

PRESS RELEASE

SIGNIFICANT INCREASE IN ACTIVITY

Q2 2008 SALES: €170.3m (+31%, of which +11.8% organic)

2008 SALES TARGET REVISED UP TO €680m

ONGOING DEVELOPMENT MOMENTUM

Puteaux, 7th July 2008

ORPEA, a leading player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its sales for the 1st half ended June 30th 2008 as well as its development prospects.

- Further increase in sales in the second quarter of 2008

<i>In €m</i> <i>IFRS</i>	Quarters			Half-Year		
	Q2 2008	Q2 2007	Δ	H1 2008	H1 2007	Δ
France <i>% of total sales</i>	150.2 <i>88.2%</i>	120.2 <i>92.4%</i>	+25.0%	294.1 <i>89.0%</i>	232.1 <i>92.2%</i>	+26.7%
International <i>% of total sales</i>	20.1 <i>11.8%</i>	9.8 <i>7.6%</i>	+104.2%	36.4 <i>11.0%</i>	19.6 <i>7.8%</i>	+85.7%
Belgium	8.0	1.7		13.0	3.3	
Spain	6.6	5.4		12.9	10.8	
Italy	3.5	1.4		6.6	2.5	
Switzerland	2.0	1.3		3.9	3.0	
Total sales <i>Organic growth</i>	170.3	130.0	+31.0%	330.5	251.7	+31.3%
			+11.8%			+11.7%

Yves Le Masne, Chief Operating Officer, commented: *“The growth in activity continued at a very buoyant rate over the second quarter, with sales increasing by 31%. This momentum is the result of organic growth that remains sound (+11.8%) and a selective and cautious external growth strategy. Thanks to its know-how in terms of construction and the integration of new facilities, the Group has unique visibility on the pursuance of its growth in coming months and years, both in terms of sales and in terms of profitability. The Group’s cautious financial management was characterised, from the first quarter of 2008, by the setting up of hedging instruments for ¾ of its debt, which is now covered for the next 3 years.”*

- **Annual sales target revised up**

The strong visibility of its activity in terms of both organic growth and external development have allowed the ORPEA group to revise its 2008 sales guidance up to €680m from €665m.

Within this context, thanks to its growth reservoir consisting of close to 7,000 beds under construction or being renovated as of end-March 2008, ORPEA has already secured a sales potential of a billion euros by 2011. This amount obviously does not take into account current and future developments.

- **Financing of further development**

In order to pursue its growth, ORPEA has secured further financing agreements totalling over €150m.

Moreover, the transfer of part of the Group’s property to a subsidiary in which ORPEA will retain a majority stakeholder is in line with the scheduled timetable. Numerous institutional investors are showing their interest for ORPEA’s property, which benefits from strategic locations in or close to major regional French cities, and from very attractive financing terms. Furthermore, the property divestments recently carried out within the sector by ORPEA and by other major players show the substantial interest some investors have for this type of very specific property.

Dr. Jean-Claude Marian, Chairman and Chief Executive Officer, concluded: *“The 1st half performance shows the solidity of our model and its independence from current economic and financial problems. The Group is thus fully confident that this growth will continue through 2008 and in coming years. Indeed, ORPEA is pursuing its development, with further authorisations and targeted acquisitions, both in France and abroad. Furthermore, the current economic and financial circumstances should enable the Group to be offered even more value-creating acquisition opportunities in the coming months”*

**Next Press Release:
H1 2008 results: 3rd September 2008 before market opening**

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 1st March 2008, the Group has a unique European network of healthcare facilities, with 21,403 beds (17,283 of them operational) across 229 sites, including:

- 17,173 beds in France: 13,886 operational (including 2,440 being renovated) + 3,287 under construction, spread across 189 sites.
- 4,230 beds in Europe (Spain, Belgium, Italy and Switzerland): 3,483 operational (including 404 being renovated) + 747 under construction, spread across 40 sites.

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

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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
COO
Tel: +33 (0)1 47 75 78 07