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ORPEA launches today a €203 million rights issue

Subscription ratio: 1 new share for 4 existing shares

Subscription price: €19.15 per new share

Subscription period: from November 17th 2011 to November 30th 2011 inclusive

Subscription undertakings by main shareholders representing a minimum of €59 million

Puteaux, November 15th 2011

ORPEA launches today a share capital increase with shareholders' preferential subscription rights in a gross amount of approximately €203 million.

This share capital increase aims at enhancing the Group's financial flexibility as part of its growth strategy, and more particularly to strengthen its equity in order to seize external growth opportunities in the countries where ORPEA operates (France, Belgium, Spain, Italy and Switzerland). In accordance with its strategy, acquisition targets will be independent facilities (business assets or securities) or groups with a capacity of less than 1,500 beds.

Yves Le Masne, Chief Executive Officer of ORPEA, comments: "*The current environment offers a number of exceptional acquisition opportunities both in France and abroad, as well as attractive pricing conditions. ORPEA is therefore looking to be proactive and further strengthen its financial flexibility in order to expand, while also remaining focused on value creation and profitability. Thanks to new real-estate financing agreements, authorised undrawn credit facilities and proceeds from this capital increase, the Group will have significant financial capacity in a fast-growing sector with low correlation to economic and financial conditions*."

Subscription undertakings by ORPEA's main shareholders and underwriting of the issue

ORPEA's main shareholders seating at the Board of Directors, Dr. Jean-Claude Marian, NEO-GEMA, and FFP have irrevocably undertaken to subscribe to the share capital increase. In the aggregate, the main shareholders' irrevocable undertakings to subscribe for new shares cover a minimum of 3,101,732 new shares (approximately €59.4 million) i.e. a minimum of 29.26% of the issuance, of which a minimum of 15.04% for Dr. Jean-Claude Marian (i.e. a minimum of 65% of his preferential subscription rights), 8.21% for NEO-GEMA (i.e. 100% of its preferential subscription rights) and 6.01% for FFP (i.e. 100% of its preferential subscription rights).

Moreover, FFP reserves the right, but has no obligation, in addition to its subscription undertaking as described above, to subscribe for new shares by entitlement subject to reduction and / or to purchase preferential subscription rights or additional shares.

The issue of new shares will be covered by an underwriting agreement on the 7,497,826 new shares not covered by the irrevocable subscription undertakings of existing shareholders, as at November 14th, 2011, between the Company and a bank syndicate composed of BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, acting as Joint Lead Managers and Joint Bookrunners.

Main terms of the share capital increase

The share capital increase will be carried out with preferential subscription rights for existing shareholders and will lead to the issuance of 10,599,558 new shares at a price of €19.15 per share, in a gross amount, including issue premium, of €202,981,535.70. This amount may be increased to a maximum gross amount of €208,552,787.75 including issue premium, by issuance of a maximum number of 10,890,485 new shares, in the event that all the redeemable equity warrants issued by ORPEA in 2009 (prospectus filed with the AMF under visa number 09-225 dated July 15th, 2009) («BSAAR 2009») were exercised prior to November 23rd, 2011 and that all preferential subscription rights allocated to the holders of the BSAAR 2009 were also exercised.

Each ORPEA shareholder will receive one preferential subscription rights for each share held as of the close of trading on November 16th, 2011. The subscription price for the new shares has been set at €19.15 per new share (nominal value of €1.25 and issue premium of €17.90) on the basis of 1 new share for 4 existing shares.

On the basis of the closing price of ORPEA shares on November 14th, 2011, i.e. €30.89, the theoretical value of a preferential subscription right is €2.35.

The subscription price for the new shares represents a 38.01% discount to the closing price of ORPEA shares on November 14th, 2011 and a 32.91% discount to the theoretical ex-right price (TERP).

Subscriptions by entitlement subject to reduction (*à titre réductible*) are allowed.

The offer will be open to the public in France only.

The subscription period for the new shares will run from November 17th, 2011 to the close of trading on November 30th, 2011. During this period, the preferential subscription rights will be listed and traded on the regulated market of NYSE Euronext in Paris under ISIN code FR0011147438.

The settlement and delivery and the listing of the new shares are expected to occur on December 8, 2011. The new shares will carry full dividend rights and will therefore entitle the holder, as from their issue, to receive all distributions decided by ORPEA as from this date. They will be immediately fully fungible with the ORPEA's existing shares, and will be traded, as from this date, on the same listing line as these shares and under the same ISIN code FR0000184798.

Information available to the public

The prospectus, filed with the *Autorité des marchés financiers* ("AMF") under visa number 11-524 dated November 14th, 2011 consists of the *document de référence* of ORPEA filed with the AMF on June 8th, 2011 under number D.11-0549, the *actualisation du document de référence* of ORPEA filed with the AMF on November 14th, 2011 under number D.11-0549-A01, a securities note and a summary of the prospectus.

Copies of the prospectus filed with the AMF may be obtained free of charge from ORPEA's administrative office (3 rue Bellini – 92806 Puteaux Cedex, France) and are also made available on ORPEA's website (www.orpea.com) and the AMF's website (www.amf-france.org), and from the Joint Lead Managers and Joint Bookrunners.

ORPEA draws investors attention to the risk factors described in the *document de référence* as well as in Chapter II of the securities note.

ORPEA released today an update on its developments

BUOYANT DEVELOPMENT MOMENTUM:
+3,014 NEW BEDS SINCE MARCH 2011

2012 SALES GUIDANCE: €1,425M
2010 – 2012 GROWTH: +48%

NEW FINANCING

- REAL-ESTATE PARTNERSHIP WITH COFINIMMO: €500M OF ASSETS WITHIN THE NEXT 5 YEARS
- AUTHORIZED UNDRAWN CREDIT FACILITIES €150M

ORPEA, now the leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care), today announced its recent developments and presented its network at end-October 2011 as well as new financing.

New developments

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.

A European network of 36,714 beds, including a growth reservoir of 9,517 beds

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**

2-year embedded growth: +48%

Yves Le Masne, CEO, comments: "*Thanks to its low dependency to the economic and financial context, ORPEA has pursued a buoyant development policy in recent months, with more than 3,000 new beds, almost 50% of them abroad, with particularly favourable acquisition conditions.*
Thus, over the last two years, ORPEA has strengthened its position as a key European player in Dependency care, with 10,000 new beds, whilst favouring high value-creating and profitable projects and pursuing its Quality policy in favour of the wellbeing of its residents and patients.
Following sales growth of +37% over the previous two years (2008 - 2010), ORPEA is further accelerating its momentum with embedded 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."

Real-estate partnership with Cofinimmo

Within the framework of its real-estate strategy and its willingness to diversify its financing, ORPEA has just reached an agreement on a strategic partnership with Cofinimmo, Belgium's leading listed real-estate company, which specialises in health property in Belgium and France.

With this partnership, the two partners will gradually create 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 share 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.

This unique partnership in health sector real estate, with one of the sector's leading players, will allow ORPEA to accelerate its future development whilst retaining significant control over its real estate assets and ensuring its future profitability, thereby respecting its real-estate strategy.

This real-estate financing agreement, which supplements the existing tools, confirms the appeal and quality of ORPEA's real-estate portfolio, as well as the confidence investors have in the Group's operational management.

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.

Strategy: pursuance of a dynamic and selective development policy

Doctor Jean-Claude Marian, Chairman, concludes: "*Thanks to the experience, loyalty and knowhow of its teams, ORPEA has seen particularly buoyant growth over the last two years, enabling it to increase its short-, medium- and long-term visibility in terms of both sales and profitability.*
This growth will continue in coming years, in France and abroad, with the sector currently offering numerous acquisition opportunities. ORPEA will continue to focus on the countries in which it already operates whilst respecting its acquisition criteria: independent facilities or small groups enabling value-creation.

Bolstered by its new size, the Group will be able to rely on its numerous assets in order to continue to provide care solutions to dependent people whilst striving to continually improve the quality of its services:

- *significantly strengthened financial flexibility;*
- *a large number of mature facilities enabling solid profitability and cash flow to be generated;*
- *acknowledged knowhow in running high-quality facilities;*
- *in-house expertise in prospecting acquisitions and in designing, constructing and renovating facilities.*"

Next press release: 2011 annual revenue
8th February 2012, before market

About ORPEA (www.orpea.com)

Listed on Euronext Paris since April 2002 and a member of the Deferred Settlement Service, the ORPEA group is the leading European player in the Long-Term Care and Post-Acute Care sectors.

As of 31st October 2011, the Group has a unique European network of healthcare facilities with 36,714 beds (30,659 of them operational) spread across 394 sites, including:

- 28,590 beds in France: 23,808 operational (including 2,771 being renovated) + 4,782 under construction, spread across 322 sites,
- 8,124 beds in Europe (Spain, Belgium, Italy and Switzerland): 6,850 operational (including 690 being renovated) + 1,274 under construction, spread across 72 sites.

Listed on Euronext Paris Compartment A of NYSE Euronext
Member of the **CAC Mid 60** and **SBF 120** indices - Member of the **SRD**
ISIN: FR0000184798 - Reuters: **ORP.PA** - Bloomberg: **ORP FP**

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A French language prospectus, which consists of ORPEA's registration document filed with the AMF on June 8th, 2011 under filing number D.11-0549, ORPEA's update to the registration document filed with the AMF on November 14th, 2011 under filing number D.11-0549-A01, a securities note, including a summary of the prospectus, which has been approved by the AMF on November 14th, 2011 under visa number 11-524, may be obtained on the AMF's website: www.amf-france.org and on ORPEA's website: www.orpea.com. This prospectus contains a chapter describing certain risk factors relating to ORPEA and the offering. It is however specified that the risk factors' list is not exhaustive and that it is not ruled out that other risks, unknown or the realization of which is not considered by ORPEA, as at the date of the prospectus, as likely to have a material adverse impact on its business, financial situation, prospects and/or results, may exist.

No copy of this press release shall and must be published, distributed or circulated in the United-States, Japan, Australia or Canada.

Société Générale, acting as stabilisation manager on behalf of the Joint Lead Managers and Joint Bookrunners, will be able to carry out, on any market, any buy or sell orders on shares or preferential subscription rights. Such transactions may affect the market price of the shares and the preferential subscription rights, and may in particular result in setting a market price higher than the one that would otherwise prevail. These transactions could occur during the subscription period i.e. from November 17th,2011 to November 30th, 2011 inclusive. The stabilisation manager is however not bound to carry out such transactions, and if such transactions were carried out, they could be interrupted at any time.