STRONG INCREASE IN H1 2012 RESULTS

- **REVENUES UP 15.2% TO €684.7 MILLION**
- **RECURRING OPERATING PROFIT UP 18.4% TO €92.4 MILLION**
- **ATTRIBUTABLE NET PROFIT UP 25.8% TO €50.7 MILLION**

2012 REVENUE TARGET OF €1,425 MILLION (UP 15.5%) REITERATED

Puteaux, 12 September 2012

ORPEA, a leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its results[1] for the first half to 30 June 2012.

In €m (IFRS)	H1 2012	H1 2011	▲%
Revenues	**684.7**	594.2	*+15.2%*
EBITDAR (EBITDA before rents)	**174.6**	150.0	*+16.4%*
EBITDA	**121.9**	105.6	*+15.4%*
Recurring operating profit	**92.4**	78.1	*+18.4%*
Operating profit	**110.0**	90.8	*+21.2%*
Profit before tax	**73.2**	59.1	*+23.9%*
Attributable net profit	**50.7**	40.3	*+25.8%*

Commenting on these figures, Yves Le Masne, ORPEA's Chief Executive Officer, said: *"With a strong increase in revenues and all its profit indicators, the Group's excellent momentum shone through in its first-half figures.*

[1] The financial statements were approved by the Board of Directors on 10 September 2012, and a limited review is in progress.

ORPEA demonstrated the effectiveness of its strategy, which reconciles selective development, solid and enduring margin improvement and value-driven management of its real estate portfolio, through:

- *a 40 basis point increase in its recurring operating margin to 13.5%;*
- *€159 million in real estate sales completed during the first half;*
- *a high-quality real estate portfolio in full ownership estimated to be worth €2.3 million.*

Revenues rose by 15.2%, while attributable net profit moved up 25.8% to €50.7 million.

For the current financial year, ORPEA remains confident in its ability to reach its target of a 15.5% increase in its revenues (to €1,425 million) and to achieve further margin improvement. Growth in cash generated by operating activities, further real estate disposals and moderate investment will make for a continued reduction in the Group's debt ratios ."

Margin improvement

First-half 2012 revenues rose by 15.2% to reach €684.7 million on the back of brisk organic growth (8.6%) and selective acquisitions.

EBITDAR (EBITDA before rents) increased by 16.4% to €174.6 million. Even though new facilities were opened at a rapid pace, the EBITDAR margin rose by 30 basis points compared with the first half of 2011 to reach 25.5%. This performance reflected the successful integration of various acquisitions, such as Mediter in France and Artevida in Spain.

Rental expenses rose 18.7% to €52.7 million owing chiefly to acquisitions and divestments of real estate assets. At comparable structure, rents edged up by just 1.7%.

EBITDA increased by 15.4% to €121.9 million.

Recurring operating profit advanced by 18.4% and accounted for 13.5% of revenues, which represents a 40 basis point improvement.
This solid increase was powered by the rise in the number of mature facilities generating higher margins.

Operating profit (EBIT) moved up 21.2% to €110.0 million. This reflected a non-recurring net gain of €17.6 million, compared with €12.7 million in the first half of 2011 owing in particular to real estate disposals.

The net cost of debt came to €36.8 million during the first half, up 16.1% on the figure recorded in the first half of 2011.

Profit before tax advanced by 23.9% to €73.2 million.

Attributable net profit for the first half of 2012 came to €50.7 million, representing an increase of 25.8%.

Increase in the value of the real estate portfolio to €2.3 billion

During the first six months of the financial year, ORPEA achieved a €88 million net increase in the value of its real estate portfolio (acquisitions and constructions, net of sales).
At 30 June 2012, ORPEA's portfolio comprised 235 buildings, including 94 partially owned, representing a developed area of 809,000 m² (out of more than 1 million m² in land), with a total value of €2,305 million[2], including €350 million in properties under construction and land reserves.

The Group continued to dispose of assets during the first half, selling €159 million compared with €40 million in the first half of 2011 on highly attractive rental and indexation terms.

ORPEA's portfolio possesses the qualities sought after by investors, i.e. city-centre locations in France and international markets, recent best-in-class facilities and the Group's solid reputation in providing dependency care.

Solid finances with debt ratios still low

Shareholders' equity, Group share totalled €1,174 million at 30 June 2012.

Net debt stood at €1,756 million[3], representing a modest increase of 8.5% during the first half.
The Group's two main debt ratios reflect the strength of its finances at 30 June 2012, including:

- financial leverage restated for real estate assets = 2.08x compared with 2.15x at 31 December 2011 (authorised level of 5.5x);
- adjusted gearing = 1.25x compared with 1.17x at 31 December 2011, (authorised level of 2x).

The Group's net debt is still mainly property-related (85%), repayable in instalments and secured against high-quality assets that are not very volatile.
ORPEA does not have any major loans falling due over the next three years.

Around 80% of its debt is hedged against interest rate risk for the next four years. During the first half of 2012, the average interest rate on the Group's debt was around 4.50%. More effective hedging will automatically drive down the cost of debt to 3.80% in 2015.

Network: extending the Group's leadership in Europe

In line with its commitments, ORPEA has pursued a highly selective development policy, with acquisition and licence for 534 new beds in France and Belgium, plus Artevida's 1,162 beds and the 1,100 beds from the 51% interest in Medibelge held since 1 July 2012.

Most of these developments flowed from acquisitions of independent facilities with strong scope for improvement in their margins. Thanks to its expertise, the Group has also won some licences abroad and in France (including the creation of an 84-bed long-term care facility in the Lille region).

As a result of these developments, ORPEA has strengthened its European leadership in dependency care. At 31 July 2012, it had a network of 38,348 beds at 410 facilities.
25% of the network is now located outside France.

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[2] Excluding the impact of €127 million in assets held for sale
[3] Excluding €127 million in debt associated with assets held for sale

	TOTAL	France	Spain	Belgium	Italy	Switzerland
Beds in operation	33,317	25,340	2,938	4,117	847	75
o/w Beds under refurbishment	*3,050*	*2,296*	*0*	*724*	*30*	*0*
Beds under construction	5,031	3,479	0	1,087	375	90
Total number of beds	**38,348**	**28,819**	**2,938**	**5,204**	**1,222**	**165**
Number of facilities	**410**	**333**	**22**	**41**	**12**	**2**

Quality and innovation to improve the well-being of residents and patients:

In parallel with these developments, ORPEA has continued to pursue its strategy of continuous improvement in the quality of its services and innovation to enhance the safety and well-being of its patients and residents, with:

- training for all employees and "well-treatment" guides operating in long-term care facilities;
- information briefings on the promotion of the "Ageing well" and "Help for Carers" initiatives;
- the development of non-medicinal therapies for Alzheimer's sufferers;
- the development of telemedicine.

As an additional service, ORPEA has developed a partnership with Domidom Services, a leading player in the provision of home services to help people carry on living autonomously, by establishing a minority shareholding (30%) in the company via a reserved increase in its capital.

This partnership will help to facilitate the continuity of dependency care between the home, post-acute and rehabilitation care, and long-term care facilities. This represents a major goal for the coming years, which has received encouragement from the public authorities.

Strategy and outlook: profitability and cash flow

ORPEA is set to continue pursuing its strategy of margin improvement, cash generation, debt reduction and controlled development creating substantial value.

The Group is perfectly equipped to execute this strategy over the next few years:
- A unique reservoir of growth of 8,081 beds shoring up its solid growth prospects;
- The ramp-up in mature beds: beds under development account for 27% of operational beds compared with 41% at the end of 2010;
- A high-quality property portfolio holding significant appeal for investors;
- Expertise enabling it to complete developments on attractive terms.

Summing up the Group's performance, Doctor Jean-Claude Marian, Chairman of ORPEA, said: *"Thanks to the first-rate commitment shown by its 25,000 staff, ORPEA performed remarkably well during the first half of the year.*

The Group has demonstrated its ability to execute the strategy announced with its full-year results of delivering profitable growth and measured expansion, while pursuing its Quality programme. This momentum should carry through into the second half and into future years.

In a sector driven by the ageing of the population and enhanced professional expertise, ORPEA possesses unique strengths enabling it to rise to the challenges facing it over the next few years:

- *renowned expertise in global and continuous dependency care;*
- *a high-quality network and a constantly refreshed ability to innovate.*

The significant M&A transactions that have taken place in the healthcare facility sector outside France provide further evidence of the appeal, not only to investors, but also to professionals, of this business, which combines growth potential with unique visibility amid current economic conditions."

**Next press release: revenues for the 3rd quarter of 2012,
14 November 2012, before the market opens**

About ORPEA (www.orpea-corp.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.

At 31 July 2012, the Group had a unique European network of healthcare facilities with 38,348 beds (33,317 of them operational) at over 410 sites, including:

- 28,819 beds in France: 25,340 operational (including 2,296 being renovated) + 3,479 under construction, at 333 facilities,
- 9,529 beds in Europe (Spain, Belgium, Italy and Switzerland): 7,977 operational (including 754 being renovated) + 1,552 under construction, at 77 facilities.

Listed on Euronext Paris Compartment of NYSE Euronext
Member of the **CAC Mid 60** and **SBF 120** indices **-** Member of the **SRD**
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