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This press release does not constitute an offer of securities in the United States of America. Neither the bonds nor the underlying shares may be offered or sold in the United States of America unless they are registered or exempt from registration under the US Securities Act of 1933, as amended. ORPEA does not intend to register all or any portion of the offering in the United States of America or to conduct a public offering in the United States of America.

ORPEA

LA VIE CONTINUE AVEC NOUS

Launch by ORPEA of an offering of net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE) due January 1, 2020, for an initial nominal amount of approximately €150 million which may be increased up to a maximum nominal amount of approximately €200 million

Meanwhile the company plans to reduce the dilution from the potential exercise of the warrants (issue in 2009 of bonds with redeemable equity warrants giving right to either subscribe or purchase shares (OBSAAR) due 14 August, 2015) by acquiring them through a simplified tender offer

Puteaux, July 9, 2013

ORPEA (the "**Company**", the "**Group**" or "**ORPEA**") launches today an offering of net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE) due January 1, 2020 (the "**Bonds**") for an initial nominal amount of approximately €150 million, which may be increased by approximately 15%, up to a nominal amount of approximately 172.5 million euros in the event of the full exercice of the extension clause. Moreover, ORPEA granted to Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale Corporate & Investment Banking (the "**Joint Lead Managers and Joint Bookrunners**") an over-allotment option exercisable at the latest on July 15, 2013, which would enable to increase the nominal amount of the issue up to a maximum amount of approximately €200 million.

Meanwhile, the Company plans to set up a repurchase of the Redeemable Equity Warrants giving right to either Subscribe or Purchase Shares issued in August 2009 and due August 2015 (the "**BSAAR**").

This issue will allow ORPEA to pursue its strategy of disintermediation and optimisation of its financial structure initiated in 2010 and reinforced, over the last year, by various bond issues. ORPEA intends to continue this strategy and to proceed with new bond issues under favourable financial conditions, market conditions permitting.

The net proceeds of this issue will be used to manage the financial debt of the Group, including among others the repayment of banking credit lines, allowing the extension of the average financing maturity and the optimisation of the financial expenses paid by the Group.

The terms and conditions of the ORNANE including the possibility to redeem the nominal in cash and to pay with shares, only the difference between the conversion value and the nominal, enable to significantly reduce dilution compared to a standard convertible bond.

As an example, considering an issue of ORNANE for an amount of approximately €200 million, a nominal value of €45.28[1] and a conversion value of €58.86[2], beyond the sum to be paid in cash which

[1] Nominal value determined on the basis of a 24.50% premium (mid range) applied to the closing price of the ORPEA share on July 8 2013, i.e. €36,37.

[2] The conversion value is equivalent to the issuer soft call threshold and to the ORPEA share price level at the moment the conversion is requested. These calculations do not take into account the adjustments of the conversion ratio to be made in particular when future dividends are paid

equals to the nominal value, the number of ORPEA shares to be delivered to the holders amounts to 1,019,067, i.e. approximately 1.92% of the current share capital.

In addition, the planned repurchase of BSAAR would enable to reduce the potential dilution by 2.33% of the current share capital, considering that the Company manages to acquire 100% of the outstanding BSAAR.

Yves Le Masne, Chief Executive Officer of the Company, declared: "*With this transaction, ORPEA, is taking advantage of the current favourable financial conditions and also of the investors' positive sentiment for the very high visibility on ORPEA business and on the proven effectiveness of its profitable growth model. ORPEA continues to optimise its financial structure, in line with its objective of managing its debt.*
The potential dilution linked to the transaction will be extremely limited and might even be fully compensated if the Group was to repurchase the outstanding BSAAR, which represent a potential dilution of 2.33% of the current share capital through the announced repurchase transaction."

The Bonds will be issued at par, representing an issue premium between 22 % and 27 % over ORPEA[3]'s reference share price on the regulated market of NYSE Euronext in Paris ("**Euronext Paris**").

The Bonds will bear interest at a nominal annual rate between 1.75 % and 2.50 %, payable semi-annually in arrears on January 1 and July 1 in each year (or on the following business day if one of such dates is not a business day). As an exception, for the period from July 17, 2013, the expected issue date of the Bonds, to December 31, 2013, inclusive, the first interest payment to be made on January 1, 2014 (or on the first following business day if such date is not a business day) will be calculated *prorata temporis*.

The Bonds will be redeemed at par on January 1, 2020 (or on the first following business day if such date is not a business day).

In the event of the exercise of their right to convert or exchange their Bonds, bondholders will receive, at the Company's option, an amount in cash and, as the case may be, an amount payable in new and/or existing shares of ORPEA. The Company will also have the option to deliver new and/or existing shares only.

Under certain conditions, the Bonds may be redeemed prior to maturity at the Company's option. In addition, the bondholders may require the early redemption of the Bonds, in particular in the event of a change of control of the Company under certain conditions in accordance with the provisions of the prospectus submitted to the visa of the *Autorité des marchés financiers* (the "**AMF**").

The Bonds are offered today through a private placement in France and outside France with the exclusion of the United States of America, Canada, Australia and Japan, followed by a public offering in France, from July 10, 2013 to July 12, 2013, 5.00 pm (Paris time) inclusive, subject to the granting of the visa of the AMF on the prospectus relating to this transaction.

The bondholders will be able to exercise their conversion right at any time from the issue date up to the 18th trading day (excluded) preceding the expected redemption date, i.e. 1 January, 2020.

The final terms and conditions of the Bonds are expected to be set on July 9, 2013.

The listing of the Bonds on Euronext Paris will be applied for and will occur on the expected issue and settlement and delivery date of the Bonds, i.e. July 17, 2013.

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[3] This reference share price will be equal to the volume-weighted average price of the Company's shares on Euronext Paris from the opening of trading on July 9, 2013 until the determination of the final terms of the Bonds on the same day.

In the context of this transaction, the Company agreed for a 90-day lock-up period subject to certain exemptions.

The issue of the Bonds is lead-managed by Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale Corporate & Investment Banking acting as Joint Lead Managers and Joint Bookrunners.

Parallel plan regarding a simplified tender offer on the BSAAR

ORPEA also plans to acquire all the BSAAR created upon the issuance of bonds amounting to €217 million on August 14, 2009, described in a prospectus approved by the AMF on July 15, 2009 under visa number 09-225. This repurchase will be made through a simplified tender offer which will be filed with the AMF and the repurchase price will be determined after consultation of an independent expert.

The board of directors of the Company, held on 20 June, 2013 unanimously approved the principle of such a transaction aiming at reducing the potential dilution and thus limiting the dilutive impact of the potential conversion of the Bonds.

Should the proposed transaction lead to the full buy-back of the 1,163,473 outstanding BSAAR (with an exercise price of €37.90), the cancellation of these warrants would result in the definitive cancellation of the potential creation of 1,235,608 new shares (on the basis of an exchange ratio of 1.062), representing 2.33% of the current share capital.

The 2012 registration document (*document de référence*) of the Company, filed with the AMF on May 14, 2013 under No. D.13-0525, is available on the Internet websites of the Company (www.orpea-com.com) and the AMF (www.amf-france.org).
The Company draws investors’ attention to the risk factors mentioned in particular in Chapter IV of the registration document.

Important Information:

This press release does not constitute a subscription offer and the offering of the Bonds does not constitute a public offering in any country other than France under the following conditions:

In France,
- the Bonds will first be offered by way of a private placement to qualified investors in accordance with Article L.411-2-II of the French *Code monétaire et financier*, and
- following this private placement, a prospectus will be filed to obtain a visa from the AMF in order to allow subscription by the public in France during a period of three trading days. No subscription will be accepted from the public prior to the AMF granting its visa on the prospectus, nor prior to the opening of the subscription period.

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About ORPEA (www.orpea-corp.com)

Listed on Euronext Paris since April 2002 and a member of the Deferred Settlement Service, ORPEA is the leading European player in the Long-Term Care and Post-Acute Care sectors.
At 1st March 2013, the Group had a unique European network of 431 healthcare facilities with 40,374 beds (34,972 of them operational), including:

- 29,477 beds in France: 26,488 operational (including 2,334 being renovated) + 2,989 under construction, at 339 facilities,
- 10,897 beds in Europe (Spain, Belgium, Italy and Switzerland): 8,484 operational (including 912 being renovated) + 2,413 under construction, at 92 facilities

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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No communication or information relating to the issuance by ORPEA of the Bonds may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken outside of France, in any country in which such action would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions and ORPEA assumes no liability in connection with the breach by any person of such restrictions.

This press release is an advertisement and not a prospectus within the meaning of the Prospectus Directive (as defined hereinafter).

This press release is not, and shall not be considered as, an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public.

The distribution or publication of this press release in certain countries may constitute a breach of applicable law and regulations. As a result, persons physically present in these countries, in which this press release is distributed or published, must inform themselves about and comply with these applicable laws and regulations.

France

The sale and purchase of the Bonds, in France, will first be made by way of a private placement to qualified investors in accordance with Article L.411-2-II of the French Code monétaire et financier*. The offer will be opened to the public in France after the* Autorité des marchés financiers *has granted its visa on the prospectus relating to the issue and admission to trading of the Bonds on Euronext Paris.*

European Economic Area outside of France

*With respect to each Member State of the European Economic Area other than France which has implemented the Prospectus Directive (the "**Relevant Member States"**), no action has been undertaken or will be undertaken to make an offer of Bonds to the public requiring a publication of a prospectus in any Relevant Member State. As a result, the Bonds may only be offered in the Relevant Member States only:*

(a) qualified investors as defined in the Amending Prospectus Directive; or

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Amending Prospectus Directive, 150, natural or legal persons (other than qualified investors as defined in the Amending Prospectus Directive); or

(c) in any other circumstances falling with Article 3(2) of the Prospectus Directive.

*For purposes of this paragraph, (i) the expression an "**offer of Bonds to the public** " in any Relevant Member State means the communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and (ii) the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 (together with its amendments, including the Amending Prospectus Directive, to the extent such Directive has been implemented in any Relevant Member State), including any appropriate implementing measure in any Relevant Member State, and (iii) the expression "**Amending Prospectus Directive**" means Directive 2010/73/EU of the European Union Parliament and Council of November 24 2010.*

United Kingdom

*This press release is being distributed only to, and is directed only at (i) persons located outside the United Kingdom, (ii) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (iii) persons designated by Article 49(2)(a) to (d) (high net worth entities, non incorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons mentioned in paragraphs (i), (ii) and (iii) as all deemed relevant persons ("**Relevant Persons**"). The Bonds are intended for Relevant Persons) only and any invitation, offer of contract related to the subscription, tender, or acquisition of the Bonds may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on press release and all information contained herein. . This press release does not constitute a prospectus and has not been approved by the Financial Services Authority or by another United Kingdom regulatory authority falling within Section 85 of the Financial Services and Markets Act 2000.*

United States of America

*This press release may not be published, distributed or transmitted in the United States of America (including its territories and dependencies, any State of the United States of America and the district of Columbia). This press release does not constitute any offer or solicitation to purchase for securities in the United States of America. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold in the United States of America. The Bonds will be offered or sold outside of the United States of America in the context of offshore transactions in accordance with Regulation S under the Securities Act. ORPEA does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America.*

Canada, Australia and Japan

The Bonds may not be offered, sold or purchased in Canada, Australia or Japan. The information contained in this press release does not constitute an offer of securities for sale in Canada, Australia or Japan.

Stabilisation

Pursuant to the terms of an underwriting agreement to be entered into between ORPEA and the Joint Lead Managers and Joint Bookrunners, Natixis (or any other institution acting on its behalf), acting as stabilising agent in the name of and on behalf of the Joint Lead Managers and Joint Bookrunners, will have the ability, but not the obligation, as from the moment on which the final terms of this transaction become public, i.e. on the expected date of July 9, 2013, to carry out stabilisation transactions on the market for the Bonds and/or possibly the ORPEA's shares, in accordance with applicable legislations and regulations, and in particular Regulation (EC) No. 2273/2003 of the European Commission of December 22, 2003. Such interventions may be interrupted at any time, if any, but at the latest on July 15, 2013 in accordance with Article 8.5 of the Regulation (EC) no. 2273/2003 of the European Commission of December 22, 2003 implementing directive 2003/06/EC of the European Parliament and of the Council of January 28, 2003 on insider dealing and market manipulation (market abuse). Such interventions may stabilise the price of the Bonds and/or the Company's shares. Such interventions may also affect the price of the Company's shares and of the Bonds and could result in such prices being higher than those that might otherwise prevail.