

**Strategic investment from a new reference shareholder  
as ORPEA enters a new value creation development phase**

**CPPIB has acquired a 15% stake in ORPEA for a total consideration of €320.8m,  
at a price of €40.34 per share**

**Launch of a €100m capital increase via private placement**

**CPPIB supports the management of ORPEA by underwriting the share capital  
increase, at a minimum price of €40.34 per share, in line with the acquisition price  
for its own stake**

Paris, December 11<sup>th</sup>, 2013

**Strategic investment from CPPIB to acquire a 15% stake in ORPEA**

ORPEA is announcing today that Canada Pension Plan Investment Board (CPPIB), a global investment management organization and one of the world's 10 largest retirement funds, has acquired a 15% stake in ORPEA, the leading European provider of long-term care (nursing homes, post-acute care and psychiatric clinics), which is listed on Compartment A of Euronext Paris (ISIN : FR0000184798).

CPPIB has acquired 7,952,718 shares from Dr. Jean-Claude Marian, founder and Chairman of ORPEA, and from the company Santé Finance et Investissement, at a price of €40.34 per share, representing a total investment of €320.8m. Dr. Jean-Claude Marian will remain a key shareholder in ORPEA with an 8% stake in the Company and will continue in his role as Chairman of the Board. Dr. Jean-Claude Marian agreed to an 18-month lock-up period, during which he will not sell his remaining shares in ORPEA.

As a global long-term investor with net assets of C\$192.8 billion under management, CPPIB invests in public and private equities, infrastructure, fixed income instruments as well as C\$22.0 billion in global real estate assets. As at September 30<sup>th</sup>, 2013, CPPIB's investments in Europe totalled C\$19.4 billion. With a long investment horizon, CPPIB is a provider of strategic, long-term capital to leading public companies, like ORPEA, where it can participate in the future success of the company and help create greater value through an ongoing partnership.

CPPIB's intention is to be a long-term reference shareholder for ORPEA and to partner alongside the Group through the next phase of its development, particularly as it expands internationally.

The Company is pleased that CPPIB is not only buying a stake from Dr. Jean-Claude Marian but is also prepared to invest directly in the Company alongside institutional investors, by underwriting a capital increase. This capital increase reinforces ORPEA's ability to pursue value creating opportunities and to continue its long record of profitable growth. Dr. Jean-Claude Marian has

retained a significant stake as a reaffirmation of his ongoing support for the Company and his belief in the potential for substantial value creation in the years to come.

CPPIB and ORPEA entered into a contract setting up the framework of CPPIB's investment and which key terms are set out below.

**Simultaneous launch of a capital increase underwritten by CPPIB up to €100m at a minimum price of €40.34 per share**

Concurrently, ORPEA is therefore launching today a €100m capital increase without preferential subscription rights, by means of private placement as referred under II of Article L. 411-2 of the French Monetary and Financial Code, for an initial amount of approximately €100m, which can be increased to approximately €120m should the €20m extension clause be exercised in full. The offering will be conducted through a private placement in France and outside France in accordance with the delegations granted by the 13<sup>th</sup> and 14<sup>th</sup> resolutions of ORPEA's general shareholders meeting held on June 20<sup>th</sup>, 2013.

The private placement could result in the issuance up to 2,974,715 new shares (amount calculated on the basis of a capital increase of €120m, including the exercise of the extension clause), representing as of today 5.6% of the share capital of ORPEA.

This capital increase is underwritten by CPPIB up to €100m at a minimum price of €40.34 per share (equivalent to the acquisition price of its own investment stake), demonstrating CPPIB's strong confidence in ORPEA's prospects and its plans to actively support ORPEA through the next phase of its expansion.

Furthermore, CPPIB intends also to participate in the private placement by placing an order in the book.

The private placement is managed by Natixis and Société Générale Corporate & Investment Banking acting as Joint Lead Managers and Joint Bookrunners of the offering. The private placement is conducted by way of an accelerated bookbuilding, at the end of which the number and price at which the new shares will be issued will be determined. Final terms of the private placement will be announced in a press release as soon as practically possible after the close of the bookbuilding process.

The placement is not subject to a prospectus to be approved by the AMF ("Autorité des marchés financiers").

This capital increase announced today will help ORPEA to accelerate its new international development phase, with an even deeper financial capacity, focused on value creation while preserving the Group's financial structure, notably by:

- Strengthening the Group's existing position in Europe through organic and external growth;
- Widening its European footprint into key global dependency care markets;
- Accelerating its expansion into emerging markets such as China. On December 3<sup>rd</sup>, 2013, ORPEA signed a strategic partnership agreement with China Development Orient, a subsidiary of China Development Bank Capital (CDBC), an investment entity of the Chinese Government. The CDBC is influential in financing forward-looking projects in newly developed urban areas and in major cities within China. This agreement will facilitate the

development of ORPEA's dependency care facilities throughout the country. China Development Orient will propose properties and can contribute to the financing of each project, while ORPEA will bring its knowledge and expertise by operating the facilities and training the employees.

The Company agreed vis-à-vis the Joint Lead Managers and the Joint Bookrunners not to issue any shares of the company or securities giving access to the share capital for a period of 6 months, subject to customary exceptions.

Yves Le Masne, CEO of ORPEA, commented: *"We are very pleased with CPPIB's investment in ORPEA's capital, which is part of a long-term partnership, enabling the Group to enter into a new international development phase. ORPEA will indeed benefit from CPPIB's knowledge, including its real estate expertise, and outstanding network to help extend ORPEA's growth and profitable business model in countries facing the challenge of an aging population. The capital increase, underwritten by CPPIB, demonstrates their commitment and confidence in the industry's prospects and in ORPEA's organization."*

Mr. R. Scott Lawrence, Vice-President & Head of Relationship Investments for CPPIB, added: *"CPPIB sees this investment in ORPEA, including the underwriting of the share capital increase, as the start of a long-term partnership with its management team and Board. ORPEA has a demonstrated track record of exceptional client service balanced with strong operational and financial performance. We believe in, and will actively support, ORPEA's strategic goals with respect to geographic expansion and growth within its current markets. We feel that the alignment of ORPEA's strategy with CPPIB's long-term investment objectives will help foster future success."*

### Shareholding structure

Confident in the Group's potential for future value creation, Dr. Jean-Claude Marian will remain a key shareholder in ORPEA. He retains an 8% stake post CPPIB's strategic investment.

Following this transaction and immediately preceding the planned private placement, the revised Group shareholding structure is as follows:

	# of shares	% of capital	# of voting rights	% of voting rights
CPPIB	7,952,718	15.01%	7,952,718	12.27%
Dr. Marian & Family	4,224,069	7.97%	8,448,138	13.03%
FFP Invest	3,811,353	7.19%	3,811,353	5.88%
Sofina	3,180,000	6.00%	3,180,000	4.91%
Free float	33,819,094	63.81%	41,421,882	63.91%
Treasury shares	10,828	0.02%	0	0.00%
<b>Total</b>	<b>52,998,062</b>	<b>100.00%</b>	<b>64,814,091</b>	<b>100.00%</b>

Dr. Jean-Claude Marian, Chairman of ORPEA, commented: *"The entry of CPPIB as a new reference shareholder for ORPEA represents a fantastic opportunity for the future of the Group. This transaction enables ORPEA to strengthen its capital structure with a long-term shareholder and to confidently initiate a new development phase with the support of a respected partner who will bring its international expertise and its investment capacity."*

*The transaction also attests to ORPEA's strategy deployed over the past 20 years and the quality of its people. It demonstrates that ORPEA's strategic vision and human values are important in forming a long-term relationship with an outstanding and well-aligned partner such as CPPIB. Alongside Sofina, FFP and now CPPIB, ORPEA benefits from a high quality shareholding structure, providing additional stability. "*

## **Governance**

Following the appointment by the Board of Directors of M. Alain Carrier as a Director representing CPPIB, replacing the resigning Director representing NEO-GEMA, the Board of Directors is now composed of:

- Dr. Jean-Claude Marian – Chairman
- Yves Le Masne – CEO
- Brigitte Michel
- Alexandre Malbasa
- Jean Patrick Fortlacroix
- FFP Invest (Thierry Mabilbe de Poncheville)
- Sophie Malarme-Lecloux (representing Sofina)
- Alain Carrier (representing CPPIB)

M. Alain Carrier was also appointed by the Board of Directors to ORPEA's Audit Committee and Appointments and Remuneration Committee.

Subject to CPPIB holding at least 16% of the voting rights in the Company before the next general shareholders meeting, the Board of Directors will propose and recommend a second CPPIB Director as a candidate for election to the Board at the next general shareholders meeting.

## **Agreements between ORPEA and CPPIB**

On December 11<sup>th</sup>, 2013, CPPIB and ORPEA entered into an investment agreement, valid for a 10-year period, which includes the following key terms:

- CPPIB will have one representative on ORPEA's Board of Directors as long as it holds at least 8% of the voting rights and two representatives if it holds 16% or more of the voting rights; CPPIB's representatives will sit on all board committees;
- as long as CPPIB holds at least 5% of the share capital, ORPEA will make all efforts to enable CPPIB to subscribe to any share capital increase pro rata to its shareholding in ORPEA;
- CPPIB will be bound by a lock up for 18 months; after the expiration of the lock-up period, CPPIB may seek the cooperation of the Company to carry out trade sales or private placements of significant amounts;
- ORPEA will not issue any securities giving access to the share capital for a period of 9 months at a price below €40.34 per share; and
- ORPEA granted to CPPIB basic warranties.

On December 11<sup>th</sup>, 2013, CPPIB and ORPEA also entered into an agreement pursuant to which CPPIB irrevocably undertook to underwrite up to €100m of the private placement at a minimum price of €40.34 per share and ORPEA granted to CPPIB, as underwriter of the private placement, certain covenants and warranties in line with market practice.

## Advisors to Dr. Jean-Claude Marian and ORPEA:

- Financial advisor: Canaccord Genuity
- Legal advisor: Bredin Prat

## Advisors to CPPIB:

- Financial advisor: Lazard
- Legal advisor: Sullivan & Cromwell LLP

## About CPPIB ([www.cppib.com](http://www.cppib.com))

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in London and Hong Kong, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At September 30, 2013, the CPP Fund totalled \$192.8 billion.

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## About ORPEA ([www.ORPEA-corp.com](http://www.ORPEA-corp.com))

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

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

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



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*In accordance with Article 211-3 of the General Regulation of the AMF, it is recalled that :*

- the offer does not require a prospectus to be submitted for approval to the AMF.*
- persons or entities referred to in Point 2°, Section II of Article L. 411-2 of the Monetary and Financial Code may take part in the offer solely for their own account, as provided in Articles D. 411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the Monetary and Financial Code.*
- the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Monetary and Financial Code.*

*No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction where such steps would be required. The issue, the subscription for or the purchase of ORPEA's shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. ORPEA assumes no responsibility for any violation of any such restrictions by any person.*

*This announcement is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4th, 2003, as amended, in particular by Directive 2010/73/UE in the extent such Directive has been transposed in the relevant member State of the European Economic Area (together, the "Prospectus Directive").*

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