

EARLY REDEMPTION OF THE ORNANE 2020 BOND COMPLETED SUCCESSFULLY, STRENGTHENING ORPEA'S EQUITY BASE AND REDUCING ITS DEBT

Puteaux, 31 October 2017 (6:00pm)

On 4 September 2017, ORPEA announced that it was going to redeem early all its outstanding ORNANE bonds (bonds convertible into new shares and/or exchangeable for existing shares with a repayment option in cash and/or new shares, hereinafter "the ORNANE bonds") due on 1 January 2020 and issued on 17 July 2013. Holders had the option of exercising their conversion right until 5pm on 22 September 2017.

The vast majority of ORNANE bondholders exercised their conversion right:

- At 4 September 2017, 3,695,897 ORNANE bonds remained outstanding, i.e. 86.75% of the initial tranche
- Almost all these ORNANE bonds, i.e. 3,693,994 (99.95%) were tendered for conversion in return for exclusively new shares based on an exchange ratio of 1.068 shares per 1 ORNANE bond tendered
- The 1,903 ORNANE bonds still outstanding were redeemed in cash on 19 October 2017 at par (i.e. at a price of €46.56 by ORNANE) plus accrued interest, i.e. €46.8011 per ORNANE bond.

ORPEA has thus issued 3,945,167 new shares increasing the number of outstanding shares to 64,553,123, leading to a dilution of 6.51%.

This early redemption of the ORNANE bonds will give rise to the following accounting effects in the ORPEA Group's consolidated financial statements for the financial year ending on 31 December 2017:

- a non-cash financial charge of €145 million
- an increase of €408 million in equity compared with at 31 December 2016
- a €289 million reduction in net debt compared with at 31 December 2016 (€26 million were reimbursed in cash).

**Next press release: Q3 2017 revenue
7 November 2017 after market close**

About ORPEA (www.orpea-corp.com)

Since its creation in 1989, ORPEA has expanded rapidly to become one of the main world leader in long-term care, with its network of 798 facilities, with 82,838 beds (12,371 of them under construction or redevelopment), including:

- 33,122 beds in France (2,409 beds under construction or redevelopment) at 357 facilities
- 49,716 beds outside France (Austria, Belgium, Brazil, China, Czech Republic, Germany, Italy, Poland, Portugal, Spain and Switzerland) at 441 facilities (9,962 beds under construction or redevelopment)

ORPEA is listed on Euronext Paris (ISIN code: FR000184798) and a constituent of the SBF 120, STOXX 600 Europe, MSCI Small Cap Europe and CAC Mid 60 indices.

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