ORPEA

LA VIE CONTINUE AVEC NOUS

2010 FIRST-HALF RESULTS

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ORP LISTED NYSE EURONEXT

SUMMARY

1. A favourable environment
2. A social and environmental policy helping create value
3. 2010 first-half results
4. Network development
5. Strategy and outlook

Appendices

A European player in long-term, post-acute and psychiatric care

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Long-and medium-term physical and psychiatric care

- Long-and medium-term physical and psychiatric care
- Long-term care / Secure Alzheimer unit
- Polyvalent and specialist post-acute care facilities
- Psychiatric clinics

A European network

- 28,073 beds on 300 sites
- 18% abroad (Italy, Spain, Belgium and Switzerland)
- 19,194 beds open and operational
- 8,879 beds under construction or being renovated

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Staff

- Over 16,000 people
- A proactive Human Resources policy
- Over 10,000 training courses given each year

Property assets

- Worth €1.7 billion
- 665,000 m² and lands
- Leading locations

A solid history of development and profitable growth

N° of beds H1 2005 – 2010: **+165%** • Revenue H1 2005 – 2010: **+226%** • Recurring EBIT H1 2005 – 2010: **+208%**

1 A FAVOURABLE ENVIRONMENT

Regulatory changes within the sector

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Change	Implementation	Objectives	ORPEA's assets
Creation of ARS (Regional Health Agencies)	– A single authority for health and medico-social care	– A single go-between	– Setting up of organisations within ARS underway
Requests for proposals	– Transparent requests for proposals for all new EHPAD projects	– Increase in transparency – Importance of a project's financing abilities	– Gradual implementation – Initial requests for proposals in early 2011
Inclusion of drugs in care coverage packages	– Medication included in care coverage packages and management by EHPAD	– Increased professionalisation – Securing of the medication circuit	– Experimentation underway – Implementation in 2011 or 2012
Post-Acute Care bill	– Overhaul of PAC & Physical Therapy activities on a shared basis, with variations by speciality	– Increased specialisation	– Dossiers currently being examined within ARS to allocate specialisations – Advantages for modern facilities with a substantial technical platform

Increase in transparency and professionalisation

Project to overhaul the financing of dependency care (5th risk)

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► Reminder of the current per diem price in long-term care facilities

- ✓ **Accommodation (70%):** paid by the resident
- ✓ **Care (20%):** paid by National Health Insurance
- ✓ **Dependency (10%):** paid by the local authority (APA) or the resident

► Sharp increase in APA beneficiaries*

- ✓ **At 30th June 2008, 1.117m beneficiaries**
  - **61% at home**
  - **39% in specialised facilities**
- ✓ **Increase over 5 years (from June 2003 to June 2008): +54%**

► Financing ideas being examined

- ✓ **Setting up of mandatory Dependency insurance or incentives to acquire such insurance**
- ✓ **Redistribution of help in favour of the middle classes**

➡ **Increase in available funding**

**Source: DREES study n 710 – November 2009*

Consolidation of the sector

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Sustained demand over the long term

- Increase in the number of over 85s:
  - ✓ +66% between 2008 and 2015 (from 1.2m to 2m)
- Insufficient n° of beds:
  - ✓ estimated shortfall of 20,000 to 25,000 EHPAD beds (+30,000 to 50,000 to totally restructure)

+

Increasing solvency

- Total average cost of a stay in EHPAD:
  - ✓ €45,000 / €55,000
  - ✓ 20 months x €2,200 / €2,600 inc. VAT per month*
- Average assets of those 85 and over:
  - ✓ €110,000 / €170,000 (IGAS government study)

+

Increased professionalisation and regulations

- Increasingly restrictive norms
- Need for a solid financial ability

→ **Appeal and consolidation of the sector**

→ **Fact: in France, as with the rest of Europe, the substantial reduction in the State's financial means inevitably implies relying on private financial means**

**average monthly accommodation costs in France*

The ORPEA offer: adapted to regulatory changes

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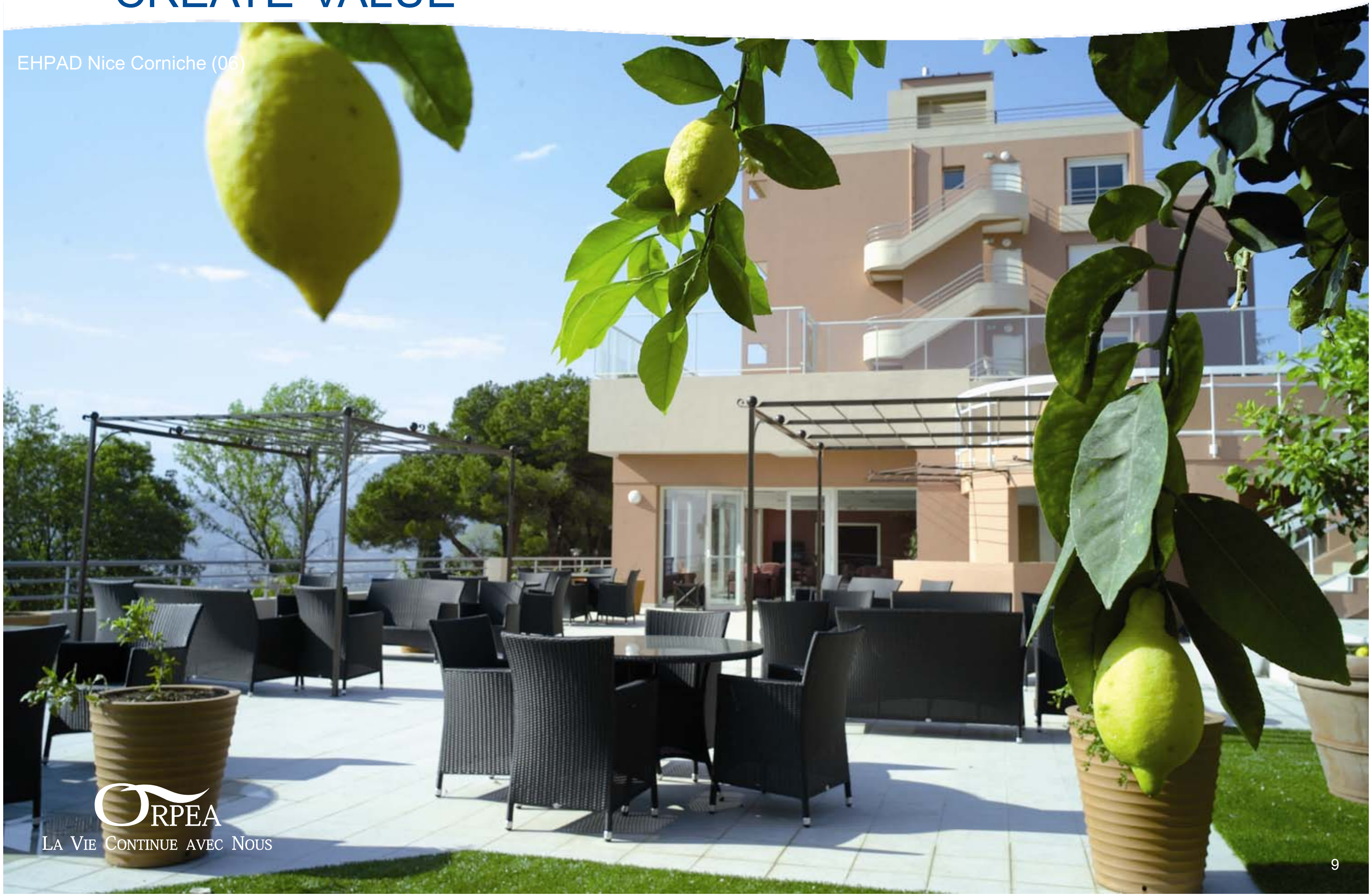
Change	The ORPEA offer
Creation of ARS: strengthening of the care continuum	– A global offer incorporating physical and psychological dependency care via long- and medium-term stays – Example of a number of sites with PAC and EHPAD
Increase in professionalisation	– Quality: ORPEA's number one objective – A Quality department consisting of 15 people continually seeking to optimise
Post-Acute Care act	– Experience in specialised services
Consolidation of the sector	– Experience in integrating facilities and teams – Financial flexibility

2 A SOCIAL AND ENVIRONMENTAL POLICY HELPING CREATE VALUE



EHPAD Nice Corniche (06)

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ORPEA: winner of the 2010 Green Business award

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- **Green Business award given to ORPEA by Ernst & Young within the framework of the 2010 entrepreneurial awards**

  It rewards a leader:

  - ✓ **who has redirected the company's strategic direction towards these new sustainable growth activities**
  - ✓ **whose company respects growth and profitability economic criteria** (one of the 100 top-performing growth companies, according to *Entreprise* magazine)

- **ORPEA: a multi-criteria "Sustainable Development" approach**
  - ✓ **Social**
  - ✓ **Societal**
  - ✓ **Environmental (vis-à-vis existing and new buildings)**

➡ **A global Sustainable Development policy, anchored in the Group's traditional values, helping create value**

The ability to recruit and motivate teams

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► Long-term employment policy

- ✓ **Job creations:** 750 to 1,000 jobs created each year
- ✓ **Job stability and security:** 81% of staff are on permanent contracts, 84% are fulltime staff


CLINEA

LES ENGAGEMENTS DE L'EQUIPE.

RESPECT

ACCUEIL

ECOUTE

COMPETENCE

CONSCIENCE PROFESSIONNELLE

Clinique de Meyzieu – Lyon Lumière

► A fair wage and motivation policy

- ✓ **Variable pay:** an objective criteria scale, identical for all directors
- ✓ **Identical profit-sharing for all,** whatever their job and pay
- ✓ **Fair-minded free share plan distribution**: 20 to 40 shares for employees, 100 to 200 for executives and 400 for Upper Management

► An employment policy open to diversity in order to promote equal opportunities

- ✓ **Corporate agreement on the recruitment of older staff** (Sept. 2009)
- ✓ **Corporate agreement on the recruitment of disabled staff** (2008)**: 7.7% of staff in 2009, for ORPEA (vs. 4.73 in 2007)**

Loyal and motivated teams

Long-term team management within the Group

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► Contribute to the building of career paths via skill development:

- ✓ **Promote internal promotion and mobility** (60% of facility directors are the result of this policy)
- ✓ **Develop training that leads to certification: enable those without qualifications to have access to a diploma, and thus to higher pay**
  - Promote “VAE” (*Validation des Acquis de l’Expérience* / Professional experience credited towards a degree)
  - Creation of an *Institut de Formation d’Aide Soignants* (orderlies training institute) within the Group: DOMEA
  - Create partnerships with prestigious universities (ESSEC and Paris V universities for managers, Paul Bocuse institute and Grégoire Ferrandi school for cooks, etc.)

► Provide quality working conditions

- ✓ **Corporate agreement on preventing work-related stress and other psychological risks (Feb. 2010):** ORPEA classified as “green” by the Ministry for Employment (traffic light method)
- ✓ **Training that focuses on wellbeing and health at work (2010 DIF* catalogue)**
- ✓ **New or recently-renovated facilities**

➡ **A value-creating investment improving the quality of care, as well as the expertise and loyalty of our staff**

***DIF: individual right to training**

Societal commitment: some examples

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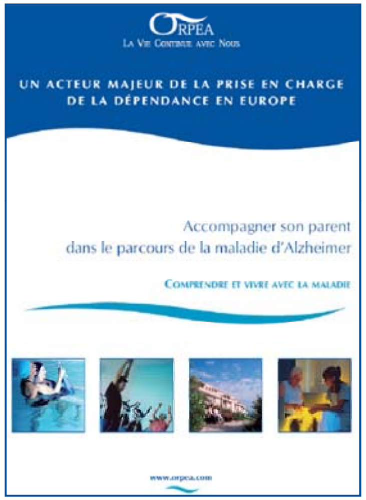
► **Help therapeutically educate the general public**

- ✓ **Provide therapeutic information, prevention and education days for family helpers and elderly people who live at home**: offer advice from our doctors and nurses on how to grow old and how to support a friend or family member



► **Help bring different generations closer together via the “*Printemps des Générations*”:**

- ✓ **Regional projects to create intergenerational ties through local charity actions:** help young people in difficulty and give them a real chance to integrate society using our elders' values

Become part of the local fabric in order to increase the appeal of our facilities

An environmental approach for existing facilities

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- **Responsible investment choices for the management and maintenance of existing facilities**
  - ✓ **Adapt energy consumption to actual requirements**
    - Installation of sensors to detect people in bathrooms and other areas frequented at irregular intervals
    - Installation of clocks on lights in technical premises
  - ✓ **Combine energy savings and quality of life within our facilities for residents, patients and staff**
    - Thermostatic mixers

Objective: reduce energy bills and CO_2 emissions

An environmental approach for new buildings

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- **Our new projects take into account the following:**
  - ✓ **Ecological building criteria:** orientation of the building vis-à-vis the sun's path in the sky, accessibility of the building, use of natural materials found near the site, etc.
  - ✓ **Eco management and mastering of renewable energy criteria:** depending on the situation, wood burner, solar energy, recycling of rain water, etc.

➡ **Limit the impact of our constructions on the outside environment and guarantee healthy and comfortable living conditions inside our facilities**

- **Adopt an environmental charter for the Group's new buildings based on:**
  - ✓ **H&E (Habitat & Environment) certification:** Frame of reference developed by Cerkal for EHPAD facilities in order to promote the benefits of comfort and maintaining autonomy for residents and ease of use for nursing staff.
  - ✓ **BBC® (*Bâtiment Basse Consommation*, or low energy consumption building) energy performance certification:** 6 criteria to meet out of 7: Environmental management of the operation, Clean building site, Reduction in greenhouse gases, Constructive channels / choice of material, Water, Comfort and health, Green actions

➡ **All of ORPEA's new EHPAD projects are built in accordance with BBC® certification**

Example of an ongoing BBC® construction

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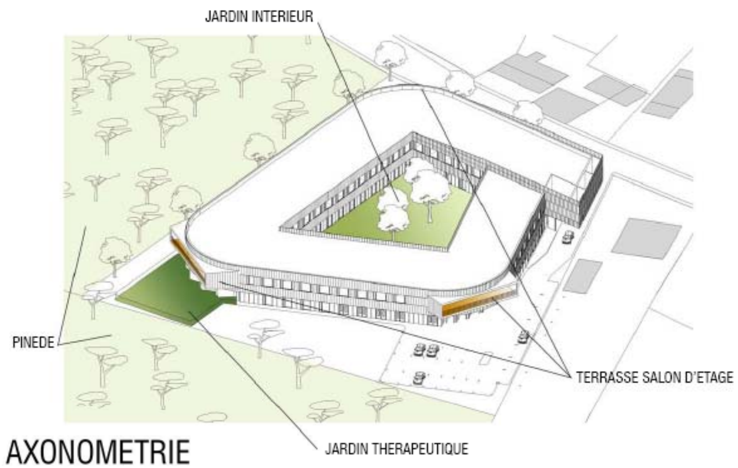
► In the Gironde (SW France): Project to demolish and rebuild an 88-bed EHPAD facility

► Taking into account of the site's environmental aspects:

- ✓ Natural light
- ✓ Use of non-polluting material
- ✓ Natural ventilation of premises
- ✓ External insulation reinforced for optimal thermal stability
- ✓ Wood-burning heating system
- ✓ Solar-heated hot water



Pending building permit

Example of an ongoing construction

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► **Clamart – Total renovation of a 74-bed EHPAD facility**

- ✓ Thermal insulation from the outside
- ✓ Condensing gas boiler (+10% performance compared to standard boilers)
- ✓ Air/water heat pump with variable output (low consumption)
- ✓ Dual-flow ventilation, with CO_2 probe to adjust the flow depending on whether people are present
- ✓ Low-consumption fan coils
- ✓ Lighting with sensors and limited to 10W/m², and outside lighting with photocells
- ✓ Green (plant-covered) terrace

Before

Ongoing construction

Example of an ongoing construction

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► **Montpellier – Construction of a 75-bed EHPAD**

✓ 120 m² of roof solar panels for heating water

ORPEA: socially responsible growth

3 2010 HALF-YEAR RESULTS

Achievements above targets

2010 TARGETS	2010 HY ACHIEVEMENTS
Sales growth: €960m ***+13.8%***	**€469m** ***+16%***
Strong organic growth	***+9%***
Maintain strong Recurring Operating Margin	**Current operating result** ***+19%***

2010 HY: further solid and dynamic growth

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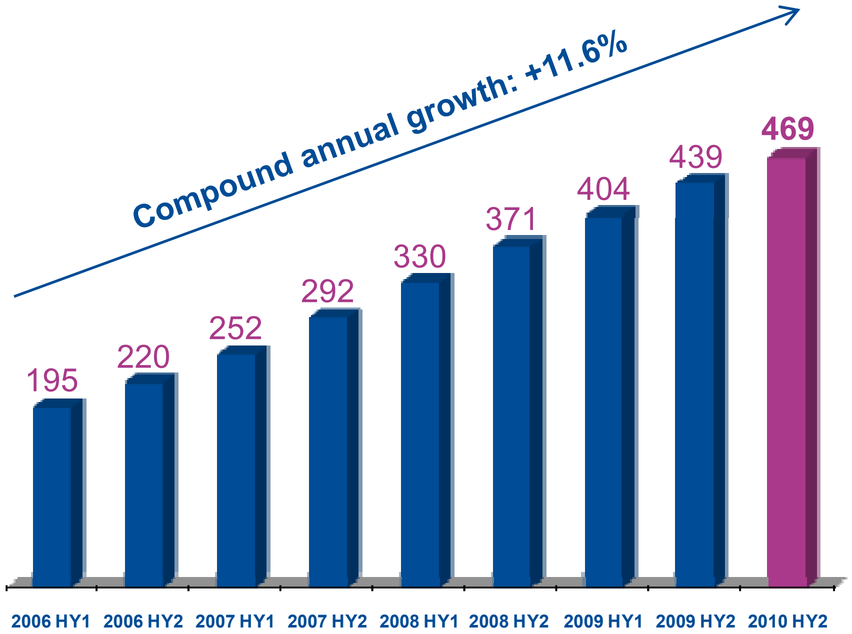
- **2010 HY Sales : €469.2m**
- **2010 HY Organic growth: +9%**

in €m	2010 HY	2009 HY	%
France	**413.3**	351.9	*+17.4%*
	88%	*87%*	
International	**55.9**	52.1	*+7.3%*
	12%	*13%*	
Belgium	27.1	23.8	
Spain	14.7	14.0	
Italy*	8.6	9.6	
Switzerland	5.4	4.8	
Total	**469.2**	404.0	*+16.1%*

* Sale of a building in Italy in 2009

- **Half-year sales (€m)**



Solid momentum with strong organic growth and secured external growth

The limited examination procedure are currently underway

Profitable and dynamic development

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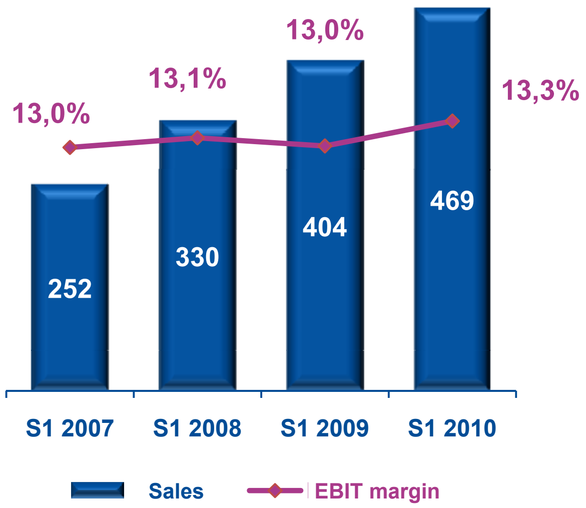
in €m	2010 HY	2009 HY	▲ %
Sales	469.2	404.1	*+16.1%*
EBITDAR (EBITDA before rents)	112.9	95.2	*+18.6%*
Recurring EBITDA	82.9	70.7	*+17.3%*
Recurring EBIT (Rec. Ope. Profit)	62.5	52.6	*+18.8%*
EBIT (Operating Profit)	72.3	62.1	*+16.4%*
Financial result	-24.4	-22.2	*(+9.9%)*
Net profit (group)	32.5	29.5	*+10.2%*

** Taking into account the option taken in H2 2009 for the application of revised IFRS3: resulting charge of €0.6m net of tax*

► **Sales (€m) and current operating margin growth over 4 years**



Solid and lasting organic growth sustained by controlled external growth

The limited examination procedure are currently underway

Operating profit

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in €m	2010 HY	2009 HY	▲ %
Sales	**469.2**	404.1	***+16.1%***
Staff costs	-237.7	-205.6	***+15.6%***
Expenses	-93.9	-81.0	***+15.9%***
Taxes and duties	-22.5	-20.7	***+8.8%***
Other costs and products	-2.1	-1.5	*N.S.*
EBITDAR (EBITDA before rents)	**112.9**	95.2	***+18.6%***
	24.1%	*23.6%*	
Rents	-30.1	-24.6	***+22.3%***
Recurring EBITDA (Rec. Ope. Profit)	**82.9**	70.7	***+17.2%***
Amortizations and depreciations	-20.3	-18.1	***+12.4%***
Recurring EBITDA (Rec. Ope. Profit)	**62.5**	52.6	***+18.8%***
	13.3%	*13.0%*	
Non recurring items	9.8	8.6	*N.S.*
EBIT (Operting profit)	**72.3**	61.2	***+18.2%***

The limited examination procedure are currently underway

Geographical breakdown of profitability

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in €m	2010 HY			2009 HY		
	Sales	Recur. EBITDA	% Sales	Sales	Recur. EBITDA	% Sales
France	**413.3**	**77.6**	***18.8%***	351.9	66.1	*18.8%*
Spain	**14.7**	**0.5**		14.0	0.2	
Italy	**8.6**	**0.8**		9.6	0.8	
Belgium	**27.1**	**3.1**		23.8	2.7	
Switzerland	**5.4**	**1.1**		4.8	0.8	
International	**55.9**	**5.5**	***9.8%***	52.1	4.5	*8.6%*

Recurring Ebitda: Recurring operating profit before amortization and depreciation

New increase of the international profitability

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Strengthened financial structure

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	in €m	30 June 2010	31 Dec. 2009
Assets	**Fixed assets**	**2,791**	**2,670**
	Goodwill	210	204
	Intangible assets	797	775
	Tangible assets & inventories	1.746	1,662
	Others non current assets	38	29
	Current assets	**235**	**309**
	Of which available & marketable securities	*49*	*135*
	Assets held with a view to being sold	*94*	*82*
	Total assets	**3,119**	**3,061**
Liabilities	**Shareholders' equity and infinite deferred tax**	**882**	**861**
	Shareholders' equity	658	642
	Deferred tax (Quasi shareholders equity)	225	219
	Fixed liabilities	**1,496**	**1,450**
	Other deffered tax liabilities	240	236
	Provisions for risks and charges	27	34
	Long-term financial debt	1,230	1,180
	Current liabilities	**647**	**668**
	Of which short-term debt (bridge loans)	*248*	*115*
	Debt linked to assets held with a view to being sold	*94*	*82*
	Total liabilities	**3,119**	**3,061**

The limited examination procedure are currently underway

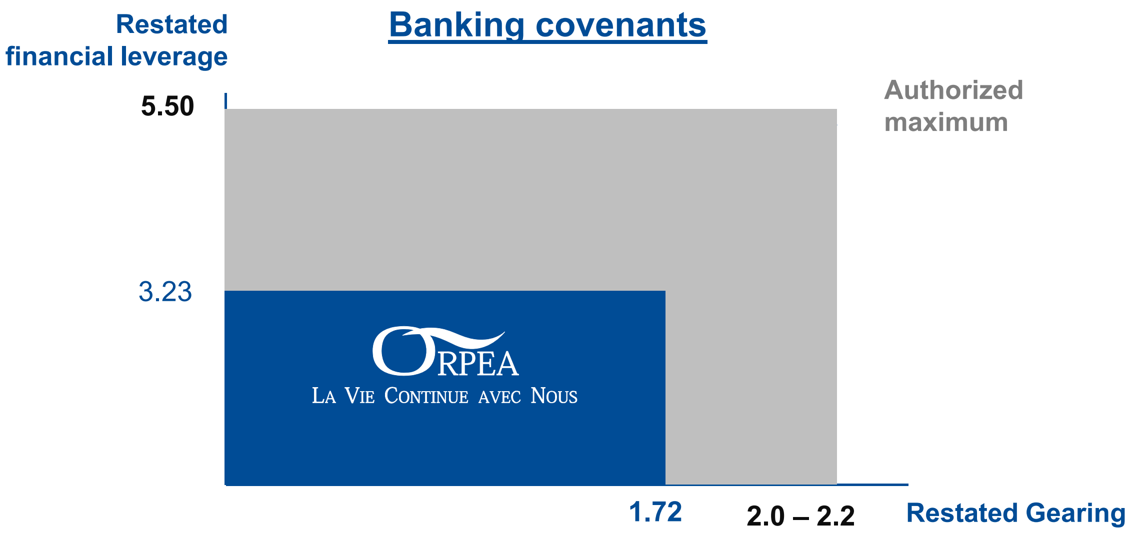
Debt ratios

Indicators	30.06.10	31.12.09
Net financial debt*	1,429	1,303
Restated financial leverage [1]	3.23	3.03
Restated gearing [2]	1.72	1,62

[1] $\frac{\text{Net financial debt – Property debt}}{\text{Ebitda – (6\% Property debt)}}$

[2] $\frac{\text{Net financial debt}}{\text{Shareholders equity + quasi equity}}$

Banking covenants



** excluding the effect of assets currently being divested for €94m*

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Ambitious investments for secured growth

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in €m	2010 HY	2009 HY
New cash flow from operating activities	**44.8**	41.6
Net investment cash flow	**-157.3**	-98.9
Net financing cash flow	**25.8**	48.2
Change in cash position	**-86.7**	-57.3
Cash at the end of the period	**48.7**	-44.6

Investments dedicated to strong sustainable growth of EBITDA:
Change over 5 years (H1 2010 / H1 2005): +208%

The limited examination procedure are currently underway

Operations: Activity and debt

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Assets

- Network of 28 073 beds
  - ✓ 19,194 operational
  - ✓ 3,362 operational but to be renovated
  - ✓ 5,517 under construction
- Value of intangible assets: €797m

Liabilities

- Financed by medium-term 5 to 7-year loans
- Hedged by derivatives: swaps
- Net operating debt: 292 M€

2012 secured sales = €1,225m

Network of high-potential beds, partially valued as assets
(authorisations obtained by the Group not incorporated in the Balance sheet)

The limited examination procedure are currently underway

Real-estate activity and debt






Assets

- **Operating property: 665,000 m²**
  out of more than a million m² of land
  Secure and saleable assets, not especially vulnerable to fluctuations in the property market
- **186 buildings among which 68 held partially**
- **Building land**
  + building under construction (€404m)
  1,200 beds due to open in 2010
  + 8,000 beds under construction or renovation
- **Asset value*: €1,746m**

Liabilities

- **Financed by leases and long-term loans (12 years)**
- **Property development credit lines**
  - ✓ **Exit via finance leases**
  - ✓ **sale to property investment companies or "LMP, LMNP, SCELLIER"**
  - ✓ **sale to institutional investors**
- **Net property debt*: €1,138m**

These real estate assets, operational and under development, will allow the Group to maintain solid profitability and increase its network of operational beds by 50% over the coming 3 years

* Excluding Excluding the effect of assets in the process of being divested

Property financing strategy

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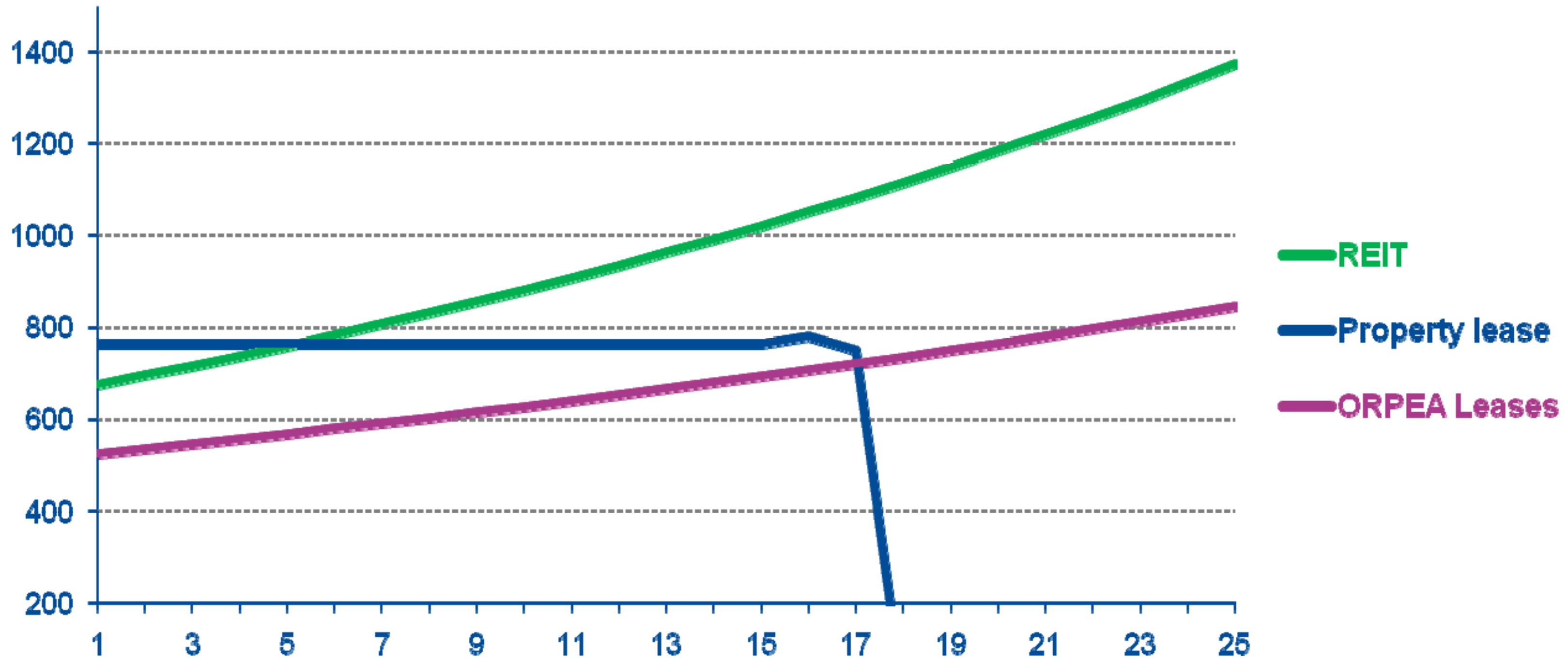
- **Assumptions adopted: cost of financing of a €10m property over 25 years**
  - ✓ 15-year property leasing with a residual value of 15% spread over 2 years
  - ✓ "REIT" rent with rent indexing of 3% (average Construction Cost Index over the last 10 years: 3.5%)
  - ✓ 70% of ORPEA leases



The property leasing financing strategy has never been so advantageous

The limited examination procedure are currently underway

IFRS: reforming the writing down of rents

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- **Issue**:
  - ✓ IAS 17 is very old and no longer meets requirements
  - ✓ Lack of comparability: different writing down of transactions that are similar in substance
  - ✓ Analysts “adjust” balance sheets for comparability reasons
- **Objective**: increase the transparency and readability of companies’ accounts by treating rents and financing leases (property) similarly
- **Schedule**: Exposure Draft published in August 2010, standard publication planned for 2011, potential application for 2013
- **Modification of the Balance Sheet**:
  - ✓ Increase in debt: capitalisation via rent increases (fixed or variable)
  - ✓ Increase in fixed assets: same amount in the form of the right of use
- **Modification of the P&L statement**: EBITDAR = EBITDA
  - ✓ Rent is substituted by an amortisation of the right of use and financial charges
  - ✓ Increase in EBITDA margins, but also in financial charges

IFRS: reforming the writing down of rents

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- **Impact on the presentation of accounts:**
  - ✓ **Proportional to the volume of standard rents before the application of the norm**
  - ✓ **Increase in property assets and financial debt in the medium and long term**
  - ✓ **Comparability of different groups' accounts independently of their property strategy**

- **Impact on corporate strategy:**
  - ✓ **Decrease in the advantages of outsourcing, as debt subsists in the balance sheet**

- **Reminder of ORPEA's strategy:**
  - ✓ **Own 50% of their real estate assets**
  - ✓ **Standard rents benefit from favourable yields (< 6%)**

➡ **A reform that favours companies that have a large amount of buildings, and that will incite them to retain a larger proportion of their assets and thus increase their wealth in the long term**

4 NETWORK DEVELOPMENT

EHPAD Neuilly-sur-Seine (92)

Uninterrupted growth momentum for 10 years

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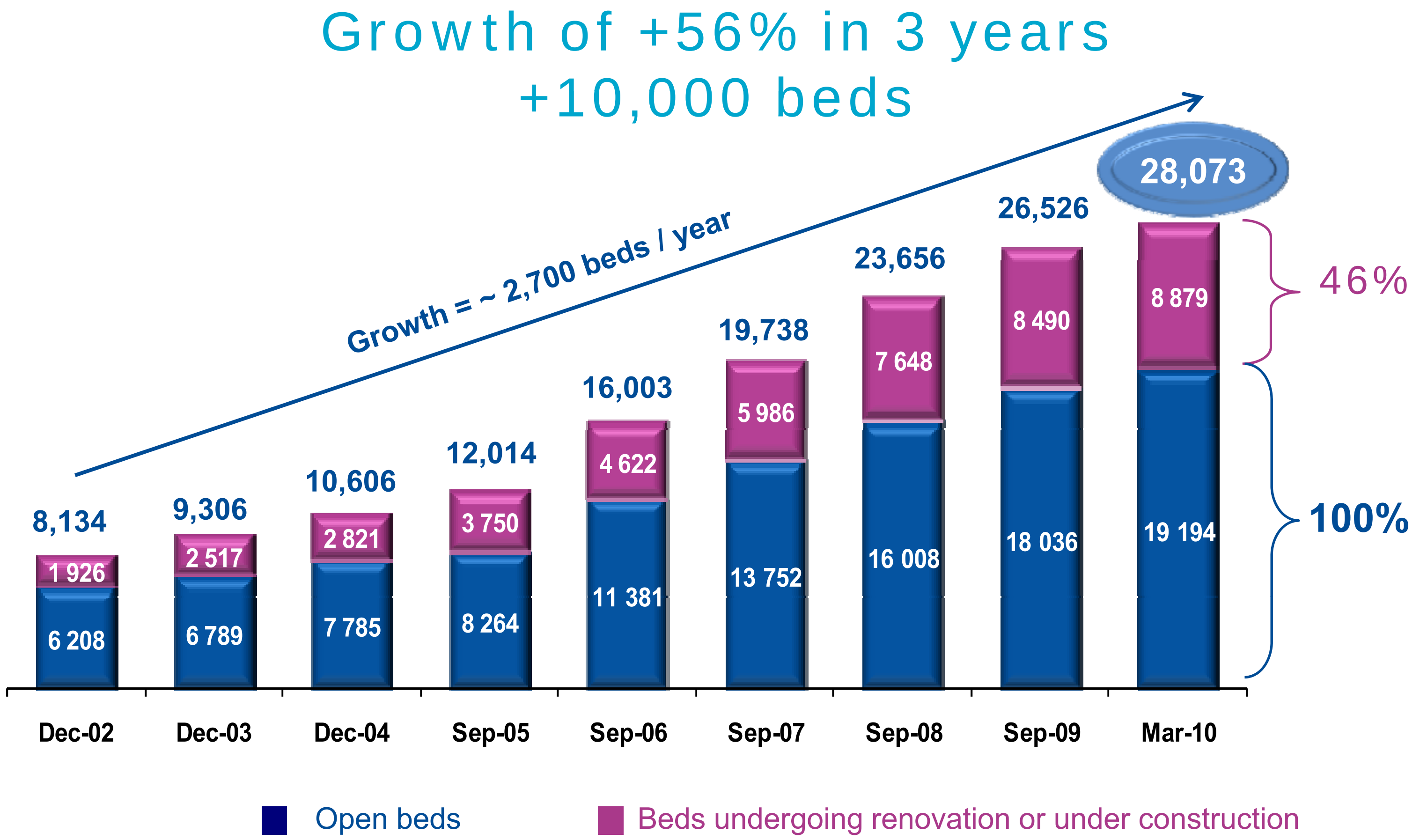

Growth reservoir: 8,879 beds undergoing renovation or construction

Total of 28,073 beds representing €1.225 billion in secured revenue in 2012

Future development announced on 12 October 2010

A European and modern network

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28,073 beds and 300 facilities in 5 countries

France

- Facilities: 252
- Beds: 22,892

Belgium

- Facilities: 19
- Beds: 2 ,090

Spain

- Facilities: 16
- Nb de beds : 1,776

Italy

- Facilities: 11
- Beds : 1,150

Switzerland

- Facilities: 2
- Beds : 165

2010 H1 openings: 4 facilities

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Openings of 4 long-term care facilities (371 beds)

Toulouse Crampel
(31)
long-term care facility:
83 beds



Carbon Blanc
(33)
long-term care facility:
82 beds



Brasles
(02)
long-term care facility:
128 beds



Soubise
(17)
long-term care facility:
78 beds



2010 H2 openings: 10 facilities

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▶ Accelarating openings with 10 facilities (883 beds)

Neuilly sur Seine
(92)
Long-term care facility:
135 beds

Limoges
(87)
Long-term care facilitiy:
97 beds

Chartres
(28)
Long-term care facility:
108 beds

Loos les Lille
(59)
Psychiatric Clinic:
50 beds

Nice
(06)
Long-term care facility:
78 beds

Sevrier
(06)
Psychiatric Clinic:
75 beds

Marseille
(13)
Long-term care facility:
85 beds

Sainte Terre
(33)
Long-term care facilitiy:
75 beds

Charleville Mézières
(08)
Long-term care facility:
80 beds

Asnières
(92)
Post-acute care clinic:
100 beds

Ongoing development projects

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► **More than 20 development projects: construction, renovation, extension**

La Garenne Colombes
(92) request for proposal
long-term care facility:
103 beds

Meaux
(77)
Post-acute care clinic:
90 beds

Nantes
(44)
long-term care facility:
98 beds

Paris
(75)
Post-acute care clinic:
90 beds

Roquebrune Cap Martin (06)
long-term care facility:
110 beds

Osny
(95)
Post-acute care clinic:
41 beds

Le Cannet
(06)
long-term care facility:
110 beds

Meyzieu
(69)
Post-acute care clinic:

Success in the call for tenders for the EHPAD related to a key project of the Paris city hall: Clichy-Batignolles district

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- **Clichy Batignolles is one of the largest urban projects instigated in the French capital presented to the general public on 18th September 2010**
  - ✓ Development of a new district covering 54 hectares
  - ✓ Creation of an animated living area with social and generational diversity
  - ✓ Integration of accommodation, offices, shops, public services and an EHPAD
  - ✓ Environmental issues taken into account.
  - ✓ A 10-hectare park open on the city

- **Organisation of a call for tenders for the establishment of an EHPAD facility**

- **ORPEA wins the call for tenders: creation of a 125-bed EHPAD facility**

5 STRATEGY AND OUTLOOK

Clinique SSR, Asnières-sur-Seine (92)

Pursuance of a profitable growth strategy

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Buoyant organic growth	Integration of 8,879 beds undergoing renovation and construction	2012 secured sales: €1,225m
Profitability and cash flow	Upramping of mature facilities International: priority given to profitability	Growth in profits
Development	Priority given to authorisations Selective acquisitions	~ 3,000 beds per year Value creation
Real estate	Ownership of 50% of facilities Divestment by letting of furnish property, direct sales	Expansion Value creation

Embedded growth of +45% over the coming 3 years

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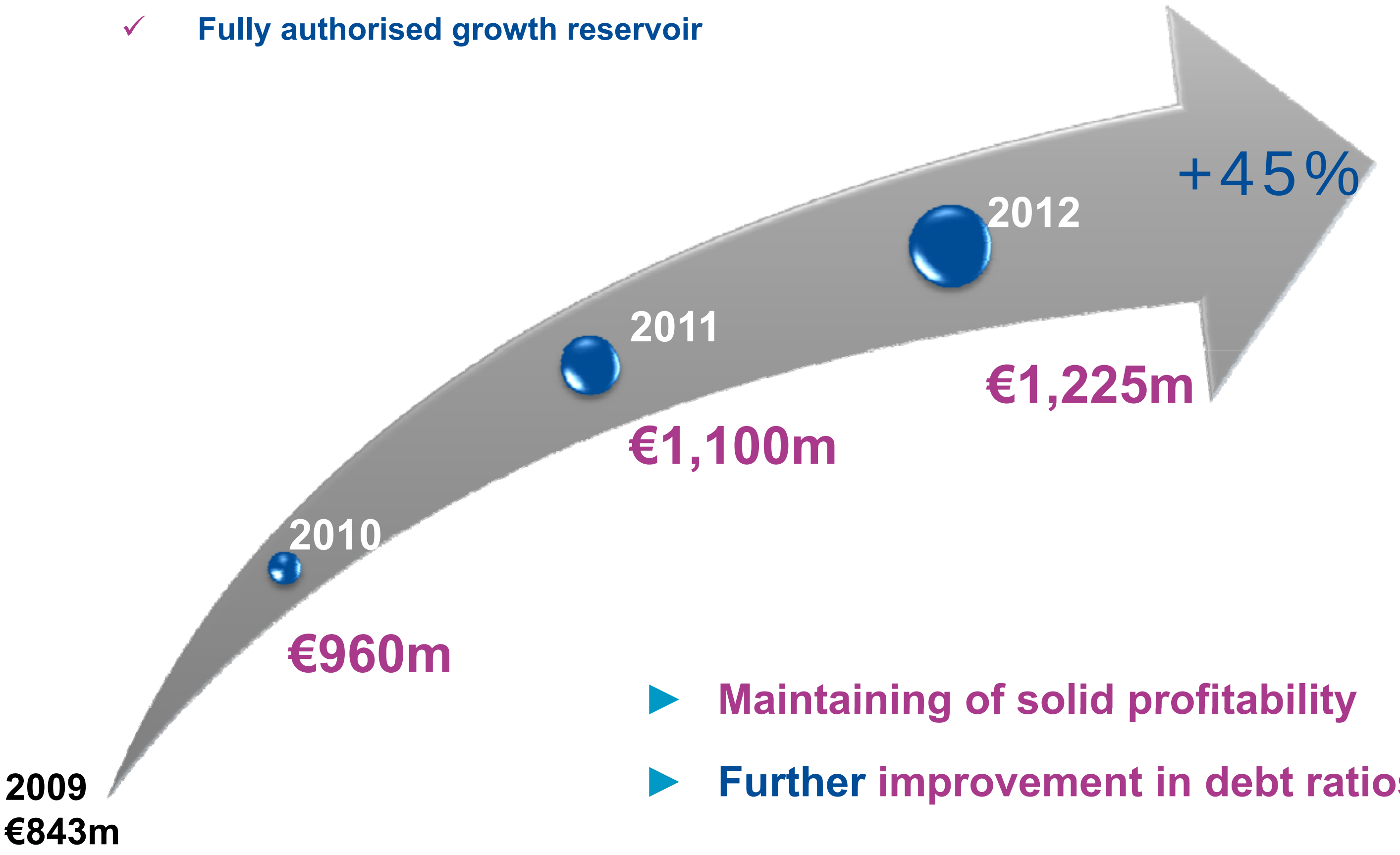
- **Unique visibility ensuring a strong increase in revenue**
  - ✓ **Not-including further developments**
  - ✓ **Fully authorised growth reservoir**



- **Maintaining of solid profitability**
- **Further improvement in debt ratios**

APPENDICES

EHPAD Marseille Saint Luc (13)

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A sector that remains fragmented in France

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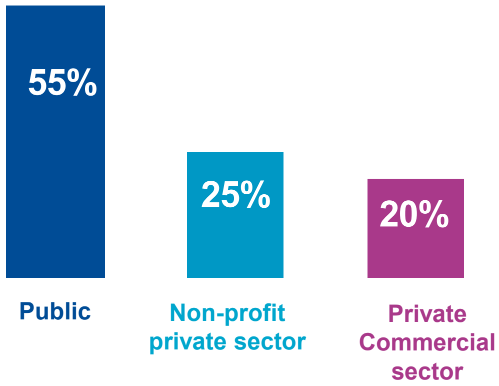
► **Low representativity of the private commercial sector:**
On of a total of 540,000 beds



2001-2005 changes:
- ✓ Public sector: -1.5%
- ✓ Non-profit private sector: +3.5%
- ✓ Private Commercial sector: +7.0%

As a reminder:
- ✓ UK: 70% for Private Commercial Sector
- ✓ Spain: 50% for Private Commercial Sector

► **A Private Commercial sector that is still fragmented**

► 5 major groups (> 4,000 beds)

Group	Number of beds in France	Number of beds abroad	Total
DOMUS VI / DOLCEA	15,555	1,989	*17,544*
ORPEA	**12,010**	**3,946**	***15,956***
KORIAN	10,106	5,943	*16,049*
MEDICA	7,636	1,428	*9,064*

Source:"Mensuel des Maisons de Retraite," (Monthly Professional Newspaper) ***JANUARY 2010****

► 15 mid-sized groups (between 500 and 4,000 beds)

► 800 individual owners (including 700 with between 5 and 40 beds)

** for ORPEA, total number at last count (01.03.10): 28,073 beds (22,892 beds in France and 5,181 beds abroad), including post-acute, rehabilitation and psychiatry)*

Growing demand but an offer that remains insufficient

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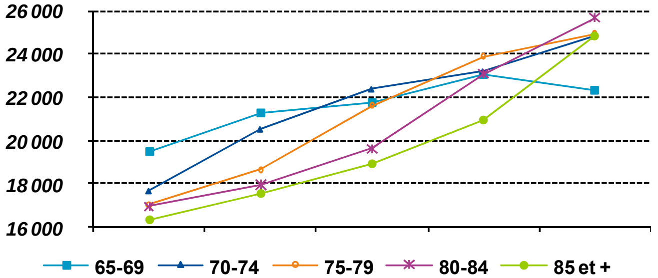
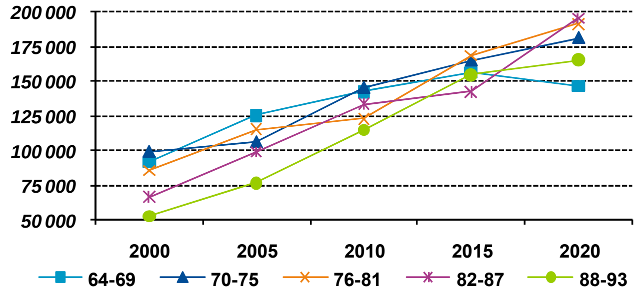
- **Promising long-term trends for the dependency sector:**
  - ✓ Increase in the number of people aged over 85: +66% between 2008 and 2015 (from 1.2m to 2m)
  - ✓ Shorter and shorter stays in surgery (development of post-acute care)
  - ✓ A sharp rise in people affected by mental deficiency (i.e. Alzheimer’s)
- **Solvent demand:**
  - ✓ Potential increase in revenue of +45% between 2005 and 2020 for over 85s
  - ✓ Increase in the average assets of elderly people
  - ✓ Little sensitivity to price changes associated with Quality

Change in global annual income by age bracket
(in 2000 / euros per consumer unit)



Change in median wealth by age bracket
(in 2000 / euros per household)



Source: research by Kervasdoué, Chair of Health Services Management and Economy at the CNAM

- **An offer that is insufficient given requirements:**
  - ✓ Lack of qualified and continuously-trained staff
  - ✓ Insufficient number of beds: shortfall estimated at 20 / 25,000 EHPAD* beds (+30,000 to 50,000 to totally restructure)

A high-visibility sector

** EHPAD : “Établissement pour Personnes Âgées Dépendantes” = Facilities for elderly dependent people*

Per diem price setting

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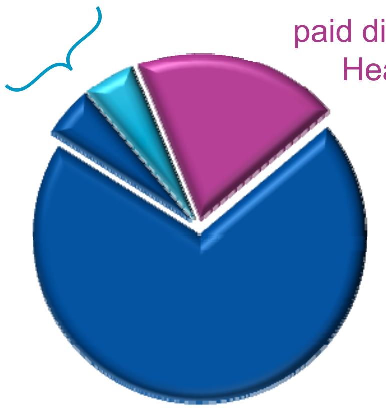
► Long-Term Care facilities

Dépendance : 10%

- ✓ Dependent on the level of dependency and resources
- ✓ Mostly paid by the Local Authority ("APA") with a small portion paid by the resident

Care: 20%
paid directly by National Health Insurance



Accommodation:

- ✓ **70% paid directly by the residents**

Average per diem price for accommodation in a French facility: €70 (outside Paris and Paris area)

► Post-Acute Care clinics

Single room sup.:

- ✓ 20% paid directly by patients and/or private health insurance

Care & accommodation (in a double bedroom)**:**

- ✓ 80% paid directly by National Health Insurance

ORPEA and the stock exchange

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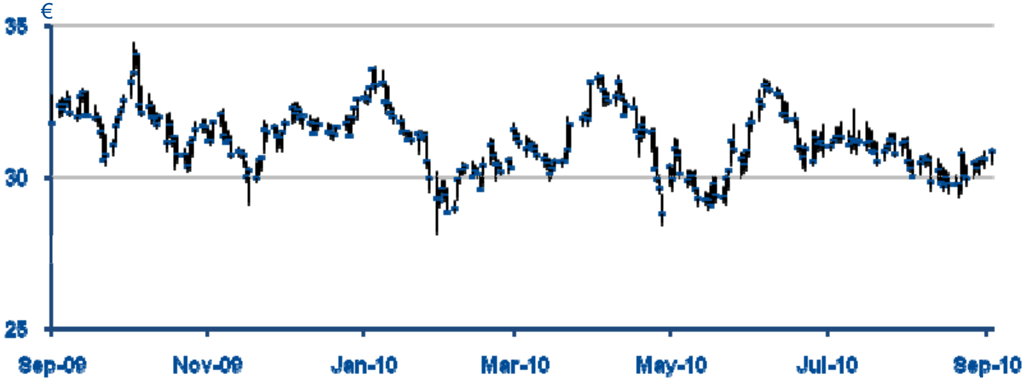
▶ Market data (last 12 months) :

- ✓ Average daily volume: 61,930 shares
- ✓ Price: €30.84
- ✓ High (12 months): €34.42
- ✓ Low (12 months): €28.16
- ✓ Turnover: 41% in 12 months
- ✓ Mkt Cap: €1,198m
- ✓ Nb of shares: 38,851,872



Data at 13 sept. 2010

▶ Indices:

- ✓ Compartment A of Euronext Paris by NYSE Euronext
- ✓ Member of SBF 120
- ✓ Member of SRD

ORP LISTED NYSE EURONEXT

▶ Financial calendar*:

- ✓ H1 2010 sales: 12.10.2010 (before market opening)

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**Subject to modifications*