ORPEA
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INTERIM FINANCIAL REPORT

Period from 1 January 2015 to 30 June 2015

This financial report has been prepared in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article L. 222-4 of the AMF General Regulations.

It will be distributed in accordance with applicable procedures. It is available on the Company's website: www.orpea-corp.com.

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French *Société Anonyme* with a Board of Directors – Registered capital of €75,228,573

Registered office: 115 rue de la Santé – 75013 Paris

1. INTERIM BUSINESS REPORT

1.1 – EXPANSION AND NETWORK

In line with its expansion trends outside France in 2014, ORPEA completed two new strategic transactions in first-half 2015 with the acquisition of the SeneCura, a Group of nursing homes in Austria and the Czech Republic and the acquisition of the German group of post-acute and rehabilitation care and psychiatric facilities Celenus Kliniken. These two groups represent new development platforms for the Group.

Acquisition of SeneCura in Austria

In March 2015, ORPEA acquired SeneCura, the leader of private dependency care in Austria, which is also establishing operations in the Czech Republic.

Established in 1998, SeneCura is a family group which has expanded significantly in the last 10 years thus enabling it to offer a comprehensive rage in Dependency care: nursing homes (day care facilities, Alzheimer units, temporary accommodation), rehabilitation clinics, and home care and services.

At end-2014, SeneCura had a unique network of 55 facilities, comprising 4,236 beds, breaking down as follows:

- Austria: 3,936 beds (52 facilities), of which 480 under construction;
- Czech Republic: 300 beds (three facilities) under construction.

In 2014, SeneCura generated revenue of €125 million. Benefitting from a growth pipeline of 780 beds, the Group has already secured revenue of €180 million for 2018, corresponding to a 44% increase.

SeneCura's offering and model are similar to ORPEA's:

- a care and services offering renowned for its quality;
- a private room ratio of approximately 70%;
- recent buildings, mostly built after 2003; located in the heart of cities or urban centres;
- a mixed property policy, combining full ownership, financial leases with a purchase option and operating leases.

This acquisition enabled ORPEA to roll-out operations in a country with high purchasing power, where new facility requirements are significant and where regulations are complex.

Building on an experienced management team, an established contact network, in particular with health authorities, and a sound reputation in terms of quality and innovation, SeneCura aims to:

- strengthen its position in Austria across all dependency care business lines;
- become the industry leader in the Czech Republic by creating facilities that meet the Group's standards;
- optimise profitability by leveraging ORPEA's centralisation skills.

This acquisition was paid for entirely in cash and funded using ORPEA's cash. It was consolidated by ORPEA as of 1 April 2015.

Acquisition of Celenus Kliniken in Germany

In July 2015, ORPEA acquired Celenus Kliniken, Germany's 3rd ranked private sector group, specialising in post-acute and rehabilitation care and psychiatry (somatic and mental disorders), from funds advised by AUCTUS.

Founded in 2010, Celenus Kliniken has a network of 15 facilities (+1 day clinic), representing 2,602 open beds.

Alongside the SilverCare network acquired in 2014, Celenus is a perfect complement for the services ORPEA deployed in this sector in Germany and across all countries: global dependency care, both physical and mental, in the medium and long term.

The Celenus network and care offering thus perfectly meet the ORPEA Group's criteria:

- an offering renowned for its expertise and quality;
- a very high private room ratio of 90%;
- large facilities with over 160 beds on average, in high purchasing power Federal States (80% of the facilities are in Saxony and Baden Württemberg);
- proven management with extensive expertise of the post-acute and psychiatric care sector throughout Germany, both in terms of mergers and acquisitions, and in the management of healthcare facility operations.

Supported by ORPEA's business development and real estate teams, the growth strategy will be shaped around 3 pillars:

- organic growth: improving occupancy rate in certain facilities and building up relationships with local surgical groups;
- selective external growth: acquisition of complementary independent facilities or medium-size groups;
- real estate strategy: ownership of property assets.

This acquisition was paid for entirely in cash and funded using ORPEA's cash. It will be consolidated by ORPEA as of 1 July 2015.

Network of 60,936 beds/615 facilities

Including the acquisitions of SeneCura and Celenus Kliniken, the ORPEA network has 60,936 beds spread across 615 facilities.

	Number of facilities	Number of beds	% No. of beds		of which operational beds excluding beds under redevelopment	of which beds under redevelopment	of which beds under construction
France	354	32,792	53.8%		28,861	1,572	2,359
Belgium	61	7,217	11.8%		4,421	600	2,196
Spain	22	3,468	5.7%		3,468	0	0
Italy	15	1,553	2.5%		1,161	60	332
Switzerland	27	2,696	4.4%		2,021	0	675
Germany	81	8,974	14.7%		8,447	0	527
Austria	52	3,936	6.5%		3,456	0	480
Czech Republic	3	300	0.5%		0	0	300
TOTAL	615	60,936	100.0%		51,835	2,232	6,869

With 28,144 beds outside France, representing 46% of the network, ORPEA reaffirms its desire to grow its international footprint.
Orpea has a significant growth pipeline, with 9,101 beds under construction or refurbishment.

1.2 – Strong revenue growth

The Orpea Group, a market leader in long-term and short-term dependency care in Europe through a network of nursing homes, post-acute and psychiatric care facilities, delivered 26.0% revenue growth in first-half 2015.

In €m – IFRS	H1 2015	H1 2014	▲%
France	788.2	732.9	*+7.5%*
% of total revenue	*70%*	*82%*	
International	334.2	157.7	*+111.9%*
% of total revenue	*30%*	*18%*	
Belgium	77.6	82.3	
Spain	31.4	24.5	
Italy	22.2	20.1	
Switzerland	62.3	30.8	
Germany	105.4	0.0	
Austria	35.3	0.0	
Consolidated revenue	1,122.4	890.6	*+26.0%*
O/w organic growth[1]			*+5.7%*

Revenue growth ramped up in first-half 2015, notably through international acquisitions:

- Senevita in Switzerland in first quarter 2015;
- SilverCare in Germany over the entire first half 2015;

[1] *Organic growth reflects the following factors: 1. the growth in revenue (in period N vs. period N-1) of existing facilities as a result of changes in their occupancy rates and daily rates, 2. the growth in revenue (in period N vs. period N-1) of restructured facilities or those with capacity increased during period N or N-1, and 3. Revenue generated in period N by facilities set up in period N or N-1. Organic growth includes the improvement in sales recorded at recently-acquired facilities by comparison with the previous equivalent period.*

– SeneCura in Austria as of second quarter 2015.

In addition to this external growth momentum, the Group maintained a strong organic growth, up 5.7%, driven by the opening of 1,350 beds (14 facilities) in the half year, and the solid performance of its long-standing facilities.

This growth in Group revenue, both in France and abroad, is driven not only by considerable demand fuelled by an ageing population, but also a general lack of high-quality supply to meet this demand, as well as the specific attractiveness of Orpea's facilities. They are all recent buildings built by the Group to the highest quality standards, located in town centres or very close by, and they offer a large number of private rooms. All of these features help to fully meet residents' and patients' expectations in terms of comfort and well-being.

► ACTIVITY IN FRANCE IN FIRST-HALF 2015

Orpea Group's activities in France continued to grow, with revenue up 7.5% over the half to €788.2 million, representing 70% of the Group's consolidated revenue.
This performance stemmed from solid organic growth and selective external growth, reflected this half in:

- the opening of five new modern facilities with over 80 beds, either new-builds or major redevelopments and located in attractive areas (Andernos, Joinville-le-Pont, Loos, etc.);
- resilient occupancy rates in mature facilities made possible by the high-quality of care, accommodation, catering and other services provided by our facilities;
- a few acquisitions of facilities requiring restructuring or consolidation;
- the integration of home support services through the DOMIDOM et ADHAP Services networks.

► ACTIVITY ABROAD IN FIRST-HALF 2015

In line with its strategy, the Group continued to expand its international business, in particular on the back of the acquisition of Senevita in Switzerland, SilverCare in Germany and SeneCura in Austria, consolidated as from second quarter 2015. International revenue more than doubled to €334.2 million in first-half 2015, compared with €157.7 million in the same period of 2014.

In **Belgium**, the Group's revenue amounted to €77.6 million, compared with €82.3 million in first-half 2014, due to significant restructuring of facilities.

In **Spain**, half-year revenue amounted to €31.4 million, a 28.1% increase compared with first-half 2014. This strong performance can be attributed to the existing facilities, of which three quarters are located in Madrid and from the acquisition completed on 1 July 2014 (five facilities representing 810 beds and 100 day places).

In **Italy,** half-year revenue rose 10.5% to €22.2 million, from €20.1 million in 2014. This increase followed the ramp-up of the 180-bed geriatric complex in Turin, the Richelmy home that opened in 2014, and the opening of a 100-bed nursing home in Verdello in the half-year.

In **Switzerland**, revenue amounted to €62.3 million over the half, compared with €30.8 million the previous half-year. This 102.3% increase in revenue is due to several factors: excellent performance of the long-standing medical and social care facilities and the contribution of Senevita over the entire half-year in 2015 compared to only the second quarter of first half-year in 2014. In addition, the appreciation of the Swiss franc also had a positive impact on revenue.

In **Germany**, revenue stood at €105.4 million. This resulted from the acquisition of SilverCare on 1 July 2014. In the half-year, SilverCare opened two facilities and an extension totalling 216 beds.

In **Austria**, revenue amounted to €35.3 million, following the consolidation of SeneCura as from 1 April 2015. At end-2014, SeneCura had a network of 52 facilities, representing 3,936 beds in Austria (including 480 under construction) and 300 beds under construction the Czech Republic and therefore have no incidence in this half-year.

1.3 SOLID MARGINS IN FIRST-HALF 2015

In €m - IFRS	Application of IFRIC 21		Without application of IFRIC 21	
	H1 2015	H1 2014	H1 2015	H1 2014
Revenue	1,122.4	890.7	1,122.4	890.7
EBITDAR[2]	303.6	236.9	310.0	243.8
Recurring EBITDA[3]	184.6	157.0	191.0	163.9
Recurring EBIT	138.9	117.8	145.3	124.7
EBIT	151.4	144.5	157.9	151.4
Net finance cost	(48.1)	(47.9)	(48.1)	(47.9)
Change in the Fair Value of the entitlement to the allotment in ORNANE bonds	(19.5)	(23.2)	(19.5)	(23.2)
Pre-tax profit	83.8	73.4	90.3	80.3
Net profit	55.4	45.8	59.4	50.1

The new accounting interpretation IFRIC 21 (IAS 37) entails the recognition of the entire annual property tax charge and Corporate Social Solidarity Contribution (C3S) over the first half-year (before this interpretation, they were equally divided between the half-years). It amounted to €6.4 million in H1 2015 and €6.9 million in H1 2014. Therefore it has no impact on the statutory financial statements.

► RECURRING EBIT

EBITDAR (EBITDA before rents) increased by 28.1% to €303.6 million, compared with €236.9 million in first-half 2014.

Without application of IFRIC 21, EBITDAR would have been €310.0 million, a margin representing 27.6% of revenue, up 20 basis points compared with first-half 2014. This performance stemmed from both the solid margin in France and the margin for activities abroad that reached 25.5% compared with 22.8% in first-half 2014.

[2] EBITDAR = EBITDA before rents, including provisions relating to "external charges" and "staff costs"

[3] EBITDA = recurring operating profit before depreciation, amortisation and provisions, including provisions relating to "external charges" and "staff costs"

Recurring EBITDA was up by 17.6% to €184.6 million, compared with €157.0 million in first-half 2014.
Without application of IFRIC 21, EBITDA would have been €191.0 million (+16.6%), a margin representing 17.0% of revenue, compared with 18.4% in first-half 2014, due to the mechanical effect of the rents from the acquired groups.
Operating lease payments totalled €119.0 million, compared with €79.9 in first-half 2014. Three quarters of this increase are attributable to the acquisitions completed in Switzerland, Germany and Austria, where the operating properties are almost exclusively leased. On a like-for-like basis, lease payment fluctuations remained limited to +1.3%.

Recurring EBIT also increased by 17.9% to €138.9 million against a background of sustained expansion since the beginning of the year.
Without application of IFRIC 21, recurring EBIT would have been €145.3 million, representing a 12.9% margin of revenue.

► EBIT

EBIT came to €151.4 million (+4.9%). Other non-recurring income net of other non-recurring expense totalled €12.5 million (compared with €26.7 million in first-half 2014).
Without application of IFRIC 21, operating profit would have totalled €157.9 million, up by 4.3%.

► NET FINANCE COST

Net finance cost was stable at €48.1 million (+0.4%), despite a number of acquisitions in the first-half. This financial cost management was due to the optimisation of the financial structure and the reduction of the average cost of debt.

► PRE-TAX PROFIT

After accounting for the change in the fair value of the entitlement to the allotment in ORNANE bonds (gross amount of €19.5 million in first-half 2015 and €23.2 million in first-half 2014), pre-tax profit amounted to €83.8 million, compared with €73.4 million in first-half 2014, an increase of 14.2%.
Without application of IFRIC 21, pre-tax profit would have amounted to €90.3 million.

► NET PROFIT

The tax charge on the earnings of consolidated companies amounted to €29.9 million, compared with €28.2 million the previous year.
The share in profit of associates totalled €1.4 million over the half-year compared with €0.4 million the previous half-year.
Net profit attributable to owners of the company amounted to €55.4 million in first-half 2015 compared with €45.8 million in first-half 2014, an increase of 20.8%.
Without application of IFRIC 21, the tax charge on the earnings of consolidated companies would have totalled €30.9 million, and net profit, Group share, €59.4 million, compared with €50.1 million in first-half 2014.

1.4 FINANCIAL STRUCTURE, CONSOLIDATED DEBT AND PROPERTY PORTFOLIO

At 30 June 2015, shareholders' equity, Group share, stood at €1,741 million, versus €1,498 million at the opening of the balance sheet. This was due to the performance in the half-year but above of all to the OCEANE conversion in the amount of €180 million.

Net current financial liabilities stood at €2,512 million[4], versus €2,179 million at 31 December 2014, after a half-year which saw significant investments with the acquisition of SeneCura and the development of the property portfolio.

At 30 June 2015, the Group's two key debt ratios were:

- restated financial leverage of property = 2.6 (authorised level 5.5);
- restated debt-to-equity ratio = 1.2 (authorised level 2.0).

The portion of real estate debt of the financial debt increased compared with 31 December 2014, to 75% thus strengthening the financial structure as it linked to high-quality property assets with low volatility and operated by the Group.

The average cost of debt continued to decrease, down to 3.8% in first-half 2015. 90% of medium and long-term net debt is at a fixed rate (initial fixed rate or swap). This will ensure ongoing reduction in the cost of debt to 3.3% by 2019.

In first-half 2015, ORPEA's disposals of property assets stood at €130 million, compared with €76 million in first-half 2014, always with attractive terms as regards rent and indexation.
In line with its strategy to increase its level of property ownership, ORPEA strengthened its portfolio in the first-half of the year through an amount of €298 million[5], namely in Germany and Austria.

At 30 June 2015, Orpea owned 297 buildings: 163 fully (largely financed by property finance leases) and 134 partially (co-owned buildings in which the Group owns a portion of the units mainly intended for the provision of communal services). This portfolio represents a developed area of 1,040,000 sqm (on land of more than 1 million sqm), with a total value of €3,081 million[5].

It is a strategic asset for the Group, comprising modern buildings in prime locations in town centres or large conurbations.

1.5 CASH FLOWS

Net cash provided by operating activities amounted to €117 million in first-half 2015, compared with €102 million the previous half-year, an increase of 14.7%.
Net cash used by investing activities, including building and maintenance expenditure, acquisitions of property and intangible assets, net of property sales, amounted to €381 million

[4] Excluding liabilities associated with assets held for sale, €175 million
[5] Excluding the impact of available for sale assets, €102 million

compared with €298 million in first-half 2014. It includes the acquisition of the SeneCura Group in Austria and the Czech Republic, as well as acquisitions of property assets.
Net cash provided by financing activities came to €104 million compared with €228 million in first-half 2014.
Cash and cash equivalents stood at €462 million at 30 June 2015, compared with €622 million at 31 December 2014.

1.6 SHORT- AND MEDIUM-TERM OUTLOOK FOR ORPEA GROUP

► EVENTS AFTER THE CLOSE OF THE INTERIM FINANCIAL STATEMENTS:

Acquisitions in Germany

After 30 June 2015, ORPEA pursued its expansion policy in Germany through the acquisition of two groups, representing a total of 5,493 beds spread across 63 facilities.

On 21 July 2015, ORPEA announced the signature of an agreement to acquire Residenz Gruppe Bremen (RGB), a German nursing home family group. This network is a perfect complement to enhance SilverCare's territorial grid with its 3,096 beds spread across 38 facilities (including 510 beds under construction).
In 2014, this acquisition generated revenue of €67 million. It will be consolidated as of the fourth quarter of 2015. The acquisition will be funded entirely by the Group's cash.

On 23 September 2015, ORPEA announced the signature of a new acquisition with Vitalis, the German regional nursing home group. The network comprises 2,487 beds spread-out across 25 facilities (including 295 beds under constructions).
Vitalis is expected to generate revenue of €58 million and will be consolidated as of 1 January 2016. The acquisition will be funded entirely by the Group's cash.

Schuldschein-type bond issue for a value of €310.5 million

As part of its strategy of diversifying its funding sources and strengthening its financial flexibility, ORPEA issued a new Schuldscheindarlehen (German debt instrument) in July. This transaction was a great success: the initial amount of €100 million totalled €310.5 million, driven by very strong demand from investors at different maturities at particularly favourable terms and conditions.
This Schuldschein was set-up with BNP Paribas, Helaba - Arkea Banque and Société Générale CIB.

► LONG-TERM VISIBILITY

We are confident in our ability to meet our 2015 targets:

- 22.1% revenue growth to €2,380 million;
- solid margins;
- ongoing reduction in the cost of debt.

With 25 years' experience in long-term care, and thanks to strong growth platforms in eight European countries as well as in China, Orpea now has the resources to take opportunities that may arise, and to thereby continue rolling out its ambitious value creation strategy.

► MAIN RISKS AND UNCERTAINTIES:

The main risks are the same as those presented in Chapter V, section 5, pages 156 to 192 of the 2014 Registration Document filed with the *Autorité des Marchés Financiers* on 19 May 2015 under number D.15-0510.

We are not aware of any significant legal proceedings that may influence the Group's financial position at the balance sheet date.

► RELATED PARTIES:

There has been no material change relative to the information provided in Chapter III, section 4, pages 86 to 93 of the Company's 2014 Registration Document.
Readers should also refer to Note 3.24 of the notes to the consolidated interim financial statements in this report.

2. FINANCIAL STATEMENTS

ORPEA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2015

Orpea SA, French *société anonyme* with a share capital of €75,228,573
Paris Trade and Companies Register No. 401 251 566

Registered office: 115 rue de la Santé, 75013 Paris

Head office: 3 rue Bellini, 92806 Puteaux

Consolidated income statement

in thousands of euros	*Notes*	30 June 2015	30 June 2014 (*)
REVENUE		**1 122 405**	**890 694**
Cost of materials consumed and other external charges		(328 640)	(245 931)
Payroll expenses		(568 386)	(440 500)
Taxes other than income tax		(49 541)	(47 219)
Amortisation and provisions		(45 677)	(39 215)
Other recurring operating income		11 706	2 794
Other recurring operating expense		(2 973)	(2 850)
Recurring EBIT		**138 895**	**117 773**
Other non-recurring operating income	*3.19*	103 020	126 239
Other non-recurring operating expense	*3.19*	(90 488)	(99 522)
EBIT		**151 427**	**144 490**
Financial income	*3.20*	175	171
Financial expenses	*3.20*	(48 276)	(48 033)
Net finance cost		**(48 101)**	**(47 862)**
Change in FVO (*)	*3.12*	(19 500)	(23 200)
PRE-TAX PROFIT		**83 826**	**73 429**
Income tax expense	*3.21*	(29 861)	(28 170)
Share in profit (loss) of associates and joint ventures	*3.4*	1 370	382
NET PROFIT		**55 337**	**45 640**
Attributable to non-controlling interests		(19)	(193)
Attributable to owners of the Company		55 357	45 833
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY excluding change in net FVO (€12.1m)		**67 447**	**60 217**
Number of shares		60 182 859	55 514 786
Basic earnings per share (in euros)		0,93	0,90
Diluted earnings per share (in euros)		0,89	0,88

(*) 2014 comparable data has been restated to reflect the retrospective application of IFRIC 21 on tax.
The impact on recurring operating profit in first-half 2015 was -€6.4 million compared with -€6.9 million in first-half 2014. After taking the tax impact into account, i.e. €2.4 million and €2.6 million respectively, without application of IFRIC 21, net profit - Group share, excluding change in net FVO would have been €71.5 million in first-half 2015, compared with €64.5 million in first-half 2014.

(**) FVO: Fair Value of the entitlement to the allotment of shares in ORNANE bonds

The notes are an integral part of the consolidated financial statements.

Statement of comprehensive income

in thousands of euros		30 June 2015	30 June 2014 (*)
Net profit for the period	***a***	**55,357**	**45,833**
Exchange differences on translating foreign operations		26,619	
Available for sale financial assets			
Cash flow hedges		26,880	(29,277)
Share of other comprehensive income of associates			
Tax effect on other items of comprehensive income		(10,214)	11,125
Total items that may be reclassified subsequently to profit or loss	***b***	43,285	(18,152)
Total comprehensive income after reclassification items	***a+b***	**98,642**	**27,681**
Actuarial gains or losses		10,607	137
Gains on property revaluation			
Tax effect on items that will not be reclassified to profit or loss		(3,897)	(52)
Total items that will not be reclassified to profit or loss	***c***	6,710	85
Comprehensive income after items that will not be reclassified	***a+b+c***	**105,352**	**27,766**
Other items of comprehensive income (after tax)	***b+c***	**49,995**	**(18,067)**
Comprehensive income	***a+b+c***	**105,352**	**27,766**

(*) 2014 comparable data has been restated to reflect the retrospective application of IFRIC 21 on tax.

CONSOLIDATED BALANCE SHEET

in thousands of euros	Notes	30 June 2015	30 December 201
Asset	*Notes*		
Goodwill	*3.1*	710 108	677 270
Net intangible assets	*3.2*	1 732 191	1 543 579
Net property, plant & equipment	*3.3*	2 547 191	2 197 996
Properties under construction	*3.3*	533 454	584 532
Investments in associates and joint ventures	*3.4*	52 721	51 371
Non-current financial assets	*3.5*	47 349	46 227
Deferred tax assets	*3.21*	31 366	28 100
Non-current assets		**5 654 380**	**5 129 075**
Inventories		6 550	6 625
Trade receivables	*3.6*	125 209	104 558
Other assets, accruals and prepayments	*3.7*	329 428	224 024
Cash and cash equivalent	*3.11*	462 450	621 906
Current assets		**923 636**	**957 112**
Assets held for sale		**175 369**	**200 000**
TOTAL ASSETS		**6 753 385**	**6 286 187**

Liability	*Notes*	30 June 2015	30 December 201
Share capital		75 229	69 460
Consolidated reserves		1 360 769	1 081 919
Revaluation reserve		249 188	225 812
Net profit for the period		55 357	120 777
Equity attributable to owners of the Company	*3.9*	**1 740 542**	**1 497 968**
Non-controlling interests		376	379
Total equity		**1 740 918**	**1 498 347**
Non-current financial liabilities	*3.11*	2 579 643	2 479 025
Change in the fair value of the entitlement to the allotment in ORNANE bonds	*3.12*	49 493	29 993
Provisions	*3.10*	78 317	50 645
Post-employment and other employee benefits obligation	*3.10*	39 509	46 136
Deferred tax liabilities	*3.21*	826 647	790 096
Non-current liabilities		**3 573 609**	**3 395 894**
Current financial liabilities	*3.11*	394 586	321 669
Provisions	*3.10*	23 503	19 177
Trade payables	*3.14*	251 222	234 217
Tax and payroll liabilities	*3.15*	256 091	244 490
Current income tax liability		4 091	3 579
Other liabilities, accruals and prepayments	*3.16*	333 996	368 816
Current liabilities		**1 263 489**	**1 191 947**
Liabilities associated with assets held for sale		**175 369**	**200 000**
TOTAL EQUITY AND LIABILITIES		**6 753 385**	**6 286 187**

The notes form an integral part of the financial statements.

Consolidated statement of cash flows

in thousands of euros	*Notes*	30 June 2015	30 June 2014 (*)
Operating activities			
• Net profit for the period		55,357	45,833
• Elimination of non-cash items related to operating activities (**)		36,966	25,489
Cost of debt	*3.20*	48,101	47,862
• Gains on disposals not related to operating activities, net of tax		(11,727)	(17,265)
Cash generated by consolidated companies		**128,697**	**101,919**
• Change in operating working capital requirements			
- Inventories		116	345
- Trade receivables	*3.6*	(3,441)	(8,040)
- Other receivables	*3.7*	663	4,208
- Tax and payroll liabilities	*3.15*	11,960	19,704
- Trade payables	*3.14*	14,943	6,995
- Other liabilities	*3.16*	(35,484)	(23,223)
Cash flow from operating activities		**117,454**	**101,908**
Investing and development activities			
• Acquisition of property assets		(352,403)	(214,096)
• Disposals of property assets		129,947	76,183
• Acquisitions of other non-current assets used in operations		(158,051)	(160,068)
Cash flow from investing and development activities		**(380,507)**	**(297,981)**
Financing activities			
• Capital increases	*3.9*	2,797	1,298
• Dividends paid to shareholders of the parent company	*3.9*		
• Additions to (repayments of) bridging loans and bank overdrafts	*3.11*	47,544	338,453
• Additions to finance leases	*3.11*	156,823	27,795
• Additions to other debt	*3.11*	248,496	97,852
• Repayments of other debt	*3.11*	(263,433)	(110,234)
• Repayments of finance leases	*3.11*	(40,526)	(78,862)
• Cost of debt and other movements	*3.20*	(48,104)	(47,862)
Cash flow from financing activities		**103,597**	**228,440**
Change in cash and cash equivalents		**(159,456)**	**32,367**
Opening cash and cash equivalents		621,906	468,351
Closing cash and cash equivalents		**462,450**	**500,718**
Breakdown of closing cash and cash equivalents		**462,450**	**500,718**
• Short-term investments	*3.11*	32,950	40,381
• Cash	*3.11*	429,500	460,337
• Bank overdrafts			

The notes form an integral part of the financial statements.

(*) 2014 comparable data has been restated to reflect the retrospective application of IFRIC 21 on tax.

(**) Mainly depreciation, amortisation, provisions, deferred tax, share in profit (loss) of associates, excess of acquisition cost over fair valued assets and liabilities acquired restructuring costs and non-recurring costs incurred on acquisition of facilities.

Consolidated equity

Statement of changes in consolidated equity

in thousands of euros except for number of shares	Number of shares	Notes	Share capital	Share premiums	Revaluation reserves	Other reserves	Profit or loss	Dividends	Total Attributable to owners of the	Non-controlling interests	Total
31 December 2013	**55,476,991**	**0**	**69,346**	**473,042**	**224,776**	**531,297**	**113,911**	**0**	**1,412,374**	**979**	**1,413,353**
Change in fair value of properties					21,458	637			22,095		22,095
Post-employment benefit obligation						(1,233)			(1,233)		(1,233)
Financial instruments					(24,815)				(24,815)		(24,815)
Other					4,392				4,392		4,392
Fair value changes recognised in other comprehensive income			**0**	**0**	**1,036**	**(597)**	**0**	**0**	**439**	**0**	**439**
Appropriation of net profit						75,077	(113,911)		(38,834)		(38,834)
2014 net profit							120,777		120,777	(85)	120,692
Exercise of stock options									0		0
Exercise of share warrants	89,419		112	3,079					3,191		3,191
Exercise of OCEANE bonds	1,483		2						2		2
Capital increase									0		0
Other						19			19	(516)	(497)
31 December 2014	**55,567,893**	**0**	**69,460**	**476,121**	**225,812**	**605,797**	**120,777**	**0**	**1,497,967**	**379**	**1,498,346**
Change in fair value of properties									0		0
Post-employment benefit obligation					6,710				6,710		6,710
Financial instruments					16,666				16,666		16,666
Translation adjustments						26,619			26,619		26,619
Other									0		0
Fair value changes recognised in other comprehensive income			**0**	**0**	**23,376**	**26,619**	**0**	**0**	**49,995**	**0**	**49,995**
Appropriation of net profit				(35,000)		111,322	(120,777)		(44,454)		(44,454)
Profit or loss 1S2015							55,357		55,357	(19)	55,337
Exercise of stock options									0		0
Exercise of share warrants	78,378		98	2,699					2,797		2,797
Exercise of OCEANE bonds	4,536,588		5,671	173,226					178,897		178,897
Capital increase									0		0
Other						(17)			(17)	17	0
30 June 2015	**60,182,859**	**0**	**75,229**	**617,046**	**249,188**	**743,721**	**55,357**	**0**	**1,740,542**	**376**	**1,740,918**

NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2015

Notes to the condensed consolidated financial statements

Amounts are expressed in thousands of euros unless otherwise stated

The Orpea Group's 2015 condensed interim consolidated financial statements were approved by the Board of Directors on 21 September 2015.

1. SIGNIFICANT ACCOUNTING POLICIES

ORPEA S.A. is a French company with its registered office at 115 rue de la Santé, Paris. It is the parent company of a Group that operates long-term care homes for the elderly and short-term post-acute and psychiatric care facilities.

Accounting standards

As required by European regulation 1606/2002 dated 19 July 2002, the Orpea Group's 2015 condensed interim consolidated financial statements have been prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) as adopted by the European Union and mandatory on the closing date of those financial statements.

They include International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), all of which are available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

These condensed interim consolidated financial statements for the six months to 30 June 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting", which permits the disclosure of selected information in the notes. They should be read in conjunction with the 2014 consolidated financial statements.

The accounting methods described below have been applied consistently in all financial years presented in the consolidated financial statements.

The significant accounting policies used to prepare the Orpea Group's condensed interim consolidated financial statements are identical to those used to prepare the consolidated financial statements at 31 December 2014. They are described in the consolidated financial statements drawn-up on the same date, except for standards and interpretations adopted by the European Union and that are mandatory for fiscal years as from 1 January 2015, such as:

- 2011-2013 annual improvements, with no impact on the financial statements;
- IFRIC 21: "Levies".

The Group did not apply any new standards or interpretations which were not obligatory on 1 January 2015.
The Group is currently analysing any potential impacts on the financial statements.
The only seasonal effect is the number of days in operation, which is slightly lower in the first half of the calendar year than the second.

The consolidated financial statement and its notes are presented in euros.

Application of IFRIC 21

The Group's financial statements at 30 June 2014 were restated to reflect the application of IFRIC 21 "Levies" as of 1 January 2015.

Further to the retrospective application of IFRIC 21 "Levies", the 2014 interim consolidated financial statements were restated in order to obtain comparable data.

The new interpretation of IFRIC 21 requires that tax charges due to public authorities be recognized on the date they are due to be paid. For instance, these liabilities may no longer be deferred in the interim financial statements unless the actual payment is deferred itself. This interpretation mainly affects the Group's French property tax. The application of this interpretation had a negative impact of €4.0 million on net profit – Group share in first-half 2015 (i.e. -€6.4 million on recurring EBIT and €2.4 million on income tax) compared with a negative impact of €4.3 million on net profit – Group share in first-half 2014 (i.e. -€6.9 million on recurring EBIT and €2.6 million on income tax). However, it did not have any material impact on the statutory financial statements.

2. SCOPE OF CONSOLIDATION

Revenue for the first half of 2015 rose by 26% or €232 million compared with first-half 2014.

The Group has expanded through both organic growth and acquisitions.

Organic revenue growth came to 5.7% in the first half.

During the half-year, the Group opened new facilities in France and abroad following the completion of construction or redevelopment works initiated in prior years, representing a total of 645 beds and breaking down as follows:

France:

- five long-term care facilities in the 16th arrondissement of Paris, Andernos les Bains, Loos, Joinville and Saint-Denis-de l'Hôtel,

Germany

- three facilities located in Oetigheim, Schweindorf and Moordorf.

Orpea also continued its external growth policy with the acquisition of the following existing or planned facilities:

- in France:
  - goodwill of a long-term care facility located in Châteauneuf Villevieille,
  - two psychiatric clinics located in Remoulins and Cateau Cambresis;

- in Belgium: two residential homes located in Ostende and Louvain;

- in Italy: a residential home in Bergame;

- in Austria: 52 facilities comprising nursing homes, rehabilitation clinics and home care and services.

ORPEA has also strengthened its network of home care services.

Finally, the Group also made ad hoc acquisitions, either directly or via companies, of standalone assets necessary for its expansion, comprising intangible rights and operating properties.

In first-half 2015, the Group invested €119 million in acquisitions and took over financial liabilities totalling about €128 million.

Based on a provisional estimate of the fair value of assets acquired, the total investment on the acquisition date can be summarised as follows:

	Number of facilities	Number of beds	Operating licenses	Goodwill and intangibles not yet allocated	Properties
			(in € millions)	(in € millions)	(in € millions)
France	3	152	15	10	0
International	55	4,609	147	0	173
Italy	*1*	*100*	*4*		*15*
Switzerland					
Germany					
Austria	*52*	*4,236*	*128*		*158*
Belgium	*2*	*273*	*15*		
Spain					
Total	58	4,761	162	10	174

Deferred tax liabilities recognised in respect of these acquisitions amounted to about €43 million.

In the first half of 2014, total investments on the date of consolidation were:

	Number of facilities	Number of beds	Operating licenses	Goodwill and intangibles not yet allocated	Properties
			(in € millions)	(in € millions)	(in € millions)
France	14	977	61	34	12
International	22	2,202	88	47	9
Italy					
Switzerland	*21*	*2,094*	*84*	*47*	
Belgium	*1*	*108*	*4*		*9*
Spain					
Total	36	3,179	149	81	21

3. NOTES TO THE FINANCIAL STATEMENTS

3.1 – Goodwill

The main movements during the year were as follows:

	France	International	Total
Opening goodwill, net	341,376	335,895	677,270
Previous goodwill adjustments	(780)	24,086	23,305
Business combinations	9,533		9,533
Closing goodwill, net	**350,129**	**359,981**	**710,108**

The following CGU groups represent significant goodwill:

	30 June 2015	31 December 2014
MEDITER MIEUX VIVRE sub-group acquired in 2010	87,652	87,652
SENEVITA sub-group	62,768	48,465
SILVERCARE sub-group	208,214	193,636
Other	351,475	347,517
Closing goodwill, net	**710,108**	**677,270**

No other CGU group accounts for more than 5% of total goodwill at the end of the period.

3.2 – Intangible assets

The following table shows the main intangible assets and accumulated amortisation:

	30/06/2015			31/12/2014		
	Gross	Amort. Prov	Net	Gross	Amort. Prov	Net
Operating licences	1,765,647	4,146	1,761,502	1,579,272	4,145	1,575,127
Advances and downpayments	5,008		5,008	6,161		6,161
Other intangible assets	57,909	18,836	39,073	53,445	15,608	37,837
Intangible assets held for sale	(73,391)		(73,391)	(75,546)		(75,546)
Total	1,755,173	22,981	**1,732,191**	1,563,332	19,753	**1,543,579**

At 30 June 2015, "Operating licences" comprised the licences to operate facilities in France, Belgium, Italy, Switzerland and Austria considered to have an indefinite useful life.

The following CGU groups represent significant licence values:

	30 June 2015	31 December 2014
MEDITER MIEUX VIVRE sub-group acquired in 2010	196,080	195,674
SENEVITA sub-group	101,909	84,232
SENECURA sub-group	128,238	
Other	1,335,275	1,295,221
Net operating licences at end of period	**1,761,502**	**1,575,127**

No other CGU group accounts for more than 5% of total "Operating licences" at the end of the period.

Amortisation of other intangible assets is recognised in profit or loss under "Depreciation, amortisation and provisions".

Impairment losses are recognised in "Other non-recurring operating expense".

There was no objective evidence of potential impairment requiring a revaluation test on goodwill and intangible assets as at 30 June 2015.

The following table shows the movement in intangible assets by type (net):

	Operating licences	Advances and downpayments	Other	Intangible assets held for sale	Total
At 31 December 2013	**1,387,760**	**6,801**	**45,152**	**0**	**1,439,714**
Increase	11,147	2,758	1,589		15,494
Decrease	(11,186)	(500)	940		(10,746)
Amortisation and provisions			(2,829)		(2,829)
Reclassifications and other	8,051	(2,898)	(7,764)	(75,546)	(78,157)
Changes in scope	179,354		749		180,103
At 31 December 2014	**1,575,127**	**6,161**	**37,837**	**(75,546)**	**1,543,579**
Increase	7,652	2,871	1,654		12,177
Decrease	(5,345)		(368)		(5,713)
Amortisation and provisions			(384)		(384)
Reclassifications and other	22,298	(4,025)	(716)	2,155	19,712
Changes in scope	161,771		1,050		162,821
At 30 June 2015	**1,761,502**	**5,008**	**39,073**	**(73,391)**	**1,732,191**

Changes in the scope of consolidation are primarily the result of the acquisition of the SENECURA Group, in the amount of €128 million.

Advances and downpayments recognised as intangible assets mainly comprise prepayments made under contractually agreed acquisitions of operating licences.

"Other intangible assets" include €28.4 million in operating licences acquired in Spain in 2012.

3.3 – Property, plant and equipment

3.3.1 – Changes in property, plant & equipment including those under construction

The following table shows the main items of property, plant and equipment, including those in the course of construction, and accumulated depreciation:

	30/06/2015			31/12/2014		
	Gross	Amort. Prov	Net	Gross	Amort. Prov	Net
Lands	819,984	2,832	817,152	798,992	2,831	796,161
Buildings	2,064,325	396,695	1,667,630	1,754,242	359,487	1,394,755
Technical installations	294,424	175,010	119,413	240,889	153,784	87,105
Properties under construction	534,705	1,251	533,454	585,783	1,251	584,532
Other property, plant & equipment	129,953	84,979	44,974	123,457	79,029	44,428
Properties held for sale	(101,978)		(101,978)	(124,454)		(124,454)
Total	3,741,413	660,768	**3,080,645**	3,378,910	596,382	**2,782,528**

Depreciation is recognised in profit or loss under "Depreciation, amortisation and provisions". Impairment losses are recognised in "Other non-recurring operating expense".

The following table shows movements in the net carrying amount of property, plant and equipment:

	Lands	**Buildings**	**Technical Installations**	**Properties under construction**	**Other**	**Properties held for sale**	**Total**
At 31 December 2013	**757,351**	**1,337,187**	**67,661**	**568,942**	**40,714**	**(210,014)**	**2,561,842**
Acquisitions	8,858	29,036	35,291	290,011	3,022		366,218
Change in fair value	35,637						35,637
Disposals and terminations	(29,509)	(62,767)	(596)	(166,030)	(597)		(259,499)
Depreciation & provisions		(44,906)	(23,549)		(6,779)		(75,234)
Reclassifications and other	18,770	89,882	(4,398)	(108,761)	3,891	85,560	84,943
Changes in scope	5,055	46,323	12,697	370	4,177		68,622
At 31 December 2014	**796,161**	**1,394,755**	**87,105**	**584,532**	**44,428**	**(124,454)**	**2,782,528**
Acquisitions	9,534	85,822	27,898	82,445	3,375		209,074
Change in fair value							0
Disposals and terminations	(7,491)	(24,213)	(244)	(55,995)	(1,693)		(89,636)
Depreciation & provisions	(1)	(28,646)	(12,239)		(2,471)		(43,357)
Reclassifications and other	800	92,906	(318)	(89,647)	717	22,476	26,933
Changes in scope	18,149	147,005	17,211	12,119	618		195,103
At 30 June 2015	**817,152**	**1,667,630**	**119,413**	**533,454**	**44,974**	**(101,978)**	**3,080,645**

The main movements in first-half 2015 included:

- capital expenditure required for the ongoing operation of facilities, investments in new facilities or extensions, acquisitions of properties or other assets through business combinations and acquisitions of properties in the course of construction;
- property disposals in France.

3.3.2 - Revaluation of operating properties

The impact of revaluing operating properties in accordance with IAS 16 was as follows:

Impact of IAS16 remeasurement			
	30 June 2015	**31 December 2014**	**Change**
Gross revaluation reserve	441,953	441,953	0
Depreciation	(16,430)	(15,422)	(1,008)
Net revaluation reserve	**425,523**	**426,531**	**(1,008)**

The revaluation reserve of properties stood at €442.0 million at 30 June 2015 with no change compared with the end of 2014.

The change in depreciation was due to additional depreciation stemming from the revaluation of buildings for first-half 2015 amounting to €1 million.

The corresponding tax, calculated at standard rates, amounted to €153.4 million.

3.3.3 - Finance leases

Property, plant and equipment financed by finance leases include the following assets at their gross value:

Lands	188,696	176,558
Buildings	769,143	620,478
Finance leases	**957,839**	**797,036**

Finance leases are property leases in France and financial leases with a purchase option abroad.

Future minimum payments under finance leases are disclosed in note 3.22.

3.3.4 - Operating leases

Operating lease payments are as follows:

	30 June 2015	**31 December 2014**
Lease payments	119,002	79,900
Total	**119,002**	**79,900**

Operating leases are almost exclusively comprised of renewable leases with fixed rents revisable mainly at fixed rates, or in accordance with the INSEE construction cost index or the rate of revaluation of old age pensions.

Operating lease payments totalled €119.0 million, compared with €79.9 million in first-half 2014. Three quarters of this increase are attributable to the acquisitions completed in Switzerland and in Germany, where the operating properties are almost exclusively leased, as well a part of the operating properties in Austria. On a like-for-like basis, lease payment fluctuations remained limited to +1.3%.

Minimum future lease payments under operating leases are presented in note 3.22.

3.4 – Investments in associates and joint ventures

At 30 June 2015, investments in associates and joint ventures broke down as follows:

Associates and joint ventures	Percentage ownership at 30 June 2015	Carrying amount of investments (in € 000)
PCM (six short-term care facilities)	45.0%	20,604
COFINEA (property company)	49.0%	5,011
IDS (property company)	49.9%	13,210
Other	49.0%	6,164
Total		44,989
Equity accounted profit (loss) for prior periods		6,363
Equity accounted profit (loss) for the current period		1,370
Investments in associates and joint ventures		52,721

In light of the value of the individual investments, the existing financial flows with these companies and the global strategy of the ORPEA Group in and outside France, the management deems that these interests are not significant taken individually.

At 30 June 2015, the main aggregates from associates and joint ventures, presented proportionally to the investment, broke down as follows:

	(in thousands of euros)
Non-current assets	181,507
Current assets	29,030
OCI	31,622
Non-current liabilities	104,049
Current liabilities	73,495
Revenue	16,720
Share in profit (loss)	1,370
Equity accounted net profit	202
Net comprehensive income	1,572

3.5 - Non-current financial assets

Non-current financial assets break down as follows:

	30 June 2015 Net	31 December 2014 Net
Non-consolidated investments	25,217	22,094
Loans	15,286	15,338
Security deposits	6,846	8,795
Total	**47,349**	**46,227**

Non-consolidated investments are investments in companies whose business is not material in relation to that of the Group as a whole, and investments in mutual banks.

"Loans" mainly consist of construction loans taken out by French subsidiaries.

"Security deposits" comprise all types of deposits the Group might pay in the course of its operations.

3.6 - Trade receivables

	30 June 2015	31 December 2014
Trade receivables	125,209	104,558
Trade receivables	**125,209**	**104,558**

Given the nature of its activity, all trade receivables are due within one month and payment arrears are not material.

In June 2015, the Group sold receivables totalling €57 million. These receivables were deconsolidated for the amount financed, namely €51 million. The remainder (€5) million, held as security, continues to be recognised on the balance sheet.
At 30 June 2014, the deconsolidated, assigned receivables represented an amount of €39.5 million.

3.7 – Other assets, accruals and prepayments

	30 June 2015	31 December 2014
Development-related expenses	70,985	59,051
Receivables related to property disposals	75,146	32,034
VAT receivables	32,097	32,227
Advances and downpayments made	5,371	4,912
Current accounts (associated and related parties)	55,758	34,752
Other receivables	56,129	35,089
Supplier receivables	13,392	13,353
Prepaid operating expenses	20,549	12,605
Total	**258,443**	**164,973**

Development-related assets mainly comprise amounts paid in connection with acquisitions of companies, operating licences for short-term or long-term care facilities, or the construction of new properties.

The amount of VAT receivables is mainly due to property construction projects forming part of the Group's growth strategy.

3.8 – Assets held for sale

Assets held for sale comprise €102 million in operating properties that the Group has decided to sell, in a block or by lots, to third-party investors, and which will be subsequently leased back under operating leases up to an operating licence amount of €73 million.

3.9 – Equity

3.9.1 Share capital

	30 June 2015	31 December 2014
Total number of shares	60,182,859	55,567,893
Number of shares issued	60,182,859	55,567,893
Par value per share (€)	1.25	1.25
Share capital (€)	75,228,573	69,459,866
Treasury shares	10,304	19,500

Since 31 December 2013, the exercise of stock options has had the following impact on share capital and share premiums:

(in thousands of euros)	Number of shares	Share capital	Share premiums
Share capital at 31/12/2013	**55,476,991**	**69,346**	**473,042**
Reclassification			
Exercise of share warrants	89,419	112	3,079
Exercise of OCEANE bonds	1,483	2	
Capital increase			
Share capital at 31/12/2014	**55,567,893**	**69,460**	**476,121**
Appropriation of 2014 net profit			(35,000)
Exercise of share warrants	78,378	98	2,699
Exercise of OCEANE bonds	4,536,588	5,671	173,226
Capital increase			
Share capital at 30/06/2015	**60,182,859**	**75,229**	**617,046**

3.9.2 Treasury shares

The General Meeting of 30 June 2010 authorised a share repurchase programme.

This programme enables the company to ensure liquidity and make a market in the shares, optimise its capital management and grant shares to employees particularly through stock award plans.

At 30 June 2015, the Group held 10,304 treasury shares.

3.9.3 – Share warrants

On 17 August 2009, ORPEA made an issue of bonds with redeemable share warrants (OBSAAR). This operation led to the creation of 1,190,787 warrants. These warrants are exercisable from 14 August 2011 to 14 August 2015 inclusive and will subscribe to one Orpea share for an exercise price of €37.90.

In 2013, ORPEA acquired and cancelled 917,041 share warrants as part of the public tender offer launched by the Company, approved by the AMF on 17 September 2013 under number 13-459.

In first-half 2015, 73,791 share warrants were exercised.

3.9.4 – OCEANE

In the second half of 2010, ORPEA issued 4,069,635 OCEANE bonds (bonds convertible into new or existing shares).

The conversion of OCEANE bonds was completed on 4 February 2015. Subsequently, 4,536,588 new shares were issued, representing a capital increase of €5.7 million and €173.2 million in share premiums.

3.9.5 - Earnings per share

Calculation of the weighted average number of shares held

	30 June 2015		30 June 2014	
	Basic	Diluted	Basic	Diluted
Ordinary shares	55,567,893	60,193,163	55,499,254	55,499,254
Treasury shares	(14,905)		(12,119)	(12,119)
Exercise of share warrants	36,312			
Exercise of OCEANE bonds	3,684,411	4,068,295		4,068,295
Weighted average number of shares	**59,273,711**	**64,261,458**	**55,487,135**	**59,555,430**

Earnings per share:

(in euros)	30 June 2015		30 June 2014	
	Basic	Diluted	Basic	Diluted
Net earnings	**0.93**	**0.89**	**0.90**	**0.88**

3.9.6 - Dividends

The General Meeting of Shareholders of 23 June 2015 approved the payment of a dividend in respect of the 2014 financial year of €0.80 per share, representing a total of €44,454,314 paid at end-July 2015.

3.10 - Provisions

Provisions break down as follows:

(in thousands of euros)	1 January 2015	Actuarial gains or losses	Reclassification	Charge for the period	Reversal in the period (used)	Reversal in the period (not used)	Changes in scope and other	30 June 2015
Liabilities and charges	52,799		154	6,946	(1,553)	(1,038)	3,676	60,985
Restructuring	17,023		1,529		(6,267)	(120)	28,671	40,836
Total	69,821	0	1,683	6,946	(7,820)	(1,158)	32,347	101,820
Post-employment benefit obligation	46,136	(10,607)	2,653	1,186	(89)		230	39,509

Movements in provisions were mainly due to changes in the scope of consolidation, particularly the acquisition in first-half 2015 of the Austrian group SENECURA as well as to the risk of Orpea and the tax authorities arriving at different results in the application of rules to calculate VAT pro rata. These amounted to €3.6 million (at 30 June 2015, this provision amounted to €24.3 million).

ORPEA and CLINEA, as well as some of the Group's subsidiaries are undergoing tax audits. Most of the adjustments notified by the tax authorities have been disputed by these companies, and no provision has thus been made for these adjustments. Undisputed adjustments are recognised in the financial year.
At 30 June 2015, short-term provisions totalled €23.5 million, including €14.2 million for employment disputes and a €9.3 million restructuring provision.

The provision for post-employment benefits breaks down as follows:

(in thousands of euros)	30 June 2015	31 December 2014
France	21,956	31,286
International	17,553	14,851
Total	**39,509**	**46,136**

Movements in the French post-employment benefit obligation break down as follows:

	30 June 2015				31 December 2014			
(in thousands of euros)	Present value of obligation	Provisions on balance sheet	Profit or loss	OCI	Present value of obligation	Provisions on balance sheet	Profit or loss	OCI
Opening	**31,286**	**(31,286)**			**29,742**	**(29,742)**		
Current service cost	1,272	(1,272)	(1,272)		1,966	(1,966)	(1,966)	
Interest cost	308	(308)	(308)		892	(892)	(892)	
Expected return on assets								
Employer's contributions								
Actuarial gains or losses	(10,255)	10,255		10,255	(1,669)	1,669		1,669
Benefits paid	(884)	884			(1,643)	1,643		
Changes in scope	228	(228)			1,998	(1,998)		
Closing	**21,956**	**(21,956)**	**(1,580)**	**10,255**	**31,286**	**(31,286)**	**(2,858)**	**1,669**

Movements in the International post-employment benefit obligation break down as follows:

(in thousands of euros)	30 June 2015 Present value of obligation (*)	Provisions on balance sheet	Profit or loss	OCI	31 December 2014 Present value of obligation (*)	Provisions on balance sheet	Profit or loss	OCI
Opening	**14,851**	**(14,851)**			**4,256**	**(4,256)**		
Current service cost	818	(818)	(818)		1,556	(1,556)	(1,556)	
Interest cost	62	(62)	(62)		994	(994)	(994)	
Expected return on assets					(715)	715	715	
Employer's contributions					(1,544)	1,544	1,544	
Actuarial gains or losses	(352)	352		352	3,194	(3,194)		(3,194)
Benefits paid	(288)	288	288		(222)	222	222	
Changes in scope					7,331	(7,331)		
Other	2,463	(2,463)						
Closing	**17,553**	**(17,553)**	**(592)**	**352**	**14,851**	**(14,851)**	**(69)**	**(3,194)**

(*) Net of plan assets.

The main actuarial assumptions at 30 June 2015 were:

	30 June 2015		31 December 2014	
	France	International	France	International
Discount rate	1.97%	between 1% and 1.20%	1.50%	between 1% and 1.20%
Annual rate of salary increase taking account of inflation	2.50%	between 1.25% and 1.75%	2.50%	between 1.25% and 1.75%
Expected rate of return on plan assets	NA	between 1% and 1.20%	NA	between 1% and 1.20%
Retirement age	65	65	65	65
Social security contribution rate	Average actual rate		Average actual rate	

The actuarial gains or losses recognised in equity arise from experience adjustments, particularly as regards assumptions on staff turnover.

At 30 June 2015, sensitivity of the French post-employment benefit obligation to a 0.5% increase in the discount rate was €1,672 thousand.

3.11 – Financial liabilities and cash and cash equivalents

Financial liabilities and cash Net debt breaks down as follows:

(in thousands of euros)	**Net 30 June 2015**	**Net 31 December 2014**
Long-term bank borrowings	263,378	263,647
Finance lease obligations	701,575	585,278
Bond issues	690,105	865,362
Bridging loans	631,835	584,291
Other financial liabilities	862,705	702,116
Total gross debt (*)	**3,149,598**	**3,000,694**
Cash	(429,500)	(462,287)
Cash equivalents	(32,950)	(159,619)
Total net debt (*)	**2,687,148**	**2,378,788**

(*) Including liabilities associated with assets held for sale

Changes in net debt during the first half of 2015 break down as follows:

(in thousands of euros)	31 December 2014	Increase	Decrease	Changes in scope	**30 June 2015**
Bond issues	865,362	4,743	(180,000)		**690,105**
Long-term bank borrowings	263,647	23,434	(23,703)		**263,378**
Finance lease obligations	585,278	86,823	(40,526)	70,000	**701,575**
Bridging loans	584,291	223,307	(175,763)		**631,835**
Other financial liabilities	702,116	162,211	(59,730)	58,108	**862,705**
Total gross debt (*)	3,000,694	500,518	(479,722)	128,108	**3,149,598**
Cash and cash equivalents	(621,906)	159,456			**(462,450)**
Total net debt (*)	2,378,788	659,974	(479,722)	128,108	**2,687,148**
Liabilities associated with assets held for sale	(200,000)	24,631			**(175,369)**
Net debt excluding liabilities associated with assets held for sale	2,178,788	684,605	(479,722)	128,108	**2,511,779**

(*) Including liabilities associated with assets held for sale.

The following table shows a breakdown of net debt by maturity:

	30 June 2015	Under one year (*)	Two to five years	Over five years
Bond issues	690 105	63 754	525 725	100 626
Long-term bank borrowings	263 378	38 123	198 797	26 458
Finance lease obligations	701 575	87 646	311 888	302 041
Bridging loans	631 835	233 915	394 966	2 954
Other financial liabilities	862 705	146 517	480 578	235 610
Total gross debt (*)	**3 149 598**	569 955	1 911 954	667 687
Cash and cash equivalents	(462 450)			
Total net debt (*)	**2 687 148**	569 955	1 911 954	667 687

(*) Including liabilities associated with assets held for sale.

Debts maturing in more than one year and less than five years break down as follows:

	One to five years	2016	2017	2018	2019
Bond issues	525,725	(1,208)	63,851	235,321	227,761
Long-term bank borrowings	198,797	93,477	40,974	46,591	17,755
Finance lease obligations	311,888	111,195	75,451	70,592	54,650
Bridging loans	394,966	311,234	52,368	16,391	14,973
Other financial liabilities	480,578	113,607	91,960	81,306	193,705
Total gross debt per year	**1,911,954**	628,305	324,604	450,201	508,844

Financing policy

The Group's financing can be broken down into three categories:

- financing operating properties through finance leases or bank loans repayable over a typical period of 12 years;

- financing the acquisition of facilities, operating licences, etc., mainly through bank loans repayable over a period of 5 or 7 years;

- financing properties recently acquired or in the course of redevelopment or construction through bridging loans.
  Bridging loans comprise financing lines dedicated to a specific project and general bank credit lines. These properties are intended either to be sold to third parties or to be kept by the Group, in which case they are usually subsequently refinanced through finance leases.

The Group's expansion policy requires it to regularly obtain new bank credit facilities or sell properties to investors.

Banking covenants

Certain loans taken out by the Group, other than property finance leases, have been subject to the following contractually defined covenants since 31 December 2006:

R1 = consolidated net debt (excluding property debt)
consolidated EBITDA – 6% of property debt

and

R2= consolidated net debt
equity + quasi equity (i.e. deferred tax liabilities arising on the revaluation of intangible assets in the consolidated financial statements)

At 30 June 2015, these ratios stood at 2.6 and 1.2 respectively, within the required limits of 5.5 for R1 and 2.0 for R2 at 30 June 2015.

Bonds

OBSAAR bond issue: In the second half of 2009, Orpea made an issue of bonds with redeemable warrants to subscribe for new or purchase existing shares (OBSAAR) in a principal amount of €217 million or an IFRS net amount of €209 million. The share warrants attached to the bonds were measured at fair value and recognised in equity in the amount of €3 million.

20% of the principal was repaid in both 2012 and 2013 and 30% of the principal in both 2014 and 2015. The interest rate for the issue is three-month EURIBOR + 137 base points before fees. The terms and conditions of these bonds can be found in the securities note (*note d'opération*) approved by the AMF under no. 09-225 on 15 July 2009.

OCEANE bond issue: In the second half of 2010, ORPEA issued 4,069,635 bonds convertible into new or existing shares (OCEANE) at a unit price of €44.23, representing a par value of €180 million and a net amount of €173 million under IFRS. The conversion option was recognised in equity at €3 million.

The conversion of OCEANE bonds meeting the applicable requirements on 22 December 2014 was completed on 4 February 2015.

ORNANE bond issue: On 9 July 2013, ORPEA issued bonds with a cash redemption option and/or convertible into new or existing shares (ORNANE) with an entitlement date of 17 July 2013 and maturing on 1 January 2020. The terms and conditions of these bonds can be found in the securities note approved by the AMF under no. 13-338 on 9 July 2013.

The 4,260,631 bonds have a par value of €46.56 each, and a total par value of €198 million.
The coupon payable on the bonds is 1.75% per year throughout the life of the bonds, payable six-monthly in arrears.
The Ornane agreement gives bondholders the option to convert their bonds into cash or new shares (i.e. 1,031 shares for one bond), from the issue date up to the 18th trading day (exclusive)

prior to 1 January. ORPEA may, however, exercise a right of early redemption if the share price exceeds 130% of the par value of the bond, but only from 1 February 2017.

The right to receive shares constitutes a derivative for the purposes of IAS 39, with any change in fair value being recognised in profit or loss.
In effect, ORPEA enjoys a call option on its own securities in the event the threshold of 130% of the benchmark price is exceeded, but over a more limited exercise period and the bondholder, enjoying an exercise right in the event of early redemption by ORPEA, holds a cross call option enabling it to lock in its gain.

The agreement also contains standard anti-dilution provisions in the event of capital increases, the distribution of reserves (including earnings for the 2012-2018 period), etc.

Other bonds:
Orpea Group carried out three bond issues during the second half of 2012 on the Euro PP market, issuing:

- 1,930 bonds in two tranches (securities note approved by the AMF under no. 12-580 on 28 November 2012):
  - Tranche A: for a total of €65 million, i.e. 650 bonds at a unit price of €100,000. These bonds will be redeemed on 10 January 2018,
  - Tranche B: a total of €128 million, i.e. 1,280 bonds at a unit price of €100,000. These bonds will be redeemed on 30 May 2019;

- 200 bonds at a unit price of €100,000, totalling €20 million (securities note approved by the AMF under no. 12-579 on 28 November 2012). These bonds will be redeemed on 30 November 2018;

- 900 bonds at a unit price of €100,000, totalling €90 million. These bonds will be redeemed on 4 December 2026.

ORPEA Group carried out three new bond issues during the second half of 2013 on the Euro PP market, issuing:

- 330 bonds at a unit price of €100,000, totalling €33 million (securities note approved by the AMF under no. 13-152 on 10 April 2013). These bonds will be redeemed on 30 May 2019;

- 200 bonds at a unit price of €100,000, totalling €20 million (securities note approved by the AMF under no. 13-357 on 11 July 2013). These bonds will be redeemed on 30 November 2019;

- in Belgium, 750 bonds at a unit price of €100,000, totalling €75 million. These bonds will be redeemed in two tranches in 2018 and 2020.

The Group also carried out a bond issue on the Euro PP market, issuing 520 bonds at a unit price of €100,000 (securities note approved by the AMF under no. 14-443 on 29 July 2014). These bonds will be redeemed on 31 July 2021.

Cash

At 30 June 2015, cash and cash equivalents comprised €32,950 thousand in short-term investments such as risk-free money-market mutual funds and €429,500 thousand in bank deposits.

3.12 - Change in the fair value of the entitlement to the allotment of shares in ORNANE bonds

Since the launch, the fair value of the entitlement to the allotment of shares in ORNANE bonds has changed as follows:

	(in thousands of euros)
Change in 2013	4,893
Change in 2014	25,100
Change in first-half of 2015	19,500
Total change since inception	**49,493**

At 30 June 2015, the change in fair value recognised in net finance cost amounted to €19.5 million. On the basis of data at 30 June 2015, a +/- 10% change in the price of the Orpea stock would produce a +/- €9 million change in the value of the option, impacting profit or loss.
If it is exercised and the strike price is reached, the option will trigger the allocation of shares.
These changes had no impact on cash.

3.13 - Financial instruments

3.13.1 - Interest rate risk

Interest rate risk management strategy:

The Group's debt mainly comprises domestic debt at floating rates and is therefore exposed to the risk of an increase in short-term rates in the euro zone.

The Group's strategy consists of hedging three quarters of its current net debt against the risk of changes in interest rates. To do this, it uses fixed-rate loans or financial instruments to hedge its floating-rate debt. These financial instruments take the form of interest rate swaps under which it receives mainly three-month Euribor and pays a fixed rate specific to each contract, and interest rate options (caps, collars etc.). These financial instruments are qualified as cash flow hedges in accordance with IAS 39. Unrealised gains and losses arising from the remeasurement of these derivatives at fair value are recognised in equity at the year end.

The use of hedging products to limit interest rate risk exposes the Group to counterparty risk. Counterparty risk is the risk of replacing a hedge at current market rates in the case a counterparty defaults. The Group did not identify any significant impact from this risk in the course of its analysis.

Interest rate derivatives portfolio:

At 30 June 2015, as at 31 December 2014, the derivatives portfolio included fixed for floating (mainly three-month Euribor) interest rate swaps and interest rate options. These derivative instruments have either a constant or decreasing nominal profile.

At the end of 2014, the maturity of the interest rate derivatives was as follows:

	Maturity (€m)				
	2015	2016	2017	2018	2019
Average notional (€m)	1,372	1,403	1,323	1,198	842
Effective rate	2.3%	1.8%	1.7%	1.7%	1.3%

At the end of the first half of 2015, the maturity of interest rate derivatives was as follows:

	Maturity (€m)				
	2015	2016	2017	2018	2019
Average notional (€m)	1,372	1,403	1,396	1,348	1,235
Effective rate	2.1%	1.8%	1.7%	1.6%	1.1%

At 31 December 2014, fair value changes on these cash flow hedges accumulated in equity amounted to -€102.5 million.

At 30 June 2015, fair value changes on these cash flow hedges accumulated in equity amounted to -€75.6 million.

Analysis of sensitivity to changes in interest rates:

The impact of a +/- 1% change in interest rates on the Group's earnings stems from:

- the change in interest payable on floating-rate net debt;
- changes in the fair value of hedging instruments.

The fair value of hedging instruments is sensitive to changes in interest rates and in volatility. This latter is assumed to be constant for the purposes of the analysis.

At 30 June 2015, net debt amounted to €2,687 million, of which around 32% was contracted at fixed rates and the remainder at floating rates.

Taking account of the hedges:

- the impact of a 1% (100 basis points) rise in interest rates would increase the Group's financial expense by €8.6 million (before tax and capitalisation of financial expenses);
- the impact of a 0.2% drop (20 basis points given current interest rate levels) would reduce financial expense by €1.7 million.

Movement in cash flow hedging reserve:

(in thousands of euros)	30 June 2015	31 December 2014
Opening hedging reserve	(102,490)	(62,466)
Change in fair value recognised in OCI	42,776	(71,641)
Change in fair value recognised in profit and loss	(15,896)	31,617
Impact on comprehensive income for the period	26,880	(40,024)
Closing hedging reserve	**(75,610)**	**(102,490)**

3.13.2 – Value of financial assets excluding derivatives

(in thousands of euros)	30 June 2015	31 December 2014
Equity investments	25,217	22,094
Other non-current financial assets	15,286	15,338
Short-term investments	32,950	159,619
Financial assets excluding derivatives	**146,904**	**394,100**

3.14 – Trade payables

	30 June 2015 Net	31 December 2014 Net
Trade payables	251,222	234,217
Trade payables	**251,222**	**234,217**

3.15 – Tax and payroll liabilities

The change in tax and payroll liabilities is linked to the Group's robust expansion. It is the consequence of the higher number of employees and the VAT increase connected to the Group's construction projects. It is also due to the application of IFRIC 21.

3.16 – Other liabilities, accruals and prepayments

	30 June 2015 Net	31 December 2014 Net
Development-related liabilities	80,039	83,615
Security deposits	46,590	43,877
Commitments to work on buildings sold	1,427	2,984
Client accounts in credit	5,145	1,339
Other prepaid income	15,616	16,974
Derivative financial instruments	86,055	102,490
Advances and downpayments received	15,389	13,336
Dividends	44,454	
Current accounts (associated and related parties)	16,369	19,224
Other	22,911	84,978
Total	**333,996**	**368,816**

Security deposits mainly comprise the deposits paid by residents at the beginning of their stay.

3.17 – Liabilities associated with assets held for sale

Liabilities associated with assets held for sale corresponds to the debt that financed these assets.

3.18 – Segment information

	30 June 2015	30 June 2014 (*)
Revenue		
France	788,184	732,978
Belgium	77,600	82,349
Spain	31,375	24,461
Italy	22,211	20,102
Switzerland	62,293	30,804
Germany	105,400	
Austria	35,343	
Total	**1,122,405**	**890,694**
EBITDA		
France	218,261	207,783
Belgium	13,958	16,328
Spain	6,646	5,941
Italy	3,359	3,111
Switzerland	25,740	10,612
Germany	28,349	
Austria	7,261	
Total	**303,574**	**243,774**
Assets		
France	5,174,000	5,012,181
Rest of Europe	1,579,384	839,409
Total	**6,753,385**	**5,851,589**
Liabilities excluding equity		
France	4,031,124	3,900,914
Rest of Europe	981,342	543,016
Total	**5,012,467**	**4,443,929**

(*) 2014 comparable data has been restated to reflect the retrospective application of IFRIC 21 on tax.

Amounts paid for the acquisition of segment assets are disclosed in note 2.

3.19 – Other non-recurring operating income and expense

(in thousands of euros)	30 June 2015	30 June 2014
Proceeds from property transactions	78,013	107,612
Cost of property transactions	(61,409)	(79,765)
Provision reversal	2,022	4,812
Provision charge	(2,847)	(3,141)
Other income	22,985	13,815
Other expense	(26,231)	(16,616)
Other non-recurring operating income and expense	**12,533**	**26,717**

Other non-recurring operating income and expense mainly comprises net gains on sales of property assets for €17 million, income and expense from acquisitions through business combinations for €16 million and expenses associated with the redevelopment of recently acquired facilities and other development costs for €14 million.

Profit on property development recognised using the percentage of completion method includes:

(in thousands of euros)	**30 June 2015**	**30 June 2014**
Sale price	37,811	53,157
Cost	(25,513)	(32,123)
Gains on sales of off-plan properties	**12,297**	**21,033**

3.20 – Net finance cost

	30 June 2015	**30 June 2014**
Interest on bank debt and other financial liabilities	(32,888)	(33,630)
Interest on finance leases	(6,809)	(6,459)
Net income (expense) on interest rate derivatives	(15,896)	(15,228)
Capitalised borrowing costs (*)	7,317	7,284
Financial expenses	**(48,276)**	**(48,033)**
Interest income	175	171
Financial income	**175**	**171**
Net financial cost……………………………………….	**(48,101)**	**(47,862)**

(*) calculated at a rate of 4.3% at 30 June 2015, same as at 30 June 2015, for facilities under construction or redevelopment

3.21 – Income tax expense

Orpea SA has elected for group tax relief with all its French subsidiaries that are more than 95%-owned. All subsidiaries that meet this condition are included in the tax consolidation group except for those acquired during the first half of 2015.

(in thousands of euros)	**30 June 2015**	**30 June 2014 (*)**
Current income taxes	(36,924)	(29,480)
Deferred income taxes	7,063	1,310
Total	**(29,861)**	**(28,170)**

(*) 2014 comparable data has been restated to reflect the retrospective application of IFRIC 21 on tax.

Deferred tax assets (liabilities) break down as follows by type of temporary difference:

(in thousands of euros)	30 June 2015	31 December 2014
Fair value of intangible assets	(485,940)	(453,859)
Fair value of PPE (*)	(321,550)	(324,086)
Finance leases	(82,435)	(73,596)
Timing differences	(5,009)	(4,702)
Tax loss carryforwards	31,366	28,100
Deferral of capital gains	950	1,025
Employee benefits	8,236	12,054
CVAE deferred tax (**)	(6,742)	(6,905)
Financial instruments and other	65,842	59,974
Total	**(795,280)**	**(761,996)**

(*) Including €153.4 million of deferred tax relating to the revaluation of properties (see Note 3.3.2)

(**) Deferred tax recognised in accordance with IAS 12 on depreciable property, plant & equipment and amortisable intangible assets of French entities subject to CVAE tax as of 1 January 2010.

Deferred taxes calculated on the basis of the IFRS valuation of intangible assets came to €486 million at 30 June 2015. These intangible assets are not held for sale.

The deferred taxes recognised in the balance sheet break down as follows:

(in thousands of euros)	30 June 2015	31 December 2014
Asset	31,366	28,100
Liability	(826,647)	(790,096)
Net	**(795,280)**	**(761,996)**

The difference between the theoretical tax rate, i.e. 38% in 2015, and the effective tax rate appearing in the income statement, breaks down as follows:

(in thousands of euros)	30 June 2015	30 June 2014 (*)
Effective rate:	**35.05%**	**38.17%**
- Permanent differences	1.10%	2.11%
- Business combinations	9.35%	5.33%
- Impact of reduced tax rates	0.88%	-0.02%
- Impact of companies accounted for at equity	0.70%	0.18%
- Impact of foreign companies	-0.38%	
- Other	-0.57%	-0.13%
- Cotisation sur la valeur ajoutée des entreprises (CVAE)	-8.13%	-7.64%
Theoretical rate	**38.00%**	**38.00%**

(*) 2014 comparable data has been restated to reflect the retrospective application of IFRIC 21 on tax.

3.22 - Commitments and contingent liabilities

3.22.1 Off-balance sheet commitments

Debt-related commitments

Contractual commitments (in thousands of euros)	30 June 2015	31 December 2014
Counter-guarantees on contracts	**0**	**0**
Receivables sold not yet matured	**0**	**0**
Collateral	**1,743,686**	**1,567,017**
Financing property assets	*279,406*	*279,675*
Non-property borrowing and financial liabilities	*762,705*	*702,064*
Finance leases	*701,575*	*585,278*
Guarantees	**5,088**	**5,088**
Related to property assets	*4,158*	*4,158*
Related to non-property borrowings and financial liabilities	*930*	*930*
Related to finance lease		
Other commitments given	**0**	**0**
Subscription bond issue		
Total	**1,748,774**	**1,572,105**

Commitments relating to the Group's operations

Lease commitments

Minimum future lease payments on finance leases break down as follows at 30 June 2015:

	Minimum future payments
Under one year	97,660
One to five years	356,515
Over five years	571,899
Total	**1,026,074**

Operating lease commitments break down as follows at 30 June 2015:

	Minimum future payments
Under one year	242,101
One to five years	968,404
Over five years	2,195,285
Total	**3,405,790**

The Group mainly enters into leases with a non-cancellable period of 12 years in France, and with an average term of 21 years in Switzerland, 17 years in Germany and 20 years in Austria.

Commitments relating to the scope of consolidation

At 30 June 2015, conditional commitments to acquire facilities, operating licences and land, subject to a number of conditions precedent being met, amounted to €4 million.

In terms of the 45% stake held via PCM Santé, the following conditional commitments were exchanged for a possible acquisition of a 100% controlling interest:

- promise of purchase approved by ORPEA until 2021;
- promise of sale approved by the current majority shareholders from 2021;
- rent guarantee for a clinic until 2044.

In terms of the 49.9% stake in Immobilière de Santé, the following commitments were exchanged for a possible acquisition of a 100% controlling interest:

- sale undertaking given to ORPEA between 1 July 2018 and 30 June 2019;
- promise of purchase by ORPEA between 1 July 2019 and 30 June 2020.

In addition, from 2016 the Group will be able to issue securities against 51% of the share capital of the two companies.

Commitments received

The Group has been given a pledge over land in Spain as collateral for a €2.2 million loan granted by ORPEA SA.

It also has call options over property assets currently leased in Belgium.

3.22.2 Contingent liabilities

Management broadly believes that the provisions recognised on the balance sheet for known disputes involving the Group should be sufficient to avoid any substantial impact on the Group's financial position or results.

3.23 – Analysis of financial assets and liabilities in accordance with IFRS 7

Financial assets and liabilities in accordance with IFRS 7 break down as follows:

(in thousands of euros)	Balance sheet classification	Level (*)	Carrying amount 30 June 2015	Carrying amount 31 December 2014	Fair value 30 June 2015	Fair value 31 December 2014
HELD-TO -MATURITY ASSETS			**0**	**0**	**0**	**0**
Bonds and negotiable debt securities	Mutual funds					
LOANS AND RECEIVABLES			**476,769**	**352,715**	**476,769**	**352,715**
Short-term loans	Short-term loans					
Long-term loans	Non-current financial assets	2	15,286	15,338	15,286	15,338
Security deposits	Non-current financial assets	2	6,846	8,795	6,846	8,795
Receivables related to asset disposals	Short-term receivables related to asset disposals		75,146	32,034	75,146	32,034
Other receivables	Other receivables	2	254,282	191,990	254,282	191,990
Trade receivables	Trade receivables	2	125,209	104,558	125,209	104,558
AVAILABLE-FOR-SALE FINANCIAL ASSETS			**0**	**0**	**0**	**0**
Equity investments	Non-current financial assets					
Other						
FINANCIAL ASSETS AT FAIR VALUE			**462,450**	**621,906**	**462,450**	**621,906**
Interest rate derivatives						
Currency derivatives						
Cash and cash equivalents	Mutual funds	1	32,950	159,619	32,950	159,619
CASH	Mutual funds	1	429,500	462,287	429,500	462,287
FINANCIAL ASSETS			**1,368,719**	**974,621**	**1,368,719**	**974,621**

(*) Level 1: financial assets and liabilities listed on an active market, where fair value is the listed price.
(*) Level 2: financial assets and liabilities not quoted on an active market, for which there are observable market inputs that can be used to measure fair value reliably.
(*) Level 3: financial assets and liabilities quoted on an active market, for which there are no observable market inputs that can be used to measure fair value reliably.

(in thousands of euros)	Balance sheet classification	Level (*)	Carrying amount 30 June 2015	Carrying amount 31 December 2014	Fair value 30 June 2015	Fair value 31 December 2014
FINANCIAL LIABILITIES			**135,548**	**132,483**	**135,548**	**132,483**
Currency derivatives	Other liabilities					
Interest rate derivatives	Other liabilities	2	86,055	102,490	86,055	102,490
Change in the fair value of the entitlement to the allotment in ORNANE bonds		2	49,493	29,993	49,493	29,993
Other liabilities	Other liabilities					
FINANCIAL LIABILITIES			**3,648,761**	**3,501,237**	**3,702,876**	**3,608,348**
Bonds convertible, exchangeable or redeemable for shares	Non-current and current financial liabilities	1	690,105	865,362	744,220	972,473
Bank borrowings	Non-current and current financial liabilities	2	1,757,918	1,550,054	1,757,918	1,550,054
Finance lease obligation	Non-current and current financial liabilities	2	701,575	585,278	701,575	585,278
Other liabilities	Recurring liabilities and other accruals and prepayments	2	247,941	266,326	247,941	266,326
Trade payables	Trade payables	2	251,222	234,217	251,222	234,217
FINANCIAL LIABILITIES			**3,784,309**	**3,633,720**	**3,838,424**	**3,740,831**

(*) Level 1: financial assets and liabilities listed on an active market, where fair value is the listed price.
(*) Level 2: financial assets and liabilities not quoted on an active market, for which there are observable market inputs that can be used to measure fair value reliably.
(*) Level 3: financial assets and liabilities quoted on an active market, for which there are no observable market inputs that can be used to measure fair value reliably.

3.24 - Related-party transactions

Associates and joint ventures

Advances granted to associates and joint ventures by the Orpea Group amounted to €18 million at 30 June 2015.

Advances granted to Orpea Group by associates and joint ventures as well as related parties amounted to €11 million at 30 June 2015.

ORPEA Group is leasing certain operating premises from related parties within the meaning of IAS 24 "Related Party Disclosures".
€3 million in lease payments were expensed in this respect at 30 June 2015.

3.25 - Events after the Reporting Period

In the third quarter of 2015, the Group completed acquisitions, particularly in Germany:

- a group of fifteen post-acute and rehabilitation care and psychiatric facilities, representing 2,602 beds in total;
- a group of thirty-eight nursing homes, representing 3,006 beds in total;
- a group with twenty-five nursing homes for a total of 2,487 beds.

The Group also acquired a psychiatric clinic (86 beds) and two post-acute and rehabilitation care clinics (78 and 102 beds, respectively).

In July 2015, the Group issued a new Schuldschein-type bond issue for a value of €310 million.

3.26 Scope of consolidation at 30 June 2015

Main Orpea Group companies:

Consolidated Companies Name	Control Group	Interest Group	Consolidation method
ORPEA SA	100.00%	100.00%	Parent
EURL LES MATINES	100.00%	100.00%	FC
SAS CLINEA	100.00%	100.00%	FC
SARL BEL AIR	100.00%	100.00%	FC
SCI ROUTE DES ECLUSES	100.00%	100.00%	FC
SCI DES RIVES D'OR	100.00%	100.00%	FC
SCI ORPEA DU CHÂTEAU NERAC	100.00%	100.00%	FC
SCI DE LA TOUR DE PUJOLS	100.00%	100.00%	FC
SCI DES RIVES DE LA CERISAIE	100.00%	100.00%	FC
SCI DU VAL DE SEINE	100.00%	100.00%	FC
SCI DU CLISCOUET	100.00%	100.00%	FC
SCI DES RESIDENCES DE L'AGE D'OR	100.00%	100.00%	FC
SCI GAMBETTA	100.00%	100.00%	FC
SCI CROIX ROUSSE	100.00%	100.00%	FC
SCI LES DORNETS	100.00%	100.00%	FC
SCI DU CHÂTEAU D'ANGLETERRE	100.00%	100.00%	FC
SCI MONTCHENOT	100.00%	100.00%	FC
SCI DU 115 RUE DE LA SANTE	100.00%	100.00%	FC
SCI L'ABBAYE VIRY	100.00%	100.00%	FC
SCI LES TAMARIS	100.00%	100.00%	FC
SCI DU 3 PASSAGE VICTOR MARCHAND	100.00%	100.00%	FC
SCI FAURIEL	100.00%	100.00%	FC
SCI DU PORT THUREAU	100.00%	100.00%	FC
SCI DE L'ABBAYE MOZAC	100.00%	100.00%	FC
SCI DE LA RUE DES MARAICHERS	100.00%	100.00%	FC
SCI LE BOSGUERARD	100.00%	100.00%	FC
SCI LE VALLON	100.00%	100.00%	FC
SCI BEL AIR	100.00%	100.00%	FC
SCI BREST LE LYS BLANC	100.00%	100.00%	FC
SCI SAINTE BRIGITTE	100.00%	100.00%	FC
SARL AMARMAU	100.00%	100.00%	FC
SARL VIVREA	100.00%	100.00%	FC
SARL NIORT 94	100.00%	100.00%	FC
SCI LES TREILLES	100.00%	100.00%	FC
SCI LES FAVIERES	100.00%	100.00%	FC
SA LES CHARMILLES	100.00%	100.00%	FC
SA BRIGE	100.00%	100.00%	FC
SRL ORPEA ITALIA	100.00%	100.00%	FC
SARL 96	100.00%	100.00%	FC
SARL SPI	100.00%	100.00%	FC
SARL 95	100.00%	100.00%	FC
SCI LA TALAUDIERE	100.00%	100.00%	FC
SCI SAINT PRIEST	100.00%	100.00%	FC
SCI BALBIGNY	100.00%	100.00%	FC
SCI SAINT JUST	100.00%	100.00%	FC
SCI CAUX	100.00%	100.00%	FC
SAS LA SAHARIENNE	100.00%	100.00%	FC
SCI IBO	100.00%	100.00%	FC
SARL ORPEA DEV	100.00%	100.00%	FC
SCI BEAULIEU	100.00%	100.00%	FC

Consolidated Companies Name	Control Group	Interest Group	Consolidation method
SCI LES MAGNOLIAS	100.00%	100.00%	FC
SARL DOMEA	100.00%	100.00%	FC
SAS ORGANIS	100.00%	100.00%	FC
SARL MAISON DE LOUISE	100.00%	100.00%	FC
SARL GESSIMO	100.00%	100.00%	FC
SARL MAISON DE LUCILE	100.00%	100.00%	FC
SARL MAISON DE SALOME	100.00%	100.00%	FC
SARL MAISON DE MATHIS	100.00%	100.00%	FC
SA DOMAINE CHURCHILL	100.00%	100.00%	FC
SA RS DOMAINE CHURCHILL	100.00%	100.00%	FC
SA LONGCHAMP LIBERTAS	100.00%	100.00%	FC
SL TRANSAC CONSULTING CO	100.00%	100.00%	FC
SARL LA VENITIE	100.00%	100.00%	FC
SA CASA MIA IMMOBILIARE	100.00%	100.00%	FC
SARL L'ALLOCHON	100.00%	100.00%	FC
SA CLINIQUE LA METAIRIE	100.00%	100.00%	FC
SCI KOD'S	100.00%	100.00%	FC
SCI BARBACANNE	100.00%	100.00%	FC
SA DOMAINE LONGCHAMP	100.00%	100.00%	FC
SARL LA BRETAGNE	100.00%	100.00%	FC
SCI SAINTES	100.00%	100.00%	FC
SARL ATRIUM	100.00%	100.00%	FC
SCI BARBARAS	100.00%	100.00%	FC
SARL GESTIHOME SENIOR	100.00%	100.00%	FC
SA CALIDAD RESIDENCIAL	100.00%	100.00%	FC
SCI SLIM	100.00%	100.00%	FC
SCI SELIKA	100.00%	100.00%	FC
SAS RESIDENCE ST LUC	100.00%	100.00%	FC
SCI JEM II	100.00%	100.00%	FC
SA ORPEA BELGIUM	100.00%	100.00%	FC

Consolidated Companies Name	Control Group	Interest Group	Consolidation method
SA GERONE CORP	100.00%	100.00%	FC
SL DINMORPEA	100.00%	100.00%	FC
SAS CLINIQUE CHAMPVERT	100.00%	100.00%	FC
SCI LES ANES	100.00%	100.00%	FC
SCI SPAGUY	100.00%	100.00%	FC
SCI LA DRONE	100.00%	100.00%	FC
SCI CHÂTEAU DE LA CHARDONNIERE	100.00%	100.00%	FC
SCI LA SALVATE	100.00%	100.00%	FC
SAS MAJA	100.00%	100.00%	FC
SCI DU CAROUX	100.00%	100.00%	FC
CLINEA ITALIA SPA	100.00%	100.00%	FC
SAS LA CLAIRIERE	100.00%	100.00%	FC
SARL ALTERNATIVE HOSPITALISATION	100.00%	100.00%	FC
SAS CHAMPVERT	100.00%	100.00%	FC
SA DAVER	100.00%	100.00%	FC
SA GRAY	100.00%	100.00%	FC
SCI MANUJACQ	100.00%	100.00%	FC
SA JB VAN LINTHOUT	100.00%	100.00%	FC
SA VINTAGE CLASSICS INTERN	100.00%	100.00%	FC
SARL SOGIMOB	100.00%	100.00%	FC
SA PREMIER	100.00%	100.00%	FC
SC LES PRATICIENS DU GRAND PRE	100.00%	100.00%	FC
SAS MDR LA CHENERAIE	100.00%	100.00%	FC
SAS RESIDENCE DE LA CHENERAIE	100.00%	100.00%	FC
SCI DU 12 RUE DU FAUVET	100.00%	100.00%	FC
SCI HELIADES SANTE	100.00%	100.00%	FC
SA IMMOBILERE LEAU	100.00%	100.00%	FC
SARL 97	100.00%	100.00%	FC
SC CARDIOPIERRE	100.00%	100.00%	FC
SARL L'OMBRIERE	100.00%	100.00%	FC
SA RESIDENCE DU GRAND CHEMIN	100.00%	100.00%	FC
SA VILLERS SERVICES	100.00%	100.00%	FC
SA SENIORIE DE L'EPINETTE	100.00%	100.00%	FC
SA RESIDENCE SENIOR'S WESTLAND	100.00%	100.00%	FC
SARL IDF RESIDENCE RETRAITE LE SOPHORA	100.00%	100.00%	FC
SA EMCEJIDEY	100.00%	100.00%	FC
SCI DOUARNENEZ	100.00%	100.00%	FC
SCI SUPER AIX	100.00%	100.00%	FC
SARL MAISON D'OMBELINE	100.00%	100.00%	FC
SARL LA RETRAITE DU LEU	100.00%	100.00%	FC
SNC LES JARDINS D'ESCUDIE	100.00%	100.00%	FC

Consolidated Companies Name	Control Group	Interest Group	Consolidation method
SA RESIDENCE DU MOULIN	100.00%	100.00%	FC
SARL RESIDENCE DU PARC	100.00%	100.00%	FC
SA CARINA	100.00%	100.00%	FC
SA ODE HOLDING	100.00%	100.00%	FC
SA LES AMARANTES MULTI SERVICES	100.00%	100.00%	FC
SA SAINT FRANCOIS	100.00%	100.00%	FC
SA LE THINES	100.00%	100.00%	FC
SA CHÂTEAU DE LA LYS	100.00%	100.00%	FC
SARL FRANCE DOYENNE DE SANTE	100.00%	100.00%	FC
SNC BRECHET CFT ET CIE	100.00%	100.00%	FC
SAS SFI France	100.00%	100.00%	FC
SCI LES ORANGERS	100.00%	100.00%	FC
SA CLINIQUE L'EMERAUDE	100.00%	100.00%	FC
SAS HOTEL DE L'ESPERANCE	100.00%	100.00%	FC
SAS CLINIQUE BEAU SITE	100.00%	100.00%	FC
SCI DU MONT D'AURELLE	100.00%	100.00%	FC
SCI ANSI	100.00%	100.00%	FC
SARL REGINA RENOUVEAU	100.00%	100.00%	FC
SCI BRBT	100.00%	100.00%	FC
SNC MAISON ROSE	100.00%	100.00%	FC
SCI RUE DE LONDRES	100.00%	100.00%	FC
SCI CHÂTEAU DE LOOS	100.00%	100.00%	FC
SCI BERLAIMONT	100.00%	100.00%	FC
SARL MARC AURELLE IMMOBILIER	100.00%	100.00%	FC
SCI DU GRAND PARC	100.00%	100.00%	FC
SCI SEQUOIA	100.00%	100.00%	FC
SA CLINIQUE REGINA	100.00%	100.00%	FC
SARL CLINIQUE DU CHÂTEAU DE LOOS	100.00%	100.00%	FC
SAS LA CHAVANNERIE	100.00%	100.00%	FC
SCI DU JARDIN DES LYS	100.00%	100.00%	FC
SAS DOUCE France SANTE	100.00%	100.00%	FC
SARL RESIDENCE DU PARC DE BELLEJAME	100.00%	100.00%	FC
SCI BELLEJAME	100.00%	100.00%	FC
SARL RESIDENCE DE SAVIGNY	100.00%	100.00%	FC
SARL RESIDENCE LA PUYSAIE	100.00%	100.00%	FC
SA CLINIQUE DU CABIROL	100.00%	100.00%	FC
SARL RESIDENCE DE L'OASIS	100.00%	100.00%	FC
SARL RESIDENCE RENE LEGROS	100.00%	100.00%	FC
SAS MEX	100.00%	100.00%	FC
SNC MARGAUX PONY	100.00%	100.00%	FC
SNC THAN CO	100.00%	100.00%	FC
SARL LES VERGERS D'ANNA	100.00%	100.00%	FC
SARL DFS IMMOBILIER	100.00%	100.00%	FC
SARL SOGIP	100.00%	100.00%	FC
SARL GUEROULT	100.00%	100.00%	FC
SARL RESIDENCE LES CEDRES	100.00%	100.00%	FC
SA LE VIEUX CHÂTEAU	100.00%	100.00%	FC
SCI LES CHESNAIES	100.00%	100.00%	FC
SPRL ARIANE	100.00%	100.00%	FC
SAS HOME LA TOUR	100.00%	100.00%	FC

Consolidated Companies Name	Control Group	Interest Group	Consolidation method
SAS CLINIQUE SAINT JOSEPH	100.00%	100.00%	FC
SARL ADC 09	100.00%	100.00%	FC
SAS CLINIQUE MARIGNY	100.00%	100.00%	FC
SAS SUD OUEST SANTE	100.00%	100.00%	FC
SCI LES OLIVIERS	100.00%	100.00%	FC
SAS MAISON DE SANTE DE MARIGNY	100.00%	100.00%	FC
SAS MASSILIA GESTION SANTE	100.00%	100.00%	FC
SARL PARASSY	100.00%	100.00%	FC
SNC DES PARRANS	100.00%	100.00%	FC
SAS HOLDING MANDRES	100.00%	100.00%	FC
SCI NORMANDY COTTAGE	100.00%	100.00%	FC
SCI BARBUSSE	100.00%	100.00%	FC
SARL ANCIENNE ABBAYE	100.00%	100.00%	FC
SARL PCM SANTE	100.00%	100.00%	FC
VILLE TURINE AIMONE SPA	100.00%	100.00%	FC
CECOLO ASBL PANHUIS PARK	100.00%	100.00%	FC
LUCIE LAMBERT ROOS DER KONI	100.00%	100.00%	FC
SNC LES ACANTHES	100.00%	100.00%	FC
SA LE CLOS ST GREGOIRE	100.00%	100.00%	FC
SAS LE CHÂTEAU DE BREGY	100.00%	100.00%	FC
SA SANCELLEMOZ	96.57%	96.57%	FC
SAS STE NOUVELLE SANCELLEMOZ	100.00%	100.00%	FC
SA RIVE ARDENTE	100.00%	100.00%	FC
SAS LE CLOS D'ALIENOR	100.00%	100.00%	FC
SAS LES JARDINS D'ALIENOR	100.00%	100.00%	FC
SCI REZE	100.00%	100.00%	FC
SCI DU BOIS GUILLAUME	100.00%	100.00%	FC
SCI LIVRY VAUBAN	100.00%	100.00%	FC
SA CLINIQUE MEDICALE DE GOUSSONVILLE	100.00%	100.00%	FC
SA CHÂTEAU DE GOUSSONVILLE	100.00%	100.00%	FC
GROUPE ARTEVIDA	100.00%	100.00%	FC
SARL LES BUISSONNETS	100.00%	100.00%	FC
SCI DU PARC SAINT LOUP	100.00%	100.00%	FC
SCI LARRY	100.00%	100.00%	FC
SAS CLINIQUE GALLIENI	100.00%	100.00%	FC
SAS CLINIQUE LES SORBIERS	100.00%	100.00%	FC
SCI DE PEIX	100.00%	100.00%	FC
SA STE EXPL SOLEIL CERDAN	100.00%	100.00%	FC
SA CLINIQUE SENSEVIA	100.00%	100.00%	FC
SCS BORDES & CIE	100.00%	100.00%	FC
SCI CERDANE	100.00%	100.00%	FC
CLINIQUE BOIS BOUGY	100.00%	100.00%	FC
SCI VILLA MORGAN	100.00%	100.00%	FC
SAS IMMO NEVERS	100.00%	100.00%	FC
SARL MAISON DE RETRAITE CHÂTEAU DE PILE	100.00%	100.00%	FC
SARL LE VILLAGE	100.00%	100.00%	FC
SAS ARCHIMEDE VILLAGE	100.00%	100.00%	FC
SAS ALUNORM	100.00%	100.00%	FC
SAS CLINIQUE CASTELVIEL	100.00%	100.00%	FC
SAS Sté Ex. Clinique Cardiologique Maison Balnche	100.00%	100.00%	FC
SAS Clinique Néphrologique Maison Blanche	100.00%	100.00%	FC

Consolidated Companies Name	Control Group	Interest Group	Consolidation method
SRL MADONNA DEI BOSCHI	100.00%	100.00%	FC
SRL VILLA CRISTINA	100.00%	100.00%	FC
RESIDENCIE JULIEN BVBA	100.00%	100.00%	FC
OPCI SPPICAV	100.00%	100.00%	FC
SA MEDIBELGE	100.00%	100.00%	FC
SPRL MIKKANNA	100.00%	100.00%	FC
SA FENINVEST SA	100.00%	100.00%	FC
SA L'ADRET	100.00%	100.00%	FC
SRL CHÂTEAU CHENOIS GESTION	100.00%	100.00%	FC
SA GOLF	100.00%	100.00%	FC
SA INTERNATIONNAL Residence Service	100.00%	100.00%	FC
SA LINTHOUT	100.00%	100.00%	FC
SA NEW PHILIP	100.00%	100.00%	FC
SA PARC PALACE	100.00%	100.00%	FC
SA PROGESTIMMOB	100.00%	100.00%	FC
SA RINSDELLE	100.00%	100.00%	FC
SA TOP SENIOR	100.00%	100.00%	FC
SA LA SENIORIE DU VIGNERON	100.00%	100.00%	FC
SA VESTA SENIOR	100.00%	100.00%	FC
SAS MEDITER	100.00%	100.00%	FC
SARL CLINIQUE DE SOINS DE SUITE LA SALET	100.00%	100.00%	FC
SAS LE CLOS ST SEBASTIEN	100.00%	100.00%	FC
SARL CUXAC	100.00%	100.00%	FC
SAS CLINIQUE DE LA RAVINE	100.00%	100.00%	FC
SAS MAISON DE RETRAITE LA JONCHERE	100.00%	100.00%	FC
SAS CLINIQUE LES BRUYERE BROSVILLE	100.00%	100.00%	FC
SAS SESMAS	100.00%	100.00%	FC
SAS CLINIQUE PSYCHIATRIQUE DE SEINE ST I	100.00%	100.00%	FC
SAS CLINIQUE DU HAUT CLUZEAU	100.00%	100.00%	FC
SA IHMCA	100.00%	100.00%	FC
SAS CLINIQUE DU PARC DE BELLEVILLE	100.00%	100.00%	FC
SAS CLINIQUE DE SOINS DE SUITE DU BOIS GU	100.00%	100.00%	FC
SAS CLINIQUE DE SOINS DE SUITE DE BELLOY	100.00%	100.00%	FC
SA LA PINEDE	100.00%	100.00%	FC
SCI MEDITER FONCIER	100.00%	100.00%	FC
SARL LA PASTORALE	100.00%	100.00%	FC
SAS CA SANTE	100.00%	100.00%	FC
SA HOLDING MIEUX VIVRE	100.00%	100.00%	FC
SARL LE CLOS ST JACQUES	100.00%	100.00%	FC
SAS LES GRANDS PINS	100.00%	100.00%	FC
SARL LE CLOS DE BEAUVAISIS	100.00%	100.00%	FC
SAS BELLEVUE 95	100.00%	100.00%	FC
SAS CHÂTEAU DE CHAMPLATREUX	100.00%	100.00%	FC
SAS RESIDENCE DU PORT	100.00%	100.00%	FC
CORASEN Groupe Corasen	100.00%	100.00%	FC
CORASEN Atlantis	100.00%	100.00%	FC
CORASEN IPM	100.00%	100.00%	FC
CORASEN Oostheem	100.00%	100.00%	FC
CORASEN Zorgcentrum europ	100.00%	100.00%	FC
CORASEN Home de Familie	100.00%	100.00%	FC
CORASEN Vordenstein NV	100.00%	100.00%	FC
CORASEN Vastgoed Albe	100.00%	100.00%	FC
CORASEN Albe BVBA	100.00%	100.00%	FC
CORASEN T'Bisschoppenhof VZW	100.00%	100.00%	FC
DKK Holding	100.00%	100.00%	FC
SEAFLOWER Service Palace	100.00%	100.00%	FC
SEAFLOWER Retake BVBA	100.00%	100.00%	FC

Consolidated Companies Name	Control Group	Interest Group	Consolidation method
SARL DOMIDOM Services	100.00%	100.00%	FC
SAS TCP DEV	100.00%	100.00%	FC
SAS AGE PARTENAIRES	100.00%	100.00%	FC
SAS ALICE ANOTOLE ET CIE	100.00%	100.00%	FC
SAS L'OASIS PALMERAIE	100.00%	100.00%	FC
SAS AP BRETIGNY	100.00%	100.00%	FC
SARL LA MADONE	100.00%	100.00%	FC
SAS LA CHENERAIE - ST RAMBERT	100.00%	100.00%	FC
SAS BON AIR	100.00%	100.00%	FC
SAS LE CERLCE DES AINES	100.00%	100.00%	FC
SAS LES MYOSOTIS	100.00%	100.00%	FC
SAS CLINIQUE DU CHÂTEAU DE SEYSSES	100.00%	100.00%	FC
SARL ACTIRETRAITE - MONTGERON	100.00%	100.00%	FC
SAS CLINIQUE MONTEVIDEO - LA TOURELLE	100.00%	100.00%	FC
SAS CRF DE NAVENNE	100.00%	100.00%	FC
SAS CLINIQUE DR BECQ	100.00%	100.00%	FC
SENEVITA AG	100.00%	100.00%	FC
SPRL THIER S/ LA FONTAINE	100.00%	100.00%	FC
GROUPE SILVER CARE	100.00%	100.00%	FC
SAS CLINIQUE DU PARC	100.00%	100.00%	FC
SCI ARDENNAISE	100.00%	100.00%	FC
SAS ST JEAN	100.00%	100.00%	FC
SAS ADHAP Performances	100.00%	100.00%	FC
SARL APAD 63	100.00%	100.00%	FC
SARL APAD 26	100.00%	100.00%	FC
SARL APAD 42	100.00%	100.00%	FC
SARL APAD 59	100.00%	100.00%	FC
EURL GAPAD	100.00%	100.00%	FC
SARL ETAPE	100.00%	100.00%	FC
SARL Seniors Comtois Services	100.00%	100.00%	FC
SARL LP Solutions	100.00%	100.00%	FC
Aidadomicile 59	100.00%	100.00%	FC
Aidadomicile 37	100.00%	100.00%	FC
SARL Domidom Franchise	100.00%	100.00%	FC
SAS Clinique du Pont du Gard	100.00%	100.00%	FC
SAS PR12	100.00%	100.00%	FC
SCI NANCY BELLEFONTAINE	100.00%	100.00%	FC
SRL VERDELLO	100.00%	100.00%	FC
ARONIA	100.00%	100.00%	FC
OREG	100.00%	100.00%	FC
GCSH	100.00%	100.00%	FC
GCSE	100.00%	100.00%	FC
SENECURA	100.00%	100.00%	FC
SA MED IMMO La Colline	100.00%	100.00%	FC
SARL HELVETIA Clinea	100.00%	100.00%	FC

3 -STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We declare that, to the best of our knowledge and belief, the condensed interim consolidated financial statements have been prepared in accordance with the applicable accounting standards and present fairly in all material respects the assets, liabilities, financial position and results of operations of the company and the consolidated companies comprising the Orpea Group for the six months ended 30 June 2014, and that the interim business report provides a true and fair view of the significant events that occurred during the first six months of the year and their impacts on the half-year financial statements, as well as descriptions of the main transactions between related-parties and the key risks and uncertainties for the remaining six months of the year.

Puteaux, 9 October 2015.

Dr Jean-Claude MARIAN
Chairman

Yves LE MASNE
Chief Executive Officer

4 - STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditors' review report issued in the French language and is provided solely for the convenience of English speaking readers. The statutory auditors' review report also includes information relating to the specific verification of information in the group management report.
The statutory auditors' review report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

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ORPEA

Société Anonyme

115 rue de la Santé
75013 Paris

Statutory Auditors' Report
on the interim financial information

Period from 1 January to 30 June 2015

To the Shareholders,

In our capacity as Statutory Auditors and pursuant to the provisions of article L.451-1-2 III of the French Monetary and Financial Code, we have:

- reviewed the Orpea Group's condensed interim consolidated financial statements for the period from 1 January to 30 June 2015 as attached to this report;
- We have also reviewed the information provided in the interim business report.

The Board of Directors is responsible for the preparation and presentation of the condensed interim consolidated financial statements. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review consists of making enquiries, primarily of management members responsible for accounting and financial matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with professional standards in France and therefore provides a lower level of assurance that the financial statements as a whole are free from material misstatement.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 on Interim Financial Reporting, as adopted in the European Union.

Without qualifying our conclusion above, we draw your attention to Note 1.1 which describes the impact resulting from the first application of IFRIC 21 as of 1 January 2015.

II – Specific investigations

We also reviewed the information provided in the interim financial report commenting on the interim condensed consolidated financial statements reviewed by us.

We have no matters to report as to its fairness or its consistency with the condensed interim consolidated financial statements.

Paris and Neuilly-sur-Seine, 9 October 2015

The Statutory Auditors

Saint-Honoré BK&A	Deloitte & Associés
Emmanuel KLINGER	Joël ASSAYAH