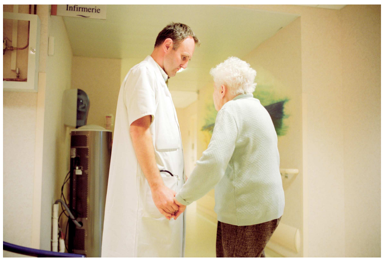
UPDATE

TO THE 2010 REGISTRATION DOCUMENT

This update to the 2010 registration document ("Update to the Registration Document") was filed with the *Autorité des marchés financiers* on 14 November 2011, in accordance with Article 212-13 of the General Regulations, under number D.11-0549-A01. It is an update of the 2010 Registration Document filed with the *Autorité des marchés financiers* on 8 June 2011 under number D.11-0549 (the "Registration Document").

The Registration Document and its update could be used in connection with a financial transaction in conjunction with an Information Memorandum approved by the *Autorité des marchés financiers*. This document was prepared by the issuer and is the responsibility of its signatories.

This English translation of the update of the Registration Document is a free translation of the original which was prepared in French, submitted to and registered with the *Autorité des marchés financiers* (AMF) on 14 November 2011 under number D.11-0549-A01 in accordance with Article 212-13 of the AMF General Regulations. It is not a binding document. In the event of any ambiguity or conflict between corresponding statements or items contained in this English translation and the original French version, the relevant statements or items of the French version shall prevail. The auditor's reports apply to the French version of the Management Report and the financial statements.

Public limited company ("*Société Anonyme*") with Board of Directors. Registered capital of €52,997,791.25
Registered office: 115, rue de la Santé - 75013 Paris

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INTERIM FINANCIAL REPORT

Period from 1 January 2011 to 30 June 2011

1. HALF-YEAR BUSINESS REVIEW

1.1 VERY ROBUST SALES GROWTH

The Orpea Group, a market leader in global dependency care in Europe via a network of specialist facilities, comprising Long-Term Care (nursing homes), Post-Acute and Psychiatric care facilities, achieved double-digit sales growth of 26.6% in the first half of 2011.

In €m - IFRS	H1 2011	H1 2010	change yoy
France	*525.7*	413.3	**+27.2%**
% of total sales	*88%*	*88%*	
International	**68.5**	55.8	+22.8%
% of total sales	*12%*	*12%*	
Belgium	33.5	27.1	
Spain	15.2	14.7	
Italy	12.0	8.6	
Switzerland	7.8	5.4	
Consolidated sales	**594.2**	**469.2**	*+26.6%*
O/w organic growth[1]			*+8.5%*

The Group achieved strong sales growth in the first half of 2011 in all regions. This performance was thanks to the Group's business model, combining:

- **continuing robust organic growth of 8.5%;**
- **and controlled and value-creating acquisitions**

In terms of growth through acquisitions, the first half of 2011 included the contribution from Mediter (Mediter and Mieux Vivre facilities), acquired at the end of 2010. This large-scale acquisition, which also included 49% of the Medibelge Group, was paid for primarily in shares. It has enabled the Orpea Group to increase its network capacity by around 20%, with 4,866 beds (including 3,810 Mediter beds in France and 1,056 Medibelge beds in Belgium). However, it should be noted that sales generated by Medibelge - which is 49%-owned by Orpea and consolidated under the equity method - are not included in the Group's first-half sales.

The Group also continued with its acquisition policy with the acquisition of health and socio-medical care facilities, some of which will help to increase the capacity of existing facilities thanks to the combining of facilities, thereby contributing to value creation.

Organic growth was solid as a result of:

- the opening of four facilities in the first half of 2011;
- the ramp-up of facilities opened over the last 12 months;

[1] *Organic growth (excluding acquisitions) comprises the following cross criteria: creation of new facilities, extension and redevelopment of existing facilities, as well as changes in occupancy rates and daily rates. Organic growth is analysed on an individual facility basis. Growth includes improvement in sales relative to the equivalent year-earlier period at recently acquired facilities.*

- high occupancy rates and long-standing facilities;
- an increase in accommodation rates thanks to the quality of services provided, modern infrastructures and high-end hotel services.

At 1 March 2011, the Orpea Group had a network of 33,700 beds at 364 sites (compared with 28,073 beds at 300 facilities a year earlier). A breakdown of these beds by region and whether they are in operation or under construction/redevelopment is provided in the table below:

	TOTAL	France	Spain	Belgium	Italy	Switz-erland
Beds in operation	27,862	22,447	1,776	2,681	883	75
Beds under redevelopment	*3,350*	*2,859*	*0*	*491*	*0*	*0*
Beds under construction	5,838	4,567	0	842	339	90
Total number of beds	**33,700**	**27,014**	**1,776**	**3,523**	**1,222**	**165**
Number of sites	**364**	**302**	**16**	**32**	**12**	**2**

► PERFORMANCE IN FRANCE IN THE FIRST HALF OF 2011

In France, the Orpea Group achieved sales growth of +27.2% to €525.7 million, driven in particular by:

- the integration of Mediter facilities acquired at 31 December 2010;
- the opening of four facilities (clinics in Asnières and Meaux, and long-term care facilities in Montélimar and Schiltigheim), coupled with the ramp-up of facilities opened in 2010;
- the acquisition of four long-term care facilities and three clinics;
- the integration of the health and socio-medical care facilities acquired by the Group over the last 12 months;
- resilient occupancy rates at mature health and socio-medical care facilities and the increase in accommodation rates.

The integration of Mediter's facilities took less time than anticipated and went completely smoothly, thanks in particular to the involvement of all members of staff and an organisational structure fit for growth.

These solid performances are the result of the attractiveness of Orpea's facilities, most of which are new and benefit from modern equipment and favoured locations in the heart of major cities, as well as excellent service and care standards. A number of Orpea facilities ranked very highly in two independent awards for retirement homes in France – Le Figaro and *Le Guide de la Dépendance* – demonstrating recognition of the Group's expertise.

► PERFORMANCE IN EUROPE IN THE FIRST HALF OF 2011

Sales excluding France increased sharply in the first half of 2011 to €68.5 million from €55.8 million, up 22.8% relative to the first half of 2010.

In **Belgium**, sales increased by 23.6% relative to the first half of 2010 thanks to the ramp-up of the recently opened facility in Brussels and the contribution from facilities acquired over the last 12 months. Further developments were also carried out, particularly in the Ostend and Anvers regions.

In **Italy**, sales came to €12.0 million in the first half of 2011 compared with €8.6 million in the first half of 2010, an increase of 39%. This strong growth was as a result of the opening of a high quality 104-bed residence in Casier, in close proximity to Venice, as well as the acquisition of a large psychiatric clinic in Turin in the first half of 2011.

In **Spain**, sales increased by 3% in the first half of 2011 on a like-for-like basis. The full network is operational in the country. This solid organic growth in a country that has been hard hit by the financial crisis attests to the attractiveness of Orpea's facilities and the defensive nature of its business.

In **Switzerland**, the La Métairie achieved sales growth of 44% to €7.8 million, with the redevelopment of the clinic reaching completion. Sales also benefited from the sharp rise in the Swiss franc against the euro over the period.
The Orpea Group has also obtained a new authorisation to create a 90-bed post-acute care and rehabilitation clinic in Nyon, near Lake Geneva, on the same site as its psychiatric clinic. Construction work on the new clinic has begun and is due to be completed in the second quarter of 2012.

1.2 HIGH PROFIT MARGINS IN THE FIRST HALF OF 2011

In €m (IFRS)	H1 2011	H1 2010	▲%
Sales	**594.2**	469.2	*+26.6%*
EBITDAR (EBITDA before rents)	**150.0**	113.4	*+32.3%*
EBITDA	**105.6**	83.3	*+26.8%*
Recurring Operating profit	**78.1**	62.6	*+24.8%*
Operating profit	**90.8**	72.3	*+25.6%*
Net financial items	**-31.7**	-25.3	*+25.3%*
Pre-tax profit	**59.1**	47.0	*+25.7%*
Net profit	**40.3**	32.5	*+24.1%*

► RECURRING OPERATING PROFIT

EBITDAR (EBITDA before rents) increased by 32.3% to €150.0 million, giving EBITDAR margin of 25.2% compared with 24.2% in the first half of 2010. This improvement of 100 basis points is as a result of:

- control of staff costs (sales/staff costs ratio of 50.1% compared with 50.7% in the first half of 2010) thanks to a pro-active human resources policy based primarily on internal promotion and training;
- tight control of "Cost of materials consumed and other external charges", which increased by 25.9% to €117.5 million thanks to centralised procurement allowing for economies of scale.

Recurring **EBITDA** increased by 26.8% to €105.6 million compared with €83.3 million in the first half of 2010, impacted in particular by rents at Mediter (€8.8 million in the first half of the year). On a like-for-like basis, rents rose by just 1.7% over the period as a result of the Group's real estate policy.

EBITDA consists of:

- €97.7 million generated in France, representing EBITDA margin of 18.6% compared with 18.5% in the first half of 2010;
- €7.9 million from international activities. Adjusted for facilities in the process of opening or redevelopment, EBITDA from international activities came to €9.5 million, representing EBITDA margin of 16.6% compared with 15.3% in the first half of 2010.

Recurring Operating profit totalled €78.1 million, an increase of 24.8%, giving recurring operating margin of 13.1% despite the impact of the integration of Mediter, which dented Recurring operating margin due to the large number of facilities in the process of opening.

Impact of the integration of Mediter on operating profitability

The Orpea Group achieved significant improvement in operating profitability in the first half of 2011 thanks to the ramp-up of recently opened facilities.

In €m (IFRS)	H1 2011 Mediter[2]	H1 2011 Orpea excl. Mediter
Sales	68.0	526.2
EBITDAR (EBITDA before rents)	15.0	135.0
EBITDA	6.2	99.4
Recurring Operating profit	3.7	74.4

Orpea (excluding Mediter) generated EBITDAR of €135 million, representing EBITDAR margin of 25.7% compared with 24.2% in the first half of 2010. This reflects significant improvement in profitability.

Orpea (excluding Mediter) achieved EBITDA margin of 18.9%, an improvement of 110 basis points compared with the same period in 2010.

Excluding the impact of Mediter, Recurring Operating margin was 14.1%. This performance shows that Orpea now has a base of mature facilities allowing it to continue with its expansion policy without penalising its operating performance.

► OPERATING PROFIT

Operating profit increased by 25.6% to €90.8 million. Orpea recognised other non-recurring operating income and expense of €12.7 million (compared with €9.7 million in the first half of 2010), relating primarily to net proceeds from the sale of property assets of €15.2 million, restructuring costs of €6.2 million for recently acquired facilities and income of €9.1 million recognised on business combinations.

► NET FINANCIAL ITEMS

Net financial items totalled -€31.7 million (compared with -€25.3 million in the first half of 2010), an increase of 25.4%, against the backdrop of robust growth.

► NET PROFIT

The tax charge generated by earnings from consolidated companies amounted to €20.5 million compared with €14.6 million in the year-earlier period.
The share of income from associates represented a profit of €1.4 million in the first half of the year.

[2] Main financial consolidated financial aggregates of the Mediter Group at 31 December 2010 are indicated page 68

Attributable net profit for the first half of 2011 came to €40.3 million, up 24.1% compared with €32.5 million in the first half of 2010.

1.3 BALANCE SHEET STRUCTURE, CONSOLIDATED DEBT AND PROPERTY PORTFOLIO

At 30 June 2011, the Group's shareholders' equity totalled €906 million (compared with €865 million at the start of the year).

Net debt[3] stood at €1,724 million compared with €1,571 million at 31 December 2010, an increase of 9.7% (€153 million) over the first half of the year, mainly as a result of property acquisitions. As is the case every year, the majority of property sales will be in the second half of the year.

The Group's two main debt ratios at 30 June 2011 were as follows:

- financial leverage = 3.59 compared with 3.3 at 31 December 2010, versus authorised level of 5.5;
- adjusted gearing = 1.56 compared with 1.5 at 31 December 2010, versus authorised level of 2-2.2.

The Group's debt is still mainly property-related (80%), comprising long-term debts and finance leases, secured against high quality assets that are not very volatile.
Orpea does not have any major loans falling due over the next four years.

Three-quarters of debt is hedged against the risk of fluctuation in interest rates, and this hedging has been optimised over the last few years in order to ensure the durability of the Group's expansion. The average interest rate on the Group's debt was around 4.50% in the first half of 2011, stable compared with 2010. Taking account of hedging currently in place, this rate will decrease gradually and automatically to 3.80% by 2015.

At 30 June 2011, Orpea owned 226 buildings, 82 of which were partially owned (co-ownership buildings in which the Group owns a portion of lots intended primarily for communal services for residents: dining room, events spaces, infirmary etc.). This portfolio represents a developed area of 745,000 m^2 (out of land of more than 1 million m^2), with a total value of €2,021 million[2], including €511 million of properties under construction and land.

The properties owned by the Group are new or recent, modern and located mainly in the centre of major French cities. They constitute an attractive portfolio for a number of private and institutional investors (Scellier LMP / LMNP tax incentive schemes, family offices, institutions).

[3] Excluding the impact of available for sale assets

1.4 – Cash flow

Orpea generated cash flow from operations of €66 million in the first half of 2011 compared with €44 million in the first half of 2010, an increase of 50%, reaping the benefits of past investment in developing high quality facilities.
Cash flow totalled €198 million compared with €160 million in the first half of 2010, with €23 million coming from acquisitions of operations and €175 million from net acquisitions of property assets and other fixed assets.
Cash flow from financing activities was negative at -€26 million compared with a positive amount of €30 million in the first half of 2010.
Cash and cash equivalents stood at €119 million at 30 June 2011.

1.5 The Orpea Group's short and medium-term outlook

► Long-term visibility:

Solid progress was made in the operational integration of Mediter facilities during the first half of 2011 and Orpea is now planning to optimise the Mediter network with its own in order to enhance value creation.

Between now and March 2012, the rate of openings of new facilities will increase with more than 1,500 beds, including flagship facilities such as the Paris Méchain post-acute care facility, a long-term care facility in Roquebrune Cap Martin, a psychiatric clinic in Toulon and a long-term care facility in Saint-Maur des Fossés.

Thanks to a solid base of profitable facilities that are now up to speed and a unique source of growth from more than 9,000 beds under redevelopment or construction, Orpea is particularly confident about maintaining the profitable growth achieved in the first half of the year. The Group confirms its target of sales of €1,230 million in 2011, with robust profit margins and a flexible balance sheet, suited to its expansion.

► Main risks and uncertainties[4]:

The main risks are the same as those presented in the 2010 registration document (pages 107 to 129).

The company carried out a specific review of its liquidity risk and believes that it is in a position to meet its future obligations.
The company carried out a review of the risks that could have a material unfavourable impact on its business activities, financial position or results (or its ability to achieve its targets) and believes that there are no material risks other than those presented.
There are no other government, legal or arbitration proceedings, including any proceedings of which the company is aware, that are pending or of which it is at threat that may have or have

[4] These risks have been reviewed at the date of the update of the registration document

had over the last 12 months a material impact on the financial position or profitability of the company and/or group.

► RELATED PARTIES:

There are no material changes relative to the information provided in the Company's 2010 registration document (pages 195 to 197).
Readers should also refer to Note 3.22 of the notes to the consolidated financial statements in this report.

2. FINANCIAL STATEMENTS

ORPEA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

ORPEA S.A. "*Société anonyme*" with share capital of €52,940,994
Reg. no: RCS PARIS B 401 251 566 / APE 853 D

Registered office: 115, rue de la Santé, 75013 Paris

Head office: 3, rue Bellini, 92806 Puteaux

Consolidated income statement

in thousands of euros	*Notes*	30-juin-11	30-juin-10
REVENUE		**594,200**	**469,218**
Cost of materials consumed and other external charges		(161,837)	(123,403)
Staff costs		(297,798)	(237,941)
Taxes other than on profit		(26,788)	(22,525)
Depreciation, amortisation and provisions		(27,462)	(20,635)
Other recurring operating income		672	200
Other recurring operating expense		(2,854)	(2,344)
Recurring operating profit		**78,132**	**62,569**
Other non-recurring operating income	*3.17*	71,417	42,028
Other non-recurring operating expense	*3.17*	(58,762)	(32,284)
Operating profit		**90,788**	**72,314**
Financial income	*3.18*	297	312
Financial expense	*3.18*	(31,989)	(25,580)
Net finance cost		**(31,692)**	**(25,268)**
PRE-TAX PROFIT		**59,096**	**47,046**
Income tax expense	*3.19*	(20,456)	(14,586)
Share in profit (loss) of associates		1,447	
NET PROFIT		**40,086**	**32,460**
Attributable to minority interests		(193)	-
Attributable to owners of the Company		**40,279**	**32,460**
Number of shares		42,352,795	38,851,872
Basic earnings per share (in euros)		0.95	0.84
Diluted earnings per share (in euros)		0.93	0.83

The notes form an integral part of the financial statements

Statement of comprehensive income

in thousands of euros	**30.juin.11**	**30.juin.10**	31.déc.10
Net profit for the period	**40,279**	**32,460**	66,347
Translation reserves of consolidated subsidiaries			
Change in fair value of cash flow hedges	13,835	(16,549)	2,830
Actuarial gains or losses on employee benefit obligations	1,414	87	-1,946
Other		333	
Tax effect on other items of comprehensive income	(5,250)	5,668	-305
Comprehensive income before revaluation of properties	**50,278**	**21,999**	**66,927**
Revaluation of properties	0	0	58,070
Tax effect on other items of comprehensive income	0	0	-19,994
Comprehensive income after revaluation of properties	**50,278**	**21,999**	**105,003**

Consolidated balance sheet

in thousands of euros		30-juin-11	31-déc-10
Assets	*Notes*		
Goodwill	*3.1*	314,375	431,252
Intangible assets, net	*3.2*	1,063,016	835,096
Property, plant & equipment, net	*3.3*	1,517,325	1,425,290
Property in course of construction	*3.3*	498,351	485,227
Investments in associates and joint ventures	*3.4*	50,700	28,648
Non-current financial assets	*3.5*	20,382	15,176
Deferred tax assets	*3.19*	12,367	12,820
Non-current assets		**3,476,516**	**3,233,510**
Inventories		3,923	3,377
Trade receivables	*3.6*	100,819	86,980
Other assets, accruals and prepayments	*3.7*	167,331	159,730
Cash and cash equivalents	*3.11*	118,864	276,524
Current assets		**390,936**	**526,611**
Assets held for sale		**141,111**	**119,929**
TOTAL ASSETS		**4,008,563**	**3,880,050**

Equity and liabilities	*Notes*		
Share capital		52,941	52,941
Consolidated reserves		506,381	448,848
Revaluation reserves		306,288	297,217
Net profit for the period		40,279	66,347
Equity attributable to owners of the Company	*3.9*	**905,889**	**865,353**
Minority interests		29,057	29,250
Total equity		**934,946**	**894,603**
Non-current financial liabilities	*3.11*	1,488,373	1,458,658
Provisions	*3.10*	18,146	17,090
Post-employment and other employee benefit obligations	*3.10*	19,200	18,433
Deferred tax liabilities	*3.19*	594,217	504,473
Non-current liabilities		**2,119,936**	**1,998,654**
Current financial liabilities	*3.11*	354,426	389,286
Provisions	*3.10*	7,538	6,775
Trade payables	*3.13*	137,648	144,030
Tax and payroll liabilities		158,549	174,624
Current income tax liability	*3.19*	0	531
Other liabilities, accruals and prepayments	*3.14*	154,408	151,619
Current liabilities		**812,570**	**866,864**
Liabilities associated with assets held for sale		**141,111**	**119,929**
TOTAL EQUITY AND LIABILITIES		**4,008,563**	**3,880,050**

The notes form an integral part of the financial statements

Consolidated statement of cash flows

in thousands of euros	*Notes*	30-juin-11	30-juin-10
Operating activities			
● Net profit		40,279	32,460
● Elimination of non-cash items related to operating activities (*)		31,387	21,157
Cost of debt		31,692	25,268
● Gains on disposals not related to operating activities		(10,136)	
Cash generated by consolidated companies		**93,222**	**78,885**
● Change in operating working capital			
- Inventories		(475)	203
- Trade receivables	*3.6*	(13,701)	(2,037)
- Other assets	*3.7*	(19,080)	5,096
- Tax and payroll liabilities		7,952	(19,466)
- Trade payables	*3.13*	(6,048)	(28,220)
- Other liabilities	*3.14*	4,422	9,614
Cash flow from operating activities		**66,292**	**44,074**
Investing and development activities			
● Acquisitions of subsidiaries net of cash acquired		(19,512)	(26,787)
● Acquisitions of intangible assets and property, plant and equipment, net of disposals		(3,582)	(4,771)
● Acquisitions of properties and other non-current assets	*3.3*	(176,237)	(130,795)
● Disposals of properties and other non-current assets	*3.3*	39,602	14,518
● Other cash inflows and outflows		(38,665)	(12,462)
Cash flow from investing activities		**(198,394)**	**(160,297)**
Financing activities			
● Net additions - (net disbursements) relating to bridging loans and bank overdrafts	*3.11*	(45,990)	46,069
● Additions to finance leases	*3.11*	49,925	42,690
● Additions to loans	*3.11*	97,416	30,000
● Repayments of loans	*3.11*	(74,035)	(46,981)
● Repayments of finance leases	*3.11*	(21,176)	(15,732)
● Cost of debt and other movements	*3.18*	(31,698)	(26,085)
Cash flow from financing activities		**(25,558)**	**29,961**
Change in cash and cash equivalents		**(157,660)**	**(86,262)**
Opening cash and cash equivalents		276,524	135,366
Closing cash and cash equivalents		**118,864**	**49,104**
Breakdown of cash and cash equivanelts		**118,864**	**49,104**
● Short-term investments	*3.11*	87,059	898
● Cash	*3.11*	31,805	48,206
● Bank overdrafts			

(*) Mainly depreciation, amortisation, provisions, deferred tax, share of profit (loss) of associates, excess of acquisition cost over fair value of assets and liabilities, restructuring costs and non-recurring costs incurred on acquisitions of facilities

The notes form an integral part of the financial statements

Consolidated equity

Statement of changes in consolidated equity

in thousands of euros except for number of shares	Number of shares	Share capital	Share premiums	Revaluation reserves	Other reserves	Net profit	Attributable to owners	Minority interests	Total
31.déc.09	**38,847,172**	**48,559**	**82,187**	**257,285**	**189,245**	**61,138**	**641,628**	**257**	**641,885**
Appropriation of net profit					55,311	(61,138)	(5,827)		(5,827)
Change in fair value of properties				38,077			38,077		38,077
Post-employment benefit obligations					(1,276)		(1,276)		(1,276)
Financial instruments				1,856			1,856		1,856
Other							0		0
Fair value changes recognised directly in equity		**0**	**0**	**39,932**	**54,035**	**(61,138)**	**32,829**	**0**	**32,829**
2010 net profit						66,347	66,347		66,347
Exercise of stock options	4,700	6	22				28		28
2010 OCEANE bond issue					3,018		3,018		3,018
Compensation for Mediter contributions	3,500,923	4,376	109,303		7,492		121,172	29,250	150,421
Other					333		333	(257)	76
31.déc.10	**42,352,795**	**52,941**	**191,512**	**297,217**	**251,105**	**66,347**	**865,353**	**29,250**	**894,603**
Appropriation of net profit					56,606	(66,347)	(9,741)		(9,741)
Change in fair value of properties							0		0
Post-employment benefit obligations					927		927		927
Financial instruments				9,072			9,072		9,072
Other							0		0
Fair value changes recognised directly in equity		**0**	**0**	**9,072**	**57,533**	**(66,347)**	**258**	**0**	**258**
1st half 2011 net profit						40,279	40,279		40,279
Other							0	(193)	(193)
30.juin.11	**42,352,795**	**52,941**	**191,512**	**306,288**	**308,638**	**40,279**	**905,889**	**29,057**	**934,946**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

Notes to the consolidated financial statements

Amounts are expressed in thousands of euros unless otherwise stated

The 2011 condensed interim consolidated financial statements for the Orpea Group were approved by the Board of Directors on 12 September 2011.

1. SIGNIFICANT ACCOUNTING POLICIES

Orpea S.A. is a French company with its registered office at 115 rue de la Santé, Paris. It is the parent company of a Group that operates long-term care homes for the elderly and short-term post-acute and psychiatric care facilities.

The Orpea Group's financial statements have been prepared in accordance with the international accounting standards as endorsed by the European Union. International accounting standards include International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations issued by the Standards Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The significant accounting policies used to prepare the Orpea Group's condensed consolidated financial statements for the six months ended 30 June 2011 are identical to those used to prepare the 2010 consolidated financial statements.

The new standards and interpretations that are mandatory for periods beginning on or after 1 January 2011 and have been adopted by the Orpea Group are:

- IAS 24 revised in 2009 – Related party disclosures: no impact on the financial statements;
- IFRS 3 revised – Share-based payments awarded by the target company: improvement to the standard published in May 2010 does not impact the financial statements;
- IFRS 7 revised – Financial instruments: disclosures: improvement to the standard published in May 2010 does not impact the financial statements;
- IAS 1 – Presentation of the statement of changes in equity: improvement to the standard published in May 2010 does not impact the financial statements;
- IAS 34 – Interim financial reporting: improvement to the standard published in May 2010, which provides for the indication of the nature of transactions and events that may require reporting if they are material, with no impact on the financial statements.

Other amendments and interpretations that are mandatory for periods beginning on or after 1 January 2011 are either not relevant to the Group's interim financial statements or do not have any material impact.

Standards that have not yet been endorsed by the European Commission have not been adopted early.

The condensed interim consolidated financial statements for the six months to 30 June 2011 have been prepared in accordance with IAS 34 "Interim Financial Reporting", which permits the disclosure of selected information in the notes. They should be read in conjunction with the 2010 consolidated financial statements

The only seasonal effect is the number of days in operation, which is slightly lower in the first half of the calendar year than the second.

2. SCOPE OF CONSOLIDATION

2.1 Changes in the scope of consolidation for the period

Sales for the first half of 2011 were 26.6% or €125 million higher than in the first half of 2010.

The Group has expanded through organic growth and acquisitions.

Organic sales growth came to 8.5% in the first half of the year.

Over the period, the Group opened four facilities representing 382 beds following the completion of construction or redevelopment works initiated in prior years.

Orpea also continued with its acquisition policy with the acquisition of facilities in operation or at the proposal stage:

- in France, four long-term care facilities in Contes, Moulin Neuf, Mandres les Roses and Caromb and three clinics in Plateau d'Assy, Alfortville and Livry Gargan;

- a long-term care facility in Flanders, Belgium and a psychiatric clinic in Italy.

Orpea also acquired a 45% minority stake via SARL PCM Santé in a portfolio of six care facilities.

Lastly, the Group carried out ad hoc acquisitions – either directly or via companies – of standalone assets necessary for its expansion, comprising intangible property rights and investment properties.

2.2 Presentation of changes in the scope of consolidation for the period

Over the period, investment relating to acquisitions totalled €31 million.

Based on a provisional estimate of the fair value of assets acquired, the total investment recognised on the acquisition date can be summarised as follows:

	Number of facilities	Number of beds	Operating licences (in €m)	Goodwill and intangibles in course of allocation (in €m)	Properties (in €m)
France	7	402	27.7	4.6	19.6
International	2	296	13.9	0.0	0.2
Italy	*1*	*147*	*9.4*		
Switzerland					
Belgium	*1*	*149*	*4.6*		*0.2*
Spain					
Total	9	698	41.7	4.6	19.8

2.3 Acquisition of Mediter and Medibelge

On 31 December 2010, Orpea acquired:

- 100% of the share capital of Mediter SAS, which holds majority stakes in companies operating clinics and long-term care facilities in France, and more specifically 50% plus one share of Holding Mieux Vivre;
- 49% of the share capital of Medibelge SA, which holds stakes in companies operating retirement homes providing medical services in Belgium.

Mediter owns five residences for the elderly and 10 clinics in France, representing total capacity of 1,572 beds.

Sub-group Mieux Vivre owns 26 residences for the elderly in France representing total capacity of 2,238 beds.

As this acquisition took place on 31 December, the consolidated financial statements for the first half of 2011 include Mediter for the first time. The impact of this acquisition on recurrent EBIT therefore breaks down as follows:

In millions of euros	30 June 2011 Orpea Group	o/w Mediter sub-group	excl. Mediter sub-group	30 June 2010 Orpea Group
Revenue	594.2	68.0	526.2	469.2
Recurring income before depreciation, amortisation and	105.6	6.2	99.4	83.3
Depreciation, amortisation and provisions	-27.5	-2.5	-25.0	-20.6
Recurring operating profit	78.1	3.7	74.4	62.6

Medibelge operates 16 residences for the elderly in Belgium representing total capacity of 2,156 beds.
The company's financial statements are recognised under the equity method (see note 3.4).

3. NOTES TO THE FINANCIAL STATEMENTS

3.1 *Goodwill*

The main movements during the period were as follows:

	France	International	Total
Opening goodwill	362,753	68,499	431,252
Business combinations	4,705	12	4,717
Mediter allocation	(121,594)		(121,594)
Closing net goodwill	**245,864**	**68,511**	**314,375**

At 31 December 2010, assets and liabilities acquired as of this date relating to Mediter were not recognised at fair value.
At 30 June 2011, provisional goodwill was allocated to intangible assets representative of operating rights to Mediter and Mieux Vivre facilities in the amount of €178 million (or €119 million net of deferred tax).
Provisional goodwill will be allocated definitively on 31 December 2011.

3.2 *Intangible assets*

The following table shows the main intangible assets and accumulated amortisation:

	30.06.11			31.12.10		
	Gross	Depr. Prov	Net	Gross	Depr. Prov	Net
Operating licences	1,051,419	9,991	1,041,428	824,009	9,991	814,017
Advances and downplayments	5,122		5,122	5,299		5,299
Other	22,919	6,453	16,466	21,311	5,532	15,779
Total	1,079,460	16,444	**1,063,016**	850,619	15,523	**835,096**

At 30 June 2011, operating licences comprised the licences to operate facilities in France, Belgium and Italy considered to have in indefinite useful life.

Amortisation of other intangible assets is recognised in profit or loss under "depreciation, amortisation and provisions".
Impairment losses are recognised in "other non-recurring operating expense".

The following table shows the movement in intangible assets by type (net):

	Operating licences	Advances & downpayments	Other	Total
At 31 December 2009	**753,187**	**8,373**	**13,791**	**775,351**
Increase	5,177	1,772	3,357	10,306
Decrease	(481)	(29)	(120)	(630)
Amortisation and provisions	(3,084)		(736)	(3,820)
Reclassifications and other	664	(4,816)	(707)	(4,859)
Effect of changes in scope	58,554		194	58,748
At 31 December 2010	**814,017**	**5,299**	**15,779**	**835,096**
Increase	1,054	994	1,534	3,582
Decrease	(2,543)		(248)	(2,791)
Amortisation and provisions			(601)	(601)
Reclassifications and other	187,177	(1,170)		186,007
Effect of changes in scope	41,723		2	41,725
At 30 June 2011	**1,041,428**	**5,122**	**16,466**	**1,063,016**

Advances and downpayments recognised as intangible assets mainly comprise prepayments made under contractually agreed acquisitions of operating licences.

Reclassifications correspond primarily to the allocation of provisional goodwill relating to Mediter to operating rights to the said sub-group's facilities (see note 3.1).

3.3 Property, plant and equipment

3.3.1 Movements in property, plant & equipment including those in the course of construction

The following table shows the main items of property, plant and equipment, including those in the course of construction, and accumulated depreciation:

	30.06.11			31.12.10		
	Gross	Depr. Prov	Net	Gross	Depr. Prov	Net
Land	614,281	156	614,124	569,378	141	569,237
Buildings	1,152,054	231,634	920,420	1,065,985	198,769	867,216
Plant	156,211	70,486	85,725	136,786	58,698	78,088
Properties in course of construction	498,413	62	498,351	485,290	62	485,227
Other	74,151	38,985	35,166	65,200	34,523	30,677
Properties held for sale	(138,111)		(138,111)	(119,929)		(119,929)
Total	2,356,999	341,323	**2,015,676**	2,202,709	292,193	**1,910,517**

Depreciation is recognised in profit or loss under "depreciation, amortisation and provisions".
Impairment losses are recognised in "other non-recurring operating expense".

The following table shows movements in the net carrying amount of property, plant and equipment:

	Land	**Buildings**	**Plant**	**Properties in course of construction**	**Other**	**Properties held for sale**	**Total**
At 31 December 2009	**423 896**	**719 375**	**78 584**	**494 135**	**28 395**	**(82 208)**	**1 662 177**
Acquisitions	4 921	65 937	16 449	223 019	7 558		317 884
Change in fair value	58 070						58 070
Disposals	(127)	(6 208)	(889)	(114 935)	(1 434)		(123 593)
Depreciation	(31)	(25 914)	(13 388)		(3 119)		(42 452)
Reclassifications & other	58 547	70 307	(3 493)	(127 231)	(2 131)	(37 721)	(41 722)
Changes in scope	23 961	43 719	825	10 239	1 408		80 152
At 31 December 2010	**569 237**	**867 216**	**78 088**	**485 227**	**30 677**	**(119 929)**	**1 910 517**
Acquisitions	5 087	44 712	6 297	116 247	3 894		176 237
Change in fair value							0
Disposals	(510)	(7 020)	24	(28 948)	(176)		(36 630)
Depreciation	(15)	(17 125)	(7 265)		(1 519)		(25 924)
Reclassifications & other	34 186	18 956	7 929	(74 176)	1 973	(18 182)	(29 314)
Changes in scope	6 139	13 681	652	0	317		20 789
At 30 June 2011	**614 124**	**920 420**	**85 725**	**498 351**	**35 166**	**(138 111)**	**2 015 676**

The main movements in 2011 are due to capital expenditure required for the ongoing operation of facilities, investments in new facilities or extensions, acquisitions of properties or other assets through business combinations and acquisitions of properties in the course of construction.

3.3.2 *Revaluation of operating properties*

In accordance with IAS 16, the fair value of properties operated by the Group is appraised at each year end by qualified external valuers.
No impairment loss was recognised during the period.

The impact of revaluing operating properties in accordance with IAS 16 was as follows:

Impact of IAS 16 measurement		
	30.juin.11	**31.déc.10**
Land	297,022	297,022
Buildings	57,781	57,781
Gross value	354,803	354,803
Depreciation	-9,109	-8,426
Properties	**345,694**	**346,377**

The corresponding tax, calculated at standard rates, amounted to €122.1 million.

The amount of additional depreciation arising as a result of the revaluation of buildings in the first half of 2011 was €0.7 million.

3.3.3 *Finance leases*

Property, plant and equipment financed by finance leases include the following assets at their gross value:

	30.juin.11	**31.déc.10**
Land	169,384	155,921
Buildings	491,621	472,719
Assets under finance leases	**661,005**	**628,640**

All finance leases are property leases.
Three contracts expired during the period.

3.3.4 *Operating leases*

Operating lease payments are as follows:

	30.juin.11	**30.juin.10**
Lease payments	44,374	30,082
Total	**44,374**	**30,082**

Operating leases are almost exclusively comprised of renewable leases with fixed rents revisable in accordance with changes in the INSEE construction cost index, the rate of revaluation of old age pensions or fixed rates.

3.4 *Investments in associates and joint ventures*

At 30 June 2011, investments in associates and joint ventures break down as follows:

Associates	Percentage owned	Carrying value of investments (in €'000)	Share in profit (loss) of associates (€'000)	First-half 2011 revenue (€m)
SA F. Santé	49%	3 000	0	0
Groupe MEDIBELGE	49%	26 132	474	25
SA G. Santé	49%	562	0	0
SA TCP DEV *	70%	217	789	9
Six care facilities owned by SARL PCM SANTE	45%	20 789	185	16
Total		50 700	1 447	

(*) Under a shareholders' agreement, Orpea does not have controlling power of the company.

3.5 *Non-current financial assets*

Non-current financial assets break down as follows:

	30.juin.11 Net	**31.déc.10 Net**
Non-consolidated investments	6,307	877
Loans	8,757	9,979
Security deposits	5,319	4,319
Total	**20,382**	**15,176**

Non-consolidated investments are investments in companies whose business is not material in relation to that of the Group as a whole, and investments in mutual banks.

Security deposits comprise all types of deposit the Group might pay in the course of its operations.

3.6 Trade receivables

	30.juin.11	31.déc.10
Trade receivables	100,819	86,980
Total	**100,819**	**86,980**

Due to the nature of its activity, all trade receivables are due within one month and payment arrears are not material.

3.7 Other assets, accruals and prepayments

	30.juin.11	31.déc.10
Development-related assets	33,793	23,547
Receivables on property sales	23,895	45,966
Pre-paid expenses relating to property transactions	7,480	8,287
VAT receivables	40,429	33,260
Advances and downpayments made	1,660	1,516
Other receivables	40,502	28,760
Supplier accounts in debit	8,535	9,493
Pre-paid expenses relating to operations	11,036	8,901
Total	**167,331**	**159,730**

Development-related assets mainly comprise amounts paid in connection with acquisitions of companies, operating licences for short-term or long-term care facilities, or the construction of new properties.
The amount of VAT receivables is mainly due to property construction projects forming part of the Group's growth strategy.

3.8 Assets held for sale

Assets held for sale are mainly property assets which the Group has decided to sell to investors, either as a block or individually, with a view to subsequently renting them under operating leases.

3.9 Equity

3.9.1 Share capital

	30 June 2011	31.déc.10
Number of shares authorised	42,352,795	42,352,795
Number of shares issued	42,352,795	42,352,795
Par value per share (€)	1.25	1.25
Share capital (€)	52,940,994	52,940,994
Treasury shares	16,158	27,321

On 31 July 2007, Orpea carried out a two-for-one share split, thereby doubling the number of shares.

On 20 October 2009, Orpea carried out a €2,400,000 capital increase, resulting in the creation of 1,920,000 new shares.

On 31 December 2010, after acquiring a stake in Mediter and Medibelge, Orpea carried out a €4,376,154 capital increase, resulting in the creation of 3,500,923 new shares.

Since 31 December 2009, the exercise of stock options has had the following impact on share capital and share premiums:

(in thousands of euros)	Number of shares	Share capital	Share premiums
Share capital at 31/12/2009	**38,847,172**	**48,559**	**82,187**
Exercise of options	4,700	6	22
Capital increase	3,500,923	4,376	109,303
Share capital at 31/12/2010	**42,352,795**	**52,941**	**191,512**
Exercise of options			
Capital increase			
Share capital at 30/06/2011	**42,352,795**	**52,941**	**191,512**

3.9.2 Earnings per share

Calculation of the weighted average number of shares held

	30.juin.11		30.juin.10	
	Basic	Diluted	Basic	Diluted
Ordinary shares *	42 352 795	42 352 795	38 851 872	38 851 872
Stock options		15 179		72 600
Treasury shares	(21 740)	(21 740)	(26 615)	(26 615)
Exercise of stock warrants				
Exercise of OCEANE bonds		4 069 635		
Average number of shares	**42 331 055**	**46 415 869**	**38 825 257**	**38 897 857**

* net of treasury shares in 2010

Net earnings per share

(in euros)	30.juin.11		30.juin.10	
	Basic	Diluted	Basic	Diluted
Net profit attributable to owner	**0.95**	**0.93**	**0.84**	**0.83**

3.9.3 Dividends

The general shareholders' meeting of 30 June 2011 approved the payment of a dividend in respect of the 2010 financial year of €0.23 per share, representing a total of €9,741,143 paid in September 2011.

3.9.4 Stock option plans

No options were exercised during the first half of 2011.

In respect of the third stock option plan, a total of 18,360 options remained to be exercised at 30 June 2011.

No stock options have been granted to anyone who was an executive officer on the date of grant.

In accordance with the principles set out in note 1.17, only the stock option plan granted in June 2003 has been subject to a valuation.

3.9.5 Share warrants

On 17 August 2009, Orpea made an issue of bonds with redeemable share warrants (OBSAAR), leading to the issuance of 1,190,787 share warrants exercisable from 14 August 2011 to 14 August 2015 inclusive and entitling the holder to subscribe for one Orpea share at a price of €37.90. The maximum dilutive effect is 3.23% of the share capital.

3.9.6 *Treasury shares*

At the annual general meeting of 30 June 2010, the shareholders authorised a share buyback programme to enable the company to ensure liquidity and make a market in the shares, optimise its capital management and grant shares to employees particularly through stock award plans.

On 29 December 2009, 68,420 shares were granted to 1,975 employees.

At 30 June 2011, the Group held 16,158 treasury shares which were deducted from consolidated reserves in a total amount of €1,241 thousand.

3.10 *Provisions*

Provisions break down as follows:

(in thousands of euros)	01.janv.11	Actuarial gains or losses	Reclassification	Charge for the year	Reversal in the year (used)	Reversal in the year (not used)	Change in scope and others	30.juin.11
Liabilities and charges	17,980		(1,458)	3,477	(721)	(381)	78	18,977
Restructuring	5,883				(725)		1,548	6,707
Post-employment benefit ob	18,433	(1,414)	1,458	325	(45)		442	19,200
Total	42,298	(1,414)	0	3,802	(1,490)	(381)	2,068	44,884

At 30 June 2011, short-term provisions included €5,751 thousand in provisions for employment disputes and €1,787 thousand in restructuring provisions.

The provision for post-employment benefits breaks down as follows:

(in thousands of euros)	**30.juin.11**	**31.déc.10**
France	17,606	16,805
International	1,595	1,628
Total	**19,200**	**18,433**

The change in the financial position of post-employment benefits in France and similar benefits breaks down as follows:

(in thousands of euros)	30.juin.11 Current value of obligation	Provision on balance sheet	Net profit	Equity	31.déc.10 Current value of obligation	Provision on balance sheet	Net profit	Equity
Opening	**16,805**	**(16,805)**			**13,806**	**(13,806)**		
Current service cost	481	(481)	(481)		929	(929)	(929)	
Interest expense (accretion)	346	(346)	(346)		905	(905)	(905)	
Expected return on plan assets								
Emplyer contributions								
Actuarial gains/losses	(1,414)	1,414		1,414	1,574	(1,574)		(1,574)
Pension benefits paid	(514)	514			(818)	818		
Changes in scope and other	1,900	(1,900)			409	(409)		
Closing	**17,606**	**(17,606)**	**(827)**	**1,414**	**16,805**	**(16,805)**	**(1,834)**	**(1,574)**

The change in the financial position of post-employment benefits in other countries and similar benefits breaks down as follows:

(in thousands of euros)	30.juin.11 Current value of obligation (*)	Provision on balance sheet	Net profit	Equity	31.déc.10 Current value of obligation (*)	Provision on balance sheet	Net profit	Equity
Opening	**1,628**	**(1,628)**			**1,181**	**(1,181)**		
Current service cost	182	(182)	(182)		373	(373)	(373)	
Interest expense (accretion)	120	(120)	(120)		179	(179)	(179)	
Expected return on plan assets	(119)	119	119		(170)	170	170	
Employer contributions	(216)	216	216		(307)	307	307	
Actuarial gains/losses					372	(372)		(372)
Pension benefits paid								
Changes in scope and other								
Closing	**1,595**	**(1,595)**	**33**		**1,628**	**(1,628)**	**(75)**	**(372)**

(*) net of hedge funds

The main actuarial assumptions at 30 June 2011 were:

	30.juin.11		31.déc.10	
	France	International	France	International
Discount rate	4.67%	3.00%	4.09%	3.00%
Annual rate of salary increase taking account of inflation	3.50%	2.25%	3.50%	2.25%
Expected rate of return on plan assets	NA	3.00%	NA	3.00%
Retirement age	65	65	65	65
Social security rate	average actual rate		average actual rate	

The actuarial gains or losses recognised in equity arise from experience adjustments, particularly as regards assumptions concerning staff turnover.

At 30 June 2011, sensitivity of the French post-employment benefit obligation to a 0.5% increase in the discount rate was €890 thousand.

3.11 *Financial liabilities and cash and cash equivalents*

Net debt breaks down as follows:

(in thousands of euros)	Net 30 June 2011		Net 31 Dec 2010	
Property		**1,573,616**		**1,576,574**
Long-term bank borrowings	304,759		287,997	
Finance lease obligations	457,003		430,733	
Bond issue	382,374		382,374	
Bridging loans	429,480		475,470	
Other		**410,292**		**391,299**
Miscellaneous financial liabilities and debt	380,310		363,795	
Finance lease obligations	29,982		27,504	
Total gross debt (*)	**1,983,910**		**1,967,873**	
Cash	(87,059)		(73,899)	
Cash equivalents	(31,805)		(202,625)	
Total net debt (*)	**1,865,046**		**1,691,349**	

(*) Including liabilities associated with assets held for sale

Changes in net debt during the first half of 2011 break down as follows:

(in thousands of euros)	31-déc-10	Increase	Decrease	Changes in scope	**30-juin-11**
Bond issue	382,374				**382,374**
Long-term property loans	287,997	18,081	(1,319)		**304,759**
Property finance leases	430,733	42,610	(16,340)		**457,003**
Property bridging loans	475,470	10,210	(56,200)		**429,480**
Non-property finance leases	27,504	7,315	(4,837)		**29,982**
Other debt and financial liabilities	363,795	79,849	(72,723)	9,389	**380,310**
Total gross debt	1,967,873	158,065	(151,419)	9,389	**1,983,910**
Cash and cash equivalents	(276,524)	157,660			**(118,864)**
Total net debt	1,691,349	315,725	(151,419)	9,389	**1,865,046**
Liabilities associated with assets held for sale	(119,929)	(21,182)			**(141,111)**
Net debt excluding liabilities associated with assets held for sale	1,571,420	294,543	(151,419)	9,389	**1,723,935**

The following table shows a breakdown of net debt by maturity:

	30.juin.11	Under one year (*)	Two to five years	Over five years
Bond issue	382,374		382,374	0
Long-term property loans	304,759	93,497	150,008	61,254
Property finance leases	457,003	30,467	122,374	304,162
Property bridging loans	429,480	148,543	255,307	25,630
Non-property finance leases	29,982	5,996	23,986	0
Other debt and financial liabilities	380,310	217,035	132,320	30,955
Total gross debt	**1,983,910**	495,537	1,066,369	422,004
Cash and cash equivalents	(118,864)	(118,864)		
Total net debt	**1,865,046**	376,673	1,066,369	422,004
Liabilities associated with assets held for sale	(141,111)	(141,111)		
Net debt excluding liabilities associated with assets held for sale	**1,723,935**	235,562	1,066,369	422,004

Debts maturing in more than one year and less than five years break down as follows:

	Two to five years	2	3	4	5
Bond issue	382,374	41,824	41,824	62,736	235,990
Long-term property loans	150,008	42,043	39,482	39,950	28,533
Property finance leases	122,374	30,594	30,594	30,594	30,592
Property bridging loans	255,307	120,196	74,394	34,262	26,455
Non-property finance leases	23,986	5,996	5,996	5,996	5,998
Other debt and financial liabilities	132,320	50,593	36,918	24,768	20,041
Total gross debt per year	**1,066,369**	291,246	229,208	198,306	347,609

Financing policy

The Group's financing can be broken down into three categories:

- Financing operating properties through finance leases or bank loans repayable over a typical period of 12 years;

- Financing the acquisition of facilities, operating licences, etc., mainly through bank loans repayable over a period of 6 or 7 years;

- Financing properties recently acquired or in the course of redevelopment or construction through bridging loans.
  Bridging loans comprise financing lines dedicated to a specific project and general bank credit lines. These properties are intended either to be sold to third parties or to be kept by the Group, in which case they are usually subsequently refinanced through finance leases.

The Group's expansion policy requires it to regularly obtain new bank credit facilities or sell properties to investors.

Bonds

OBSAAR bond issue: During the second half of 2009, Orpea issued bonds with redeemable warrants to subscribe for new or purchase existing shares (OBSAAR) in an amount of approximately €217 million or an IFRS net amount of €209 million. The warrants attached to the bonds were valued at fair value and recognised in equity in the amount of €3 million.

The bonds will be redeemed in 2012 and 2013 at 20% of the nominal amount per year and in 2014 and 2015 at 30%. The coupon payable on the bonds is 3-month Euribor + 137 basis points excluding fees.

OCEANE bond issue: During the second half of 2010, Orpea issued 4,069,635 bonds convertible into new or existing shares (OCEANE) at a unit price of €44.23, representing a total of €180 million.

These bonds will be redeemed on 1 January 2016. The coupon payable on the bonds is 3.875% per year. The bonds have the option of being converted into shares (one share for one bond) between 15 December 2010 and the seventh working day inclusive preceding the normal redemption date at a price of €44.23 per share.

Banking covenants

The OBSAAR bonds and most loans taken out by the Group, other than property finance leases, have been subject to the following contractually defined covenants since 31 December 2006:

- Net debt to EBITDA ratio:

$$R1 = \frac{\text{consolidated net debt (excluding property debt)}}{\text{consolidated EBITDA} - 6\% \text{ of property debt}}$$

- Gearing ratio restated for property:

$$R2 = \frac{\text{consolidated net debt}}{\text{Equity + quasi equity (i.e. deferred tax liabilities arising on the revaluation of intangible assets in the consolidated financial statements)}}$$

At 30 June 2011, these ratios stood at 3.59 and 1.56 respectively, within the required limits of 5.5 for R1 and 2.0 or 2.2 for R2 at 30 June 2011.

Cash and cash equivalents

At 30 June 2011, cash and cash equivalents comprised €87,059 thousand in short-term investments such as risk-free money-market mutual funds and €31,805 thousand in bank credit balances.

3.12 Financial instruments

3.12.1 Interest rate risk

Interest rate risk management strategy:

The Group's debt mainly comprises domestic debt at floating rates and is therefore exposed to the risk of an increase in short-term rates in the euro zone.

The Group's strategy consists of hedging three quarters of its current net debt against the risk of changes in interest rates. To do this, it uses fixed-rate loans or financial instruments to hedge its floating-rate debt. These financial instruments take the form of interest rate swaps under which it receives mainly 3-month Euribor and pays a fixed rate specific to each contract, and interest rate options (caps, collars etc.). These financial instruments are qualified as cash flow hedges in accordance with IAS 39. Unrealised gains and losses arising from the remeasurement at fair value of the effective portion of these hedges are recognised in equity at the year end.

Interest rate derivatives portfolio:

At 30 June 2011, as at 31 December 2010, the derivatives portfolio consisted of fixed-rate payer swaps, mainly 3-month Euribor, and interest rate options. These derivatives are either at a constant nominal rate or redeemable.

At the end of 2010, the maturity of interest rate derivatives was as follows:

	Maturity (€m)				
	2011	2012	2013	2014	2015
Average notional (€m)	1,043	1,158	1,005	738	364
Effective rate	3.3%	3.1%	2.9%	2.6%	2.5%

At the end of the first half of 2011, the maturity of interest rate derivatives was as follows:

	Maturity (€m)				
	2011	2012	2013	2014	2015
Average notional (€m)	1,056	1,256	1,294	1,048	598
Effective rate	3.3%	3.1%	2.9%	2.7%	2.7%

At 31 December 2010, the accumulated fair value of derivative hedging instruments (-€37.0 million) was fully recognised in equity in respect of cash flow hedges.

At 30 June 2011, the accumulated fair value of derivative hedging instruments (-€23.2 million) was fully recognised in equity in respect of cash flow hedges.

Analysis of sensitivity to changes in interest rates:

The impact of a +/- 1% change in interest rates on the Group's earnings stems from:

- the change in interest payable on floating-rate net debt;
- changes in the fair value of hedging instruments.

The fair value of hedging instruments is sensitive to changes in interest rates and in volatility, which is assumed to be constant in this analysis.

At 30 June 2011, net debt amounted to €1,865 million, of which around 13% was contracted at fixed rates and the remainder at floating rates.

Taking account of the hedges in place:

- the impact of a 1% (100 basis points) rise in interest rates would increase the Group's financial expense by €7.1 million (before tax and capitalisation of financial expenses);
- the impact of a 0.2% (20 basis points given current interest rate levels) would reduce financial expense by €1.4 million.

Movement in cash flow hedging reserve:

(in thousands of euros)	30.juin.11	31.déc.10
Opening hedging reserve	**(36,985)**	**(39,815)**
Change in fair value during the period	3,576	(23,098)
Of which recognised in profit or loss	10,259	25,928
Impact on net profit for the period	13,835	2,830
Closing hedging reserve	**(23,150)**	**(36,985)**

3.12.2 Value of financial assets excluding derivatives

(in thousands of euros)	30.juin.11	31.déc.10
Equity investments	6,307	877
Other non-current financial assets	14,076	14,299
Short-term investments	87,059	202,625
Financial assets excluding derivatives	**107,442**	**217,801**

3.13 Trade payables

	30.juin.11 Net	31.déc.10 Net
Trade payables	137,648	144,030
Total	**137,648**	**144,030**

3.14 Other liabilities, accruals and prepayments

	30.juin.11 Net	31.déc.10 Net
Development-related liabilities	30,847	40,142
Security deposits	24,842	24,929
Commitments to work on buildings sold	7,976	8,079
Client accounts in credit	1,416	4,294
Advances and downpayments received	9,255	8,044
Other prepaid income	5,878	5,361
Derivative financial instruments	21,115	34,876
Other	53,080	25,894
Total	**154,408**	**151,619**

Security deposits mainly comprise the deposits paid by residents at the beginning of their stay.

3.15 Liabilities associated with assets held for sale

This item comprises the bank debt (bridging or repayment loans) that financed the acquisition of the assets held for sale.

3.16 Segment information

		30.juin.11	30.juin.10
Revenue			
France		525 672	413 329
Rest of Europe		68 527	55 890
	Total	**594 200**	**469 218**
EBITDA			
France		97 286	76 502
Rest of Europe		8 308	6 703
	Total	**105 594**	**83 204**
Assets			
France		3 647 365	2 754 078
Rest of Europe		361 198	354 912
	Total	**4 008 563**	**3 108 991**
Liabilities excluding equity			
France		2 794 716	2 147 125
Rest of Europe		278 901	304 024
	Total	**3 073 617**	**2 451 150**

Amounts paid for the acquisition of segment assets are disclosed in note 2.2.

3.17 Other non-recurring operating income and expense

(in thousands of euros)	30.juin.11	30.juin.10
Proceeds from property sales	60,423	30,164
Cost of properties sold	(44,965)	(24,313)
Provision reversal	1,134	9,707
Provision charge	(2,982)	(1,290)
Other income	9,860	2,157
Other expense	(10,815)	(6,681)
Total	**12,655**	**9,744**

Other non-recurring operating income and expense mainly comprises:

- net gains on sales of property assets: €15.5 million;
- other income and expense relating to acquisitions within the framework of business combinations: an expense of €6.2 million relating to the redevelopment of recently acquired facilities and income of €9.1 million recognised on business combinations.

3.18 Net finance cost

	30.juin.11	30.juin.10
Interest on bank debt and other financial liabilities	(23,173)	(14,465)
Interest on finance leases	(6,705)	(4,697)
Net income (expense) on interest rate derivatives	(10,411)	(14,089)
Capitalised borrowing costs (*)	8,300	7,671
Financial expense	**(31,989)**	**(25,580)**
Interest income	297	312
Financial income	**297**	**312**
Net finance cost	**(31,692)**	**(25,268)**

(*) Calculated at a rate of 4.5% at 30 June 2011 as at 30 June 2010 on facilities in the course of construction or redevelopment

3.19 Income tax expense

Orpea SA has elected for group tax relief with all its French subsidiaries that are more than 95%-owned. All subsidiaries that meet this condition are included in the tax consolidation group except for those acquired during 2011.

(in thousands of euros)	30.juin.11	30.juin.10
Current income taxes	11,279	10,439
Deferred income taxes	9,177	4,148
Total	**20,456**	**14,586**

Deferred taxes assets/(liabilities) break down as follows by type of temporary difference:

(in thousands of euros)	30.juin.11	31.déc.10
Fair value of intangible assets	(308,117)	(238,722)
Fair value of PPE (*)	(258,307)	(255,140)
Capitalisation of finance leases	(30,218)	(26,023)
Timing differences	(6,002)	(5,712)
Tax loss carryforwards	12,367	12,820
Deferral of capital gains	1,546	1,620
Employee benefits	5,954	5,908
CVAE deferred tax (**)	(7,494)	(7,694)
Financial instruments and other	8,420	21,290
Total	**(581,851)**	**(491,653)**

(*) Including deferred tax of €122.1 million relating to the revaluation of properties (see Note 1.8)

(**) Deferred tax recognised in accordance with IAS 12 on depreciable property, plant and equipment and intangible assets of French entities subject to CVAE tax on business added-value as of 1 January 2010

The deferred tax liability recognised in the balance sheet breaks down as follows:

(in thousands of euros)	30.juin.11	31.déc.10
Assets	12,367	12,820
Liabilities	(594,217)	(504,473)
Net	**(581,851)**	(491,653)

The difference between the theoretical tax rate, i.e. 34.43% in 2011, and the effective tax appearing in the income statement, breaks down as follows:

(in thousands of euros)	30.juin.11	31.déc.10
Effective rate:	**33.69%**	**31.79%**
- Permanent differences:	-0.50%	2.90%
- Impact of business combinations	5.15%	3.56%
- Impact of reduced tax rates	-0.01%	-0.02%
- Impact of companies accounted for at equity	0.82%	-0.18%
- Other	0.42%	0.81%
- CVAE tax on business added-value	-5.14%	-4.43%
Theoretical rate	**34.43%**	**34.43%**

Deferred taxes calculated on the basis of the IFRS valuation of intangible assets came to €308,117 thousand at 30 June 2011. These intangible assets are not held for sale.

3.20 Commitments and contingent liabilities

3.20.1 Off-balance sheet commitments

Debt-related commitments

Contractual obligations (in thousands of euros)	30.juin.11	31.déc.10
Counter-indemnities on contracts	**0**	**0**
Receivables sold not yet matured	**0**	**0**
Collateral	**1,073,345**	**1,011,320**
Financing property assets	*301,990*	*285,228*
Non-property borrowings and financial liabilities	*292,662*	*276,147*
Finance leases	*478,693*	*449,945*
Guarantees	**5,088**	**5,088**
Related to property assets	*4,158*	*4,158*
Related to non-property borrowings and fin. liabs.	*930*	*930*
Related to finance leases		
Other commitments given	**0**	**0**
Subscription to bond issue		
Total	**1,078,433**	**1,016,408**

Commitments relating to the Group's operations

Lease commitments

Future minimum lease payment commitments at 30 June 2011 break down as follows:

	Minimum payment
Under one year	55,763
One to five years	223,051
Over five years	390,339
Total	**669,152**

Operating lease commitments break down as follows at 30 June 2011:

	Minimum payment
Under one year	88,747
One to five years	354,990
Over five years	621,232
Total	**1,064,969**

The Group signs primarily firm lease agreements for a period of 12 years.

Commitments relating to individual training rights (DIF)

The law of 4 May 2004 on professional training introduced a system whereby employees can build up training rights to be used at their discretion with their employer's agreement. The minimum annual amount is 20 hours capped at a cumulative total of 120 hours.

At 30 June 2011, these training rights were financed by reimbursements obtained under professional training contracts.
The expense is recognised as and when the hours are used.

Commitments relating to property construction projects

Property construction projects financed under lease agreements and for which rents had not begun to be paid at 30 June 2011 currently stand at around €29 million.

Commitments relating to the scope of consolidation

At 30 June 2011, conditional commitments to acquire facilities, operating licences and land amounted to €143 million.

The Group also has a call option on:

- 51% of F. Santé SA and G. Santé SA between 1 January 2014 and 30 June 2014;
- 51% of Medibelge as of 1 January 2013;
- 30% of TCP DEV SA as of 11 September 2013.

As regards the 45% stake held in a portfolio of six care facilities via SARL PCM Santé, Orpea and the current majority shareholders have exchanged the following commitments for a possible 100% acquisition, subject to a number of conditions precedent being met:
- a preliminary purchase agreement signed by Orpea until 31 March 2021;
- a preliminary sales agreement signed by the current majority shareholders as of 1 April 2021.

Miscellaneous commitments

The Group has received the preliminary deed agreement for land in Spain as security for a €2.2 billion loan granted by Orpea SA.

Furthermore, under a protocol agreement of 20 December 2010, ELC has made a commitment to sell its residual 45.57% stake in Holding Mieux Vivre to Orpea SA subject to certain conditions granted in favour of Orpea.

3.20.2 Contingent liabilities

Management broadly believes that the provisions recognised on the balance sheet for known disputes involving the Group should be sufficient to avoid any substantial impact on the Group's financial position or results.

3.21 Analysis of financial assets and liabilities in accordance with IFRS 7

Financial assets and liabilities in accordance with IFRS 7 break down as follows:

(in thousands of euros)	Balance sheet classification	Level (*)	Carrying amount		Fair value	
			30.juin.11	**31.déc.10**	**30.juin.11**	**31.déc.10**
HELD-TO-MATURITY ASSETS			**0**	**0**	**0**	**0**
Bonds and negotiable debt securities	Cash and cash equivalents					
LOANS AND RECEIVABLES			**138,790**	**147,245**	**138,790**	**147,245**
Short-term loans	Short-term loans					
Long-term loans	Non-current financial assets	2	8,757	9,979	8,757	9,979
Receivables related to asset disposals	Short-term receivables related to asset disposals		23,895	45,966	23,895	45,966
Security deposits	Non-current financial assets	2	5,319	4,319	5,319	4,319
Trade receivables	Other receivables	2	100,819	86,980	100,819	86,980
AVAILABLE-FOR-SALE ASSETS			**87,059**	**202,625**	**87,059**	**202,625**
Equity investments	Non-current financial assets					
Mutual funds	Cash and cash equivalents	1	87,059	202,625	87,059	202,625
Other						
FINANCIAL ASSETS AT FAIR VALUE			**0**	**0**	**0**	**0**
Interest rate derivatives						
Currency derivatives						
CASH AND CASH EQUIVALEN	Cash and cash equivalents	1	**31,805**	**73,899**	**31,805**	**73,899**
FINANCIAL ASSETS			**257,654**	**423,769**	**257,654**	**423,769**

(*) Level 1: for financial assets and liabilities listed on an active market, fair value corresponds to the quoted price.
(*) Level 2: for financial assets and liabilities not listed on an active market and for which observable market data exist, but which cannot be relied upon by the Group to measure their fair value.
(*) Level 3: for financial assets and liabilities listed on an active market and for which there is no observable market data by which to measure their fair value.

(in thousands of euros)	Balance sheet classification	Level (*)	Carrying amount 30.juin.11	Carrying amount 31.déc.10	Fair value 30.juin.11	Fair value 31.déc.10
FINANCIAL LIABILITIES AT FAIR VALUE			**21,115**	**34,876**	**21,115**	**34,876**
Currency derivatives	Other liabilities					
Interest rate derivatives	Other liabilities	2	21,115	34,876	21,115	34,876
Other obligations	Other liabilities					
FINANCIAL LIABILITIES AT AMORTISED COST			**2,116,030**	**2,107,584**	**2,116,030**	**2,107,584**
Bonds convertible, exchangable or redeemable for shares	LT and ST financial liabilities					
Bank borrowings	LT and ST financial liabilities	2	1,116,615	1,133,850	1,116,615	1,133,850
Finance lease obligations	LT and ST financial liabilities	2	486,985	458,237	486,985	458,237
Other liabilities	LT and ST financial liabilities	2	380,310	375,786	380,310	375,786
Trade payables	Trade payables	2	132,120	139,711	132,120	139,711
TOTAL			**2,137,145**	**2,142,460**	**2,137,145**	**2,142,460**

(*) Level 1: for financial assets and liabilities listed on an active market, fair value corresponds to the quoted price.
(*) Level 2: for financial assets and liabilities not listed on an active market and for which observable data exists but which cannot be relied upon by the Group to measure their fair value.
(*) Level 3: for financial assets and liabilities listed on an active market and for which there is no observable market data by which to measure their fair value.

3.22 Related party transactions

Associates and joint ventures

At 30 June 2011, the Group owned 49.4% of Société F. Santé through SARL 96, as well as 49% of Medibelge, 49% of G. Santé SA, 70% of TCP DEV SA and 45% of a portfolio of post-acute and psychiatric care clinics via SARL PCM Santé.

Advances granted to associates and joint ventures by the Orpea Group amounted to €18 million at 30 June 2011 and concern TCP DEV.

3.23 Subsequent events

The Group continued its expansion in France with the acquisition of two long-term care facilities.

3.24 Scope of consolidation at 30 June 2011

Consolidated companies Name	% control	% interest	Consolidation method
ORPEA SA	100.00%	100.00%	Parent
EURL LES MATINES	100.00%	100.00%	FC
SAS CLINEA	100.00%	100.00%	FC
SARL BEL AIR	100.00%	100.00%	FC
SCI ROUTE DES ECLUSES	100.00%	100.00%	FC
SCI DES RIVES D'OR	100.00%	100.00%	FC
SCI ORPEA DU CHÂTEAU NERAC	100.00%	100.00%	FC
SCI DE LA TOUR DE PUJOLS	100.00%	100.00%	FC
SCI DES RIVES DE LA CERISAIE	100.00%	100.00%	FC
SCI DU VAL DE SEINE	100.00%	100.00%	FC
SCI DU CLISCOUET	100.00%	100.00%	FC
SCI DES RESIDENCES DE L'AGE D'OR	100.00%	100.00%	FC
SCI GAMBETTA	100.00%	100.00%	FC
SCI CROIX ROUSSE	100.00%	100.00%	FC
SCI LES DORNETS	100.00%	100.00%	FC
SCI DU CHÂTEAU D'ANGLETERRE	100.00%	100.00%	FC
SCI MONTCHENOT	100.00%	100.00%	FC
SCI DU 115 RUE DE LA SANTE	100.00%	100.00%	FC
SCI L'ABBAYE VIRY	100.00%	100.00%	FC
SCI LES TAMARIS	100.00%	100.00%	FC
SCI DU 3 PASSAGE VICTOR MARCHAND	100.00%	100.00%	FC
SCI FAURIEL	100.00%	100.00%	FC
SCI DU PORT THUREAU	100.00%	100.00%	FC
SCI DE L'ABBAYE MOZAC	100.00%	100.00%	FC
SCI DE LA RUE DES MARAICHERS	100.00%	100.00%	FC
SCI LE BOSGUERARD	100.00%	100.00%	FC
SCI LE VALLON	100.00%	100.00%	FC
SCI BEL AIR	100.00%	100.00%	FC
SCI BREST LE LYS BLANC	100.00%	100.00%	FC
SCI SAINTE BRIGITTE	100.00%	100.00%	FC
SARL AMARMAU	100.00%	100.00%	FC
SARL VIVREA	100.00%	100.00%	FC
SARL NIORT 94	100.00%	100.00%	FC
SCI LES TREILLES	100.00%	100.00%	FC
SCI LES FAVIERES	100.00%	100.00%	FC
SA LES CHARMILLES	100.00%	100.00%	FC
SA BRIGE	100.00%	100.00%	FC
SRL ORPEA ITALIA	100.00%	100.00%	FC
SARL 96	100.00%	100.00%	FC
SARL SPI	100.00%	100.00%	FC
SARL 95	100.00%	100.00%	FC
SCI LA TALAUDIERE	100.00%	100.00%	FC
SCI SAINT PRIEST	100.00%	100.00%	FC
SCI BALBIGNY	100.00%	100.00%	FC
SCI SAINT JUST	100.00%	100.00%	FC
SCI CAUX	100.00%	100.00%	FC
SAS LA SAHARIENNE	100.00%	100.00%	FC
SCI IBO	100.00%	100.00%	FC
SARL ORPEA DEV	100.00%	100.00%	FC
SCI BEAULIEU	100.00%	100.00%	FC

Consolidated companies Name	% control	% interest	Consolidation method
SCI LES MAGNOLIAS	100.00%	100.00%	FC
SCI COURBEVOIE DE L'ARCHE	100.00%	100.00%	FC
SARL DOMEA	100.00%	100.00%	FC
SAS ORGANIS	100.00%	100.00%	FC
SARL MAISON DE LOUISE	100.00%	100.00%	FC
SARL GESSIMO	100.00%	100.00%	FC
SARL MAISON DE LUCILE	100.00%	100.00%	FC
SARL MAISON DE SALOME	100.00%	100.00%	FC
SARL MAISON DE MATHIS	100.00%	100.00%	FC
SA DOMAINE CHURCHILL	100.00%	100.00%	FC
SA RS DOMAINE CHURCHILL	100.00%	100.00%	FC
SA LONGCHAMP LIBERTAS	100.00%	100.00%	FC
SL TRANSAC CONSULTING CO	100.00%	100.00%	FC
SARL LA VENITIE	100.00%	100.00%	FC
SA CASA MIA IMMOBILIARE	100.00%	100.00%	FC
SARL L'ALLOCHON	100.00%	100.00%	FC
SA CLINIQUE LA METAIRIE	100.00%	100.00%	FC
SCI KOD'S	100.00%	100.00%	FC
SCI BARBACANNE	100.00%	100.00%	FC
SA DOMAINE LONGCHAMP	100.00%	100.00%	FC
SARL LA BRETAGNE	100.00%	100.00%	FC
SCI SAINTES	100.00%	100.00%	FC
SARL ATRIUM	100.00%	100.00%	FC
SCI BARBARAS	100.00%	100.00%	FC
SARL GESTIHOME SENIOR	100.00%	100.00%	FC
SA CALIDAD RESIDENCIAL	100.00%	100.00%	FC
SCI SLIM	100.00%	100.00%	FC
SCI SELIKA	100.00%	100.00%	FC
SARL MAISON DE CHARLOTTE	100.00%	100.00%	FC
SAS RESIDENCE ST LUC	100.00%	100.00%	FC
SARL L'ERMITAGE	100.00%	100.00%	FC
SCI JEM II	100.00%	100.00%	FC
SARL REINE BELLEVUE	100.00%	100.00%	FC
SA ORPEA BELGIUM	100.00%	100.00%	FC
SASU LE VIGE	100.00%	100.00%	FC

Consolidated companies Name	% control	% interest	Consolidation method
SA GERONE CORP	100.00%	100.00%	FC
SL DINMORPEA	100.00%	100.00%	FC
SA CLINIQUE LA LIRONDE	100.00%	100.00%	FC
SAS CLINIQUE CHAMPVERT	100.00%	100.00%	FC
SAS CCR DU LAVARIN	100.00%	100.00%	FC
SCI LES ANES	100.00%	100.00%	FC
SCI SPAGUY	100.00%	100.00%	FC
SCI LA DRONE	100.00%	100.00%	FC
SCI CHÂTEAU DE LA CHARDONNIERE	100.00%	100.00%	FC
SCI LA SALVATE	100.00%	100.00%	FC
SAS MAJA	100.00%	100.00%	FC
SCI DU CAROUX	100.00%	100.00%	FC
CLINEA ITALIA SPA	100.00%	100.00%	FC
SAS LA CLAIRIERE	100.00%	100.00%	FC
SRL CANTON DI MEZZO	100.00%	100.00%	FC
SARL ALTERNATIVE HOSPITALISATION	100.00%	100.00%	FC
SARL RESIDENCE LA CLAIRIERE	100.00%	100.00%	FC
SAS CHAMPVERT	100.00%	100.00%	FC
SA DAVER	100.00%	100.00%	FC
SA BORA	100.00%	100.00%	FC
SA GRAY	100.00%	100.00%	FC
SCI MANUJACQ	100.00%	100.00%	FC
SPRL RESIDENCE PARADIS	100.00%	100.00%	FC
SA JB VAN LINTHOUT	100.00%	100.00%	FC
SA VINTAGE CLASSICS INTERN	100.00%	100.00%	FC
SPA VILLA DI SALUTE	100.00%	100.00%	FC
SARL SOGIMOB	100.00%	100.00%	FC
ASSOC LANGUEDOCIENNE DE GERIATRIE	100.00%	100.00%	FC
SA PREMIER	100.00%	100.00%	FC
SC LES PRATICIENS DU GRAND PRE	100.00%	100.00%	FC
SAS MDR LA CHENERAIE	100.00%	100.00%	FC
SAS RESIDENCE DE LA CHENERAIE	100.00%	100.00%	FC
SCI DU 12 RUE DU FAUVET	100.00%	100.00%	FC
SCI HELIADES SANTE	100.00%	100.00%	FC
SA IMMOBILERE LEAU	100.00%	100.00%	FC
SARL 97	100.00%	100.00%	FC
SC CARDIOPIERRE	100.00%	100.00%	FC
SARL L'OMBRIERE	100.00%	100.00%	FC
SA RESIDENCE DU GRAND CHEMIN	100.00%	100.00%	FC
SA VILLERS SERVICES	100.00%	100.00%	FC
SA SENIORIE DE L'EPINETTE	100.00%	100.00%	FC
SA RESIDENCE SENIOR'S WESTLAND	100.00%	100.00%	FC
SA SENIOR'S WESTLAND HOLDING	100.00%	100.00%	FC
SARL IDF RESIDENCE RETRAITE LE SOPHORA	100.00%	100.00%	FC
SA EMCEJIDEY	100.00%	100.00%	FC
SCI DOUARNENEZ	100.00%	100.00%	FC
SA MAISON DE RETRAITE PAUL CEZANNE	100.00%	100.00%	FC
SCI SUPER AIX	100.00%	100.00%	FC
SARL MAISON DE RETRAITE LE SEQUOIA	100.00%	100.00%	FC
SARL MAISON D'OMBELINE	100.00%	100.00%	FC
SARL LA RETRAITE DU LEU	100.00%	100.00%	FC
SNC LES JARDINS D'ESCUDIE	100.00%	100.00%	FC

Consolidated companies Name	% control	% interest	Consolidation method
SA RESIDENCE DU MOULIN	100.00%	100.00%	FC
SARL RESIDENCE DU PARC	100.00%	100.00%	FC
SAS CARDEM	100.00%	100.00%	FC
SA ORPEA BELGIUM IMMOBILIER	100.00%	100.00%	FC
SA CARINA	100.00%	100.00%	FC
SA ODE HOLDING	100.00%	100.00%	FC
SA LES AMARANTES	100.00%	100.00%	FC
SA LES AMARANTES MULTI SERVICES	100.00%	100.00%	FC
SA PALACEA	100.00%	100.00%	FC
SA SAINT FRANCOIS	100.00%	100.00%	FC
SA LE THINES	100.00%	100.00%	FC
SA CHÂTEAU DE LA LYS	100.00%	100.00%	FC
AGRICOLA MEDITERRANEA	100.00%	100.00%	FC
SARL FRANCE DOYENNE DE SANTE	100.00%	100.00%	FC
SAS RESIDENCE KLARENE	100.00%	100.00%	FC
SNC BRECHET CFT ET CIE	100.00%	100.00%	FC
SAS RESIDENCE ONDINE	100.00%	100.00%	FC
SAS SFI France	100.00%	100.00%	FC
SAS SYLVINVEST	100.00%	100.00%	FC
SCI LES ORANGERS	100.00%	100.00%	FC
SA CHÂTEAU BEL AIR	100.00%	100.00%	FC
SA CLINIQUE L'EMERAUDE	100.00%	100.00%	FC
SAS HOTEL DE L'ESPERANCE	100.00%	100.00%	FC
SAS CLINIQUE BEAU SITE	100.00%	100.00%	FC
SAS LE CLOS DU ROY	100.00%	100.00%	FC
SCI DU MONT D'AURELLE	100.00%	100.00%	FC
SCI ANSI	100.00%	100.00%	FC
SARL REGINA RENOUVEAU	100.00%	100.00%	FC
SCI BRBT	100.00%	100.00%	FC
SNC MAISON ROSE	100.00%	100.00%	FC
SCI RUE DE LONDRES	100.00%	100.00%	FC
SCI CHÂTEAU DE LOOS	100.00%	100.00%	FC
SCI BERLAIMONT	100.00%	100.00%	FC
SARL MARC AURELLE IMMOBILIER	100.00%	100.00%	FC
SCI DU GRAND PARC	100.00%	100.00%	FC
SCI SEQUOIA	100.00%	100.00%	FC
SAS CLINIQUE MEDICALE LES OLIVIERS	100.00%	100.00%	FC
SARL ST SULPICE	100.00%	100.00%	FC
SA CLINIQUE REGINA	100.00%	100.00%	FC
SARL CLINIQUE DU CHÂTEAU DE LOOS	100.00%	100.00%	FC
SARL LES COURTILS	100.00%	100.00%	FC
SAS LA CHAVANNERIE	100.00%	100.00%	FC
SCI DU JARDIN DES LYS	100.00%	100.00%	FC
SAS DOUCE France SANTE	100.00%	100.00%	FC
SARL RESIDENCE DU PARC DE BELLEJAME	100.00%	100.00%	FC
SCI BELLEJAME	100.00%	100.00%	FC
SARL RESIDENCE DE SAVIGNY	100.00%	100.00%	FC

Consolidated companies Name	% control	% interest	Consolidation method
SARL RESIDENCE LA PUYSAIE	100.00%	100.00%	FC
SAS CHÂTEAU DE VILLENIARD	100.00%	100.00%	FC
SA CLINIQUE DU CABIROL	100.00%	100.00%	FC
SARL RESIDENCE DE L'OASIS	100.00%	100.00%	FC
SARL RESIDENCE RENE LEGROS	100.00%	100.00%	FC
SAS MEX	100.00%	100.00%	FC
SNC MARGAUX PONY	100.00%	100.00%	FC
SNC THAN CO	100.00%	100.00%	FC
SARL LES VERGERS D'ANNA	100.00%	100.00%	FC
SARL DFS IMMOBILIER	100.00%	100.00%	FC
SARL SOGIP	100.00%	100.00%	FC
SARL GUEROULT	100.00%	100.00%	FC
SARL RESIDENCE LES CEDRES	100.00%	100.00%	FC
SA LE VIEUX CHÂTEAU	100.00%	100.00%	FC
SAS CLINIQUE DE L'ISLE - LE MOULIN	100.00%	100.00%	FC
SAS PLACENETTE	100.00%	100.00%	FC
SCI LES CHESNAIES	100.00%	100.00%	FC
SAS AVI GESTION	100.00%	100.00%	FC
SPRL CHANTS D'OISEAUX	100.00%	100.00%	FC
SPRL ARIANE	100.00%	100.00%	FC
SAS ST HONORAT	100.00%	100.00%	FC
SAS HOME LA TOUR	100.00%	100.00%	FC
SARL LES OLIVIERS DE ST LAURENT	90.00%	90.00%	FC
SAS CENTRE GERONTOLOGIQUE DE TREIGNY	100.00%	100.00%	FC
SAS CENTRE GERONTOLOGIQUE	100.00%	100.00%	FC
SA L'HORIZON	100.00%	100.00%	FC
EURL CRF CLINEA LIVRY	100.00%	100.00%	FC
SAS CLINIQUE SAINT JOSEPH	50.00%	50.00%	FC
SARL ADC 09	100.00%	100.00%	FC
SAS CLINIQUE MARIGNY	50.00%	50.00%	FC
SAS SUD OUEST SANTE	50.00%	50.00%	FC
SCI LES OLIVIERS	100.00%	100.00%	FC
SCI PORTES D'AUXERRE WB	100.00%	100.00%	FC
SAS MAISON DE SANTE DE MARIGNY	50.00%	50.00%	FC
SA VERAN	100.00%	100.00%	FC
SA LFB	100.00%	100.00%	FC
SAS MASSILIA GESTION SANTE	100.00%	100.00%	FC
SAS CLINIQUE PARASSY	100.00%	100.00%	FC
SARL PARASSY	100.00%	100.00%	FC
SNC DES PARRANS	100.00%	100.00%	FC
SAS DOMAINE DES FROMENTAUX	100.00%	100.00%	FC
SAS HOLDING MANDRES	100.00%	100.00%	FC
SARL NORMANDY COTTAGE	100.00%	100.00%	FC
SCI NORMANDY COTTAGE	100.00%	100.00%	FC
SCI BARBUSSE	100.00%	100.00%	FC
SAS ABBAYE DES CORDELIERS	100.00%	100.00%	FC
SARL ANCIENNE ABBAYE	100.00%	100.00%	FC
SARL PCM SANTE	100.00%	100.00%	FC
VILLE TURINE AIMONE SPA	100.00%	100.00%	FC
CECOLO ASBL PANHUIS PARK	100.00%	100.00%	FC
LUCIE LAMBERT ROOS DER KONI	100.00%	100.00%	FC

SAS MEDITER	100.00%	100.00%	Parent
SARL CLINIQUE DE SOINS DE SUITE LA SALETTE	100.00%	100.00%	FC
SAS LE CLOS ST SEBASTIEN	100.00%	100.00%	FC
SARL CUXAC	100.00%	100.00%	FC
SAS CLINIQUE DE LA RAVINE	100.00%	100.00%	FC
SAS MAISON DE RETRAITE LA JONCHERE	100.00%	100.00%	FC
SAS CLINIQUE LES BRUYERE BROSVILLE	100.00%	100.00%	FC
SAS SESMAS	100.00%	100.00%	FC
SAS CLINIQUE PSYCHIATRIQUE DE SEINE ST DENIS	100.00%	100.00%	FC
SAS CLINIQUE DU HAUT CLUZEAU	100.00%	100.00%	FC
SAS CLINIQUE DU PARC DE BELLEVILLE	100.00%	100.00%	FC
SAS CLINIQUE DE SOINS DE SUITE DU BOIS GUILLAUME	100.00%	100.00%	FC
SAS CLINIQUE DE SOINS DE SUITE DE BELLOY EN FRANCE	100.00%	100.00%	FC
SA LA PINEDE	100.00%	100.00%	FC
SARL TREVISE	100.00%	100.00%	FC
SCI MEDITER FONCIER	100.00%	100.00%	FC
SAS MEDIPART	100.00%	100.00%	FC
SARL LA PASTORALE	100.00%	100.00%	FC
SAS CA SANTE	100.00%	100.00%	FC
SAS LAS PEYRERES	100.00%	100.00%	FC
SA HOLDING MIEUX VIVRE	50.00%	50.00%	FC
SAS LES PIVOINES	50.00%	50.00%	FC
SAS LE CLOS D'ARNOUVILLE	50.00%	50.00%	FC
SARL LE CLOS ST JACQUES	50.00%	50.00%	FC
SAS LE CLOS DE L'OSERAIE	50.00%	50.00%	FC
SAS RESIDENCE NOTRE DAME	50.00%	50.00%	FC
SA HOTEL DE RETRAITE PERIGORDIN	50.00%	50.00%	FC
SAS LE CLOS D'HEIMSBRUNN	50.00%	50.00%	FC
SAS LES GRANDS PINS	50.00%	50.00%	FC
SAS LES LYS	50.00%	50.00%	FC
SAS LE CLOS D'ARVERT	50.00%	50.00%	FC
SAS BELLEVUE 33	50.00%	50.00%	FC
SAS MELODIE	50.00%	50.00%	FC
SARL ROGNAC RESIDENCE	50.00%	50.00%	FC
SARL LE CLOS DE BEAUVAISIS	50.00%	50.00%	FC
SAS BELLEVUE 95	50.00%	50.00%	FC
SAS CHÂTEAU DE MONS	50.00%	50.00%	FC
SAS LES JARDINS DE ROMILLY	50.00%	50.00%	FC
SARL MAISON ST MICHEL	50.00%	50.00%	FC
SAS CHÂTEAU DE CHAMPLATREUX	50.00%	50.00%	FC
SAS LES TILLEULS	50.00%	50.00%	FC
SARL LE CLOS THIERRY	50.00%	50.00%	FC
SARL LE CLOS PEUPLIERS	50.00%	50.00%	FC
SARL LE CLOS DE L'ILE DE MACE	50.00%	50.00%	FC
SAS LE CLOS D'ETRECHY	50.00%	50.00%	FC
SAS RESIDENCE DE L'ISLE	50.00%	50.00%	FC
SAS SOLEIL D'AUTOMNE	50.00%	50.00%	FC
SARL ARCHE	50.00%	50.00%	FC
SAS MONT GRIFFARD	50.00%	50.00%	FC

3 – STATEMENT BY PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We declare that, to the best of our knowledge and belief, the condensed interim financial statements have been prepared in accordance with the applicable accounting standards and present fairly in all material respects the assets, liabilities, financial position and results of operations of the company and the consolidated companies comprising the Orpea Group for the six months ended 30 June 2011, and that the interim business review provides a true and fair view of the significant events that occurred during the first six months of the year and their impacts on the financial statements, as well as descriptions of the main transactions between related-parties and the key risks and uncertainties for the remaining six months of the year.

Puteaux, 30 September 2011.

Dr. Jean-Claude Marian	Yves Le Masne
Chairman	Chief Executive Officer

4 – STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditors' review report issued in the French language and is provided solely for the convenience of English speaking readers. The statutory auditors' review report also includes information relating to the specific verification of information in the group management report. The statutory auditors' review report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

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75008 PARIS

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ORPEA SA

Société Anonyme

115, Rue de la Santé, 75013 Paris

STATUTORY AUDITORS' REPORT
ON THE INTERIM FINANCIAL INFORMATION

Six months from 1 January to 30 June 2011

Dear Shareholders,

In our capacity as Statutory Auditors and pursuant to the provisions of article L.451-1-2 III of the French Monetary and Financial Code, we have reviewed the Orpea Group's condensed interim consolidated financial statements for the six months from 1 January to 30 June 2011 as attached to this report. We have also reviewed the information provided in the interim business report.

The Board of Directors is responsible for the preparation and presentation of the condensed interim consolidated financial statements. Our role is to express a conclusion on these financial statements based on our review.

I – CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with the professional standards applicable in France. A review consists of making enquiries, primarily of management members responsible for accounting and financial matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with professional standards in France and therefore provides a lower level of assurance that the financial statements as a whole are free from material misstatement than an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 on Interim Financial Reporting, as adopted in the European Union.

Without qualifying the conclusion expressed above, we draw your attention to note 1 of the notes to the financial statements on significant accounting policies, which describes the method of presenting the interim financial statements and new standards whose application is mandatory.

II – SPECIFIC INVESTIGATIONS

We also reviewed the information provided in the interim financial report commenting on the condensed interim consolidated financial statements reviewed by us.

We have no matters to report as to its fairness or its consistency with the condensed interim consolidated financial statements.

Paris and Neuilly-sur-Seine, 30 September 2011

The Statutory Auditors

BURBAND KLINGER & ASSOCIES	DELOITTE & ASSOCIES	
_____________	_______________	
Frédéric Burband	Henri Lejette	Joël Assayah

II- OTHER UPDATES TO THE 2010 REGISTRATION DOCUMENT

UPDATE TO CHAPTER II: "Selected financial information"

The following selected financial information has been updated:

	30.06.2011 (limited review)	30.06.2010 (limited review)	31.12.2010 (audited)	31.12.2009 (audited)	31.12.2008 (audited)
Sales	594.2	469.2	964.2	843.3	702.3
EBITDAR [1]	150.0	113.4	236.1	205.6	169.3
EBIDTA [2]	105.6	83.3	172.3	151.4	124.8
EBIT or Recurring operating profit	78.1	62.6	129.8	115.4	94.9
Operating profit	90.8	72.3	151.1	134.5	106.9
Net financial items	-31.7	-25.3	-52.7	-45.7	-42.7
Tax	-20.5	-14.6	-30.9	-29.8	-16.1
Consolidated net income	40.1	32.5	66.3	61.2	48.4
Net income (Group share)	40.3	32.5	66.3	61.1	48.4

1/ Recurring EBITDAR = recurring EBITDA before rents, including provisions relating to "external charges" and "staff costs"

2/ Recurring EBITDA = recurring EBITDA, including provisions relating to "external charges" and "staff costs"

	30.06.2011 (limited review)	30.06.2010 (limited review)	31.12.2010 (audited)	31.12.2009 (audited)	31.12.2008 (audited)
Cash generated by consolidated companies	93.2	78.9	137.2	107.8	113.3
Cash flow from operating activities	66.3	44.1	135.6	127.0	100.2
Cash flow from investing activities	-198.4	-160.3	-296.7	-258.2	-375.1
Cash flow from financing activities	-25.6	30.0	302.3	213.0	273.6
Change in cash position	-157.7	-86.3	141.2	81.7	-1.3
Cash and cash equivalents at end of period	118.9	49.1	276.5	135.4	53.7

	30.06.2011 (limited review)	30.06.2010 (limited review)	31.12.2010 (audited)	31.12.2009 (audited)	31.12.2008 (audited)
Shareholders' equity	935	658	895	642	541
Non-current financial liabilities	1,488	1,261	1,459	1,180	1,034
Current financial liabilities	496	315	509	340	250
-Cash and cash equivalents	-119	-49	-277	-135	-54
Net debt	**1,865**	**1,527**	**1,691**	**1,385**	**1,230**
Goodwill	314	210	431	204	179
Intangible assets	1,063	799	835	775	610
Property, plant and equipment	2,016	1,755	1,910	1,662	1,479
TOTAL ASSETS AND LIABILITIES	**4,008**	**3,110**	**3,880**	**3,061**	**2,572**

Quarterly sales by geographic area (unaudited)	30.09.2011 Q3	30.09.2010 Q3	% change	30.09.2011 9 months	30.09.2010 9 months	% change
France	**274.3**	**214.8**	**+27.6%**	**800.0**	**628.1**	**+27.4%**
Belgium	17.4	14.8	+18.1%	51.1	41.7	+22.4%
Spain	7.8	7.7	+1.2%	23.0	22.4	+2.6%
Italy	8.2	4.4	+84.8%	20.0	13.1	+53.0%
Switzerland	4.0	2.6	+50.7%	11.8	8.3	+42.0%
Total International	**37.4**	**29.5**	**+26.6%**	**105.9**	**85.5**	**+23.8%**
Total	**311.7**	**244.3**	**+27.5%**	**905.9**	**713.6**	**+26.9%**

Breakdown of beds in operation, under redevelopment and under construction by geographical area as at 31 October 2011

	TOTAL	France	Spain	Belgium	Italy	Switz.
Operational beds	30,658	23,808	2,938	2,980	857	75
of which currently being renovated	*3,461*	*2,771*	*0*	*650*	*40*	*0*
Beds under construction	6,056	4,782	0	819	365	90
Total number of beds	**36,714**	**28,590**	**2,938**	**3,799**	**1,222**	**165**
Total number of sites	**394**	**322**	**22**	**36**	**12**	**2**

UPDATE TO CHAPTER II:

§ « 1.10 –"Share capital" and § 1.12 – "Movements in the share capital"

Since 30 June 2011, following the exercise of stock options and redeemable share warrants from the OBSAAR issued in 2009, 45,438 new shares were issued with a par value of €1.25. As a consequence, the share capital was increased from €52,940,993.75 to €52,997,791.25.

As of the date of the update of the registration document, the share capital was €52,997,791.25 divided into 42,398,233 shares.

Number of shares comprising the issued share capital.. 42,398,233
- Total number of voting rights, gross.. 57,292,056
- Number of shares stripped of voting rights.. 18,783
- Total number of voting rights exercisable.. 57,273,273

Sections 1.10 and 1.12 are accordingly amended as follows:

1.10 – SHARE CAPITAL

The share capital at the date of the update of the registration document was €52,997,791.25 divided into 42,398,233 fully paid shares all of the same class each with a par value of €1.25, including 18,783 shares owned by ORPEA.

1.12 – MOVEMENTS IN THE SHARE CAPITAL

Date	Transaction	Par value of shares	Par value of transaction	Share premium	Number of shares issued	Total number of shares	Share capital after the transaction
16 April 2002	Issue for cash	2.5	3,906,250	16,093,750	1,562,500	17,930,772	€44,826,930
2004	Exercise of stock options	2.5	505,385		202,154		€45,332,315
2005	Exercise of stock options	2.5	227,527		91,011		€45,559,842
2006	Exercise of stock options	2.5	126,055		50,422	18,274,359	€45,685,897
2007	Exercise of stock options	2.5	204,595		81,838	18,356,197	€45,890,492
31 July 2007	Two for one stock split	1.25				36,712,394	€45,890,492

31 March 2008	Exercise of stock options	1.25	162,350	138,294.90	129,880	36,842,274	€46,052,842
31 December 2008	Exercise of stock options	1.25	75,622.50	42,079	60,498	36,902,772	€46,128,465
3 July 2009	Exercise of stock options	1.25	14,550		11,640	36,914,412	€46,143,015
13 October 2009	Exercise of stock options	1.25	8,000		6,400	36,920,812	€46,151,015
20 October 2009	Issue for cash	1.25	2,400,000	60,000,000	1,920,000	38,840,812	€48,551,015
31 December 2009	Exercise of stock options	1.25	7,950		6,360	38,847,172	€48,558,965
14 September 2010	Exercise of stock options	1.25	5,875		4,700	38,851,872	€48,564,840
31 December 2010	Contribution in kind by NeoGema and Societe de Participation Francaise	1.25	4,376,155	109,403,846	3,500,923	42,352,795	€52,940,993
17 October 2011	Exercise of stock options	1.25	22,950	85,282.20	18,360	42,371,155	€52,963,943.75
17 October 2011	Exercise of BSAAR (share warrant)	1.25	33,826.50	991,785.65	27,061	42,398,216	€52,997,770
9 November 2011	Exercise of BSAAR (share warrant)	1.25	21.25	623.05	17	42,398,233	€52,997,791.25

UPDATE TO CHAPTER II:
§ 1.11 – "Authorities granted by the shareholders to the Board of Directors"

The AGM of 30 June 2011 renewed the financial authorities granted to the Board of directors.

Section 1.11 "Authorities granted by the shareholders to the Board of Directors" is accordingly amended as follows:

1.11 –AUTHORITIES GRANTED BY THE SHAREHOLDERS TO THE BOARD OF DIRECTORS

The table below summarises the currently valid authorities to increase the share capital granted to the Board of Directors by the shareholders at their general meeting of 30 June 2011, and the use made thereof. The full text of these resolutions can be viewed on the Bulletin des Annonces Légales Obligatoires (BALO) website.

The amounts of the authorities delegated to the Board of Directors in the fourteenth to twenty-fourth resolutions are included in the blanket limit set in the twenty-fifth resolution (hereinafter the "Blanket Limit"), i.e.

- maximum par value of capital increases: €30,000,000
- maximum par value of debt securities: €350,000,000.

The amounts of the authorities delegated to the Board of Directors in the twenty-sixth and twenty-seventh resolutions are independent and separate.

Type of authority	Term	Use during the year
14th resolution – **Rights** issues of shares or securities carrying rights to shares of the Company (articles L. 225-132 and L. 228-91 of the French Commercial Code) *– Maximum par value of capital increases: €30,000,000* *– Maximum par value of debt securities: €250,000,000* Amounts included in the Blanket Limit set in the 25th resolution	26 months	
15th resolution – **Non-rights** issues of shares or securities carrying rights to shares of the Company by way of public offers (article L. 225-136 of the French Commercial Code) *– Maximum par value of capital increases: €30,000,000* *– Maximum par value of debt securities: €200,000,000* Amounts included in the Blanket Limit set in the 25th resolution	26 months	
16th resolution – **Non-rights** issues of shares and/or securities carrying rights to shares of the Company by way of private placements governed in article L.411-2 II of the French Monetary and Financial Code (article L. 225-136 3rd of the French Commercial Code) Issue of up to 10% of share capital: price freely set by the Board of Directors within the limits set by the 17th resolution: either the weighted average price of the Company's shares the day before the issue price is set, or the weighted average share price chosen from all or some of the last 60 trading days preceding the	26 months	

setting of the issue price, in both cases, less a discount of up to 12%. Issue of more than 10% and up to 20%: price set in accordance with legal requirements, equal to the weighted average share price with a maximum discount of 5%. *– Maximum par value of capital increases: €30,000,000* *Amount included in the limit set in the 15th resolution* *– Maximum par value of debt securities: €200,000,000* Amounts included in the Blanket Limit set in the 25th resolution		
17th resolution – Issues of securities pursuant to the 15th and 16th resolutions, with the issue price set freely, up to a maximum of 10% of the share capital per year (article L. 225-136 1st of the French Commercial Code).. Price: either the weighted average share price on the day before the price fixing, or the weighted average share price selected from among all or some of sixty trading days preceding the price fixing, in both cases with a maximum discount of 12%. Amount included in the limit set in the 15th or 16th resolution	26 months	
18th resolution – Delegation of powers to increase the share capital by up to a maximum of 10% to pay for contributions in kind made to the Company in the form of equity instruments or other securities (article L. 225-147 of the French Commercial Code). Amount included in the limit set in the 15th resolution	26 months	
19th resolution – Issues of financial instruments and/or securities carrying rights to shares of the Company in the event of a public share exchange offer initiated by the Company (article L. 225-148 of the French Commercial Code). *Maximum par value: €20,000,000* Amount included in the Blanket Limit set in the 25th resolution	26 months	
20th resolution – Increase in the number of shares to be issued in the event of an oversubscribed rights or non-rights issue (article L. 225-135-1 of the French Commercial Code). – up to a maximum of 15% of the original issue amount – at the same price as the original issue Amount included in each of the issues made pursuant to the 14th, 15th, 16th and 17th resolutions	26 months	
21st resolution – Non-rights issues of securities carrying rights to shares to a category of persons responsible for underwriting equity instruments of the Company. (article L. 225-138 I of the French Commercial Code). This resolution aims for the possible implementation of a step-up equity subscription programme (PACEO) by means of the issuing of stock warrants in favour of financial intermediaries. *Maximum par value: €3,750,000* *Price per BEA set at €0.01* Amount included in the Blanket Limit set in the 25th resolution	18 months	
22nd resolution – Issues of shares to members of an employee share ownership plan (article L. 225-139-1 of the French Commercial Code and articles L. 3332-1 *et seq.* of the French Employment Code). *Maximum par value: €400,000* Amount included in the Blanket Limit set in the 25th resolution	26 months	
23rd resolution – Stock awards made to officers and employees (articles L. 225-177 *et seq.* of the French Commercial Code). *Total number of shares that may be awarded: 300,000* Amount included in the Blanket Limit set in the 25th resolution	38 months	

24th resolution – Stock options granted to officers and employees (articles L. 225-197-1 *et seq.* of the French Commercial Code). *Total number of shares that may be acquired: 300,000* Amount included in the Blanket Limit set in the 25th resolution	38 months	
25th resolution – Blanket Limit on capital increases *– Maximum par value of capital increases: €30,000,000* *– Maximum par value of debt securities: €350,000,000*		
26th resolution – Capital increase by capitalising share premiums, reserves, profits or other capitalisable sums (article L. 225-130 of the French Commercial Code). Maximum par value: €30,000,000	26 months	
27th resolution – Issues of securities carrying rights to the allotment of debt securities and not giving rise to a capital increase. *Maximum par value: €300,000,000*	26 months	

FINANCIAL INSTRUMENTS GIVING ACCESS TO SHARE CAPITAL

- **Stock options**

As a reminder, there were 18,360 unexercised stock options at 31 December 2010.
Each option enabled holders to subscribe for one share at a price of €5.89 until 30 September 2011.

As of the date of the update of the registration document, the 18,360 options had been exercised and there were no more stock options in the Company.

- **Redeemable equity warrants ("BSAAR")**

BSAAR warrants were issued as part of the OBSAAR bond issue (bonds with redeemable warrants attached) on 14 August 2009. The terms are set out in the prospectus that received AMF visa n° 09-225 on 15 July 2009.

As a reminder, there were 1,190,787 BSAAR warrants outstanding at 31 December 2010.

Each warrant enables holders to subscribe for one share at a price of €37.90 until 14 August 2015.

At 30 June 2011, there were 1,190,787 BSAAR warrants outstanding.

As of the date of the update of the registration document, there were 1,163,709 BSAAR warrants outstanding, with 27,078 warrants having been exercised.

On the basis of the Company's share capital as of the date of the update of the registration document, the outstanding BSAAR warrants present a potential dilutive impact of 2.74%.

- **Bonds convertible into and/or exchangeable for new or existing ORPEA shares ("OCEANE bonds")**

On 15 December 2010, the Company issued 4,069,635 OCEANE bonds at par with a face value of €44.23, bearing interest at a rate of 3.875% a year and redeemable at par on 1 January 2016. The terms are set out in the prospectus that received AMF visa n° 10-429 on 7 December 2010.

As of the issue date, the Conversion/Exchange Ratio was one share with a face value of €1.25 for one OCEANE bond.

Following the payment of a dividend of €0.23 per share on 12 September 2011, on the decision of the general shareholders' meeting of 30 June 2011, the Conversion/Exchange Ratio was adjusted in accordance with the terms of the OCEANE bonds to 1,008 shares with a face value of €1.25 for one OCEANE bond.

As of the date of the update of the registration document, there were 4,069,635 OCEANE bonds outstanding.

On the basis of the Company's share capital as of the date of the update of the registration document, the outstanding OCEANE bonds present a potential dilutive impact of 9.68%, taking account of the new Conversion/Exchange Ratio.

UPDATE TO CHAPTER II:
§ 1.13 – "Shareholding structure"

1.13 – Shareholding structure

ORPEA shareholding structure at 9 November 2011

Shareholders	Number of shares	% the share capital	Number of voting rights	% of voting rights
JC MARIAN	*9,811,846*	*23.14%*	*19,623,692*	*34.26%*
MARIAN family	*532,505*	*1.26%*	*958,137*	*1.67%*
Family group MARIAN	**10,344,351**	**24.40%**	**20,581,829**	**35.94%**
SEMPRE	4,040,924	9.53%	7,960,300	13.90%
NEOGEMA	3,479,026	8.21%	3,479,026	6.07%
FFP	2,550,204	6.02%	2,550,204	4.45%
Treasury shares	18,783	0.04%		
Free float	21,964,945	51.81%	22,701,914	39.64%
Total	**42,398,233**	**100.00%**	**57,273,273**	**100.00%**

On 28 July 2011, Mr Jean-Claude MARIAN notified that he had fallen below the threshold of 25% of the share capital, as a result of the selling of 1,695,000 ORPEA shares to Foncière, Financière et de Participations (FFP). At the same date, FFP notified it had increased the threshold of 5% of the share capital of ORPEA.

UPDATE TO CHAPTER II:
§ 1.13.6 – "Dividends"

Following the distribution of dividends decided by the Annual General meeting of 30 June 2011, the table at § 1.13.6 related to dividends is modified as below:

1.13.6 – Dividends

The table below shows the amount of the dividend per share paid since 2007, as well as the applicable tax regime:

Year	Net dividend received (€)	Distributed income giving entitlement to 40% reduction (€)	Distributed income not giving entitlement to 40% reduction (€)	Total (€)
2007	None			
2008	0.10	0.10	None	0.10
2009	0.15	0.15	None	0.15
2010	0.23	0.23	None	0.23

DESCRIPTION OF THE SHARE BUYBACK PROGRAMME APPROVED AT THE ANNUAL GENERAL MEETING OF 30 JUNE 2011

1) Securities concerned: ordinary shares

2) Purpose of programme

In the framework of the share buyback programme, purchases will be done in order

- to make a market or promote liquidity in the shares through an independent investment services provider acting under a liquidity contract that complies with a code of conduct approved by the *Autorité des marchés financiers*;
- to allot all or some of the shares purchased to employees and officers of the Company and the Group under the terms and conditions set out by law, and particularly under employee profit-sharing plans, stock option plans, share award plans or employee share ownership plans;
- to allot shares upon the exercise of securities giving rights to shares of the Company by way of conversion, exercise, redemption, exchange or otherwise, in accordance with stock market regulations;
- to cancel the shares under the terms and conditions set out in the French Commercial Code, in accordance with the authority given by the 13th resolution at the annual general meeting of 30 June 2011;
- to keep all or some of the shares purchased to tender as payment for future acquisitions;
- to implement any market practices that may be authorised by law or by the *Autorité des Marchés Financiers*.

The shares purchased and kept by Orpea will be stripped of their voting rights and will not be entitled to dividend payments.

3) Maximum percentage of share capital, maximum programme amount, terms and conditions and maximum purchase price

- Maximum percentage of share capital that may be held: 10% of the share capital held on the date of the transaction (i.e. 4,235,279 shares at present) to take account of any capital increases or reductions made during the life of the programme. The number of shares used to calculate the percentage held is the number of shares purchased less any shares sold during the life of the programme for liquidity purposes.

- Maximum purchase price: €50

- Maximum programme amount: €211,763,950

- Terms and conditions: shares may be purchased, sold, transferred or exchanged by all means on or off the market, including block trades, or use of derivatives, bearing in mind that the proposed resolution does not limit the amount of the programme that may be used to make block purchases.

4) Life of programme:

This share buyback programme will be valid for a period of 18 months from the annual general meeting of 25 June 2010.

UPDATE TO CHAPTER II:
§ 2.1.1 – "Board of Directors"

In the 29th resolution, the AGM of 30 June 2011 has decided to reduce the directors' term from six to four years, as recommended in the AFEP-MEDEF code, and to stagger the terms of those directors to avoid a block re-election.

Consequently, the AGM has re-elected Dr Jean-Claude MARIAN and Yves LE MASNE for a term of four years, Brigitte MICHEL and Alexandre MALBASA for a term of two years, and has nominated, for a term of three years, Jean-Patrick FORTLACROIX.

The General Meeting of 17 October 2011 has nominated two new directors: the company Foncière, Financière et de Participations (FFP), whose permanent representative is Mr Thierry Mabille de Poncheville., and NEO-GEMA company whose permanent representative is Mr Philippe AUSTRUY, both for a term of four years.

The Board of Directors, which met after the annual general meeting, decided to draw up and adopt a Board Charter with a view to improving the Company's corporate governance system and to set up an Audit Committee and an Appointments and Compensation Committee. The final draft of the Board Charter and the composition of the two commitments will be approved by the Board of Directors no later than two months after the date of the annual general meeting.

Section 2.1.1 is accordingly amended as following:

2.1.1– Board of Directors

Under the Articles of Association, the Board of Directors may have no less than three and no more than eighteen members, serving for a term of six years. Each director must own at least one registered share.

▸ Composition of the Board of Directors

The Company is currently run by a Board of Directors with seven members:

First name - name	Age	Term ends	Number of Orpea shares held
Dr Jean-Claude MARIAN	72	2015 general meeting	9,811,846
Yves LE MASNE	49	2015 general meeting	26,930
Brigitte MICHEL	53	2013 general meeting	50,008
Alexandre MALBASA	52	2013 general meeting	2
Jean-Patrick FORTLACROIX	53	2014 general meeting	100
FFP represented by Thierry MABILLE de PONCHEVILLE	56	2015 general meeting	2,550,204
NEO GEMA represented by Philippe AUSTRUY	62	2015 general meeting	3,479,026

OTHER UPDATES:

Main consolidated financial aggregates for the Mediter Group (Mediter sub-group and Mieux Vivre sub-group) at 31 December 2010

In € thousand	MEDITER sub-group	MIEUX VIVRE sub-group
Revenue	75,747	57,764
Recurring operating result	1,738	(550)
Operating result	2,543	(2,152)
Pre tax result	1,183	(7,291)
Net result	(1,064)	(4,946)

These consolidated figures have not been audited by the Orpea Group's Statutory Auditors.

Main financial consolidated financial aggregates of the Mediter Group at 30 June 2011 are indicated page 9

Recent information and outlook

Since March 2011, ORPEA has actively pursued its selective development policy, with acquisitions and authorisations corresponding to 3,014 new beds.

These developments were achieved within an environment marked by a large number of opportunities and particularly favourable acquisition conditions.

These 3,014 beds, which correspond to some 30 new facilities and to extensions to existing facilities, break down as follows:

- 2,028 operational beds;
- 539 beds to be renovated;
- 447 beds to be constructed.

In France, the 1,576 new beds concern all segments of the Dependency care sector (Long-Term Care, Post-Acute Care and Psychiatric Care). These acquisitions were achieved:

- in majority via acquisitions that perfectly meet the Group’s historical criteria: strategic locations that complement the current network, combined with substantial growth and profitability potential in the medium-term;
- and also via new authorisations, principally with the creation of a 90-bed long-term care facility located on avenue Mozart in the upmarket 16th arrondissement of Paris, which should open at end-2013.

Abroad, the Group has also continued its expansion policy in the countries where it already operates.

In Spain, ORPEA acquires a group of 6 recent facilities (including real-estate), representing 1,162 beds, all located in central Madrid or the close suburbs. This acquisition represents a unique opportunity, both in terms of quality of assets (80% of private single rooms) and price, in a

country where long-term care needs are substantial and where the private sector is still fragmented. The Group has thus reached a critical size in Spain, with close to 3,000 beds, forming a network of modern and well-located facilities in which its Quality procedures and management principles are developed.
In Belgium, the Group has strengthened its positioning as a major player through the acquisition of 276 beds, thus pursuing its development in both Flanders and the Walloon area of Belgium.
These 3,014 new beds will eventually represent sales of around €100m once they are all opened, renovated and in cruising mode.

As of 31st October 2011, ORPEA has now positioned itself as the leading European player in dependency care, with 36,714 beds spread across 394 sites broken down as follows:

	TOTAL	France	Spain	Belgium	Italy	Switz.
Operational beds	30,658	23,808	2,938	2,980	857	75
of which currently being renovated	*3,461*	*2,771*	*0*	*650*	*40*	*0*
Beds under construction	6,056	4,782	0	819	365	90
Total number of beds	**36,714**	**28,590**	**2,938**	**3,799**	**1,222**	**165**
Total number of sites	**394**	**322**	**22**	**36**	**12**	**2**

Outlook

Following sales growth of +37% over the previous two years (2008 – 2010), ORPEA is further accelerating its momentum with growth of +48% over 2010 – 2012. Thanks to its unique growth reservoir consisting of 9,517 beds to be renovated or constructed, ORPEA intends to achieve annual sales of €1,425m in 2012. This performance will continue to be accompanied by solid profitability and an increase in cash flow."

Partnership with Cofinimmo

ORPEA has reached an agreement on a strategic partnership with Cofinimmo, which specialises in health property in Belgium and France.

This partnership foresees the two partners gradually creating Joint Ventures whose purpose will consist in acquiring, holding and leasing real-estate assets that will be operated by ORPEA (nursing homes, post-acute clinics and psychiatric clinics).
The leasing of the assets held by the Joint Venture will result in annually-indexed rent and will be governed by the signing of a triple net commercial lease with an initial fixed term of 12 years.
The acquisition prices and rents will be determined asset by asset as the partnership is implemented.

Cofinimmo will hold 51% of each Joint Venture's capital and the ORPEA group's OPCI collective real-estate fund will hold the remaining 49%.

The two partners intend to carry out investments for a total amount of €500m assets over the next five years. These investments will mainly apply to ORPEA's future developments.

Authorized undrawn credit facilities increased to €150m

ORPEA has put in place new bilateral credit lines and today has authorized undrawn credit facilities totalling €150 million enable it to pursue its development through targeted acquisitions.

UPDATE TO CHAPTER X:
"Documents on display"

Since the 2010 Registration Document was filed, 8 June 2011, ORPEA has published and made available the following information:

Publications on the AMF's website

Published on *Autorité des marchés financiers'* website (www.amf-france.org)

Publication date	Type of document
29/07/2011	Notification of interests
29/07/2011	Declaration by corporate officers directors
28/07/2011	Notification of interests
08/06/2011	2010 registration document

Publications in the BALO

Published on the Journal Officiel website (www.journal-officiel.gouv.fr)

Publication date	Type of document
28/09/2011	Notice of general meeting of 17 October 2011
12/09/2011	First notice of general meeting of 17 October 2011
22/07/2011	Definitive 2010 financial statements, closed on 31 December 2010
15/06/2011	Notice of annual general meeting of 30 June 2011

Publications on the Company's website

Published on Orpea's website (www.orpea.com)

Publication date	Heading	Type of document
09/11/2011	Press release	Q3 revenue up sharply
04/11/2011	Press release	Number of voting rights and shares at 31 October 2011
11/10/2011	Press release	Number of voting rights and shares at 30 September 2011
06/10/2011	Documentation	2011 interim financial report
28/09/2011	Press release	Adjustment of the OCEANE conversion/exchange ratio
26/09/2011	Press release	Press release on availability of documentation for general meeting of 17 October 2011
23/09/2011	Documentation	Notice of general meeting of 17 October 2011

23/09/2011	Documentation	Notice of shareholders meeting of 17 October 2011
23/09/2011	Documentation	Number of voting rights and shares at 23 September 2011
14/09/2011	Documentation	Presentation of 2011 interim results
14/09/2011	Press release	Strong growth in 2011 interim results
12/09/2011	Documentation	First notice of general meeting of 17 October 2011
06/09/2011	Press release	Number of voting rights and shares at 31 August 2011
03/08/2011	Press release	Modification of the liquidity contract
01/08/2011	Press release	Number of voting rights and shares at 29 July 2011
26/07/2011	Press release	FFP acquires 6% of ORPEA for €88 million
19/07/2011	Press release	Buoyant growth in sales in H1 2011: + 26.6% to €594.2m
12/07/2011	Press release	Interim liquidity contract report
12/07/2011	Press release	Number of voting rights and shares at 30 June 2011
23/06/2011	Press release	Press release on availability of documentation for AGM
15/06/2011	Documentation	Notice of annual general meeting on 30 June 2011
15/06/2011	Documentation	Notice of shareholders meeting of 30 June 2011
15/06/2011	Documentation	Number of voting rights and shares
09/06/2011	Press release	Press release on availability of 2010 registration document
08/06/2011	Documentation	2010 registration document

Publications on an AMF-approved newswire

Published on wire (www.businesswire.fr/portal/site/fr/)

Publication date	Type of document
09/11/2011	Q3 revenue up sharply
04/11/2011	Declaration of number of shares and voting rights
11/10/2011	Declaration of number of shares and voting rights
06/10/2011	Press release on availability of 2011 interim financial report
06/10/2011	2011 interim financial report
28/09/2011	Adjustment of the OCEANE conversion/exchange ratio
26/09/2011	General meeting of 17 October 2011
14/09/2011	H1 2011: strong increase in results
06/09/2011	Declaration of number of shares and voting rights
03/08/2011	Modification of the liquidity contract with Gilbert Dupont
01/08/2011	Declaration of number of shares and voting rights
26/07/2011	FFP acquires 6% of ORPEA for €88 million
19/07/2011	Buoyant growth in sales in H1 2011
12/07/2011	Interim liquidity contract report
12/07/2011	Declaration of number of shares and voting rights
23/06/2011	AGM 30 June 2011 - availability of documentation for AGM
09/06/2011	Press release on availability of 2010 registration document

Main press releases published since the Registration Document and interim financial report were filed

► Press release of 9 November 2011:

Q3 REVENUE UP SHARPLY: +27.5% TO €312M – SOLID INCREASE IN 9-MONTH SALES TO €906M (+26.9%) – 2011 SALES GUIDANCE REAFFIRMED AT €1,230M

ORPEA, a leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its consolidated sales for the third quarter of 2011 to 30th September.

In €m IFRS	Quarterly			9 Months		
	Q3 2011	Q3 2010	Δ	**2011**	2010	Δ
France	**274.3**	214.9	*+27.6%*	**800.0**	628.1	*+27.4%*
% of total sales	*88%*	*88%*		*88%*	*88%*	
International	**37.4**	29.5	*+26.6%*	**105.9**	85.5	*+23.8%*
% of total sales	*12%*	*12%*		*12%*	*12%*	
Belgium	17.4	14.8		51.1	41.7	
Spain	7.8	7.7		23.0	22.4	
Italy	8.2	4.4		20.0	13.1	
Switzerland	4.0	2.6		11.8	8.3	
Total sales	**311.7**	244.4	*+27.5%*	**905.9**	713.6	*+26.9%*
Organic growth[5]			*+8.8%*			*+8.7%*

Yves Le Masne, CEO of ORPEA, comments: "*Over the 3rd quarter of 2011, ORPEA again recorded a buoyant increase in its activity, with the rate of growth accelerating to +27.5%. This momentum concerned both French and international activity, notably with the pursuance of the upramping in Belgium and Italy.*

The third quarter dynamism was the result of:
solid organic growth (+8.8%), thanks to a high occupancy rate in mature facilities and the substantial appeal of recently-opened facilities;
the contribution of the Mediter group, whose recent facilities are seeing a rapid upramping;
new targeted developments.

This performance again shows ORPEA's defensive nature, with the Group's revenue having very little sensitivity to the economic and financial situation. Indeed, the Group meets an ever-increasing need for care, and possesses a unique secure growth reservoir for the coming 5 years.

[5] Organic growth is the result of the following factors: creations of new facilities, extensions to or restructuring of existing facilities, as well as changes in occupancy rates and daily rates. Organic growth is analysed facility by facility. Growth incorporates improvements in sales compared to the previous equivalent period, for recently-acquired facilities.

ORPEA will open close to 1,500 beds over the 4th quarter of 2011 and the 1st quarter of 2012, and will thus participate in boosting regional economies' momentum by creating more than 900 long-term diversified direct jobs. .

Thanks to the large number of mature facilities, this dynamic activity will go hand in hand with further solid profitability and cash-flow growth.
For full-year 2011, the Group is confidently reiterating its sales guidance of €1,230 million (+27.5%) with buoyant profitability.

Already benefiting from the sector's largest growth reservoir, with over 9,000 beds under construction or being restructured, the Group will pursue its value-creating acquisition policy in a sector with numerous opportunities and a favourable competitive context."

Next press release: 2011 full-year sales
8th February 2012, before market

► Press release of 14 September 2011:

H1 2011: BUOYANT GROWTH IN RESULTS – REVENUE: €594.2M, *+26.6%* – EBITDAR: €150.0M, *+32.3%* – NET PROFIT: €40.3M, *+24.1%*

2011 SALES GUIDANCE REAFFIRMED AT €1,230M (+27.6%)

ORPEA, a leading player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its consolidated results[6] for the first half to 30th June 2011.

In €m (IFRS)	H1 2011	H1 2010	▲%
Revenue	**594.2**	469.2	*+26.6%*
EBITDAR (EBITDA before rents)	**150.0**	113.4	*+32.3%*
EBITDA	**105.6**	83.3	*+26.8%*
Recurring operating profit	**78.1**	62.6	*+24.8%*
Operating profit	**90.8**	72.3	*+25.6%*
Attributable net profit	**40.3**	32.5	*+24.1%*

Yves Le Masne, CEO of ORPEA, comments: "*The buoyant growth in our results in the first half of 2011 illustrates the solidity of ORPEA's business model and its defensive aspect in the current economic and financial context. This excellent performance in terms of both activity and profitability is the result of:*

- *the well-controlled integration of Mediter;*
- *the sharp upramping of the facilities opened or renovated in recent years;*

[6] The limited examination procedures are currently underway

- *the high occupancy rate in the mature facilities.*

ORPEA has shown its ability to integrate over the half year almost 5,000 beds, whilst improving its EBITDAR margin by 100 bp and pursuing its development strategy.

The Group, whose activity has very little sensitivity to the economic situation, is particularly confident in its ability to pursue its profitable growth development. ORPEA is confidently reaffirming its 2011 guidance of €1,230m in annual revenue (+27.6%) along with solid profitability."

Buoyant increase in the EBITDAR margin

Revenue for the 1st half of 2011 increased by +26.6% to €594.2m, doped by solid organic growth (+8.5%), by the contribution of MEDITER (Mediter and Mieux Vivre facilities), as well as by the rapid upramping of facilities opened or renovated in recent months.

Within a context marked by the acquisition of a significant number of facilities, including those of MEDITER, EBITDAR (EBITDA before rents) recorded a buoyant increase of +32.3% and totalled €150.0 million, or 25.2% of revenue compared to 24.2% in the first half of 2010.

ORPEA's scope (excluding MEDITER) recorded an EBITDAR margin of 25.7% over the first half of 2011, compared to 24.1% over the same period of 2010, i.e. an improvement of 150 bp.

Rental costs represented €44.4m, of which €8.8m was due to the acquisition of MEDITER. On a constant scope basis, the increase in rents was limited to just +1.7%.

EBITDA came to €105.6m, an increase of +26.8%.

Recurring Operating Profit was up +24.8%, and represented 13.1% of revenue. Excluding the impact of MEDITER, this recurring operating profit represented 14.2% of revenue. This performance proves that ORPEA has a solid base of mature facilities that enable it to pursue its development policy without weighing on operating profitability.

Operating profit (EBIT) was up +25.6% at €90.8m. ORPEA recorded other non-recurring income and expenses, which came to a positive net total of €12.7m, notably because of the sale of some real-estate assets. The operating margin thus totalled 15.3% of revenue.

The net cost of financial debt was €31.7m over the half, an increase of +25.3%, within a context of buoyant development.

Attributable net profit for the first half of 2011 totalled €40.3m, up +24.1%.

Real-estate assets of over 2 billion euros

Over the first six months of the current financial year, ORPEA pursued its real-estate investments by increasing its real-estate assets by €110m (acquisitions and construction completions net of the sales carried out over the period).

At 30th June 2011, ORPEA owned 226 buildings, 82 of them part-owned. These assets represent a total surface area of 745,000 sqm (out of over a million sqm of land), and a global value of €2,021 million[7], including €511m of buildings under construction and land.

[7] Excluding the effect of the €141m of assets to be divested

The buildings owned by the Group are new or recent, modern and mainly centrally located within major French cities. They represent attractive assets for numerous individual and institutional investors (Scellier, LMP / LMNP, Family Offices, institutional).

The Group intends to pursue its real-estate strategy that aims to keep ownership of 50% of its real-estate assets in order to ensure buoyant short, medium and long-term operating profitability and to reinforce its unique real-estate dimension.

Financial structure sized for development

At 30th June 2011, attributable shareholders' equity totalled €906m.

Net financial debt[2] stood at €1,723m. It is up 9.7% over the half-year, essentially due to real-estate acquisitions. As is the case each year, most real-estate divestments will take place over the 2nd half.

The majority of the Group's debt continues to be real-estate debt (80%), amortisable and backed by high-quality assets with low volatility.
ORPEA has no major refinancing deadlines over the next four years.

The Group's two main debt ratios stood as follows, at 30th June 2011, comfortably meeting its banking covenants:

- financial leverage = 3.59 (5.5 authorised);
- restated gearing = 1.56 (2 to 2.2 authorised).

Three quarters of debt is hedged against the risk of interest rates fluctuations, and this hedging is continually optimised. Over the first half of 2011, the debt's average interest rate was around 4.50%, and will mechanically continue to decrease to reach around 3.80% by 2015.

ORPEA thus has a particularly solid financial structure, benefitting from an attractive cost, with no major deadlines and backed by high-quality real-estate assets that can be easily sold and benefit from substantial interest from investors.

Outlook

With the operational integration of MEDITER's took part during the first half of 2011, ORPEA will now pursue the development of synergies.

The Group will of course remain on the lookout for further development opportunities in France and abroad, whilst sticking to its very selective acquisition criteria.

The deployment of the growth reservoir will accelerate, with the opening of 1,500 new beds by the end of the first quarter of 2012.

Thanks to a sizeable base of profitable mature facilities and a unique growth reservoir of over 9,000 beds under construction or being renovated, ORPEA is particularly confident in the pursuance of the profitable growth momentum recorded over the first half. Thus, for FY 2011, the Group is reaffirming its guidance of €1,230m in annual sales, buoyant profitability and a flexible financial structure adapted to its development.

Governance

ORPEA has called a shareholders' meeting for 17th October with a view to strengthening its Board of Directors through the appointment of two new members:

- FFP, whose permanent representative will be Mr Thierry Mabille de Poncheville, entered the Group's capital last July, taking a 6% stake with a long-term investment philosophy;
- NEO-GEMA, whose permanent representative will be Mr Philippe Austruy, entered the Group's capital in December 2010 at the time of the MEDITER acquisition.

These two new members will bring their know-how and experience to the Board, which will then have 7 members, and to the Group's other committees (audit committee, compensation committee).

Doctor Jean-Claude Marian, Chairman, concludes: "*The first half of 2011 was particularly dynamic for the Group, which reaped the rewards of its development policy, as shown by the increase in profitability. Thanks to the expertise of all its staff and to the structuring of the organisation carried out upstream, the integration of MEDITER was completed faster than expected.*
These excellent financial performances were achieved within the context of a continual improvement in the quality of care provided to our residents and patients thanks to the permanent mobilisation of ORPEA's teams.
Lastly, FFP's entry into the ORPEA group's capital last July reflects the confidence that a prestigious family group that shares our ethical and patrimonial values, has in the ORPEA business model.
Backed by well-adapted governance, by traditional environmental responsibility in all its constructions and by permanent ethical and social commitment, inherent to its core business, ORPEA is positioned as a Socially Responsible Investment player."

Next press release: revenue for the 3rd quarter of 2011,
9th November 2011, before market

► Press release of 26 July 2011:

FFP ACQUIRES 6% OF ORPEA FOR €88 MILLION Strategic acquisition of 4,866 beds in Europe

FFP is today announcing the acquisition of a 6% interest in ORPEA, Europe's leading provider of long-term care, which is listed in Compartment A of Euronext Paris (ISIN: FR0000184798).

FFP invested € 88 million in this shareholding. The cost price of € 34.4 per share is the average of :

- purchases of shares in the market
- the sale of a 4% interest by Dr Jean-Claude Marian, the founder and Chairman of the Board of ORPEA, at a price of € 35 per share (he may receive a maximum earn-out payment of €2.5 million depending on the share's performance at year-end 2012). The acquisition price shows FFP's confidence in the Group's outlooks.

FFP is set to gain representation on the Company's Board of Directors.

This acquisition is in line with FFP's investment strategy, which consists in taking minority and long term shareholdings in companies that rank among the leaders in their sector of activity and have promising growth prospects. ORPEA's and FFP's views on shareholding, strategic and corporate values have a great deal in common.

Since its foundation in 1989, ORPEA has grown to become one of Europe's leading players in long-term care (nursing homes), post-acute care and psychiatric care. At 31 March, the Group owned a total of 364 facilities with 33,700 authorised beds. In 2010, ORPEA recorded revenue of € 964.2 million, representing growth of 14.3% on the previous year and recurring operating profit of €130 million (up 12.7%). The Group's expansion continued during the first half of the year, with its revenue rising by 26.6% (organic growth of 8.5%). The Group owns a high-quality real estate portfolio, which was estimated to be worth €1.9 billion at year-end 2010.

At 31 December 2010, FFP's assets were worth an estimated €2.6 billion, €1.5 billion of which comprised the 22.1% stake in Peugeot SA's capital and €1.1 billion its diversification assets (42% of total assets). Its NAV per share stood at € 93.9 per share, up 28.5% on the previous year. FFP's interim 2011 results and NAV at 30 June 2011 are due to be published on 31 August 2011.

Following completion of this transaction, Robert Peugeot, Chairman and Chief Executive Officer of FFP commented: *"We are delighted to be involved in the development of the leading player in long-term care, which was founded by Dr Marian. ORPEA's teams do a remarkable job caring for the well-being of the dependent elderly, a population poised to grow sharply over the coming years.*
The €140 million of asset disposals carried out during 2010 and the good health of FFP's investments have enabled the company to pursue its diversification development in a new sector of activity."

Dr Marian added: *"We are very pleased that FFP, a family-held company that shares the same values and principles as the ORPEA group, has purchased a stake in our company. FFP has provided ORPEA with a rare opportunity to strengthen its ownership structure by giving it an active shareholder committed to the Group's development over the long term.*
This acquisition of an interest by a family-held company well-known for its highly selective investment approach reflects its confidence in the sector, in ORPEA's future prospects and in the Group's upside potential.
This purchase of a shareholding is part of a long-term partnership that will enable the Group to pursue actively its policy of expansion in Europe.
Lastly, the appointment of a representative from FFP to ORPEA's Board of Directors will enhance the Board's expertise and strategic vision."

► Press release of 19 July 2011:

VERY BUOYANT GROWTH OVER THE 1ST HALF – SALES UP +26.6% TO €594.2 MILLION
2011 SALES GUIDANCE REVISED UP BY €20 MILLION TO €1,230 MILLION

ORPEA, a leading player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its consolidated sales for the first half of 2011 to 30th June.

In €m IFRS	Quarterly			Half year		
	Q2 2011	Q2 2010	Δ	**H1 2011**	H1 2010	Δ
France	**264.1**	209.6	*+26.0%*	**525.3**	413.2	*+27.1%*
% of total sales	*88%*	*88%*		*88%*	*88%*	
International	**37.1**	28.4	*+30.6%*	**69.0**	56.0	*+23.2%*
% of total sales	*12%*	*12%*		*12%*	*12%*	
Belgium	17.2	13.6		33.6	26.9	
Spain	7.6	7.4		15.2	14.7	
Italy	6.8	4.4		11.8	8.6	
Switzerland	5.4	3.1		8.3	5.7	
Total sales	**301.2**	238.0	*+26.6%*	**594.2**	469.2	*+26.6%*
Organic growth[8]			*+8.7%*			*+8.5%*

Yves Le Masne, CEO of ORPEA, comments: "*Largely disconnected from the economic and financial context, sales growth continued to accelerate in the second quarter, both in France and abroad, with a further increase in organic growth.*
Over the half, the Group thus recorded a +26.6% increase in activity, despite Medibelge (49% owned and so consolidated by the equity method) sales not being included.

This exceptional performance continues to be the result of the deployment of ORPEA's virtuous model combining:

- *solid organic growth (+8.5%), despite there being only three openings over the half;*
- *the rapid and highly-contributory integration of the Mediter group, acquired at end-2010;*
- *a controlled and ever-active development policy.*

The second half promises to be just as dynamic, with further solid organic growth, particularly as most facility openings taking place at the end of the year (1,500 beds over the next 7 months).

Hence, backed by these performances and by the faster-than-expected integration of the Mediter group, ORPEA is confidently revising up its 2011 annual sales guidance by €20 million, i.e. from €1,210 million to €1,230 million. This buoyant growth will be accompanied by solid profitability, an increase in cash flow and dynamic development, both in France and abroad.

The sector's largest growth reservoir of beds under construction or being renovated and the larger-than-expected potential of the Mediter group enable ORPEA to be particularly confident in the pursuance of its remarkably strong and profitable growth over the coming years."

Next press release: results for the 1st half of 2011
14th September 2011, before market

[8] Organic growth is the result of the following factors: creations of new facilities, extensions to or restructuring of existing facilities, as well as changes in occupancy rates and daily rates. Organic growth is analysed facility by facility. Growth incorporates improvements in sales compared to the previous equivalent period, for recently-acquired facilities.

III- PERSONS RESPONSIBLE FOR THE UPDATE TO THE 2010 REGISTRATION DOCUMENT

1. Persons responsible for the registration document and its update

Yves Le Masne, Chief Executive Officer

2. Statement of persons responsible

We hereby declare that, having taken all reasonable care to ensure that such is the case, to the best of our knowledge and belief, the information contained in this update to the 2009 Registration Document is in accordance with the facts and contains no omission likely to affect its import.

We hereby declare that, to the best of our knowledge and belief, the condensed interim financial statements have been prepared in accordance with the applicable accounting standards and present fairly in all material respects the assets, liabilities, financial position and results of operations of the company and the consolidated companies comprising the Orpea Group for the six months ended 30 June 2011, and that the interim business review appearing on page 5 provides a true and fair view of the significant events that occurred during the first six months of the year and their impacts on the financial statements, the main transactions between related-parties and a description of the key risks and uncertainties for the remaining six months of the year.

We have obtained a completion letter from the Statutory Auditors stating that they have verified the information concerning the financial position and financial statements provided in this update, and that they have read the entire update.

Puteaux, 14 November 2011

Yves Le Masne, Chief Executive Officer

IV- STATUTORY AUDITORS

1. Principal Statutory Auditors

- **Burband Klinger & Associés**

  Represented by Frédéric Burband

  140, rue du Faubourg Saint Honoré 75008 PARIS

Burband Klinger & Associés was first appointed at the annual general meeting of 27 June 2008 for a term of six years ending at the conclusion of the annual general meeting held to approve the 2013 financial statements.

- **Deloitte & Associés**

  Represented by Joël Assayah

  185 avenue Charles-de-Gaulle, 92200 Neuilly-Sur-Seine

Deloitte & Associés was first appointed at the annual general meeting of 29 June 2006 to replace Vademecum, which stood down for personal reasons. Its term of office runs from 1 January 2006 until the end of its predecessor's term that is until the conclusion of the annual general meeting held to approve the 2009 financial statements. It was renewed by the annual general meeting of 25 June 2010, for a further 6 financial years, i.e. until the conclusion of the annual general meeting held to approve the 2015 financial statements.

2. Alternate Statutory Auditors

- **Marc Tenaillon**

  Alternate to Burband Klinger & Associés

  Address: Immeuble Somag, 16 rue Ampère, 95307 Cergy Pontoise

Appointed at the same time and for the same term as Burband Klinger & Associés

- **BEAS**

  Alternate to Deloitte & Associés

  Address: 7-9 Villa Houssay, 92200 Neuilly-Sur-Seine

Appointed at the same time and for the same term as Deloitte & Associés, replacing Mrs Françoise Vainqueur, joint alternate statutory auditor, who resigned for personal reasons.

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