ORPEA
LA VIE CONTINUE AVEC NOUS

PRESS RELEASE

2009: further buoyant growth in results

- **Revenue:** +20.1%
- **Recurring operating profit:** +21.7%
- **Net profit:** +26.1% **to €61.0m**

Puteaux, 31st March 2010

ORPEA, a leading player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its consolidated results[1] for the financial year to 31st December 2009, examined by the Board meeting of 30th March 2010.

In €m (IFRS)	**2009**	**2008**	**▲%**
Revenue	**843.3**	702.3	*+20.1%*
EBITDAR (EBITDA before rents) [2]	**205.4**	168.1	*+22.2%*
EBITDA [2]	**151.1**	123.6	*+22.2%*
Recurring operating profit	**115.5**	94.9	*+21.7%*
Operating profit	**133.8**	106.9	*+25.1%*
Net profit	**61.0**	48.4	*+26.1%*

[2] includes provisions associated with external charges and personnel expenses

Buoyant growth for all performance indicators

Yves Le Masne, Deputy CEO, commented: "*Results for the 2009 financial year again prove the efficiency of ORPEA's business model that combines buoyant development (3,174 new beds) and solid profitability (recurring operating margin of 13.7%).*
Indeed, the +26.1% increase in net profit shows the relevance of our strategic lines:
- *Quality facilities that meet the expectations of patients, residents and their families, and are acknowledged by local health authorities, thus enabling their occupancy rate to be optimised,*
- *efficient control over operating expenses through the centralisation of support functions,*
- *a real-estate policy that aims to retain ownership of 50% of the Group's assets.*

Parallel to this solid profitable growth momentum, ORPEA also strengthened its financial flexibility in 2009 by improving its main debt ratios.
The Group thus possesses all the necessary assets to record another year of buoyant growth and profitability in 2010, as well as in coming years."

[1] Currently being audited

❑ The recurring operating margin increases to 13.7%

Over 2009, **revenue** increased by 20.1% to €843.3m, based on further value-creating buoyant organic growth (+11.1%) and dynamic external growth.

EBITDAR (EBITDA before rents) totalled €205.4m, up 22.2%, a higher rate of growth than revenue. It thus represented 24.4% of revenue, versus 23.9% in 2008.

Recurring **EBITDA** increased by 22.2% to €151.1m, benefitting from the real-estate policy implemented by ORPEA over the last decade or so that contributes to limiting the increase in rents.
Abroad, the profitability of the Group's activities also improved, with the EBITDA margin increasing from 7.6% in 2008 to 11% in 2009. This performance illustrates the Group's ability to deploy its model abroad, and confirms the relevance of the strategic choice to have a presence in countries with similar regulations to France and with major barriers to entry.

The **Recurring Operating Margin** was 13.7%, versus 13.5% in 2008, despite a large portion of facilities being renovated penalising profitability. The upramping of facilities opened over the last 2 or 3 years and the maintaining of a high occupancy rate in facilities at cruising speed have thus allowed the margin to improve. Over the 2nd half, the margin was 14.3%, versus 13.0% in the 1st half.

Operating profit (EBIT) was up +25.1% at €133.8m. This figure includes a non-recurrent net profit of €18.3m, versus €12.0m in 2008, corresponding essentially to the divestment of buildings.

The net cost of financial debt was €44.9m, versus €42.7m in 2008. It remains under control despite of buoyant growth.

For FY 2009, **net profit** came to €61.0m, an increase of +26.1%.

Wishing to use most of its available net profit for its value-creating development, the Board has however decided to ask the Shareholders' Meeting to approve an increase in the dividend from €0.10 to €0.15.

❑ Real-estate assets(*) worth 1.64 billion euros

Over the 2009 financial year, ORPEA's real-estate portfolio increased by 16 buildings completed or acquired.

Real estate assets under development, consisting of land and buildings under construction, were doped by new assets.

At end-2009, the Group's real-estate portfolio included 176 buildings, 61 of them partially owned, representing a constructed surface area of 650,000 m^2 (out of over a million m^2 of land).
The total value of ORPEA's real-estate portfolio(*) represents €1.64 billion (up 11% over the last 12 months taking into account new buildings that have entered the Group's scope), including:

- €1,250m of operational buildings;
- €390m of buildings currently under construction or being renovated, as well as land.

On a constant scope basis, the appraised value of buildings operational at 31st December 2009 changed little on the previous year.
Within a difficult economic environment that impacted most classes of real-estate assets, this stability reflects the resistance of health facilities vis-à-vis the economic changes, stability increased by the quality and geographical location of the buildings owned by the Group.

ORPEA intends to pursue its real-estate strategy that meets three key objectives:

- record solid margins;
- control its main work tool;
- increase the value of the Group's assets.

(*) Excluding the effect of the €73m of assets in the process of being divested.

Improvement in debt ratios and financial flexibility

The profit recorded over the year and the capital increase carried out in October increased shareholders' equity from €541m to €635m.

The Group's net financial debt(*) stands at €1,295m, and remains limited given the volume of investments carried out over the year.
79% of this debt is hedged against the risk of interest rates fluctuations.

81% of the Group's debt finances real-estate assets.

Thus, with the substantial increase in EBITDA, the Group's main debt ratios improved compared to 31st December 2008:

- financial leverage = 3.07 versus 3.68 (and 5.5 authorised);
- restated gearing = 1.62 versus 1.75 (and 2.2 authorised).

The Group increased its financial flexibility and its ability to pursue further development, notably via:

- two financial operations (a €217m OBSAAR bond issue and a €62.4m capital increase);
- the pursuance of its real-estate asset arbitrage policy, with divestments of €120m;
- an increase in its ability to generate cash flow, with the amount of facilities that have reached cruising speed becoming larger.

(*) Excluding the effect of the €73m of assets in the process of being divested.

2010, 2011 and 2012 guidance reaffirmed

Backed by these excellent performances and the unique visibility provided by its growth reservoir of close to 9,000 beds under construction or being renovated, ORPEA can confidently reiterate its revenue guidance, excluding external growth, for the coming three years of €960m, €1,100m and €1,225m respectively through to 2012, whilst continuing to see solid profitability, growth in operating cash flow and debt ratios under control.

Strategy and outlook

Doctor Jean-Claude Marian, Chairman and CEO, concluded: "*Following a 2009 financial year that again showed ORPEA's ability to create value and to generate a substantial increase in its results, the Group will pursue the deployment of its growth reservoir whilst maintaining its development momentum at around 3,000 beds a year by creating new facilities, by obtaining further authorisations within the framework of requests for proposals and by targeted acquisitions.*
Indeed, in France and in the other European countries in which the Group is present, there is still substantial growth potential associated with the needs inherent to an aging population and an offer that is notoriously insufficient.
The ORPEA group has unique assets to enable it to implement this strategy:

- *knowhow that is acknowledged by all players, from families to Regulatory Authorities;*
- *over 20 years of experience in the deployment of a Quality offer;*
- *the commitment and loyalty of its 15,500 staff;*
- *internal teams devoted to engineering, to construction and to the search for further authorisations, with substantial value added.*

This growth strategy will be accompanied, as always, by the preservation of solid short-, medium- and long-term profitability."

Next press release: revenue for the 1st quarter of 2010,
5th May 2010, before market

About ORPEA (www.orpea.com**)**: Listed on Euronext Paris since April 2002 and recently promoted to the Deferred Settlement Service, the ORPEA group is a leading player in the Long-Term Care and Post-Acute Care sectors. As of March 2010, the Group has a unique European network of healthcare facilities with 28,073 beds (22,556 of them operational) across 300 sites, including:

- 22,892 beds in France: 18,351 operational (including 2,854 being renovated + 4,541 under construction), spread across 252 sites;
- 5,181 beds elsewhere in Europe (Spain, Belgium, Italy and Switzerland): 4,205 operational (including 508 being renovated) + 976 under construction, spread across 48 sites.

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

Investor Relations:

*New*Cap.
Emmanuel Huynh / Steve Grobet
Tel: +33 (0)1 44 71 94 94
orpea@newcap.fr

ORPEA
Yves Le Masne
Deputy CEO
Tel: +33 (0)1 47 75 78 07