

Press release

Growth achieved: + 1,547 beds in 6 months

A European network of 300 sites (+ 55% in 3 years)

Embedded growth of + 45% over the coming 3 years:

2012 sales of €1,225 million

Puteaux, 10th March 2010

ORPEA, a leading player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced that its network has grown by a further 1,547 beds, thus taking it to 28,073 beds across 300 sites, and also announced its growth prospects for 2010, 2011 and 2012.

Buoyant and value-creating growth momentum

Between October 2009 and March 2010, the Group continued its development by increasing its network by a further 1,547 beds across the Care sector as a whole. These new beds, which represent 16 new sites as well as extensions to existing facilities, break down as follows:

- 568 operational beds;
- 101 beds being renovated;
- 878 beds under construction.

In line with the strategy implemented by the Group for over a decade now, these developments first and foremost (63%) concern beds that need to be renovated or constructed, thus guaranteeing not only future growth, but also buoyant profitability thanks to substantial value-creating potential.

This solid and dynamic growth in the network combines:

- the granting of authorisations for 629 beds. These authorisations concern both Long-Term Care facilities and clinics, located at the heart of dynamic French towns and cities such as Nîmes, Nantes, Roquebrune Cap Martin, and large suburbs in the Paris region. ORPEA has also been granted authorisation for 90 beds to create, in Switzerland, a Post-Acute and Physical Re-education clinic, on the same site as its psychiatric clinic. This continuation of the buoyant rate of authorisations granted represents, for the last couple of years, over 25% of the Group's growth, and thus reflects ORPEA's know-how and expertise within the Care sector. This ability is based on loyal teams devoted, for the last 15 years or so, to the development, the Quality of ORPEA's facilities and Care that is recognised and acknowledged by residents and their families, patients, as well as by prescribers, and, lastly, the long-lasting relationship of trust formed with Regulatory Authorities;
- the acquisition of 918 beds, including 150 beds in Northern Italy. These acquisitions were carried out in keeping with ORPEA's strict investment criteria, and represent complementary growth potential and value-creating potential for the medium and long term.

A growth and profitability reservoir of 8,879 beds

The Group's European network of sites now comprises **28,073 beds across 300 sites**, broken down as follows:

	TOTAL	France	Spain	Belgium	Italy	Switzerland
Operational beds	22,556	18,351	1,776	1,672	682	75
<i>Of which currently being renovated</i>	3,362	2,854	0	442	66	0
Beds under construction	5,517	4,541	0	418	468	90
Total number of beds	28,073	22,892	1,776	2,090	1,150	165
Total number of sites	300	252	16	19	11	2

Embedded growth of +45% over the next 3 years, representing secured sales of €960 million in 2010, €1.1 billion in 2011 and €1.225 billion in 2012

Yves Le Masne, Deputy CEO, comments: *"The Group's growth reservoir has again been increased, and now represents close to 9,000 beds. For the last two years, our development through the granting of authorisations has been intensified, which has therefore enabled a significant increase in the Group's potential to create value and will lead to improved profitability for these facilities.*

Today, ORPEA has unique visibility and significant growth potential.

The gradual deployment of this growth reservoir thus allows ORPEA to confidently anticipate sales of €960 million for 2010, whilst the Group can also raise its 2011 sales target to €1.1 billion. More importantly, this perfect visibility and the secure nature of this reservoir enable the Group to confidently anticipate 2012 sales of €1.225 billion, giving embedded growth of +45% over the coming three years. Furthermore, these figures only take into account the 8,879 beds already under construction or being renovated, all of which are both authorised and financed. These figures therefore do not include the effects of other ongoing projects.

This buoyant growth in activity, which the Group has been recording for many years, will of course take place within a context of further solid profitability and controlled financial debt, which will result in an additional improvement in the capital structure ratios."

Strategy and outlook

In 2010, ORPEA will continue to deploy its growth reservoir, with work being carried out on some fifteen sites and around ten new Long-Term Care facilities due to open this year.

Dr. Jean-Claude Marian, Chairman and CEO, concludes: *"In a sector where requirements remain substantial and the offer remains fragmented, ORPEA will continue to pursue its growth policy based on authorisations and targeted acquisitions, at a rate of around 3,000 beds a year. Indeed, the Group has considerable financial means thanks to the financial operations carried out in 2009, to financing granted by its partner banks, to property divestments and, most importantly, to the growth in its net cash flow. Indeed, as mature facilities represent an increasingly large percentage of the Group's total network, net cash flow will mechanically increase.*

In twenty years, ORPEA has methodically built one of the leading European networks in the global Care sector whilst guaranteeing a high-Quality offer that is acknowledged and recognised by its residents, patients and prescribers. The Group has thus shown that it can combine growth, profitability and the creation of value with the quality and individualisation imperatives that are necessary for the wellbeing of its patients and residents."

**Next press release: 2009 annual results
31st March 2010, before market**

About ORPEA (www.orpea.com): Listed on Euronext Paris since April 2002 and recently promoted to the Deferred Settlement Service, the ORPEA group is a leading player in the Long-Term Care and Post-Acute Care sectors. As of March 2010, the Group has a unique European network of healthcare facilities with 28,073 beds (22,556 of them operational) across 300 sites, including:

- 22,892 beds in France: 18,351 operational (including 2,854 being renovated) + 4,541 under construction, spread across 252 sites,
- 5,181 beds elsewhere in Europe (Spain, Belgium, Italy and Switzerland): 4,205 operational (including 508 being renovated) + 976 under construction, spread across 48 sites.

Listed on Euronext Paris Compartment A of NYSE Euronext
Member of the **SBF 120 index** and **SRD**
ISIN: FR0000184798- Reuters: **ORP.PA** - Bloomberg: **ORP FP**



Investor Relations:

NewCap.
Emmanuel Huynh / Steve Grobet
Tel: +33 (0)1 44 71 94 94
orpea@newcap.fr

ORPEA
Yves Le Masne
Deputy CEO
Tel: +33 (0)1 47 75 78 07