

PRESS RELEASE

Growth achieved over the last 6 months: + 2,253 beds

European network of 23,656 beds

Available financing of €180 millions for expansion

Puteaux, 15th October 2008

The ORPEA Group, a leading player in long-term and post-acute care, has increased its network by 2,253 beds over the last six months through selective acquisitions and new authorisations, bringing its European network of nursing homes, post-acute care and psychiatric care facilities to 23,656 beds spread across 251 sites.

Growth achieved between April and September 2008: +2,253 beds

The 2,253 new beds, corresponding to 22 new facilities, as well as extensions of existing facilities, break down as follows:

- o **France:** 1,422 beds, corresponding to 14 facilities ;
- o **Belgium:** 675 beds, corresponding to 6 facilities ;
- o **Italy:** 156 beds, corresponding to 2 facilities.

These developments relate to all segments of the long-term and post-acute care sectors, and combine:

- Authorisations for 632 beds (552 in France and 80 in Italy), reflecting recognition of ORPEA's expertise both in building high standard modern facilities, thanks to its internal engineering and works department, as well as in looking after patients and residents with ongoing efforts to optimise the Quality programme of the service it provides.
- Acquisitions of 1,621 beds in France, Belgium and Italy, in strict accordance with the criteria laid out by ORPEA: controlled acquisition values and considerable potential for value creation, through renovations, in order to bring facilities acquired up to ORPEA's quality standards.

A European network of 23,656 beds including a growth reservoir of 7,648 beds

The Group's European network now comprises now **23,656 beds spread across 251 sites**, broken down as follow:

	TOTAL	France	Spain	Belgium	Italy	Switzerland
Operational beds	19,147	15,081	1,776	1,513	702	75
<i>of which currently being renovated</i>	3,139	2,504	100	442	66	27
Beds under construction	4,509	3,514	0	577	418	0
Total number of beds	23,656	18,595	1,776	2,090	1,120	75
Number of sites	251	204	16	19	11	1

In the last 12 months, ORPEA has increased its capacity in European countries, all with high entry barriers, by 3,918 beds.

In a sector supported by constant increase in life expectancy and little affected by the economic climate, the Group's potential for growth now consists of 7,648 beds undergoing renovation or under construction, supporting its revenue forecast of more than €1 billion by 2011.

Solid financing available for expansion

Most of the cost relating to the acquisitions of the 1,621 beds was incurred in Group debt as of 30 June 2008.

In order to support its future expansion, the Group has secured medium and long-term credit lines that totalled over €180 millions, which have not yet been drawn down.

This financing also attests to banks' confidence in the very buoyant sector in which ORPEA operates, as well as the growth strategy pursued by the Group since its creation 20 years ago.

Remaining loyal to its cautious strategy, the Group has hedged more than 80% of its debt against fluctuations in the Euribor 3 months reference index.

Moreover, the implementation of the partial outsourcing of the Group's property portfolio through the creation of an OPCI property investment fund is progressing as planned.

Dr. Jean-Claude Marian, Chairman and Chief Executive Officer, commented: "*In the last two years, the Group has expanded its network by nearly 50% to 23,656 beds, and has established a strong position in Europe in countries with high entry barriers and improved its offering in all areas of dependency care. These major developments have been achieved within a context of profitable growth, thanks to ORPEA's in-house expertise in management, construction, integration and sourcing of authorisations and targeted acquisitions. The rate of growth has been stepped up over the last 12 months with nearly 4,000 beds authorised or acquired, reflecting the Group's dynamism. With financing for its future expansion already secured, ORPEA is extremely confident about its ability to achieve robust revenue growth while maintaining strong profitability in the short, medium and long term, given the sector's limited exposure to change in economic conditions. In fact, the activities' dynamics continued favourably in the 3rd quarter.*"

**Next Press Release:
2008 Q3 revenues: 22nd October 2008 before market opening**

About ORPEA (www.orpea.com): Listed on Euronext Paris since April 2002 and elected to the Deferred Settlement Service, the ORPEA group is a leading player in the Long-Term Care and Post-Acute Care sectors. As of 30th September 2008, the Group has a unique European network of healthcare facilities, with 23,656 beds (19,147 of them operational) across 251 sites, including:

- 18,595 beds in France: 15,081 operational (including 2,504 being renovated) + 3,514 under construction, spread across 204 sites.
- 5,061 beds in Europe (Spain, Belgium, Italy and Switzerland): 4,066 operational (including 635 being renovated) + 995 under construction, spread across 47 sites.

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