Notes to become immediately due and payable at their principal amount, together with accrued interest to (but excluding) their actual redemption date, if any of the following events (each, an "**Event of Default**") occurs:

(a) any amount of principal or interest on any Note (including any additional amount referred to in Condition 7) shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of fifteen (15) Business Days from such due date; or

(b) the Issuer defaults in the due performance of, or compliance with, any other obligation in respect of the Notes (including Condition 3 and the requirement to comply with the Financial Covenants referred to in Condition 10) and such default continues for a period of thirty (30) Business Days (unless such default is not curable in which case such period shall not apply) following receipt by the Issuer of a written notice of such default from the Representative; or

(c) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (as defined below) for borrowed monies in excess of €20,000,000 (twenty million euros) (or its equivalent in any other currency), whether individually or in the aggregate,

    (i) becomes, following the expiry of any applicable grace period, due and demanded (*exigée*) prior to its stated maturity as a result of a default (howsoever described) thereunder, or

    (ii) is not paid at its stated maturity,

    except if the Issuer or such Material Subsidiary, as the case may be, has disputed in good faith that such indebtedness is due, and such dispute has been submitted to a competent court in which case such event shall not constitute an event of default hereunder so long as the dispute has not been finally adjudicated; or

(d) the Issuer or any of its Material Subsidiaries (a) to the extent permitted by applicable laws, makes any proposal for a general moratorium or amicable settlement in relation to its debt with its main creditors to which the Noteholders are not party, or (b) a resolution is passed or a judgment is issued for the voluntary liquidation (*liquidation amiable*), winding-up, dissolution (*dissolution*), judicial liquidation (*liquidation judiciaire*) or judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or (d) to the extent permitted by applicable laws, the Issuer is subject to any other insolvency or bankruptcy proceedings under any applicable laws; or

(e) the Issuer no longer holds, pursuant to a transfer to a Third Party, including following a merger, demerger or partial business transfer, the control (as defined in Articles L.233-1 and L.233-3 of the French *Code de commerce*) of one of its Material Subsidiary, it being specified that such clause shall not prevent the Issuer and the Material Subsidiaries to merge, demerge or transfer partial business within the Group.

10. Financial Covenants

So long as any of the Notes is outstanding, the Issuer shall at all times comply with the following financial covenants:

(i) maintain the R1 Ratio[1] (as defined below) below or equal to 5.5 as at 31 December in each year, and

(ii) maintain the R2 Ratio[2] (as defined below) below or equal to 2 as at 31 December in each year,

(each, a "**Financial Covenant**" and together, the "**Financial Covenants**").

For the purpose of calculating the ratios set out in this Condition 10, only consolidated data should be taken into account, as defined in the consolidated annual financial statements of the Issuer on the basis of the rules and methods applicable to the accounting system of the Issuer at the Issue Date.

The Issuer shall provide the Put Agent within six months after the end of the financial year at the latest with (i) a compliance certificate signed by its statutory auditors evidencing the compliance with the Financial Covenants set out in this Condition 10 and describing the details of their calculation, or (ii) as the case may be, a non-compliance certificate.

So long as any of the Notes is outstanding, the Put Agent shall promptly deliver a notice to the Noteholders, in accordance with Condition 11, if (i) for any reason whatsoever, it did not receive such certificate from the Issuer or (ii) it results from such certificate that any of the Financial Covenants is not complied with by the Issuer on the basis of the latest Issuer's annual audited consolidated financial statements.

Notwithstanding the provisions set out in this Condition 10, if the Issuer proceeds to a significant external growth operation (defined as an operation resulting of a change of more than 25% of (i) the consolidated turnover of the Issuer over the last financial year, or (ii) the consolidated assets of the Issuer at the end of such financial year, or (iii) the net profit of the Issuer before tax at the end of this financial year), the above R1 Ratio and R2 Ratio will be calculated on the basis of pro forma accounts, prepared in order to take into account the impacts of the acquisition and subject to a report from the auditors of the Issuer. These derogatory provisions will be only applicable for the financial year in which the acquisition will take place. The above general provisions will be applicable for the following financial years.

If an Investment Grade Rating is assigned to the Issuer and no Event of Default has occurred and is continuing, then for so long as an Investment Grade Rating continues to be assigned to the Issuer and no Event of Default occurs, the Financial Covenants shall be suspended and shall not be applicable to the Notes and the Issuer shall not be required to deliver any compliance certificate or non-compliance certificate as contemplated above.

For the purposes of these Conditions:

"**R1 Ratio**" means: $$\frac{\textit{Adjusted Net Debt}}{\textit{Adjusted EBITDA}}$$

"**R2 Ratio**" means: $$\frac{\textit{Consolidated Net Debt}}{\textit{Consolidated Equity} + \textit{Deffered Tax Liabilities arising on the Revaluation of Intangible Assets}}$$

"**Adjusted Net Debt**" means, on the basis of the consolidated financial statements of the Issuer, the Consolidated Net Debt, less the amount of the Real Estate Debt.

"**Adjusted EBITDA**" means the Consolidated EBITDA less 6% of the Real Estate Debt.

"**Consolidated EBITDA**" means, on the basis of the consolidated financial statements of the Issuer, the EBIT *plus* the sum of:

- the allocations net of releases of operating provisions for assets and of operating provisions for liabilities and charges, and

- the allocations net of releases of amortization of intangible and tangible fixed assets (including, without limitation, depreciation relating to the adjustment in consolidation of financial leases and hire-purchase contract).

"**Consolidated Equity**" means, on the basis of the consolidated financial statements of the Issuer, "equity" (*capitaux propres*) (or equivalent) plus "minority interests" (*intérêts minoritaires*) (or equivalent) as shown in the consolidated financial statements of the Issuer, established pursuant to the international standards IFRS.

"**Consolidated Net Debt**" means, on the basis of the consolidated financial statements of the Issuer, the Financial Indebtedness, less the amount of "cash" (*disponibilités*) (or equivalent) and "marketable securities" (*valeurs mobilières de placement*) and any items equivalent to the assets adjusted pursuant the IAS 7 standard.

[1] As at 30 June 2015, the R1 Ratio is equal to 2.6.
[2] As at 30 June 2015, the R2 Ratio is equal to 1.2.

"**Deferred Tax Liabilities arising on the Revaluation of Intangible Assets**" means, the deferred tax liabilities arising relating to the revaluation of intangible assets as shown in the consolidated financial statements of the Issuer.

"**EBIT**" means, on the basis of the consolidated financial statements of the issuer, the outstanding operating profit (*résultat opérationnel courant*), as shown in the financial statements.

"**Financial Indebtedness**" means, on the basis of the consolidated financial statements of the Issuer, the sum of:

(i) any short, mid and long term loans or indebtedness incurred with banks, credit institutions and other financial creditors,

(ii) any loans or indebtedness related to any financial instruments (excluding shares, perpetual subordinated debt, deeply subordinated debt or any equivalent instruments) according to Article L. 211-1 of the French *Code monétaire et financier*, governed by French or foreign law, including any indebtedness in relation to any currency or interest rate swap agreement or any hedging contract, excluding the fair value of the currency or interest rate swap agreements or any hedging contracts;

(iii) any outstanding bank overdrafts, discounted bill not yet due, transferable receivables according to the Dailly law ("*loi Dailly*") or any other form of assignment of some or all of the customer item (*poste client*) to the extent that such operations are with recourse on the Issuer or the related subsidiaries;

(iv) any bonds or notes issued by the Issuer (excluding perpetual subordinated debt, deeply subordinated debt or any equivalent instruments);

(v) any payment obligation incurred pursuant to any financial lease according to IAS 17;

(vi) any debt incurred, in principal or ancillary, under any guarantee, endorsement or surety granted by the Issuer or its Subsidiaries, in order to secure the Financial Indebtedness incurred by a third party to the Group, any amount of money due in respect of any financial contracts (according to Article L 211-1 of the French *Code monétaire et financier*) it being specified that the net amount payable by the debtor will be taken into account to the extent that the contract includes a netting option; and

(vii) any deferred payment obligation incurred in connection with the acquisition of any asset provided that such deferral of payment is the method to finance this acquisition.

"**Fitch**" means Fitch Ratings or any of its successors or affiliates.

"**Group**" means the Issuer and its French and foreign subsidiaries of the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

"**IFRS**" means "International Financial Reporting Standards", being the international accounting standards that are applicable at the Issue Date as endorsed by the European Union. In the event of any changes in these accounting standards after the Issue Date, and if such new standards have an adverse impact on the consolidated financial statements of the Issuer, the consolidated financial statements used to conduct the compliance test with the above mentioned financial ratios will be adjusted on the basis of the IFRS accounting standards applicable at the Issue Date.

"**Investment Grade Rating**" means (i) a rating of at least BBB- by S&P, Baa3 by Moody's or BBB- by Fitch or any equivalent rating by any other rating agency generally recognized as such by banks, securities houses and investors in the euro-markets, and provided that (ii) no rating assigned is below BBB- for S&P, Baa3 for Moody's and BBB- for Fitch.

"**Material Subsidiary**" means any consolidated subsidiary by global integration of which the Issuer, directly or indirectly, holds at least 40% of the voting rights (provided that no other shareholder holds, directly or indirectly, alone or in concert, a fraction of the voting rights greater than the Issuer) and which represented i) more than 10% of the consolidated turnover of the Issuer over the last financial year, or ii) more than 10% of the consolidated assets of the Issuer at the end of the last financial year or iii) more than 10% of the net profit before taxation of the Issuer at the end of the last financial year.

"**Moody's**" means Moody's Investors Service Inc. or any of its successors or affiliates.

"**Real Estate Debt**" means, on the basis of the consolidated financial statements of the Issuer, the sum of:

(i) long-term loans and debts related to the housing stock (*emprunts et dettes long-terme liés au parc immobilier*);

(ii) debts corresponding to real estate leasing agreements (*dettes correspondant à des contrats de crédit-bail immobilier*);

(iii) real estate property bridge loans (*prêts relais immobiliers*); and

(iv) overdrafts related to real estate (*découverts liés à l'immobilier*).

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies or any of its successors or affiliates.

"**Subsidiary**" means any subsidiary (*filiale*) of the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

11. Notices

Without prejudice of the provisions of the French *Code de commerce*, any notice to the Noteholders will be duly given if delivered to Euroclear France and, so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such market so require, published in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos* or such other newspaper as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the Noteholders).

Any notice to the Noteholders shall be deemed to have been given on the date of such delivery or publication or if published on different dates, on the date of the first publication.

12. Representation of the Noteholders

The Noteholders will be grouped automatically for the defence of their common interests in a *masse* (hereinafter referred to as the "***Masse***").

The *Masse* will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce*.

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

The initial representative of the *Masse* (the "**Representative**") shall be Association de représentation des masses de titulaires de valeurs mobilières (TS 69079 – 44918 Nantes Cedex 9 – France).

The Issuer shall pay to the Representative an amount equal to five hundred euros (€500) *per annum* for its services, payable annually on 22 December in each year, commencing on 22 December 2016, up to and including the Maturity Date provided that the Notes remain outstanding at each such dates.

All interested Noteholders may at all times obtain the names and addresses of the Representative at the principal office of the Issuer and the specified office of any of the Paying Agents.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in general meetings of Noteholders will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second Business Day preceding the date set for the meeting of the relevant general meeting.

13. Further issues

The Issuer may from time to time, without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry identical rights in all respects (or in all respects except for the issue price and the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the case of such an assimilation, the holders of such further notes and the Noteholders will be grouped in a single *masse* for the defence of their common interests. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

14. Governing law and jurisdiction

The Notes are governed by, and shall be construed in accordance with, French law.

Any dispute arising out of or in connection with the Notes will be submitted to the competent courts within the jurisdiction of the Court of Appeal of Paris.

TERMS AND CONDITIONS OF THE 2025 NOTES

The issue by Orpéa (the "**Issuer**") of its €6,000,000 3.144 per cent. notes due 22 December 2025 (the "**Notes**") was authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 17 December 2015.

A fiscal agency agreement relating to the Notes (the "**Fiscal Agency Agreement**") will be entered into on 22 December 2015 between the Issuer and Société Générale, as fiscal agent, paying agent, calculation agent and put agent (the "**Fiscal Agent**", "**Paying Agent**", "**Calculation Agent**" and "**Put Agent**" which expressions shall, where the context so admits, include any successor for the time being as fiscal agent, paying agent, calculation agent or put agent, as the case may be). A copy of the Fiscal Agency Agreement is available free of charge for inspection at the specified office of the Paying Agent.

References below to the "**Noteholders**" are to the persons whose names appear in the account of the relevant Account Holder (as defined below) as being the holders of such Notes. References below to "**Conditions**" are to the numbered paragraphs below.

1. Form, denomination and title

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced by book-entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France ("**Euroclear France**") which shall credit the accounts of the Account Holders. For the purposes of these Conditions, "**Account Holder**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**").

Title to the Notes shall be evidenced and will pass upon by entries in the books of Account Holders and transfer of Notes may only be effected through registration of the transfer in such books and in denominations of €100,000.

2. Status

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer (*engagements chirographaires*), and rank *pari passu* without any preference amongst themselves and with all other unsecured and unsubordinated indebtedness and guarantees (subject to exceptions imposed by French law), present or future, of the Issuer.

3. Negative pledge

The Issuer agrees that so long as any of the Notes remains outstanding, it will not create any mortgage, charge, pledge, lien, right or security interest which would constitute a *sûreté réelle* or its equivalent under any applicable legislation other than Permitted Lien (as defined below) upon all or part of its business (*fonds de commerce*), assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) unless the obligations of the Issuer under the Notes are equally and rateably secured therewith so as to rank *pari passu* with such Relevant Indebtedness.

This undertaking relates exclusively to the incurrence of Relevant Indebtedness and in no way affects the Issuer's ability to dispose of its assets or to otherwise grant any security interest over or in respect of such assets in any other circumstances.

For the purposes of these Conditions:

"**Financial Statements**" means the latest consolidated financial statements of the Issuer (whether annual or semi-annual).

"**Global Amount of Tangible and Intangible Assets Unpledged (except goodwill)**" means the sum of the amounts of "Net intangible assets" (*immobilisations incorporelles nettes*), "Net Real Estate, plant & equipment" (*immobilisations corporelles nettes*), "Real Estate under construction" (*immobilisations en cours de construction*) (or equivalent) less the "Debt-related commitment" (*engagements liés à la dette*) (or equivalent), all as set out in, or derived from, the respective balance sheet items of the Financial Statements, as amended from time to time.

"**Net Financial Debt**" means "Non-current financial liabilities" (*dettes financières à long terme*) (or equivalent) plus "Current financial liabilities" (*dettes financières à court terme*) (or equivalent) plus "Others liabilities such as liabilities associated with assets held for sale" (*autres dettes telles que la dette associée à des actifs détenus en vue de la vente*) (or equivalent) less "Cash and Cash equivalents" (*trésorerie et équivalents de trésorerie*) (or equivalent) as set out in the respective balance sheet items in the Financial Statements, as amended from time to time.

"**outstanding**" means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those in respect of which claims have become prescribed under Condition 8.

"**Permitted Lien**" means encumbrances:

(a) which result from the operation of statutory provisions; or

(b) which result from the operation of provisions under standard business terms of banks or saving banks; or

(c) which existed at the time of the issue of the Notes; or

(d) which are granted after 1 December 2016 to noteholders under notes issued in 2012 having a residual maturity of more than nine (9) years, provided that the relevant lien guarantees no more than the lowest of (i) €60,000,000 (sixty million euros) (or its equivalent in any other currency) and (ii) thirty-five (35%) per cent. of the outstanding principal amount of the notes so guaranteed; or

(e) which are established with the prior consent of the Noteholders; or

(f) including liens that fall under item (c) and (d), which are granted or will be granted to banks, credit institutions, noteholders or lenders under a loan agreement or any other financing agreement or instrument provided that the Issuer maintains, on the basis of the figures reported in the Financial Statements, an amount of tangible and intangible assets unpledged (except goodwill) (the "**Free Unpledged Amount**") which equals at least 1.5 times the aggregate principal amount of the Notes. The Free Unpledged Amount means the Global Amount of Tangible and Intangible Assets Unpledged (except goodwill) less the Unsecured Net Financial Debt on the basis of the figures reported in the Financial Statements.

"**Relevant Indebtedness**" means any present and future obligations of the Issuer under bank loans, bonds, loan agreements under the format of "Schuldschein", registered debentures and dematerialised debt securities, that may be (i) entered into or issued from time to time by the Issuer and/or (ii) traded under a book-entry transfer system.

"**Unsecured Net Financial Debt**" means the Net Financial Debt less the "Debt-related commitment" (*engagements liés à la dette*) (or equivalent) as set out in, or derived from, the respective balance sheet items of the Financial Statements, as amended from time to time.

4. Interest

The Notes bear interest from, and including, 22 December 2015 (the "**Issue Date**") to, but excluding, 22 December 2025 (the "**Maturity Date**") at the rate of 3.144 per cent. *per annum*, payable annually in arrear on 22 December in each year. The first payment of interest will be made on 22 December 2016 for the period from, and including, the Issue Date to, but excluding, 22 December 2016.

Each Note will cease to bear interest from their due date for redemption, unless the Issuer defaults in payment for their redemption on said date. In such event, it shall continue to bear interest at the rate of 3.144 per cent. *per annum* (both before and after judgment) until the day (included) on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

If interest is required to be calculated for a period of less than one year, it will be calculated on an actual/actual basis for each period, being the actual number of days elapsed during the relevant period divided by 365 (or by 366 if a 29 February is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

5. Redemption and purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 5 or Condition 9.

5.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.

5.2 Redemption for taxation reasons

(i) If, by reason of a change in any law or regulation of France, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its sole discretion, at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their principal amount, together with accrued interest to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their principal amount together with all interest accrued to the date fixed for redemption of which notice hereunder may be given, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date has passed, as soon as practicable thereafter.

5.3 Early redemption at the Make-whole Redemption Amount

The Issuer may, subject to having given (i) not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11 and (ii) not less than fifteen (15) calendar days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and the Calculation Agent (which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**")), redeem all, but not some only, of the Notes then outstanding at any time prior to the Maturity Date at their relevant Make-whole Redemption Amount together with any accrued interest on the Notes to (but excluding) the Make-whole Redemption Date.

For the purposes of this Condition:

"**Benchmark Rate**" means, with respect to any Make-whole Redemption Date, the rate per year equal to the annual equivalent yield to maturity of the French government bond (*Obligations Assimilables du Trésor* - OAT) bearing interest at a rate of 1 per cent. *per annum* and maturing on 25 November 2025 (ISIN code: FR0012938116), as determined by the Calculation Agent on the fourth (4^{th}) Business Day preceding the Make-whole Redemption Date. If such French government bond is no longer outstanding, a Similar Security will be reasonably chosen by the Calculation Agent, after prior consultation with the Issuer if practicable under the circumstances.

"**Make-whole Margin**" means + 0.50 per cent. *per annum*.

"**Make-whole Redemption Amount**" means the amount in Euro rounded to the nearest cent (half a cent being rounded upwards), determined by the Calculation Agent, equal to the greater of (i) the principal amount of the Notes and (ii) the sum of the then present values on the Make-whole Redemption Date of the Remaining Scheduled Payments of principal and interest on the Notes discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in case of a leap year) by 366) at a rate equal to the Make-whole Redemption Rate.

"**Make-whole Redemption Rate**" means the sum of the Benchmark Rate and the Make-whole Margin.

"**Remaining Scheduled Payments**" means, with respect to each Note, the remaining scheduled payments of principal thereof and interest thereon that would be due after the related Make-whole Redemption Date; provided, however, that, if the Make-whole Redemption Date is not an interest payment date with respect to the Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon on the Make-whole Redemption Date.

"**Similar Security**" means a reference bond or reference bonds issued by the French Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

5.4 Redemption following a Change of Control

If a Change of Control (as defined below) occurs at any time while any Note remains outstanding, each Noteholder will have the option to require the Issuer to redeem all (but not some only) of the Notes held by such Noteholder (the "**Put Option**") as described below.

The Notes will be redeemed at their principal amount, together with interest accrued since the last Interest Payment Date (or, if applicable, since the Issue Date) to, but excluding, the Optional Redemption Date (as defined below).

If a Change of Control occurs, the Issuer shall promptly give notice to the Noteholders, in accordance with Condition 11. Such notice will specify that any Noteholder has the option to require the early redemption of its Notes, and will specify (i) to the extent permitted by applicable law, the nature of the Change of Control, (ii) the date fixed for the early redemption (the "**Optional Redemption Date**"), which date shall be no earlier than twenty-five (25) Business Days (as defined in Condition 6.2) and no later than thirty (30) Business Days from the date of publication of the notice, (iii) the period (the "**Put Period**"), of at least fifteen (15) Business Days, during which the Put Option and the relevant Notes must be received by the Put Agent and (iv) the procedure for exercising the Put Option.

To exercise the Put Option, the Noteholder must transfer (or cause to be transferred by its Account Holder) its Notes to be so redeemed to the account of the Put Agent (details of which are specified in the Change of Control Notice) for the account of the Issuer within the Put Period together with a duly signed and completed notice of exercise in the then current form obtainable from the Put Agent (a "**Put Option Notice**") and in which the Noteholder may specify an account denominated in euro to which payment is to be made under this Condition. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

Following the Put Option Notice, the Issuer shall redeem the Notes tendered as provided above on the Optional Redemption Date.

If, as a result of this Condition, the aggregate principal amount of the then outstanding Notes is equal to, or less than, fifteen per cent. (15 %) of the aggregate principal amount of the Notes issued on the Issue Date, the Issuer may, to the extent permitted by applicable law and on giving not less than fifteen (15) nor more than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11, redeem all (but not some only) of the then outstanding Notes, at any time prior to their Maturity Date, at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption.

For the purposes of this Condition:

"**Affiliates**" means:

(A) in relation to a legal entity (*personne morale*), any subsidiary or parent of that legal entity, and any subsidiary of any such parent for the time being, where:

  (i) a "subsidiary" is a company that is a directly or indirectly controlled by that legal entity;

  (ii) a "parent" is a company that directly or indirectly controls that legal entity; and

(B) in relation to an individual (*personne physique*), a legal entity controlled by such individual, as well as any subsidiary (as defined above) of any such legal entity.

"**Change of Control**" shall be deemed to have occurred each time that any Third Party acting alone or in concert shall come to hold the Control of the Issuer.

"**Control**" means holding (directly or indirectly, through companies themselves controlled by the relevant person(s)) (x) the majority of the voting rights attached to the Issuer's shares or (y) more than 40% of these voting rights if no other shareholder of the Issuer, acting alone or in concert, holds (directly or indirectly through companies controlled by such shareholder(s)) a greater percentage of voting rights and

"**Main Shareholders**" means one or several of the following shareholders:

(i) Canada Pension Plan Investment Board;

(ii) Mr. Jean-Claude MARIAN, his Affiliates and his heirs (*ayants droits à titre universel*);

(iii) FFP Invest and its Affiliates; and

(iv) Sofina.

"**Third Party**" means any person other than the Main Shareholders.

5.5 Purchases

The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price in accordance with applicable laws and regulations (notably Articles 238-2 and 238-2-1 of the General Regulations of the *Autorité des marchés financiers*).

All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held or cancelled in accordance with applicable laws and regulations.

Notes purchased by the Issuer may be held by it in accordance with Article L.213-1 A of the French *Code monétaire et financier* to promote the liquidity of the Notes, it being specified that the Issuer may not hold Notes for more than one (1) year after their purchase date pursuant to Article D.213-1 A of the French *Code monétaire et financier*.

5.6 Cancellation

All Notes which are redeemed pursuant to Conditions 5.1, 5.2 and 5.4 or purchased for cancellation pursuant to Condition 5.5, will forthwith be cancelled and accordingly may not be reissued or sold.

6. Payments

6.1 Method of payment

Payment of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account on which credits or transfers may be made in Euro) as specified by the beneficiary in a city where banks have access to the TARGET System. In these Conditions, "**TARGET System**" means the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) or any succeeding system.

Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear France, Euroclear and Clearstream, Luxembourg) and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agent, as the case may be, in respect of such payments.

Payments will be subject in all cases to any tax or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.2 Payments on Business Days

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and shall not be entitled to any interest or other additional sums in respect of such postponed payment.

In these Conditions, "**Business Day**" means any day (not being a Saturday or Sunday) on which commercial banks and foreign exchange markets are opened for general business in Paris and on which the TARGET System is operating and on which Euroclear France is open for general business.

6.3 Fiscal Agent, Paying Agent, Calculation Agent and Put Agent

The initial Fiscal Agent, Paying Agent, Calculation Agent and Put Agent and its specified office are as follows:

Société Générale
CS 30812 - 32, rue du Champ de Tir
44308 Nantes Cedex 3
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent or Put Agent and/or appoint another Fiscal Agent, Paying Agent, Calculation Agent or Put Agent or additional Paying Agents or Put Agents, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders, in accordance with Condition 11, and as long as there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) a leading investment bank active on the market acting as Calculation Agent and (iii) so long as the Notes are admitted to trading on Euronext Paris, a Paying Agent having a specified office in a European city and ensuring the financial service in France.

Any termination or change of Fiscal Agent, Paying Agent, Calculation Agent or Put Agent will be notified to the Noteholders in accordance with the provisions of Condition 11.

7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any French law or regulation should require that any payment of principal or interest in respect of the Notes be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision or authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, after such deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)):

(i) who is subject to such taxes, duties, assessments or other governmental charges, in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or

(ii) where such deduction or withholding is imposed on a payment required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (as amended by the EU Council Directive 2014/48/EU adopted by the Council on 24 March 2014 and as may be amended from time to time) or any other European Union Directive implementing the conclusion of the ECOFIN Council meetings of 26 and 27 November 2000 or any subsequent meeting of the ECOFIN Council on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 7.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed after five (5) years (both for principal and interest) from the due date for payment thereof.

9. Events of Default

The Representative (as defined in Condition 12), acting upon request of any Noteholder, may, upon written notice given to the Issuer (copy to the Fiscal Agent), cause all, but not some only, of the Notes to become immediately due and payable at their principal amount, together with accrued interest to (but excluding) their actual redemption date, if any of the following events (each, an "**Event of Default**") occurs:

(a) any amount of principal or interest on any Note (including any additional amount referred to in Condition 7) shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of fifteen (15) Business Days from such due date; or

(b) the Issuer defaults in the due performance of, or compliance with, any other obligation in respect of the Notes (including Condition 3 and the requirement to comply with the Financial Covenants referred to in Condition 10) and such default continues for a period of thirty (30) Business Days (unless such default is not curable in which case such period shall not apply) following receipt by the Issuer of a written notice of such default from the Representative; or

(c) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (as defined below) for borrowed monies in excess of €20,000,000 (twenty million euros) (or its equivalent in any other currency), whether individually or in the aggregate,

    (i) becomes, following the expiry of any applicable grace period, due and demanded (*exigée*) prior to its stated maturity as a result of a default (howsoever described) thereunder, or

    (ii) is not paid at its stated maturity,

    except if the Issuer or such Material Subsidiary, as the case may be, has disputed in good faith that such indebtedness is due, and such dispute has been submitted to a competent court in which case such event shall not constitute an event of default hereunder so long as the dispute has not been finally adjudicated; or

(d) the Issuer or any of its Material Subsidiaries (a) to the extent permitted by applicable laws, makes any proposal for a general moratorium or amicable settlement in relation to its debt with its main creditors to which the Noteholders are not party, or (b) a resolution is passed or a judgment is issued for the voluntary liquidation (*liquidation amiable*), winding-up, dissolution (*dissolution*), judicial liquidation (*liquidation judiciaire*) or judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or (d) to the extent permitted by applicable laws, the Issuer is subject to any other insolvency or bankruptcy proceedings under any applicable laws; or

(e) the Issuer no longer holds, pursuant to a transfer to a Third Party, including following a merger, demerger or partial business transfer, the control (as defined in Articles L.233-1 and L.233-3 of the French *Code de commerce*) of one of its Material Subsidiary, it being specified that such clause shall not prevent the Issuer and the Material Subsidiaries to merge, demerge or transfer partial business within the Group.

10. Financial Covenants

So long as any of the Notes is outstanding, the Issuer shall at all times comply with the following financial covenants:

(i) maintain the R1 Ratio[3] (as defined below) below or equal to 5.5 as at 31 December in each year, and

(ii) maintain the R2 Ratio[4] (as defined below) below or equal to 2 as at 31 December in each year,

(each, a "**Financial Covenant**" and together, the "**Financial Covenants**").

For the purpose of calculating the ratios set out in this Condition 10, only consolidated data should be taken into account, as defined in the consolidated annual financial statements of the Issuer on the basis of the rules and methods applicable to the accounting system of the Issuer at the Issue Date.

The Issuer shall provide the Put Agent within six months after the end of the financial year at the latest with (i) a compliance certificate signed by its statutory auditors evidencing the compliance with the Financial Covenants set out in this Condition 10 and describing the details of their calculation, or (ii) as the case may be, a non-compliance certificate.

So long as any of the Notes is outstanding, the Put Agent shall promptly deliver a notice to the Noteholders, in accordance with Condition 11, if (i) for any reason whatsoever, it did not receive such certificate from the Issuer or (ii) it results from such certificate that any of the Financial Covenants is not complied with by the Issuer on the basis of the latest Issuer's annual audited consolidated financial statements.

Notwithstanding the provisions set out in this Condition 10, if the Issuer proceeds to a significant external growth operation (defined as an operation resulting of a change of more than 25% of (i) the consolidated turnover of the Issuer over the last financial year, or (ii) the consolidated assets of the Issuer at the end of such financial year, or (iii) the net profit of the Issuer before tax at the end of this financial year), the above R1 Ratio and R2 Ratio will be calculated on the basis of pro forma accounts, prepared in order to take into account the impacts of the acquisition and subject to a report from the auditors of the Issuer. These derogatory provisions will be only applicable for the financial year in which the acquisition will take place. The above general provisions will be applicable for the following financial years.

If an Investment Grade Rating is assigned to the Issuer and no Event of Default has occurred and is continuing, then for so long as an Investment Grade Rating continues to be assigned to the Issuer and no Event of Default occurs, the Financial Covenants shall be suspended and shall not be applicable to the Notes and the Issuer shall not be required to deliver any compliance certificate or non-compliance certificate as contemplated above.

For the purposes of these Conditions:

"**R1 Ratio**" means: $\frac{\text{Adjusted Net Debt}}{\text{Adjusted EBITDA}}$

"**R2 Ratio**" means: $\frac{\text{Consolidated Net Debt}}{\text{Consolidated Equity} + \text{Deffered Tax Liabilities arising on the Revaluation of Intangible Assets}}$

"**Adjusted Net Debt**" means, on the basis of the consolidated financial statements of the Issuer, the Consolidated Net Debt, less the amount of the Real Estate Debt.

"**Adjusted EBITDA**" means the Consolidated EBITDA less 6% of the Real Estate Debt.

"**Consolidated EBITDA**" means, on the basis of the consolidated financial statements of the Issuer, the EBIT *plus* the sum of:

- the allocations net of releases of operating provisions for assets and of operating provisions for liabilities and charges, and

- the allocations net of releases of amortization of intangible and tangible fixed assets (including, without limitation, depreciation relating to the adjustment in consolidation of financial leases and hire-purchase contract).

"**Consolidated Equity**" means, on the basis of the consolidated financial statements of the Issuer, "equity" (*capitaux propres*) (or equivalent) plus "minority interests" (*intérêts minoritaires*) (or equivalent) as shown in the consolidated financial statements of the Issuer, established pursuant to the international standards IFRS.

"**Consolidated Net Debt**" means, on the basis of the consolidated financial statements of the Issuer, the Financial Indebtedness, less the amount of "cash" (*disponibilités*) (or equivalent) and "marketable securities" (*valeurs mobilières de placement*) and any items equivalent to the assets adjusted pursuant the IAS 7 standard.

[3] As at 30 June 2015, the R1 Ratio is equal to 2.6.
[4] As at 30 June 2015, the R2 Ratio is equal to 1.2.

"**Deferred Tax Liabilities arising on the Revaluation of Intangible Assets**" means, the deferred tax liabilities arising relating to the revaluation of intangible assets as shown in the consolidated financial statements of the Issuer.

"**EBIT**" means, on the basis of the consolidated financial statements of the issuer, the outstanding operating profit (*résultat opérationnel courant*), as shown in the financial statements.

"**Financial Indebtedness**" means, on the basis of the consolidated financial statements of the Issuer, the sum of:

(i) any short, mid and long term loans or indebtedness incurred with banks, credit institutions and other financial creditors,

(ii) any loans or indebtedness related to any financial instruments (excluding shares, perpetual subordinated debt, deeply subordinated debt or any equivalent instruments) according to Article L. 211-1 of the French *Code monétaire et financier*, governed by French or foreign law, including any indebtedness in relation to any currency or interest rate swap agreement or any hedging contract, excluding the fair value of the currency or interest rate swap agreements or any hedging contracts;

(iii) any outstanding bank overdrafts, discounted bill not yet due, transferable receivables according to the Dailly law ("*loi Dailly*") or any other form of assignment of some or all of the customer item (*poste client*) to the extent that such operations are with recourse on the Issuer or the related subsidiaries;

(iv) any bonds or notes issued by the Issuer (excluding perpetual subordinated debt, deeply subordinated debt or any equivalent instruments);

(v) any payment obligation incurred pursuant to any financial lease according to IAS 17;

(vi) any debt incurred, in principal or ancillary, under any guarantee, endorsement or surety granted by the Issuer or its Subsidiaries, in order to secure the Financial Indebtedness incurred by a third party to the Group, any amount of money due in respect of any financial contracts (according to Article L 211-1 of the French *Code monétaire et financier*) it being specified that the net amount payable by the debtor will be taken into account to the extent that the contract includes a netting option; and

(vii) any deferred payment obligation incurred in connection with the acquisition of any asset provided that such deferral of payment is the method to finance this acquisition.

"**Fitch**" means Fitch Ratings or any of its successors or affiliates.

"**Group**" means the Issuer and its French and foreign subsidiaries of the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

"**IFRS**" means "International Financial Reporting Standards", being the international accounting standards that are applicable at the Issue Date as endorsed by the European Union. In the event of any changes in these accounting standards after the Issue Date, and if such new standards have an adverse impact on the consolidated financial statements of the Issuer, the consolidated financial statements used to conduct the compliance test with the above mentioned financial ratios will be adjusted on the basis of the IFRS accounting standards applicable at the Issue Date.

"**Investment Grade Rating**" means (i) a rating of at least BBB- by S&P, Baa3 by Moody's or BBB- by Fitch or any equivalent rating by any other rating agency generally recognized as such by banks, securities houses and investors in the euro-markets, and provided that (ii) no rating assigned is below BBB- for S&P, Baa3 for Moody's and BBB- for Fitch.

"**Material Subsidiary**" means any consolidated subsidiary by global integration of which the Issuer, directly or indirectly, holds at least 40% of the voting rights (provided that no other shareholder holds, directly or indirectly, alone or in concert, a fraction of the voting rights greater than the Issuer) and which represented i) more than 10% of the consolidated turnover of the Issuer over the last financial year, or ii) more than 10% of the consolidated assets of the Issuer at the end of the last financial year or iii) more than 10% of the net profit before taxation of the Issuer at the end of the last financial year.

"**Moody's**" means Moody's Investors Service Inc. or any of its successors or affiliates.

"**Real Estate Debt**" means, on the basis of the consolidated financial statements of the Issuer, the sum of:

(i) long-term loans and debts related to the housing stock (*emprunts et dettes long-terme liés au parc immobilier*);

(ii) debts corresponding to real estate leasing agreements (*dettes correspondant à des contrats de crédit-bail immobilier*);

(iii) real estate property bridge loans (*prêts relais immobiliers*); and

(iv) overdrafts related to real estate (*découverts liés à l'immobilier*).

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies or any of its successors or affiliates.

"**Subsidiary**" means any subsidiary (*filiale*) of the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

11. Notices

Without prejudice of the provisions of the French *Code de commerce*, any notice to the Noteholders will be duly given if delivered to Euroclear France and, so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such market so require, published in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos* or such other newspaper as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the Noteholders).

Any notice to the Noteholders shall be deemed to have been given on the date of such delivery or publication or if published on different dates, on the date of the first publication.

12. Representation of the Noteholders

The Noteholders will be grouped automatically for the defence of their common interests in a *masse* (hereinafter referred to as the "***Masse***").

The *Masse* will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce*.

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

The initial representative of the *Masse* (the "**Representative**") shall be Association de représentation des masses de titulaires de valeurs mobilières (TS 69079 – 44918 Nantes Cedex 9 – France).

The Issuer shall pay to the Representative an amount equal to five hundred euros (€500) *per annum* for its services, payable annually on 22 December in each year, commencing on 22 December 2016, up to and including the Maturity Date provided that the Notes remain outstanding at each such dates.

All interested Noteholders may at all times obtain the names and addresses of the Representative at the principal office of the Issuer and the specified office of any of the Paying Agents.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in general meetings of Noteholders will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second Business Day preceding the date set for the meeting of the relevant general meeting.

13. Further issues

The Issuer may from time to time, without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry identical rights in all respects (or in all respects except for the issue price and the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the case of such an assimilation, the holders of such further notes and the Noteholders will be grouped in a single *masse* for the defence of their common interests. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

14. Governing law and jurisdiction

The Notes are governed by, and shall be construed in accordance with, French law.

Any dispute arising out of or in connection with the Notes will be submitted to the competent courts within the jurisdiction of the Court of Appeal of Paris.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be used by the Issuer mainly for diversification of its sources of funding and contribute to extending the maturity profile of its financial resources and for general corporate purposes of the Issuer.

ORPEA
LA VIE CONTINUE AVEC NOUS

Communiqué de presse

ORPEA
LA VIE CONTINUE AVEC NOUS

NOUVEAU TRIMESTRE DE FORTE CROISSANCE AU T3 : +18,2% À 620,2 M€

SOLIDE CROISSANCE ORGANIQUE SUR 9 MOIS À +5,5%

OBJECTIF DE CA 2015 CONFIRMÉ À 2 380 M€ (+22,1% VS 2014)

Puteaux, le 4 novembre 2015

Le groupe ORPEA, un des leaders européens dans la prise en charge globale de la Dépendance (maisons de retraite, cliniques de moyen séjour et de psychiatrie), annonce aujourd'hui son chiffre d'affaires du 3ème trimestre 2015, clos au 30 septembre.

en M€ IFRS	Trimestriel			9 mois		
	T3 2015	T3 2014	*Var.*	2015	2014	*Var.*
France	**402,2**	377,9	*+6,4%*	**1 190,4**	1 110,8	*+7,2%*
% du CA total	*65%*	*72%*		*68%*	*79%*	
International	**218,0**	146,6	*+48,7%*	**552,2**	304,3	*+81,5%*
% du CA total	*35%*	*28%*		*32%*	*21%*	
Belgique	38,6	42,2		116,2	124,5	
Espagne	16,3	15,6		47,7	40,0	
Italie	12,7	10,7		34,9	30,8	
Suisse	32,0	26,0		94,3	56,8	
Allemagne	81,2	52,1		186,6	52,1	
Autriche	37,2	0,0		72,5	0,0	
Chiffre d'affaires total	**620,2**	524,5	*+18,2%*	**1 742,6**	1 415,1	*+23,1%*
Dont Croissance organique[1]			*+5,0%*			*+5,5%*

Senevita en Suisse est consolidé à partir du 1er avril 2014, Silver Care en Allemagne est consolidé à partir du 1er juillet 2014 et SeneCura en Autriche est consolidé à partir du 1er avril 2015. Celenus Kliniken est consolidé à partir du 1er juillet 2015.

[1] La croissance organique du chiffre d'affaires du Groupe intègre : 1. La variation du chiffre d'affaires (N vs N-1) des établissements existants consécutive à l'évolution de leurs taux d'occupation et des prix de journée, 2. La variation du chiffre d'affaires (N vs N-1) des établissements restructurés ou dont les capacités ont été augmentées en N ou en N-1, et 3. Le chiffre d'affaires réalisé en N par les établissements créés en N ou en N-1. Est intégrée à la croissance organique, l'amélioration du chiffre d'affaires constatée par rapport à la période équivalente précédente, sur les établissements récemment acquis.

1/2

Yves Le Masne, Directeur Général d'ORPEA, commente : « *ORPEA a de nouveau enregistré une forte progression de son activité au 3ème trimestre 2015 avec une hausse de 18,2% du chiffre d'affaires qui atteint 620,2 M€. Grâce à la puissante dynamique de développement mise en œuvre par ORPEA depuis plusieurs années, le chiffre d'affaires a ainsi doublé par rapport au 3ème trimestre 2011, soit en seulement 4 ans.*

La performance du trimestre est le fruit de la stratégie historique de création de valeur du Groupe :

- *une croissance organique solide à +5,0%, résultant à la fois de l'attractivité des établissements historiques, avec de forts taux d'occupation, et de la montée en puissance des lits récemment ouverts, notamment dans des localisations stratégiques, telles que Paris 16ème, Ostende, …*
- *la contribution des acquisitions internationales, notamment Celenus Kliniken, cliniques de Soins de Suite et de Réadaptation et de Psychiatrie en Allemagne, et SeneCura en Autriche.*

L'international représente désormais 35% de l'activité dont près de 70% en Europe germanophone (Allemagne, Suisse et Autriche).

Ainsi, sur 9 mois, le chiffre d'affaires progresse de +23,1% à 1 742,6 M€, avec une croissance organique de +5,5%, notamment portée par l'ouverture de 1 600 lits depuis le début de l'année.

Compte tenu de la performance des 9 premiers mois, des ouvertures programmées pour le 4ème trimestre et de la contribution additionnelle de Residenz Gruppe Bremen au 4ème trimestre, ORPEA confirme, avec sérénité, son objectif de chiffre d'affaires annuel de 2 380 M€, soit une croissance de +22,1% par rapport à 2014. »

Prochain communiqué : chiffre d'affaires annuel 2015
10 février 2016 avant l'ouverture du marché

A propos d'ORPEA (www.orpea-corp.com)

Créé en 1989, et coté sur Euronext Paris depuis avril 2002, ORPEA est un leader européen de la prise en charge globale de la Dépendance. Le Groupe dispose d'un réseau européen unique de 690 établissements pour 67 987 lits (dont 10 439 lits en restructuration ou construction), soit :

- 32 743 lits en France répartis sur 354 sites (dont 3 349 lits en restructuration ou construction)
- 35 244 lits en Europe (Allemagne, Autriche, Belgique, Espagne, Italie, République tchèque et Suisse) répartis sur 336 sites (dont 7 090 lits en restructuration ou construction)

Compartiment A d'Euronext Paris, marché du Groupe Euronext
Membre des indices SBF 120, STOXX 600 Europe, MSCI Small Cap Europe et CAC Mid 60
ISIN : FR0000184798- Reuters : ORP.PA - Bloomberg : ORP FP

ORP LISTED EURONEXT

Relations investisseurs :

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TAXATION

The following is an overview limited to certain withholding tax considerations in France relating to the holding of the Notes and is included herein solely for information purposes. It specifically contains information on withholding taxes levied on the income from the Notes held by Noteholders (i) who are not tax residents in France, (ii) who do not hold their Notes through a fixed base or a permanent establishment in France and (iii) who do not otherwise hold shares of the Issuer. This overview is based on the laws in force in France as of the date of this Prospectus, as applied and construed by the French tax authorities, subject to any changes in law or in interpretation.

It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

1. EU directive on the taxation of savings income

The directive on taxation of savings income in the form of interest payments (2003/48/EC) adopted by the EC Council on 3 June 2003 (the "**Savings Directive**") requires each Member State to provide to the tax authorities of another Member State details of payments of interest and other similar income (within the meaning of the Savings Directive) made by a paying agent (within the meaning of the Savings Directive) within its jurisdiction to, or under circumstances to the immediate benefit of, a beneficial owner (within the meaning of the Savings Directive) resident in that other Member State.

However, for a transitional period, Austria instead imposes a withholding tax of 35% on any interest payment (within the meaning of the Savings Directive), unless the beneficiary of interest payment elects for the exchange of information. This transitional period will terminate at the end of the first full fiscal year following the conclusion of certain other agreements relating to exchange of information with other countries which are not members of the European Union.

Several countries and territories not members of the European Union, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland applies unless the beneficiary of interest payment elects for the exchange of information). The current withholding tax rate amounts to 35%.

On 24 March 2014, the Council of the European Union adopted a directive amending the Savings Directive (the "**Amending Directive**") strengthening the European rules on exchange of information relating to savings in order to enable Member States to fight tax fraud and tax evasion. The Amending Directive will amend and broaden the scope of the requirements described above, notably to cover new types of savings, income and products that generate interests or similar revenues and the scope of reporting obligations owed to tax administration. The Member States will have until 1st January 2016 to implement the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

However, the European Commission has proposed the repeal of the Savings Directive from 1st January 2017 in the case of Austria as from 1st January 2016 in the case of other Member States (subject to the on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding on, payments made before these dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by Council Directive 2014/107/EU. The proposal provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

2. France

Savings Directive

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of Annex 3 to the French *Code général des impôts*, which impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Withholding Tax

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Notwithstanding the foregoing, the 75% withholding tax will not apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official regulation (*Bulletin Officiel des Finances Publiques-Impôts*) published by French tax authorities on 11 February 2014 (BOI-INT-DG-20-50-20140211, Section No. 990), an issue of notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if such notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and that the operation of such market is carried out by a market operator or an investment service provider, or by such other similar foreign entity, provided further that such market operator, investment service provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

The Notes being, as from their Issue Date, admitted to the clearing operations of a duly authorised central depositary, payments of interest and other revenues made by, of for the account of, the Issuer under the Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Furthermore, pursuant to Article 238 A of the French *Code général des impôts*, interest and other revenues on the Notes will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a State or territory where they benefit from a preferential tax regime under the meaning of Article 238A mentioned above or in a Non-Cooperative State, or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French Code général des impôts, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30% or 75%, subject to the more favourable provisions of any applicable double tax treaty.

However, neither the non-deductibility set out under Article 238 A of the French *Code général des impôts* (as further specified by the official regulation (*Bulletin Officiel des Finances Publiques-Impôts*) published by French tax authorities on 11 February 2014 (BOI-INT-DG-20-50-20140211, Section No. 550) nor the withholding tax set out in Article 119 *bis* 2 of the French Code *général des impôts* will apply in respect of the issue of the Notes if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

Payments made to French tax resident individuals

Pursuant to Articles 125 A and 125 D of the French *Code général des impôts*, subject to certain limited exceptions, interest and other similar revenues received as from 1st January 2013 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 18 December 2015, between the Issuer and the Joint Lead Managers, the Joint Lead Managers agreed with the Issuer, subject to the satisfaction of certain conditions, to procure the subscription and the payment, failing which to subscribe and pay, for the 2022 Notes at an issue price equal to 100 per cent. of their aggregate principal amount and the 2025 Notes at an issue price equal to 100 per cent. of their aggregate principal amount, less the commissions agreed between the Issuer and the Joint Lead Managers for the benefit of the Joint Lead Managers. The Subscription Agreement entitles, in certain circumstances, the Joint Lead Managers to terminate it prior to payment being made to the Issuer.

1. General restrictions

No action has been or will be taken by the Issuer or the Joint Lead Managers (to the best of their knowledge) in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any document, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

The Joint Lead Managers have agreed and represented that they have complied and will comply (to the fullest extent possible) with all relevant laws, regulations and directives in each jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute this Prospectus or any other offering material.

2. France

The Joint Lead Managers have represented and agreed that, in connection with their initial distribution, they have not offered or sold or caused to be offered or sold, and will not offer or sell or cause to be offered or sold, directly or indirectly, any Notes to the public in France and they have not distributed or caused to be distributed, and will not distribute or cause to be distributed, to the public in France, directly or indirectly, this Prospectus or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

3. United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this section and not otherwise defined in this Prospectus have the meanings given to them by Regulation S.

The Notes are only being offered and sold outside of the United States in offshore transactions to non-U.S. persons in compliance with Regulation S.

The Joint Lead Managers have represented and agreed that they have not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Notes as part of their distribution at any time within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

In addition, until 40 calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

4. United Kingdom

The Joint Lead Managers have represented and agreed that:

(a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activities (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(g) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving, the United Kingdom.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear France (66 rue de la Victoire, 75009 Paris, France), Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) with the common code 133822542 for the 2022 Notes and 133822607 for the 2025 Notes. The ISIN code is FR0013080173 for the 2022 Notes and FR0013080207 for the 2025 Notes.

2. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 17 December 2015.

3. For the purposes of the admission to trading of the Notes on Euronext Paris as from the Issue Date, and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the *Autorité des marchés financiers* (the "**AMF**") and received visa No. 15-635 dated 18 December 2015.

4. The total expenses related to the admission to trading (including AMF fees) are estimated to €5,125 for the 2022 Notes and €5,925 for the 2025 Notes.

5. Save for any fees payable to the Joint Lead Managers, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue.

6. The yield of the 2022 Notes is 2.568 per cent. *per annum* and the yield of the 2025 Notes is 3.144 per cent. *per annum*, each as calculated at the Issue Date on the basis of their respective issue price. It is not an indication of future yield.

7. The statutory auditors of the Issuer for the period covered by the historical financial information are Saint Honoré BK&A (140, rue du Faubourg Saint-Honoré - 75008 Paris – France) and Deloitte & Associés (185 avenue Charles de Gaulle - 92524 Neuilly-sur-Seine Cedex – France). They have audited and rendered audit reports on the financial statements of the Issuer for each of the financial years ended 31 December 2013 and 31 December 2014. Saint Honoré BK&A belongs to the *Compagnie Régionale des Commissaires aux Comptes de Paris* and Deloitte & Associés belongs to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

8. Except as disclosed on pages 27 and 28 of this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2015.

9. There has been no material adverse change in the prospects of the Issuer since 31 December 2014.

10. During the period of twelve (12) months prior to the date of this Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

11. So long as any of the Notes is outstanding, copies of this Prospectus, the documents incorporated by reference in this Prospectus, the by-laws (*statuts*) of the Issuer, the most recent financial statements of the Issuer and, as the case may be, the audit reports with respect thereto will be available and obtainable, free of charge, at the registered office of the Issuer during normal business hours on any weekday (except Saturdays, Sundays and public holidays). This Prospectus, together with the 2013 Reference Document and 2014 Reference Document, are also available on the websites of the AMF (www.amf-france.org) and of the Issuer (www.orpea-corp.com). The 2015 Interim Financial Report is available on the website of the Issuer.

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