Quality service in Long-Term Care & Post-Acute Care

2008 Full-year Results

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ORPEA:
A RESILIENT MODEL

ORPEA 's offer: a global approach to dependency

Positioning
short, medium and long-term physical and pshychiatric care:

- ✓ Long-term stays
- ✓ Short-term stays
- ✓ Day care
- ✓ Protected units[1]
- ✓ Post-acute care (general care, geriatrics, cancerology)
- ✓ Rehabilitation centres (post-orthopaedic surgery, trauma, neurology)
- ✓ Cardio-rehab centres
- ✓ Psychiatric care

[1] *"Protected Units": units specialised in caring for people with neurodegenerative illnesses such as Alzheimer's*

Shared issues

1. Expertise

- ✓ **Business**: care services
- ✓ **Priority**: to guarantee the best possible Quality
- ✓ **A must**: HR policy and attractive training
- ✓ **Know-how**: construction and fitting out of shelter structures

2. Business model and regulation

- ✓ String **regulation** and systems by authorisation systems
- ✓ Less **sophisticated technical** platforms than short-term stays
- ✓ Strong focus on **accommodation** component
- ✓ Fewer specialised and transversal care **staff**
- ✓ Very **similar margins**

A leading player in global long-term and post-acute care

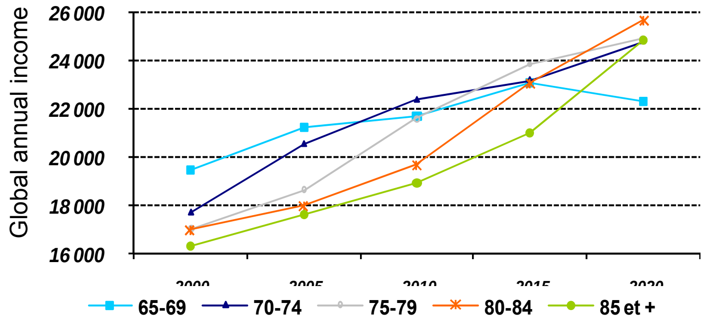
A high-potential sector, independent of the economic environment

- **Promising long-term trends for the dependency sector:**
  - ✓ **Increase in the number of people aged over 85: +66% between 2008 and 2015 (from 1.2m to 2m)**
  - ✓ **Insufficient number of beds: shortfall estimated lack at 30 / 40,000 EHPAD[1] beds**
  - ✓ **Shorter and shorter stays in surgery (development of post-acute care)**
  - ✓ **A sharp rise in people affected by mental deficiency (i.e. Alzheimer's)**

- **Dependency care: a response to an immediate need**
  - ✓ **EHPAD[1]: very dependent people, very difficult or impossible to keep them at home**
  - ✓ **Follow-up care: rest, re-education and care following major / urgent surgery**
  - ✓ **Psychiatry: admission required following during crisis (depression, psychosis...)**

- **Solvent demand:**
  - ✓ **Typical EHPAD residents: women aged over 85**
  - ✓ **Potential increase in revenue of +45% between 2005 and 2020 for over 85s**
  - ✓ **Little sensitivity to price changes associated with Quality**

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



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

A high-visibility sector

[1] *EHPAD : "Établissement pour Personnes Âgées Dépendantes" = Facilities for eldery dependent people*

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Recent regulatory changes

- **Creation of *Agences Régionales de Santé* (ARS) regional health centres currently taking place**
  - ✓ **Shared regulation for the health, medico-social and family medicine sectors**
  - ✓ **Global consideration of the Care sector favouring the care continuum**
  - ✓ **Reduction in the number of go-betweens simplifying process**

- **Changes in care rates in permanent dependency**
  - ✓ **Basis: taking into account of the increase in the dependency level of EHPAD residents**
  - ✓ **Increase in Care costs reimbursed by national health insurance**
  - ✓ **Objective: increase the number of nurses and orderlies**
  - ✓ **Financial implication for ORPEA: none, activity with no margin (allowances entirely used to improve care)**

- **Stimulus package : increase in the number of beds authorised and financed in EHPAD**
  - ✓ **5,000 extra beds, giving a total of 12,500 beds over 2009**
  - ✓ **Awareness of the lack of beds and the sector's potential for the economy and for employment**

- **SSR decrees: specialisation of clinics**
  - ✓ **Disappearance of post-op care and functional re-education segmentation**
  - ✓ **Recognition of 9 specialised types of care**
  - ✓ **Specialisation approach already implemented within the Group**

Distinguishing factors of the ORPEA offer

ORPEA
Strong attractivness of facilities

- Strategic locations
- New and modern buildings
- Scientific research and thought processes
- A proactive HR and training policy
- A rigorous Quality policy

The guarantee of a stable and high occupancy rate

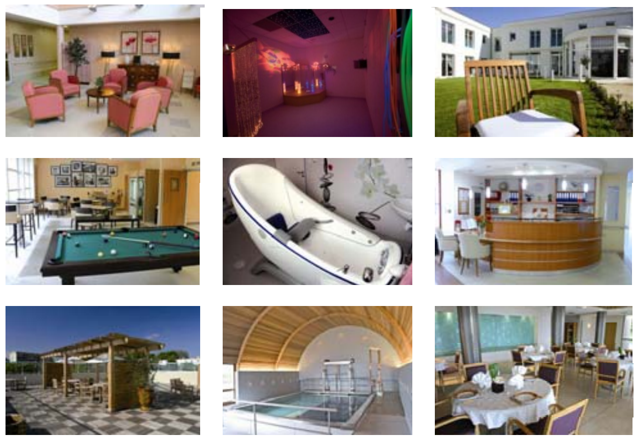
Modern and welcoming accommodation structures

- ▶ **Strategic locations**
  - ✓ In or near town centres
  - ✓ In major urban areas (Paris, Lyon, Marseille) or areas with high potential (western arc of Paris, on the coast)
- ▶ **New and modern buildings**
  - ✓ Just 10 years old on average
  - ✓ Modern and adapted architecture (light)
  - ✓ Pleasant surroundings: terraces, gardens, lounges, pools…
  - ✓ Practical modern furniture
- ▶ **A majority of single rooms**
  - ✓ 95% for EHPAD nursing homes
  - ✓ 80% for clinics
- ▶ **Diversity of services**
  - ✓ Beauty salons, hairdressers…
  - ✓ Daily events
  - ✓ Interaction with local communities

A high standard of services

Location of ORPEA facilities in the Paris and Paris suburb

Examples of interiors



Quality of care: the priority for our 15,000 staff

Quality policy

2008 satisfaction survey:

Satisfaction rate amongst residents and families: 91.6% (vs. 90.7% in 2007)

Percentage of those who would recommend ORPEA facilities: 93.6% (vs. 92.9% in 2007)

2009

Qualicert certification of EHPAD (19 facilities)

Training policy

2008:

Continuing Training Innovation Award

+10,000 more staff undertaking training

100% success rate for DOMEA

224 VAE granted

2009

"*Savoir être bientraitant*" DVD on how to treat residents

Development of the CADRELAN programme (with Essec and Paris V University)

Recruitment policy

2008:

Numerous direct job creations

+

1,500 jobs safeguarded in construction and public works

2009

750 direct job creations

+

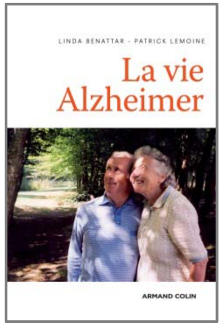
1,500 jobs safeguarded in construction and public works

Quality and Human Resources: keys to success

A scientific thought process and a spirit of innovation

▶ Initiatives regarding Alzheimer's

- ✓ Development of Snoezelen areas, specific architectural design
- ✓ Publication of a book by two of the Group's doctors: *La Vie Alzheimer* (Life Under Alzheimer's) by Doctors Patrick Lemoine, the Psychiatric division's Coordinating Doctor, and Linda Benattar, the Group's Medical Director



▶ Numerous studies by the Psychiatric division

- ✓ Publication of the *Revue du Collège des Psychologues* (psychologists' review , 3rd edition in 2009)
- ✓ Numerous television appearances by Dr Patrick Lemoine on topics such as complementary medicine, excessive use of medicines, somatisation, etc.

▶ Regular publications to exchange Best Practices

- ✓ Quarterly Orpea Clinea letter for residents, supervisory bodies, prescribing physicians
- ✓ Medical Letter for the Group's medical staff
- ✓ Internal newspapers for staff

Be at the forefront of innovation to improve care for patients and residents

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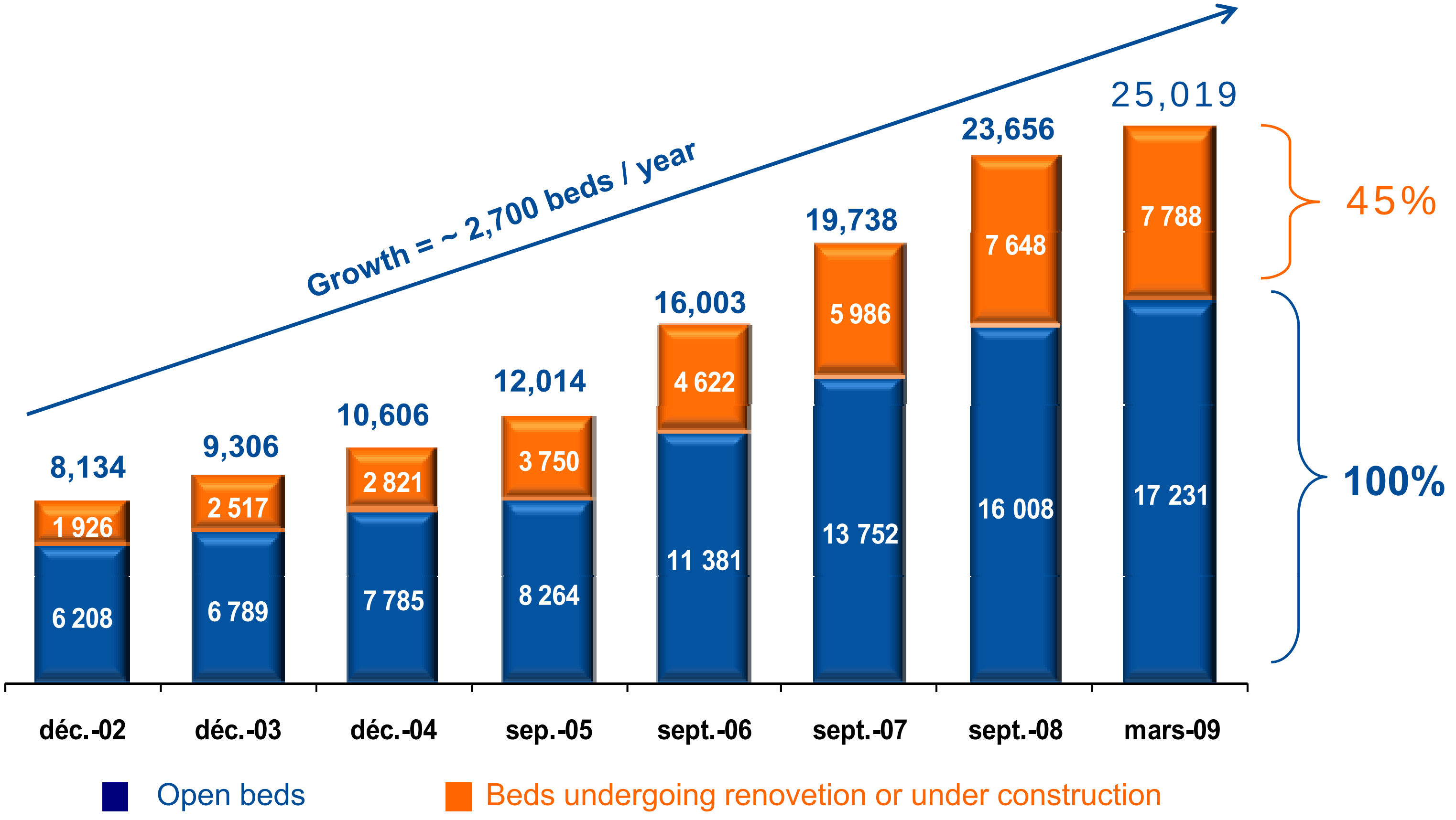
CONTROLLED AND VALUE-CREATING DEVELOPMENT

ORPEA

Strong pace of development

A doubling network in 3 years



Growth reservoir: 7,788 beds undergoing renovation or construction
Total of 25,019 beds representing € 1 billion revenue in 2011

ORPEA
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Development through creation: substantial value creation

- **Advantages relative to the granting of authorisations:**
  - ✓ Internal Authorisations / Conventions / Tariffs department: a team of 10 people
  - ✓ Recognition of ORPEA's know-how
  - ✓ Permanent search for landowners

- **Creation of a facility: maximisation of value creation and profitability**
  - ✓ Internal Work / Engineering department (no promotion margin) + contractor + project manager with research department (Vivrea)
  - ✓ Possibility of constructing a building perfectly adapted to ORPEA's requirements
  - ✓ Timeframe: approximately 2 years

- **Setting up of an HQE (High Quality Environmental) approach for new projects**
  - ✓ Definition and action on 14 HQE targets (ex: eco-friendly management and construction, acoustic comfort, hypothermic, visual, air and water quality, etc.)
  - ✓ Search for innovative equipment in terms of saving energy

- **Land has become more accessible and has no migration costs (possibility of reserving land without pay prior to being granted authorisation)**

A priority development route

Development through acquisitions: strict investment criteria

- **A sector with many opportunities in France**
  - ✓ Predominance of the public sector: 55% of the 530,000 beds (20% for the private commercial sector)
  - ✓ Private commercial sector still very fragmented, with some 800 independent facilities

- **An acquisition policy based on taking over independent facilities**

- **ORPEA: substantial selectivity based on 20 years of experience**
  - ✓ Substantial number of projects being researched
  - ✓ Multi-criteria analysis to identify the mid and long-term growth potential mainly based on location and size of the facility

- **Real know-how in restructuring obsolete facilities**
  - ✓ Modernisation work
  - ✓ Development of the appeal of facilities: single rooms, etc.
  - ✓ Implementation of standards of Quality, administrative procedures and medical / paramedical protocols

A rigorous and targeted acquisition policy focussing on creating value

International development strategy

- **International activity that started 4 years ago in Italy**
- **Target countries: Italy, Spain and Belgium**
  - ✓ **Aging of the population and substantial long-term care needs**
  - ✓ **Similar regulatory frameworks: substantial barriers to entry**
- **Cautious development and replication of French methodologies:**
  - ✓ **A centralised head office for each country and implementation of ORPEA's Quality standards**
  - ✓ **Initial growth via targeted acquisitions**
  - ✓ **Then, priority given to creation of new facilities via authorisations with ORPEA projects (single private rooms, …)**
- **Today, acknowledgement of ORPEA's know-how in these three countries permitting the grant of authorisations**
- **A network consisting of 50% beds undergoing renovation and under construction**
  - ✓ **Substantial room for progression and for improving financial indicators**
- **Strategic priority: optimisation of profitability**
  - ✓ **New facilities built by ORPEA that will open over the coming two years**
  - ✓ **Acceleration in ongoing restructuring**

➡ **Successful geographical diversification**

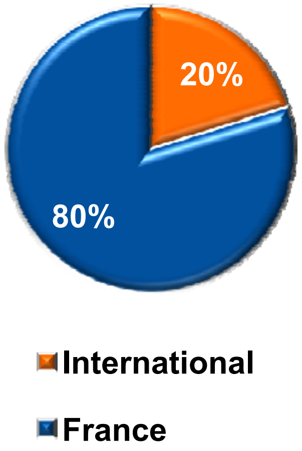
A European network of 25,019 beds over 266 facilities

Breakdown of the 25,019 beds:

20,540 operational beds (3,309 of them undergoing renovation)

+ 4,479 under construction

Geographical beds breakdown;



Spain: gradual increase in activity

- **Network as at 01.03.09: 16 facilities, 1,776 operational beds**
- **Present since 2006 and development via the acquisition of Grupo Care**
  - ✓ **Location in or near large towns (Madrid, Seville, …)**
- **2008: structuring of the head office, application of ORPEA's procedures**
  - ✓ **Maintaining of a high occupancy rate and increase in daily rates**
  - ✓ **Acknowledgement of the Group's know-how: voted Spain's n° 1 retirement home group, by "*Negocios y Gestion Residencial*", for the quality of the services and care provided**
- **Strategy:**
  - ✓ **Continue to increase daily rates due to renovations**
  - ✓ **Increase profitability**
  - ✓ **Seize opportunities to create facilities in large towns**

Priority given to profitability

Italy: pertinence of the model confirmed

- **Network as at 01.03.09: 11 facilities, 1,120 beds**
  - ✓ **702 operational beds (66 of them undergoing renovation)**
  - ✓ **418 beds under construction**
- **Present since 2004 and development via targeted acquisitions and authorisations**
  - ✓ **Location exclusively in the North of the country**
- **Rapid upramping and success of the 2 facilities built by ORPEA consisting mainly of single private rooms**
- **Strategy:**
  - ✓ **Bringing into service of the 418 beds currently under construction in order to increase the size of the network at maturity**
  - ✓ **Development via authorisations**

Priority given to the upramping of the network

Belgium: 50% of the network under development

- **Network as at 01.03.09: 19 facilities, 2,090 beds**
  - ✓ **1,513 operational beds (442 of them undergoing renovation)**
  - ✓ **577 beds under construction**
- **Present since 2006 and development via targeted acquisitions and authorisations**
- **2008 : structuring of a head office, implementation of ORPEA's standards and work on 50% of the network**
- **Strategy:**
  - ✓ **Restructuring of acquired facilities and construction of newly-authorised facilities**
  - ✓ **2009: opening of a 159-bed facility in Brussels**
  - ✓ **Pursuance of development via targeted acquisitions and authorisations**

Priority given to developing the network

France: upramping of the network at maturity

- **Network as at 01.03.09: 219 facilities, 19,258 beds (1/3 of them under development)**
  - ✓ **16,474 operational beds (2,774 of them undergoing renovation)**
  - ✓ **3,484 beds under construction**

- **Recent dvelopments (Oct 08 to Mars 09): + 1,363 beds (15 facilities)**
  - ✓ **40% of authorisations (538 beds) / 60% of acquisitions**

- **2008 openings: 11 facilities**
  - ✓ **Clinics: Boulogne (92), Saint-Rémy-lès-Chevreuse (78), Montmorency (95)**
  - ✓ **Long-term care facilities: Montereau-Fault-Yonne (77), Paris (75), Valenton (94), Nancy (54), Granville (50), Saint-Quentin (02), Bourges (18)**

France: 2009 openings

- **2009 planned openings: 10 facilities**
  - ✓ **Long-Term Care facilities: Châteauneuf de Grasse (06), Caen (14), Bordeaux (33)**
  - ✓ **Clinics: Rueil-Malmaison (92), Grasse (06)**













France: constructions and ongoing projects

- **Several projects for construction, renovation or extension of facilities**
  - ✓ **Long-Term Care facilities: Toulouse Crampel (31), Soubise (17), Nice La Corniche (06),**
  - ✓ **Clinics: Paris Mechain (75), …**

Sustainable development approach: the Soubise (17) project

- **Construction of a 78-bed EHPAD facility near Rochefort within a sustainable development approach**

- **Low energy-consumption building using renewable energy**
  - ✓ Wood heating
  - ✓ Solar thermal energy for the production of domestic hot water
  - ✓ Solar photovoltaic energy for the production of electricity

- **A building that is part of a sustainable construction approach:**
  - ✓ Use of ecologically-friendly materials: wood for the structure as a whole, cellulose wool, hemp for pour insulation
  - ✓ Saving water: recovery of river water for watering green areas
  - ✓ Revegetation of roofs
  - ✓ Respecting of, and incorporation within, the existing environment

- **A building that perfectly meets the objectives of the *Grenelle de l'Environnement* conference**
  - ✓ Energy savings: estimated at 44.10% in primary energy compared to the RT 2005 benchmark consumption
  - ✓ High Quality Environmental: responses to the 14 HQE benchmark targets

Generalisation of the HQE approach to all new constructions

Sustainable development approach: the Soubise (17) project

- **Use of ecologically-friendly materials**

- **Respecting of the environment**

Vue sur entrée principale

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2008 FULL-YEAR RESULTS

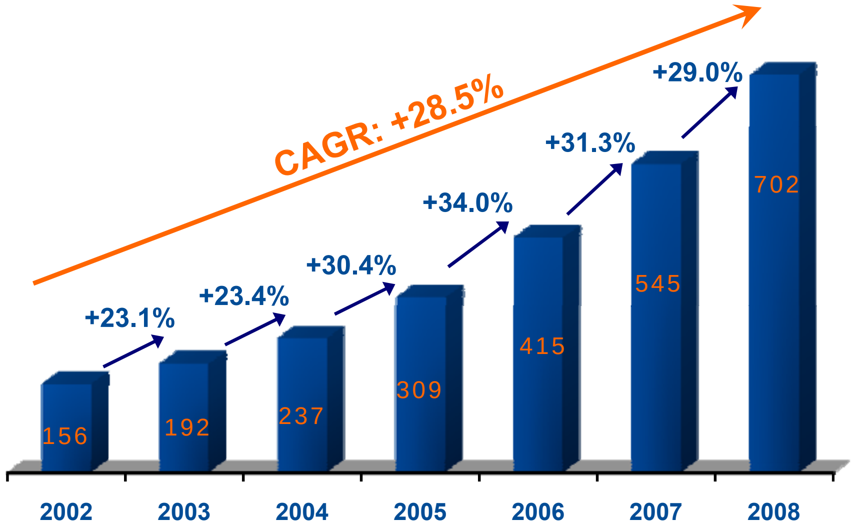
Detail of 2008 achievements

TARGETS	ACHIEVEMENTS
Sales: €665m (+22%) Revised to €680m (+25%)	€702.3m + 29.0%
Strong organic growth	+ 13.4% > to 2007
Strong Recurring Operating Marging	13.5% > to 2007

Unaudited

Strong growth of sales

- **2008 sales: +29.0%**
- **2008 organic growth > 2007: +13.4%**



In €m	2008	2007	▲ %
France	613.1	493.6	*+24.2%*
	87.3%	*90.6%*	
International	89.2	51.1	*+74.6%*
	12.7%	*9.4%*	
Belgium	38.6	12.0	
Spain	27.2	23.6	
Italy	15.4	9.6	
Switzerland	8.1	5.9	
Total	702.3	544.8	*+29.0%*

2008 record sales at €702.3m > €37m than initial guidance

Strong increase of international sales in 2008: +75%

Unaudited

Full-year results – Key figures

In €m	2008	2007	▲ %
Sales	702.3	544.8	+28.9%
EBITDAR (EBITDA before rents) [1]	168.8	132.9	+27.0%
Recurring EBITDA [1]	124.3	95.8	+29.7%
Reccuring EBIT (Recur. Operating Profit)	95.0	72.7	+30.7%
EBIT (Operating Profit)	107.4	82,0	+31.0%
Financial result	(41.8)	(24.8) [2]	(+68.8%)
Net profit	48.4	41.2	+17.5%

[1] Includes provisions associated with External Charges and Personnel Costs
[2] Included a €5m profit on financial instruments

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

Unaudited

Operating profit

In €m	2008	2007	▲ %
Sales	**702.3**	544.6	***+29.0%***
Staff costs	(351.6)[1]	(272.7)[1]	***+28.9%***
Expenses	(141.8)	(106.9)	***+32.7%***
Taxes and duties	(36.4)	(28.7)	***+26.7%***
Other costs and products	(3.7)[2]	(3.3)[2]	*N.S.*
EBITDAR (EBITDA before rents)	**168.8**	132.9	***+27.0%***
Rents	(44.5)	(37.1)	***+19.9%***
Recurring EBITDA	**124.3**	95.8	***+29.7%***
Amortizations & depreciations	(29.3)	(23.1)	***+27.0%***
Reccuring EBIT (Recur. Operating Profit)	**95.0**	72.7	***+30.6%***
	13.5%	*13.3%*	
Non recurring items	**12.4**	9.3	*N.S.*
EBIT (Operating profit)	**107.4**	82.0	***+31.0%***

(1) including related net provisions (2) including net provisions on client debts

Unaudited

Strong increase of international margins

In €m	2008 Sales	2008 Recur. EBITDA	2008 % of sales	2007 Sales	2007 Recur. EBITDA	2007 % of sales
France	613.1	117.5	*19.2%*	493.6	95,3	*19.3%*
Spain	27.2	(0.1)		23.6	(0.5)	
"Grupo CARE" only		*+0.4*			*(0.5)*	
Italy	15.4	0.5		9.6	(0.7)	
Belgium	38.6	5.3		12.0	1.6	
Switzerland	8.1	1.1		5.9	0.1	
International	89.2	6.8	*7.6%*	51.1	0.5	*1.0%*

Recurring EBITDA: Recurring operating profit before amortization and depreciation

- **France: 37 facilities being opened or renovated (after acquisition)**
- **Spain: positive “Care” EBITDA. Pursuance of the quality and margin-improvement policy**
- **Italy: 1 mature facility, 3 opening, 1 under renovation**
- **Belgium: 1st return on investment since the start in 2006 within the context of buoyant development**
- **Switzerland: end of construction work and a medical team renewed since last quarter**

Ambitious investments for a secured growth

In €m	2008	2007	▲ %
Recurring EBITDA	**124.3**	97.2	***+28%***
Net cash flow from operating activities	**93.1**	74.0	***+26%***
Net investment cash flow	**(405.4)**	(369.0)	***+10%***
Net financing cash flow	**311.0**	338.0	***-8%***
Change in cash position	**(1.3)**	43.0	***n.s.***

Investments dedicated to a strong sustainable growth of EBITDA
Ebitda 2008 / 2007: +30%
Change on 4 years (2008 / 2004): +200%

Consolidated balance sheet

	In €m	31-Dec-08	31-Dec-07
ASSETS	**Fixed assets**	**2 343**	**2 159**
	Goodwill	182	168
	Intangible assets	604 (1)	552
	Tangible assets & inventories	1 479	1 397
	Others non current assets	33	42
	Current assets	**223**	**146**
	Of which available & marketable securities	*53*	*13*
	Assets held with a view to being sold	*44* (2)	*0*
	TOTAL ASSETS	**2 566**	**2 305**
LIABILITIES	**Shareholders' equity and infinite diferred tax**	**697**	**683**
	Shareholders' equity	540	538
	Diferred tax (Quasi shareholders equity)	157	144
	Fixed liabilities	**1 380**	**1 133**
	Other differed tax liabilities	216	212
	Provisions for risks and charges	33	25
	Long-term financial debt	1 131	895
	Current liabilities	**489**	**489**
	Of which short-term debt (bridge loans)	*153*	*240*
	Debt linked to assets held with a view to being sold	*42* (2)	
	TOTAL LIABILITIES	**2 566**	**2 305**

(1) including the valuation of international authorisations at 80% of annual revenue: €38m that would otherwise be included in goodwill
(2) buildings for which the divestment to investors is currently taking place have been written down as assets held with a view to being sold

► **Net financial debt as at 31.12.08: €1,230m (81% of which in financing property)**

Restated financial leverage[1]: $\frac{\text{Net financial debt – Property debt}}{\text{Ebitda – (6\% Property debt)}}$ **= 3.68 / Max. authorized by the Bank: 5.5**

Restated Gearing: $\frac{\text{Net financial debt}}{\text{Shareholders equity + quasi equity}}$ **:= 1.75 / Max. authorized by the Bank: 2.2**

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

Unaudited

ORPEA La Vie Continue avec Nous

Operations

Assets	Liabilities
▶ **Network of 25,019 beds** ✓ 17,231 in operation ✓ 3,309 in operation to be renovated ✓ 4,479 under construction	▶ **Financed by medium-term 5 to 7-year loans** ▶ **Hedged by derivatives: swaps**
▶ **Carrying value: €604m**	▶ **Net operating debt: €232m** **75% of which swapped at fixed rate for next 3 to 4 years (3-months Euribor capped at 3.9%)**

2009 sales target: €820m

2011 sales > €1,000m

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

Real estate activity

Assets

- **Operating property: 500,000 m²**
  out of close to a million m² of land
  Secure and saleable assets, not especially vulnerable to fluctuations in the property market

- **Building land**
  + buildings under construction (€350m)
  1,200 beds due to open in 2008
  + 6,700 beds under construction or renovation

- **Asset value: €1,524m**

Liabilities

- **Financed by leases and long-term loans (12 years)**

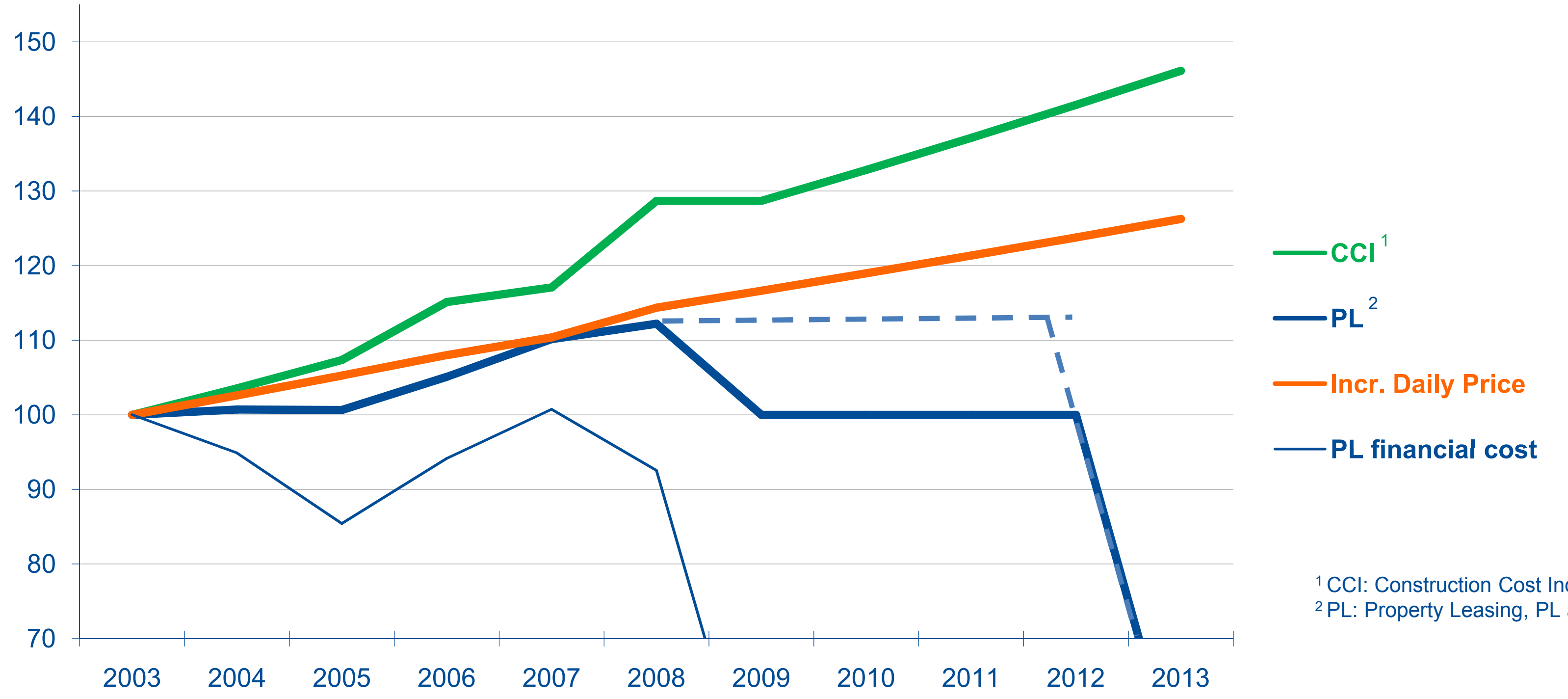
- **Property development credit lines**
  Exit via finance leases, sale to property investment companies or "LMP, LMNP, SCELLIER", sale to institutional investors or contribution to the OPCI

- **Net property debt: €998m**
  75% of which swapped into fixed-rate for the next 3 to 4 years (based on a fixed 3m-Euribor rate of 3.9%)

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

Comparison of property-related expenses

- **Hypotheses used for rate forecasts:**
  - ✓ **12 –year property lease (PL) (2001- 2012) with zero residual value**
  - ✓ **3-months Euribor extended as 2009**



[1] CCI: Construction Cost Index
[2] PL: Property Leasing, PL annuity

The impact of higher interest rates on property-related expenses is less than the impact of rent indexation

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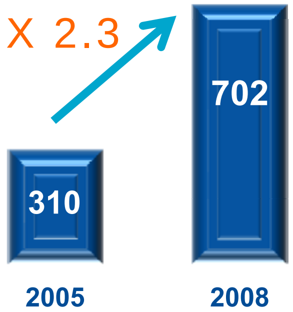
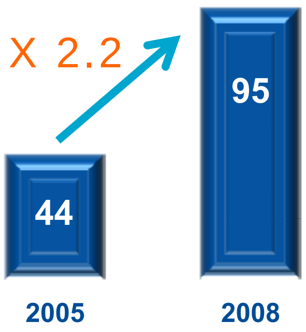
STRATEGY AND OUTLOOK

A strong profitable growth in 3 years: doubling of the indicators

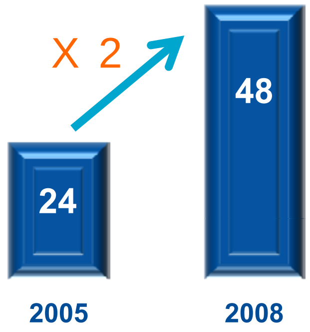
Sales (€m)



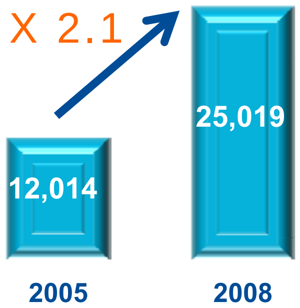
ROP (€m)



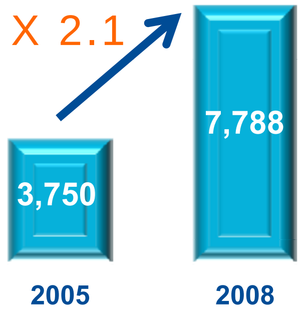
Net profit (€m)



Total number of beds



Growth reservoir
(beds undergoing renovation and construction)



Accommodating growth, profitability and development in order to secure future growth

Pursuance of a profitable growth strategy

Buoyant organic growth	• Integration of 7,788 beds undegoing renovation and construction
Increase in results and cash-flow	• Upramping of mature facilities
International: priority given to profitability	• Upramping of new facilities
Value creating development	• Priority given to authorisations • Selective acquisitions • 3,000 beds per year
Real estate: mix policy between ownership and lrental	• Ownership of 50% of facilities • Divestment by letting of furnsih property, direct sales, OPCI

2009 sales target: €820m

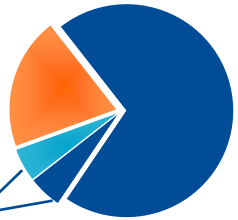
2011 sales target: > €1,000m

APPENDICES

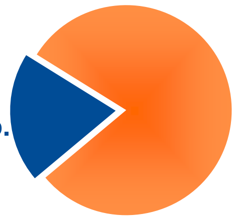
France: per diem prices

► **Breakdown of per diem price** **(effective after the price reform _ "convention tripartite"):**

Long-term care: EHPAD*



Post-acute care: clinic



Met directly:
- in EHPAD*, by the residents**,
- in private hospitals, by patients and/or mutual insurance company

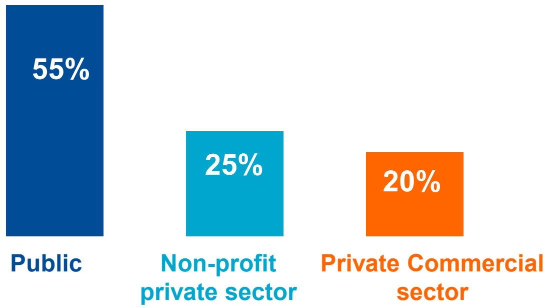
Personal dependency allowance paid directly to the facility by the General Local Council, represents on average 5% of the daily dependency price (based on iso-resources scale groups)

Paid directly:
- in private hospitals by National Health Insurance
- in EHPAD by the CNSA (National Autonomy Support Fund)

**EHPAD : "Établissement pour Personnes Âgées Dépendantes" = Facilities for eldery dependent people*
*** Or by "Social Help" for low income people in authorised facilities*

A still fragmented sector in France

- **Low representativity of the private commercial sector:**
  On a total of 530,000 beds



2001-2005 changes:

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

As a reminder:

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

- **A Private Commercial sector still fragmented**
  - ✓ **5 major groups (> 4,000 beds)**

Group	Number of beds in France	Number of beds abroad	Total
ORPEA	10,678	3,991	***14,669***
KORIAN	10,169	5,790	***15,959***
DOLCEA	8,612	0	***8,612***
MEDICA	7,780	1,434	***9,214***
DOMUS VI	6,296	1,989	***8,285***

*Source:"Mensuel des Retraites," (Monthly Professional Newspaper) January 2009**

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

** for ORPEA, total number at last count (01.03.09): 25,019 beds (19,958 beds in France and 5,061 beds abroad), including post-acute, rehabilitation and psychiatry)*

Belgium: organisation of the sector

- **Sector organised around 3 types of facility**
  - ✓ **Serviced residences ("Seniories"): able-bodied residents**
  - ✓ **Rest homes (RH): able-bodied and semi-able-bodied residents**
  - ✓ **Rest and care homes (RCH): dependent residents**

- **A fragmented sector, dominated by the public sector**
  - ✓ **Sector size: around 1,800 facilities representing 122,000 beds**
  - ✓ **Dominated by the public sector and non-profit organisations, which make up 70% of the sector versus 30% for commercial private-sector operators**
  - ✓ **A fragmented private sector: 3 Belgian private groups (managing more than 10 facilities) and around 15 mid-sized groups (between 3 and 10 facilities) including several French groups**

- **The sector works on a regional basis, and involves authorisation systems**
  - ✓ **An organisation based around 3 regions**

- **Breakdown of per diem price:**

Italy: organisation of the sector

Substantila needs associated with:

- ✓ A rapidly aging population: +452,000 people aged over 85 between 2006 and 2011 (+36.4%) [1]
- ✓ A sharp increase in estimated demand for retirement homes: +16% over 2006-2011, reaching 490,000 people [1]
- ✓ A sociological change: reduction in help from families

An insufficient offer given these increasing needs

- ✓ 340,000 beds in 2003, of which only 88,000 were RSA [2] (Equivalent Nursing Homes), the reminder being mostly assisted living facilities
- ✓ Estimated requirement for 2011: 490,000 beds [1] (+150,000 beds)
- ✓ Major regional differences in terms of structure, operating model, financial means, etc.
- ✓ An increasing demand for private single bedrooms

A fairly similar authorisation system to France, albeit with a major difference: total regional decentralisation

- ✓ Organisation and financing at regional level
- ✓ Authorisation system (conventions) organised by regions and operated by ASL (Aziende Sanitarie Locali – local healthcare agency)

A still highly fragmented sector

- ✓ In RSA : the Public Sector represents 45% of beds, the Non-Profit Sector 35% and the Private Commercial Sector 20% [2]
- ✓ The Non-Profit sector consists of operators who manage just 1 or 2 facilities
- ✓ The Private Sector: a very small number of structured private groups incorporating over 10 facilities (the majority are independent operators with just 1 or 2 facilities)
- ✓ Substantial prospects for consolidation within the sector

[1] Source: Itstat 2006
[2] Source: "L'assistenza residenziale in Italia: regioni a confronto" Itsat study (2000 - 2003)

Spain: organisation of the sector

- **Strong needs and an insufficient offer**
  - ✓ Rapid ageing of the population: increase of people over 80' of +52%[1] between 2006 and 2020
  - ✓ Social and cultural changes: families are less available for home care, putting the elderly into retirement homes has become commonplace
  - ✓ A very insufficient offer with a low number of quality facilities: 181 beds[1] for every 1,000 people over 80 years old in 2006

- **A fragmented sector**
  - ✓ Predominance of the private sector (80%)[1]: 50% for the private commercial sector and 30% for the non-profit private sector
  - ✓ A plethora of small structures: the 10 largest groups account for just 9.1%[1] of beds
  - ✓ Small facilities, with an average of 45 beds[1]

- **A similiar regulation system to France**
  - ✓ Retirement homes protected and overseen by supervisory bodies (notably regional authorities)
  - ✓ Similar structures to those in place for the elderly in France
  - ✓ The State has set up a National Assistance System for Dependent Persons that will come into force in 2007 with a budget of 1% of GDP spread throughout the regions from the State

- **Per diem price**
  - ✓ Private Commercial Sector: 100% met by the resident
  - ✓ Within the Private Commercial Sector, majority of "regulated" beds (entirely financed by the Region, with a set price): 100% covered by the Region

[1] *Source: MSI Study, September 2007*

ORPEA and the stock exchange

▶ Stock data (12 last months):

- ✓ **Average daily volume: 90,521 shares**
- ✓ **Price: €30.16**
- ✓ **High (52 weeks): €40.13**
- ✓ **Low (52 weeks): €21.06**
- ✓ **Turnover: 63% in 12 months**
- ✓ **Mkt Cap: €1,113m**
- ✓ **Nb of shares: 36,902,772**

Data as at 3rd April 2009

▶ Indices:

- ✓ **Compartment B of Euronext Paris by NYSE Euronext**
- ✓ **Member of SBF 120 Index**
- ✓ **Member of SRD**

ORP LISTED NYSE EURONEXT

▶ Financial calendar*:

- ✓ **Q1 2009 sales: 06.05.09 (before market opening)**

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*Subject to modifications