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

2009 Half-year results

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ORP LISTED NYSE EURONEXT

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ORPEA's
offer

La Vie Continue avec Nous

A European player in Long-Term Care & Post-Acute Care

1 business: global approach to medium and long-term physical and psychiatric care

- EHPAD* / Day care / Protected units specialised in Alzheimer
- Post-acute , general care and specialised clinics
- Psychiatric clinics

A unique regulatory environment

- Sector regulated by authorisation systems
- Creation of a single authority: the *Agences Régionales de Santé*
- Strong Quality demand and frequent controls

Shared expertise

- A best possible Quality commitment
- Attractive HR and training policies
- Strong focus on “accommodation” and “real estate” component

**EHPAD : “Établissement pour Personnes Âgées Dépendantes” = Facilities for elderly dependent people*

Strengths of the ORPEA offer

Living environment:

New buildings

Key locations

A majority of single rooms

Quality:

Heart of the strategy

Continuous services improvement

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Strong attractiveness

A life and care project for each resident/patient

Human resources and training:

a proactive policy in constant evolution

A strong administrative headquarters

Facilities' staff concentrated in dependency care

HR and training policy at the heart of development

► A very active recruitment policy

- ✓ From 750 to 1,000 direct job creations (+1,500 jobs in construction an public works)
- ✓ Diversified profiles: orderlies, nurses, psychologists, head supervisors, directors
- ✓ Un-outsourceable, regional jobs on permanent (85%) and full-time (84%) contracts

► A dynamic Human Resources policy

- ✓ Geographical and sectorial mobility provided
- ✓ Internal promotion favoured
- ✓ Motivating and appealing wage policy

► Training: high-performance tool dedicated to Quality

- ✓ Wide variety of training provided: over 10,000 staff undertake training / year (excluding fire safety)
- ✓ Development since 3 years of "VAE" (*Validation des Acquis de l'Expérience*): 224 VAE granted in 2008
- ✓ Success for DOMEA (Institute for orderlies training): 20 places in continuous training + 15 places apprenticeship training (100% success rate)
- ✓ Development of the CADRELAN programme with Essec and Paris V University
- ✓ CAP (NVQ) in food science with the Grégoire de Ferrandy school

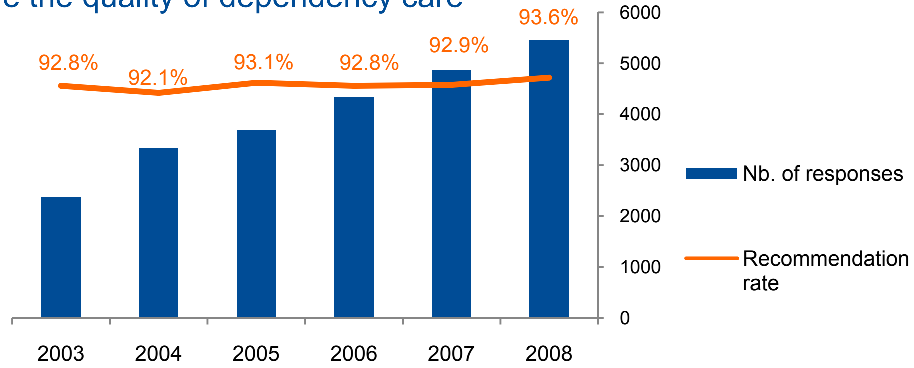
15,000 motivated employees committed to residents' and patients' daily well-being

Main target: reinforcement and improvement of Quality

- **A reminder of realism: managing imperfection 24/7**

- **An autonomous Quality department with over 10 years of experience**
  - ✓ Targets: improve the well-being of residents / patients and prevent and systematically take action to smooth out imperfections and problems
  - ✓ Setting up of common Quality and Ethics charters for all facilities
  - ✓ Continuous trainings of employees in order to improve the quality of dependency care

- **Conclusive results: maintaining of a very high level of satisfaction during an increase in the size of the network**



- **Prevention and monitoring of national health issues such as swine flu (the H1N1 virus)**
  - ✓ Target: business continuity in the case of a pandemic; protection of residents / patients and employees
  - ✓ Preparation and diffusion of the ORPEA CLINEA Plan Bleu (for EHPAD) and Plan Blanc (for clinics) flu pandemic annex
  - ✓ Informing and training of staff
  - ✓ Inventory and purchase of necessary equipment
  - ✓ Setting up of a national crisis unit (consisting notably of the group's Operational, Medical and Quality managers)
  - ✓ Identical deployment to the heatwave plan

Constant monitoring and optimisation

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Network development

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A proven and value-creating development model

Strategy

Facility creations by granting of authorisations:

a priority development route

Targeted acquisitions:

very strict investment criteria

ORPEA's advantages

- Acknowledged know-how
- Internal Authorisations / Conventions / Tariffs department
- Internal Engineering / Work department

- Multi-criteria analysis to identify the mid an long-term growth potential
- Know-how and experience in restructuring obsolete facilities

Growth factors

- Stimulus package: 5,000 extra beds authorised and financed in EHPAD (12,500 beds in 2009)
- Land more available
- Decrease in construction costs

- Sector still very fragmented in France
- Security and Quality standards with important investment needs

7,788 beds currently under construction or being renovated, corresponding to 85 facilities

Real estate policy: key success factors of development

- **A proven real estate policy combining ownership (50%) and rental (50%)**

- **Target of retaining ownership of 50% of the real-estate portfolio**
  - ✓ **Maintain control over the work tool**
  - ✓ **Increase the asset value of the Group**
  - ✓ **Reduce rents and thus increase long-term profitability**

- **Regular arbitrage policy: average of €80-€120m sold off per year**
  - ✓ **Buyers typology: long-term investors (property companies, family offices, individuals via Scellier)**
  - ✓ **Attractive conditions for ORPEA: appealing yield and, most of all, limited rent indexation**

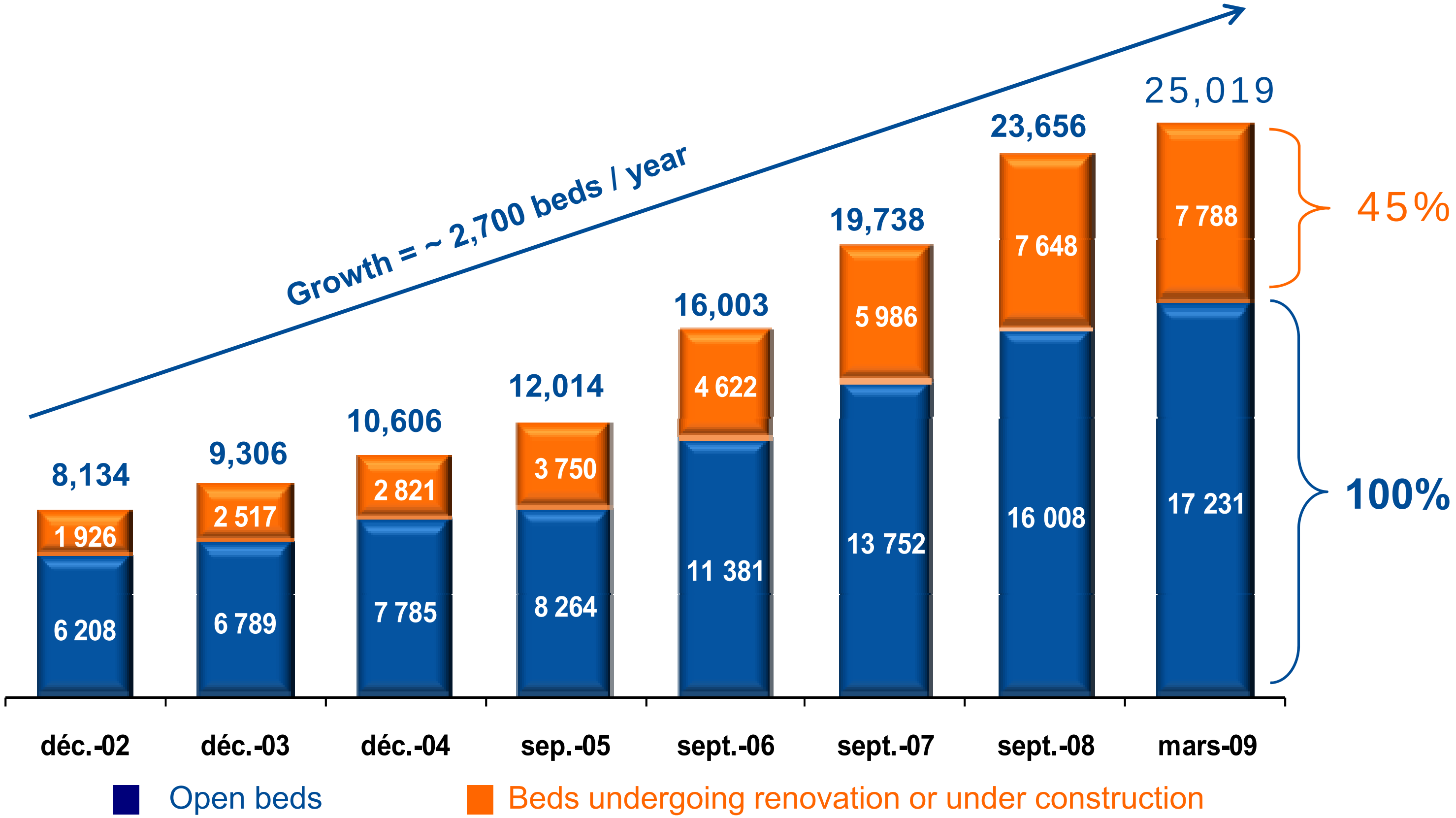
- **A capacity and know-how in the sourcing and negotiation of lands**

- **Regular maintenance of real-estate under ownership**

Accumulation of high-quality real-estate assets in strategic locations

Growth momentum of the facilities network

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

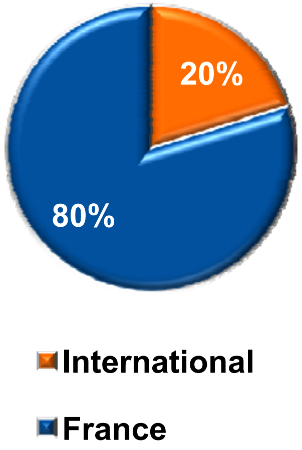
A European network: 266 facilities, 25,019 beds

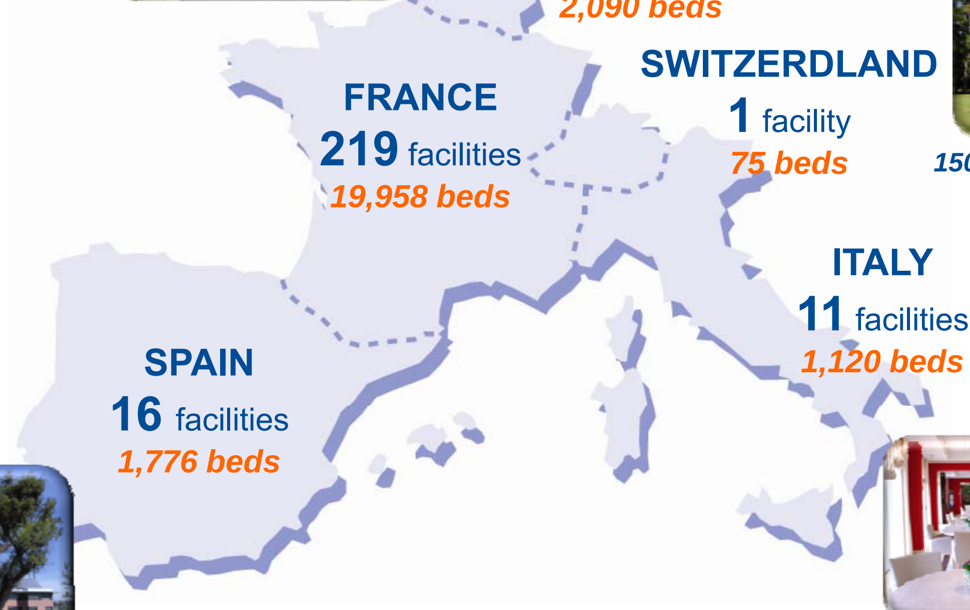
Breakdown of the 25,019 beds:

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

+ 4,479 under construction

Geographical beds breakdown:





150 years in Sept. 2009

International development: success of the French model replication

- **Cautious development that started 5 years ago**
  - ✓ Selectivity of countries (countries with strong regulation): Italy, Spain et Belgium
  - ✓ Application of French methodology: a centralised headquarters, development via authorisations and targeted acquisitions

- **A network of 5,061 beds (57 facilities) 50% of which undergoing renovation or under construction**

- **High standard facilities offering numerous services**
  - ✓ Strategic locations: Bruxelles, Madrid, Northern Italy, ...
  - ✓ A majority of single rooms in new facilities

- **Strategy: optimisation of profitability and development by creation**

Spain: 1,776 beds

100% of the network is operational
Increase in per diem prices

Italy: 1,120 beds

55% of the network is operational
Priority to the gradual increase of the existing pipeline

Belgium: 2,090 beds

50% of the network is operational
A very strong potential
Opening of 1 facility in H2 2009 (159 beds)

France: strategic locations

- **Network of 219 facilities, 19,958 beds**
  - ✓ **16,474 operational beds (2,774 of them undergoing renovation)**
  - ✓ **3,484 beds under construction**

Location of operational EHPAD in France:
Dynamic regions and major urban areas

Location of EHPAD and clinics in Paris region:
Predominance of the Western district

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2009 openings

H1: 4 facilities

- ✓ **EHPAD: Caen II (14), La Valette du Var (83)**
- ✓ **Post-acute clinics: Rueil Malmaison (92), Grasse (06)**








H2: 6 facilities

- ✓ **EHPAD : Châteauneuf de Grasse (06), Carbon Blanc (33), Toulouse Crampel (31), Brasles (02), Bruxelles, Cagnes-sur-Mer (06)**








Ongoing development projects: construction and renovation

- **More than 20 development projects: construction, renovation, extension**
  - ✓ **EHPAD: Nice La Corniche (06), Marseille Saint Luc (13), Charleville Mézières (08), Chartres (28), Neuilly sur Seine (92), Soubise (17)**
  - ✓ **Clinics: Paris Mechain (75), Asnières (92), Osny (95), Meaux (77)**
















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2009
Half-year results

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H1 2009 achievements

2009 INITIAL TARGETS	H1 2009 ACHIEVEMENTS
Sales growth: +17%	+ 22.4%
Strong organic growth (>10%)	+ 11.2%
Maintain strong Recurring Operating Margin	13.0%
Further real estate sales at an attractive rate	€20m in H1 2009 €80m planned for H2 2009

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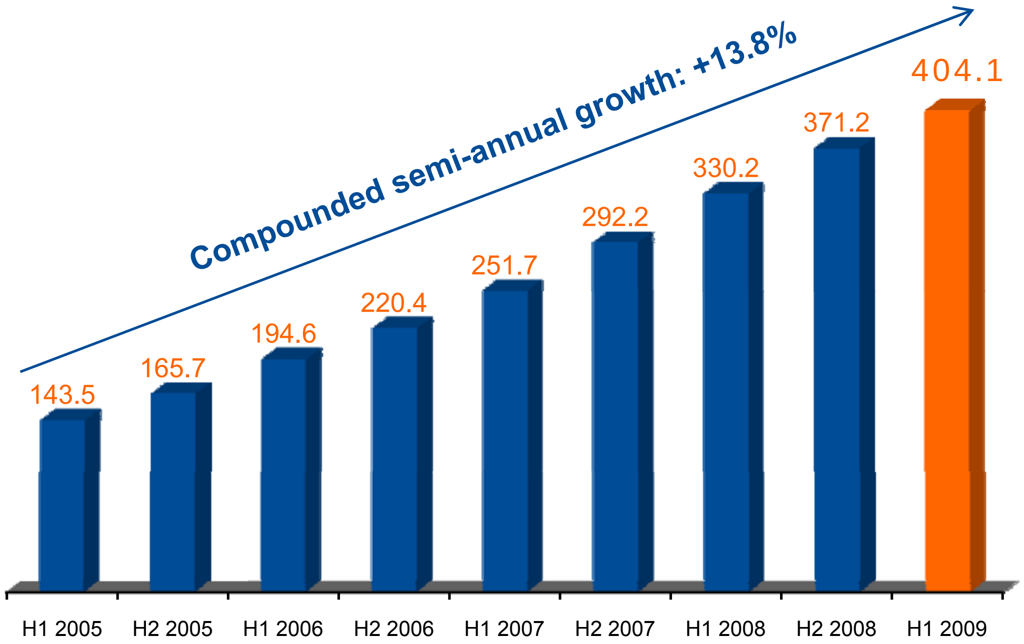
H1 2009: continuing buoyant growth

- **H1 2009 sales: €404.1m (+22.4%)**
- **H1 2009 organic growth: +11.2%**



In €m	H1 2009	H1 2008	▲ %
France	**352.5** *87%*	294.1 *89%*	*+19.9%*
International	**51.6** *13%*	36.1 *11%*	*+42.9%*
Belgium	23.7	13.0	
Spain	14.0	12.9	
Italy	9.1	6.4	
Switzerland	4.8	3.9	
Total	**404.1**	330.2	*+22.4%*

Solid momentum with strong organic growth and secured external growth

Half-year results – Key figures

In €m	H1 2009	H1 2008	▲ %
Sales	404.1	330.2	+22.4%
EBITDAR (EBITDA before rents)	95.3	78.6	+21.2%
Reccuring EBITDA	70.7	57.7	+22.5%
Reccuring EBIT (Recur. Operating Profit)	52.6	43.3	+21,6%
EBIT (Operating Profit)	62.1	55.8	+11.3%
Financial result	(22.2)	(17.4)	(+27.7%)
Net profit	30.1	28.2	+6.7%

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

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Operating profit

En M€	H1 2009	H1 2008	▲ %
Sales	**404.1**	330.24	***+22.4%***
Staff costs	(205.6)	(164.6)	***+25.0%***
Expenses	(81.0)	(67.8)	***+19.5%***
Taxes and duties	(20.7)	(18.1)	***+14.6%***
Other costs and products	(1.5)	(1.2)	*N.S.*
EBITDAR (EBITDA before rents)	**95.3**	78.6	***+21.2%***
Rents	(24.6)[1]	(20.9)	***+17.5%***
Recurring EBITDA	**70.7**	57.7	***+22.5%***
Amortizations & depreciations	(18.1)	(14.4)	***+25.3%***
Reccuring EBIT (Recur. Operating Profit)	**52.6**	43.3	***+21.6%***
	13.0%	*13.1%*	
Non recurring items	**9.5**	12.5	*N.S.*
EBIT (Operating profit)	**62.1**	55.8	***+11.3%***

[1] Rents: + 3.7% of average indexation + new rents from openings and acquisitions + increase in head-office rent from €346 to €858 thousand

Change in margins by geographical sectors

In €m	H1 2009			H1 2008		
	Sales	Recur. EBITDA	% of sales	Sales	Recur. EBITDA	% of sales
France	352.5	66.1	*18.8%*	294.5	55.7	*18.9%*
Spain	14.0	0.2		12.9	(0.2)	
"Grupo CARE" only		*+0.8*			*+0.2*	
Italy	9.1	0.9		6.8	0.1	
Belgium	23.7	2.7		12.1	1.3	
Switzerland	4.8			3.9	0.5	
International	51.6	4.5	*8.7%*	35.7	1.9	*5.3%*

Recurring EBITDA: Recurring operating profit before amortization and depreciation

- **France** : **maintaining robust profitability despite of 30 facilities being opened or renovated (after acquisition) and setting up of rents for sold facilities**
- **Spain** : **"Care" EBITDA increased by +€600 thousand. Pursuance of the quality and margin-improvement policy**
- **Italy** : **sale of a facility representing €0.7m of sales and -€0.01m of Ebitda in Q1**
- **Belgium** : **further upgrading of facilities**

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Ambitious investments for a secured growth

In €m	H1 2009	H1 2008	▲ %
Recurring EBITDA	**70.7**	57.6	***+23%***
Net cash flow from operating activities	**46.6**	39.8	***+17%***
Net investment cash flow	**(126.0)**	(271.5)	***(54%)***
Net financing cash flow	**70.4**	189.4	***(63%)***
Change in cash position	**(9.0)**	(42.3)	***n.s.***

Investments dedicated to a strong sustainable growth of Ebitda:
Ebitda H1 2009 / H1 2008: +23%
Change on 5 years (H1 2009 / H1 2004): +182%

Consolidated balance sheet

	In €m	30-Jun-09	31-Dec-08
ASSETS	**Fixed assets**	**2,422**	**2,299**
	Goodwill	181	179
	Intangible assets	671	610
	Tangible assets & inventories	1,529	1,479
	Others non current assets	41	31
	Current assets	**185**	**224**
	Of which available & marketable securities	*45*	*53*
	Assets held with a view to being sold	*90*	*49*
	TOTAL ASSETS	**2,697**	**2,572**
LIABILITIES	**Shareholders' equity and infinite diferred tax**	**738**	**698**
	Shareholders' equity	564	541
	Diferred tax (Quasi shareholders equity)	174	157
	Fixed liabilities	**1,372**	**1,281**
	Other differed tax liabilities	225	216
	Provisions for risks and charges	23	25
	Long-term financial debt	1,124	1,034
	Current liabilities	**502**	**551**
	Of which short-term debt (bridge loans)	*151*	*153*
	Debt linked to assets held with a view to being sold	*84*	*42*
	TOTAL LIABILITIES	**2,697**	**2,572**

Change in debt ratios

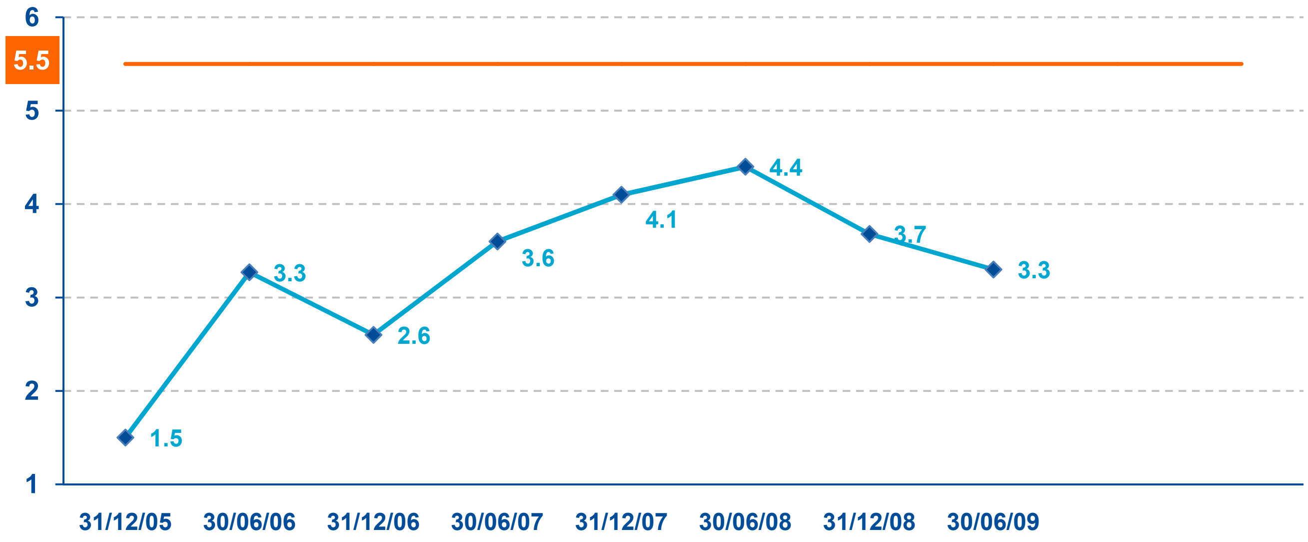
- **Net financial debt as at 30.06.09: €1,314m (82% of which in financing property)**

- **Debt ratios**

Restated financial leverage[1]: $\dfrac{\text{Net financial debt – Property debt}}{\text{Ebitda – (6\% Property debt)}}$ **= 3.30 / covenant 5.5**

Restated Gearing: $\dfrac{\text{Net financial debt}}{\text{Shareholders equity + quasi equity}}$ **= 1.78 / covenant 2.2**

Change in Restated financial leverage



[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

Pending attestation

Operations

Assets

- Network of 25,019 beds
  - ✓ 17,231 in operation
  - ✓ 3,309 in operation to be renovated
  - ✓ 4,479 under construction
- Carrying value: €604m

Liabilities

- Financed by medium-term 5 to 7-year loans
- Hedged by derivatives: swaps
- Net operating debt: €241m

  73% of which swapped at fixed rate for next 3 to 4 years (3-months Euribor capped at 3.6%)

2009 sales target: €820m revised to €830m

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 lands
  Secure and saleable assets, not especially vulnerable to fluctuations in the property market

- **Building land**
  + buildings under construction (€387m)
  1,000 beds due to open in 2009
  +6,800 beds under construction or renovation

- **Asset value: €1,619m**

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

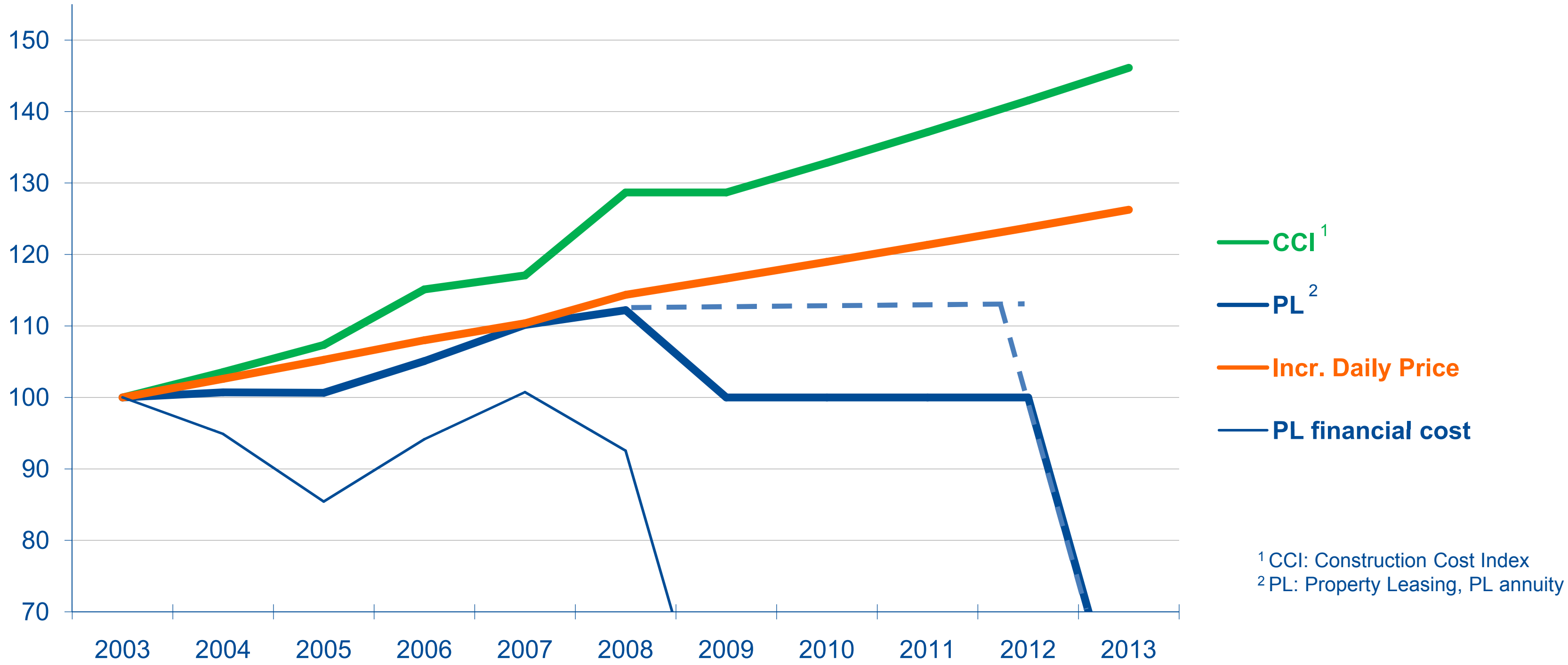
- **Net property debt: €1,074m**
  (€387m of which is bridging loan)
  73% of which swapped into fixed-rate for the next 3 to 4 years (based on a fixed 3m-Euribor rate of 3.6%)

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

Pending attestation

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 2008**



[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

Reinforcing financial flexibility with issue of bonds with BSAAR warrants

▶ Aims of the issue

- ✓ **Optimisation of the debt profile by extending its maturity and reducing its cost: €140m**
- ✓ **Strengthening the Group's means of development, always conservative and cautious: €77m**
- ✓ **Potential reinforcement of the equity base**
- ✓ **Possibly enabling the managers, officers and directors to share in the Group's growth strategy by offering them the option of acquiring the BSAAR warrants not subscribed by shareholders**

▶ Main characteristics of the operation

- ✓ **Attractive OBSAAR cost: Euribor 3 months +1.37%**
- ✓ **Gross proceeds of the issue: €217m**
- ✓ **Settlement date: 14 August 2009**
- ✓ **Average duration: 4.7 years**
- ✓ **Maximal dilutive effect in 6 years: 3.23% of the share capital**

Increasing financial flexibility at an attractive rate and with a minimal dilutive impact on shareholders

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A high-visibility sector

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Growing demand but an offer that remains still insufficient

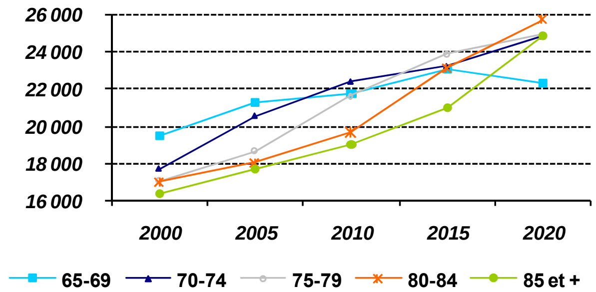
▶ Promising long-term trends for the dependency sector:

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

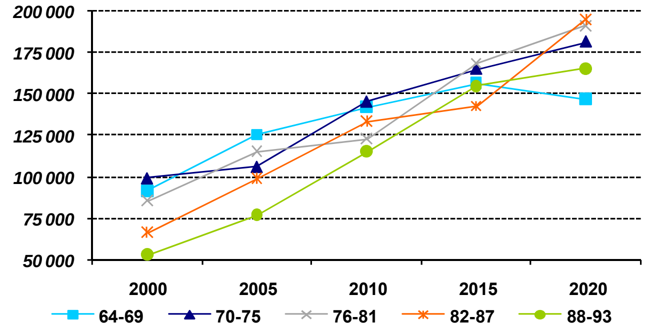
▶ Solvent demand:

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

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



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



▶ An offer that is insufficient given requirements

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

A high-visibility sector

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

Residents are more and more dependent

- **Dependency care: a response to an immediate need (impossible to postpone)**
  - ✓ **EHPAD: 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...)**

- **EHPAD residents are older than those in other types of facility and the length of their stay is shorter**
  - ✓ **The age people are admitted to a facility: +3 months on average over 2003-2007**
  - ✓ **24% of people aged over 85 are institutionalised**
  - ✓ **The length of the stay is becoming shorter (1 year and 8 months)**

- **Strong degree of dependency: one of the main reasons for entry into EHPAD**
  - ✓ **85% of residents are dependent (GIR* 1 to 4)**
  - ✓ **51% of residents are very dependent (GIR 1 to 2) with almost all of their abilities affected (55% of profit-making private EHPAD)**
  - ✓ **Deterioration of health caused by mental deficiency (i.e. Alzheimer)**

A sector independent of the economic environment

** GIR: iso-resources groups from AGGIR scale (Autonomy, gerontology, iso-resources groups) for defining the degree of people's autonomy*

Source: DREES survey N 699, August 2009

Per diem price fixing

- **Principle of the per diem price setting in a private commercial EHPAD**
  - ✓ **Accommodation:**
    - **Free per diem prices set when new residents arrive**
    - **Indexing set by the government for existing residents (+3.1% in 2009)**
  - ✓ **Care/dependency:**
    - **Expenses entirely refunded**
    - **No margin for the facility**

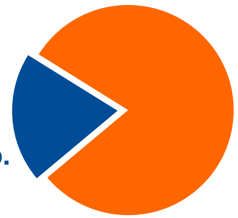
- **Breakdown of per diem price (effective after the price reform: "convention tripartite"):**

Long-term care: EHPAD

Average price: €70*

Post-acute care: clinic

Average price: €100*



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)

**Average per diem price in a French facility / outside Paris and Paris area*
*** Or by "Social Help" for low income people in authorised facilities*

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Setting up of Regional Health Agencies

How Regional Health Agencies work

- ✓ **Single trusteeship for the health, medical and family-medicine sectors**
- ✓ **Global taking into account of the Dependency sector**

Consequences of the creation of Regional Health Agencies

- ✓ **Reduction in the number of contacts, simplifying procedures**
- ✓ **Heightened trend towards the professionalisation of the medical and health sectors**
- ✓ **Reinforcement of the care continuum**

Example of a care continuum: the Saint-Remy-lès-Chevreuse geriatric centre

- ✓ **On an 8 hectare site, all levels of care for all stages of dependency:**
  - from service residency for able-bodied people
  - to physical or psychological dependency in EHPAD with secure units
  - with temporary care when required (short stays in Geriatric Medicine, Medium-Term stays in Post-Acute Geriatric Care)
- ✓ **A 440-bed complex divided up as follows:**
  - 36 beds in Service Residency for autonomous elderly people;
  - 344 beds in EHPAD, with wings reserved for disoriented people;
  - 30 beds in geriatric post-acute, including a 10-bed secure unit for disoriented patients;
  - 30 beds in Geriatric Medicine, including a 10-bed secure unit for disoriented patients.









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Strategy and outlook

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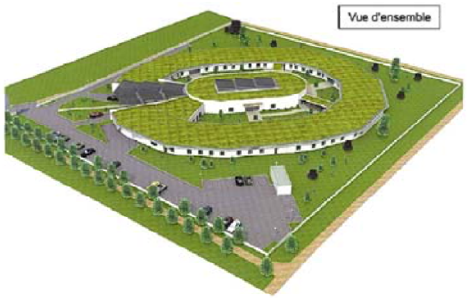
Development and innovative concepts

- **HQE (High Environmental Quality) facilities**
  - ✓ **Integration of sustainable development from construction**
  - ✓ **Target: reduce energy consumption and respect the HQE approach**
  - ✓ **Implementation: nursing home “Le Vigé” in Soubise (Charente Maritime) / opening planned for 2010**

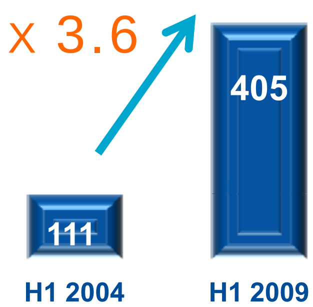


- **Facilities designed and adapted to the precise catchment area**
  - ✓ **Adapting of per diem prices to the catchment area**
  - ✓ **Implementation from construction in order to reduce construction costs**
  - ✓ **Process and Quality approach implemented to other facilities**
  - ✓ **Example of the nursing home in Brasles**

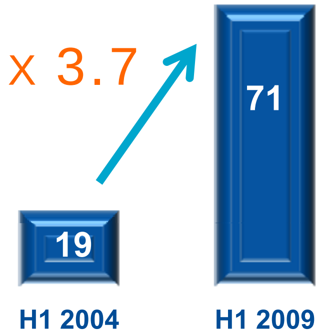
ORPEA: a responsible player attentive to local requirements

A track record of growth, profitability and development

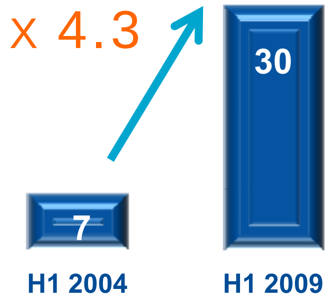
Sales (€m)



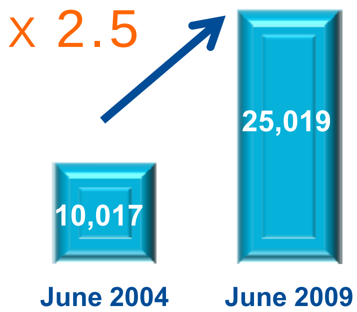
Recurring EBITDA (€m)



Net profit (€m)



Total number of beds



5 years of profitable growth to build a major growth and value-creating reservoir

Pursuance of a profitable growth strategy

Buoyant organic growth	Integration of 7,788 beds undergoing renovation and construction	2011 sales: > €1,000m
Profitability and cash flow	Upramping of mature facilities International: priority given to profitability	Growth of profits
Development	Priority given to authorisations Selective acquisitions	~ 3,000 beds per year Value creation
Immobilier	Ownership of 50% of facilities Divestment by letting of furnish property, direct sales, OPCI	Expansion Value creation

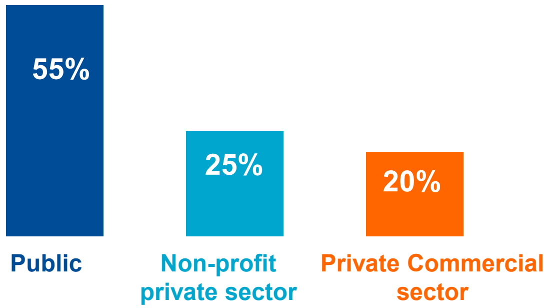
2009 sales target: €820m revised to €830m

Appendices

LA VIE CONTINUE AVEC NOUS

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 Maisons de Retraite," (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 20 facilities) and around 15 mid-sized groups (between 3 and 10 facilities) including several French groups**
  - ✓ **First 3 Belgian operators: Armonea, Senior Living and Senior Assist (along with foreign partners)**
  - ✓ **ORPEA: 4th private operator**

- **The sector works on a regional basis, and involves authorisation systems**
  - ✓ **An organisation based around 3 regions**
  - ✓ **Reinforcement of the sector's barriers to entry since the implementation, in June 2009, of new laws making standards increasingly restrictive (Quality, architecture, management)**

- **Breakdown of per diem price:**

Italy: organisation of the sector

- **Substantial 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: 210 beds[2] for every 1,000 people over 80 years old in 2008

- **A fragmented sector**
  - ✓ Predominance of the private sector: 80% of the facilities[2]
  - ✓ Beds breakdown: 53%[2] private commercial, 24%[2] "regulated" and 23%[2] public
  - ✓ A plethora of small structures: 56%[2] of the facilities with less than 50 beds and 8%[2] with more than 150 beds
  - ✓ Small facilities, with an average of 66 beds[2]

- **A similar 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*

[2] *Source: N & G - Négocios y Gestion Residenciales - July / August 2009 - N°66*

ORPEA and the stock exchange

Stock data (12 last months):

- ✓ Average daily volume: 68,042 shares
- ✓ Price: €33.77
- ✓ High (52 weeks): €40.13
- ✓ Low (52 weeks): €21.06
- ✓ Turnover: 47% in 12 months
- ✓ Mkt Cap: €1,247m
- ✓ Nb of shares: 36,914,412

Data as at 1st September 2009

Indices:

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

ORP LISTED NYSE EURONEXT

Financial calendar*:

- ✓ Update on development: 13.10.09 (before market opening)
- ✓ Q3 2009 sales: 27.10.09 (before market opening)

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**Subject to modifications*