



Full-year 2015 results

ORPEA

LIFE GOES ON WITH US

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- 3. Network and developments**
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- 5. Acquisition of MEDI-System in Poland**
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Appendix





Introduction

ORPEA's offer



European operator



70,972 beds



715 facilities



10 countries

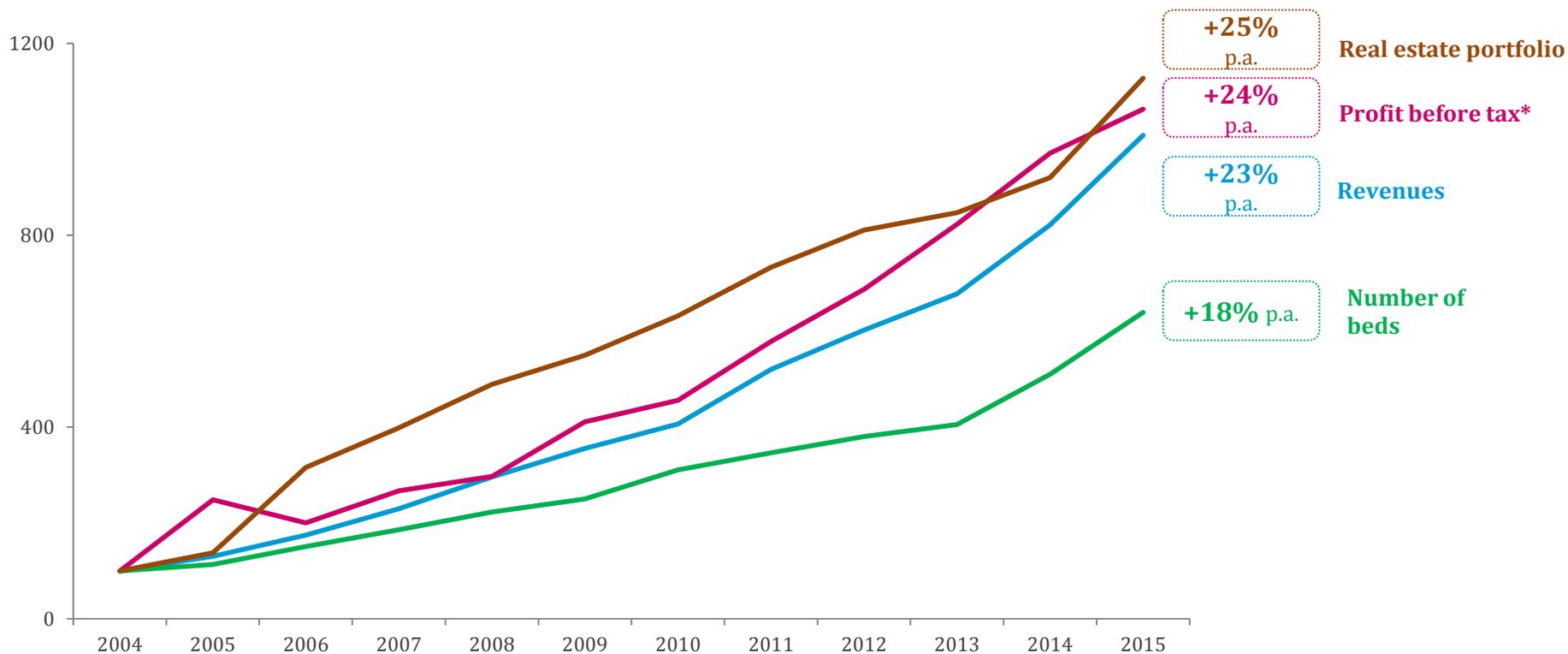
54% of the network outside France



43,000 employees

Solid business performance over the long term

**Business performance from 2004 to 2015:
annual growth rates > 20%**



* Excluding changes in the fair value of the right to the grant of shares embedded in the ORNANE



Strong network expansion

- * **Strong growth of 31% in the network:** 16,874 beds added since the beginning of 2015 (national, regional groups, selective acquisitions, new facilities)
- * **3 new strategic platforms:** SeneCura in Austria, Celenus in Germany and Medi-System in Poland (January 2016)



Organisational adjustments to reflect its change of scale

- * **New administrative headquarters** housing all the teams
- * Further **investment in IT** and a team of over 30 employees - experts in their field - **dedicated to international expansion**



Solid business performance

- * Strong **revenue growth of 22.7%** to €2,392 million
- * Solid increase in **EBITDAR of 21.3%** to €652 million



Larger proportion of facilities in Group ownership

- * **€626 million increase in the value of the real estate portfolio** (up 23% in one year), in Germany, Austria, Spain
- * A high-quality portfolio **worth €3.4 billion** with a secure rental position

ORPEA's definition of Quality

- ✧ In a round-the-clock, 7 days-a-week service business caring for people with diminishing autonomy, **Quality also means dealing with imperfection** and constantly requires adjustments, improvements and rethinks

ORPEA's positioning in each country

- ✧ Provide the **highest quality standards in terms of care and accommodation**
 - “Technical” aspects of care tailored to each country: adjustment of reference procedures, traceability and controls
 - Adaptation of the Quality program to regional and national cultures
 - Quality: a crucial criterion in acquisitions

An integrated approach to Quality with a dedicated team of over 100 staff



Quality - the only guarantee of long-term profitability

Annual European satisfaction survey carried out in 6 countries



Questionnaire sent to 33,000 residents and families
(60% response rate)



France, Belgium, Spain, Italy,
Switzerland and Germany

Overall satisfaction rate of
92%

Recommendation rate
of **93.3%**

Awards received in numerous countries during 2015



Switzerland

✧ **Senevita** ranked third in the Swiss national Great Place to Work awards, in the health and social affairs category



Austria

✧ **SeneCura** has embarked on the new certification process (NQZ) put in place by Federal Ministry of Labour, Social Affairs and Consumer Protection (3 facilities certified and 5 in progress)



Germany

✧ **Silver Care** voted the number 1 care home group for quality based on MDK ratings for the fourth year in a row (2012, 2013, 2014 and 2015).
✧ MDK = reference rating system in Germany, overseen by the Ministry of Health and Social Business in the regions



Spain

✧ All facilities are have AENOR accreditation, as approved by the Health Ministry (ISO 9001 standard)



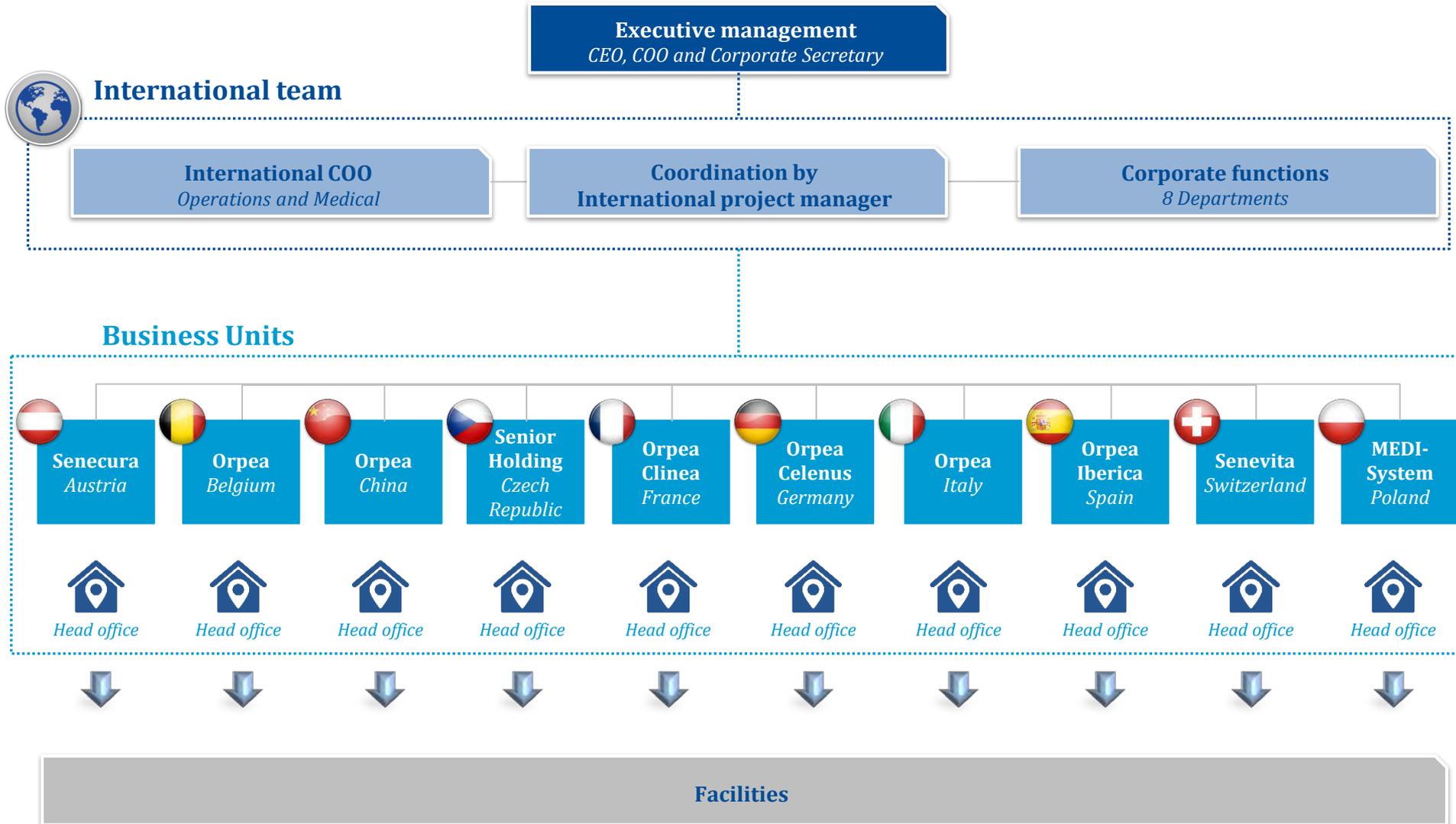


Organisation and IT

ORPEA

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An organisation geared to international expansion



✧ Definition of pre-requisites:

Common practices and methods to be applied by all Business Units, determined by the Group's quality, risk management and reporting requirements

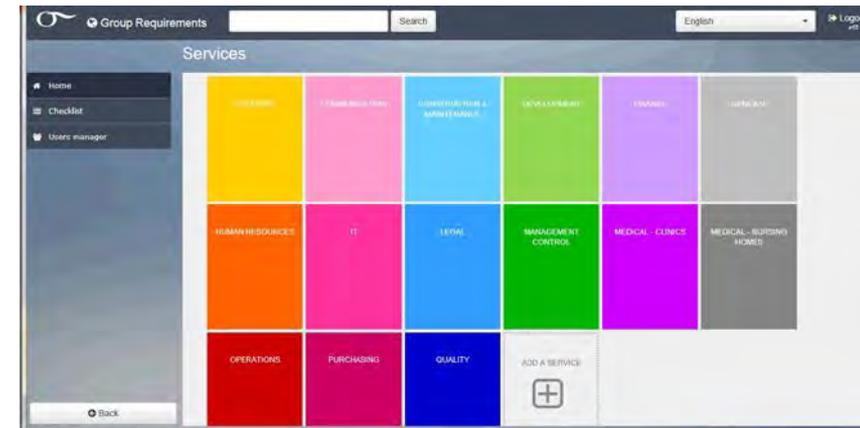
✧ Objectives:

- Give the new BUs clarity concerning the Group's expectations for their integration
- Ensure consistency of operating procedures and share best practices
- Facilitate communications and interactions between BUs and corporate functions

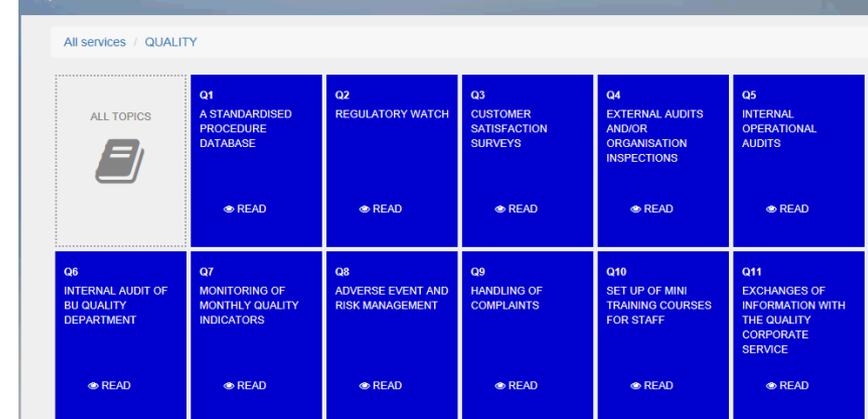
✧ In practice:

- Implementation of an iterative process to constantly improve our operating procedures
- Implementation of a dedicated and secure application, listing the pre-requisites and related documents

Pre-requisites application



Topics for QUALITY



A team of 30 experts dedicated to international expansion

✧ **Formation of a team over the past 2 years dedicated to executing the international strategy: 30 experts**

- Internal promotion to harness line-of-business expertise (2/3)
- Recruitment of senior executives with strong international experience of multi-site management (1/3)

✧ **Deployment of these teams in all areas of expertise:**

- Purchasing, catering
- Construction and maintenance
- Management control
- Development
- IT
- Finance
- Legal
- Quality, Medical
- Human resources
- Operations

✧ **Objective: provide support to the BUs in the areas of expertise and control**

- Implement the pre-requisites for rolling out the ORPEA model showing sensitivity to local cultures
- Transfer of skills within the Group and facilitate efforts to harness synergies



An organisation scaled for international operations

International network has quadrupled in size



Country-focused organisation with supporting corporate functions



Infrastructure and effective IT organisation



A new corporate headquarter



Organisational adjustments introduced over more than the past 2 years

2016
International:
38,284 beds
54% of the network



2012
International:
9,529 beds
20% of the network



Business strategy

An integrated IT organisation *geared to the acceleration in international growth*



Industrialised methods and systems, *well-suited to integrating new groups*



Reporting tools *geared to monitoring quality and the business as a whole*



Centralised and highly secure IT infrastructure



IT Strategy



International organisation



CAPITALISE

- ✧ Central information systems department with 100 employees
- ✧ 50 in-country employees

BUILD

- ✧ Global IT partnerships (Cisco, Colt, Oracle, etc.)

Methods and systems: a business line at the heart of our strategic vision



CAPITALISE

- ✧ Dedicated internally developed systems that evolve to maintain centralised control over key indicators

BUILD

- ✧ Centralised core application platform
- ✧ New five-year master plan and technology watch

Reporting tools



CAPITALISE

- ✧ Monitoring systems for key business and performance indicators (occupancy rates, P&L, daily cost of meals, etc.)

BUILD

- ✧ Development of central business intelligence (Big Data)
- ✧ Tools capable of adapting to regulatory changes

Powerful and centralised infrastructure



CAPITALISE

- ✧ New data center: built to handle 10 years of development
- ✧ ITIL certification for infrastructure teams

BUILD

- ✧ ISO 27001 and HDS (personal health data hosting company) certification



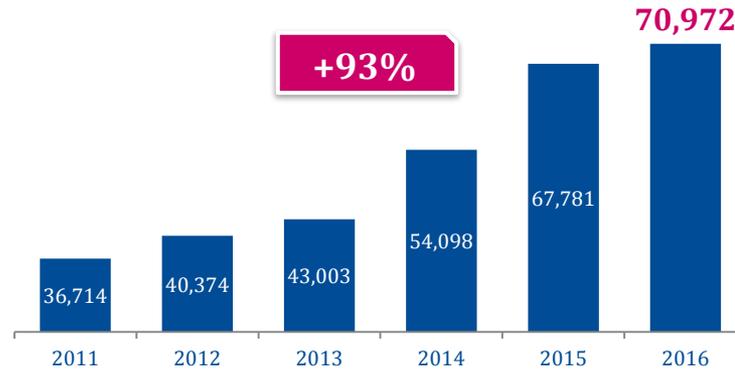
Network and developments

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2011 – 2016: strong acceleration in international network expansion

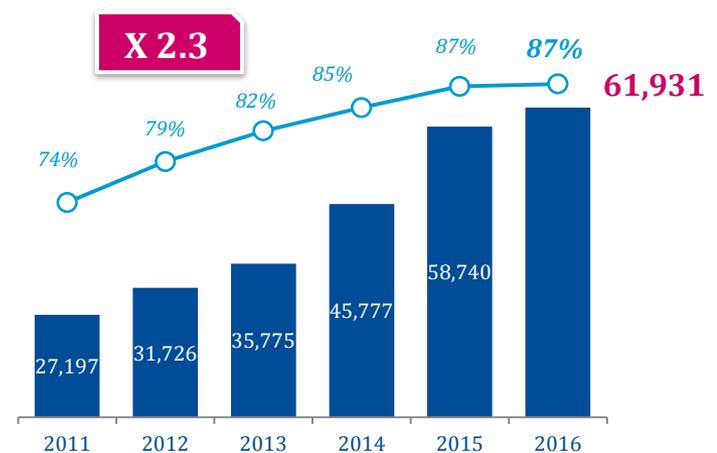
Total network (number of beds)



**International network
(Number of beds and % of the total network)**

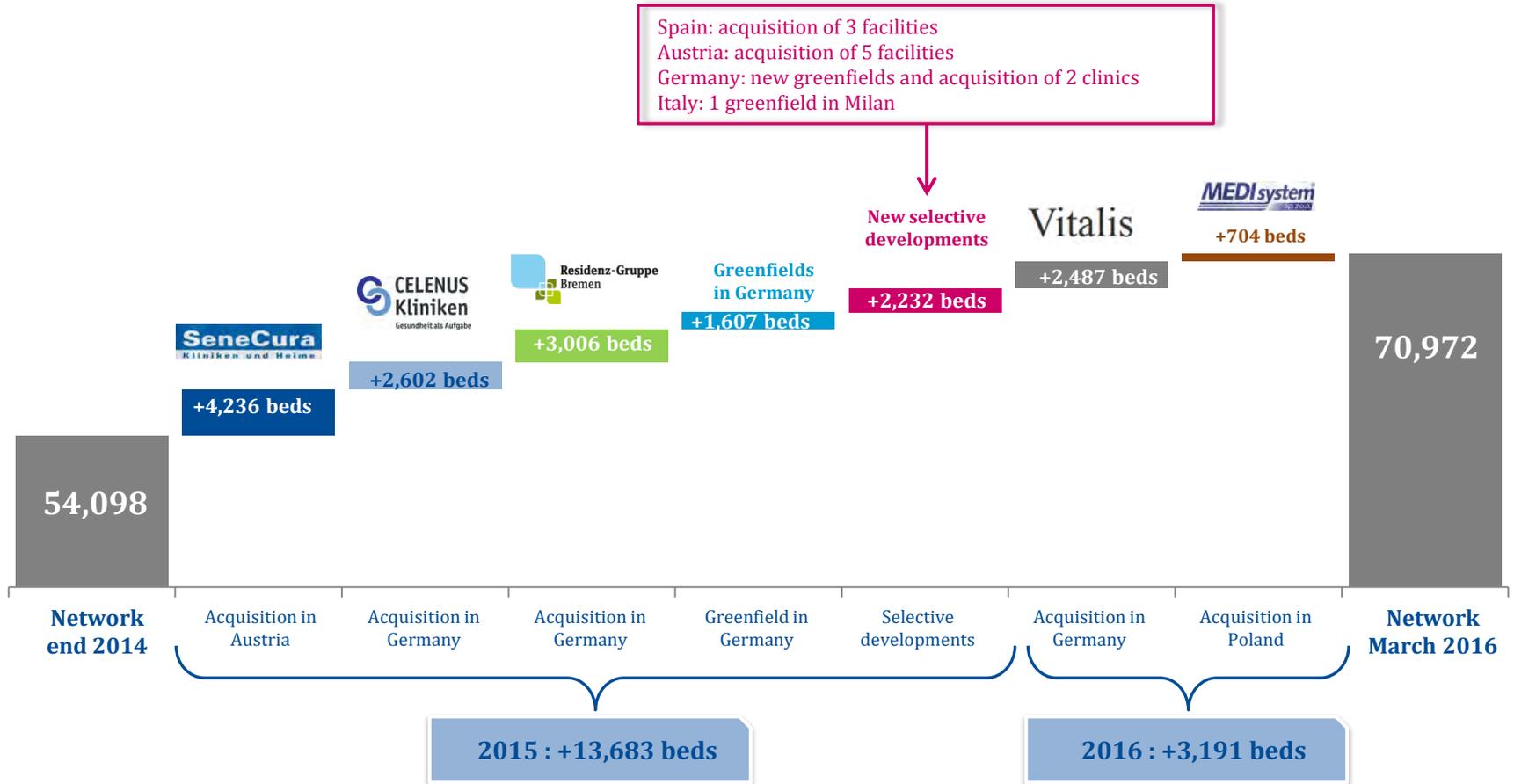


**Network maturity
(Number of mature beds and % of the total network)**

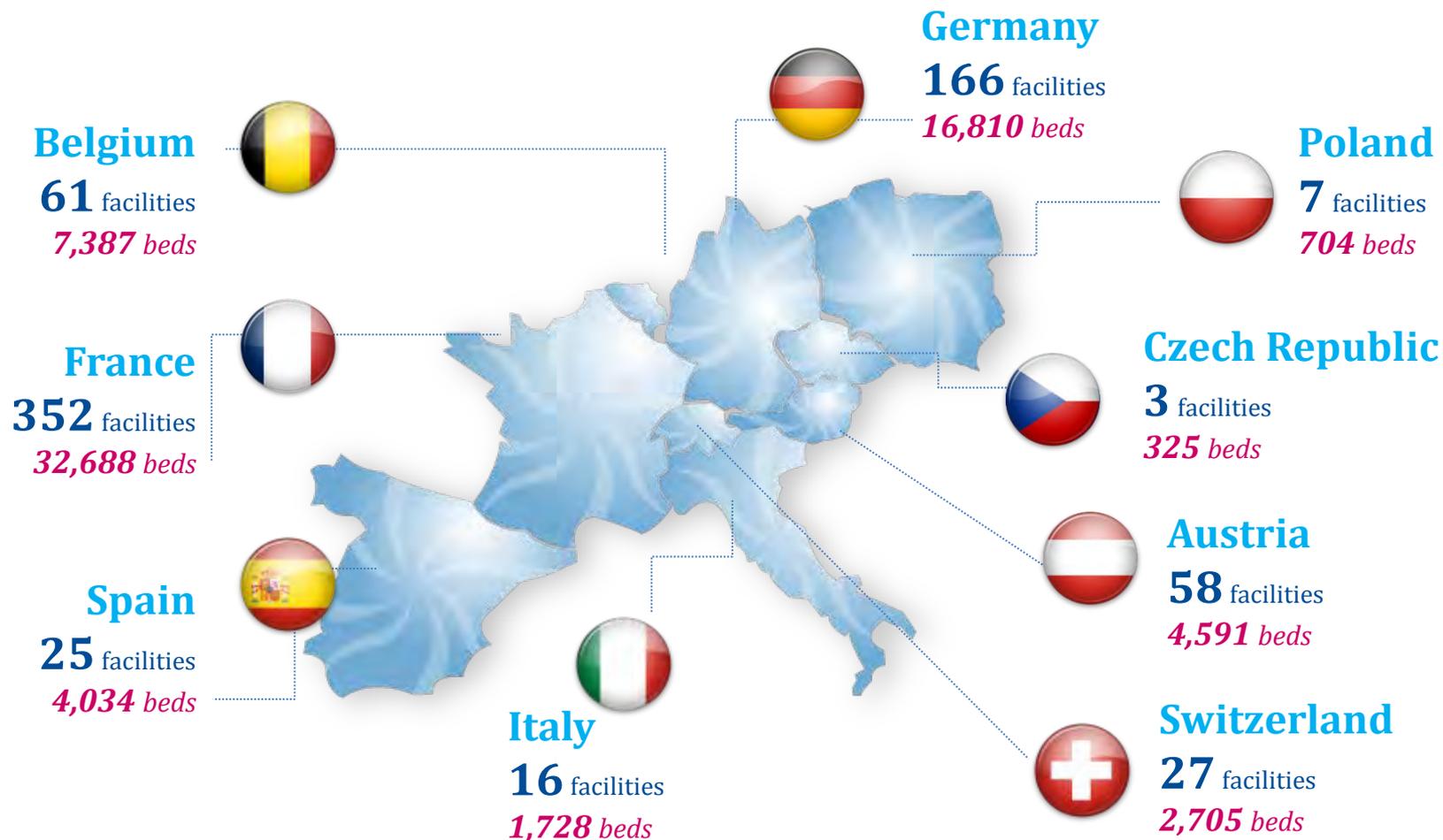


Total network: +31% = +16,874 new beds

Spain: acquisition of 3 facilities
 Austria: acquisition of 5 facilities
 Germany: new greenfields and acquisition of 2 clinics
 Italy: 1 greenfield in Milan



A European network of 70,972 beds in 715 facilities



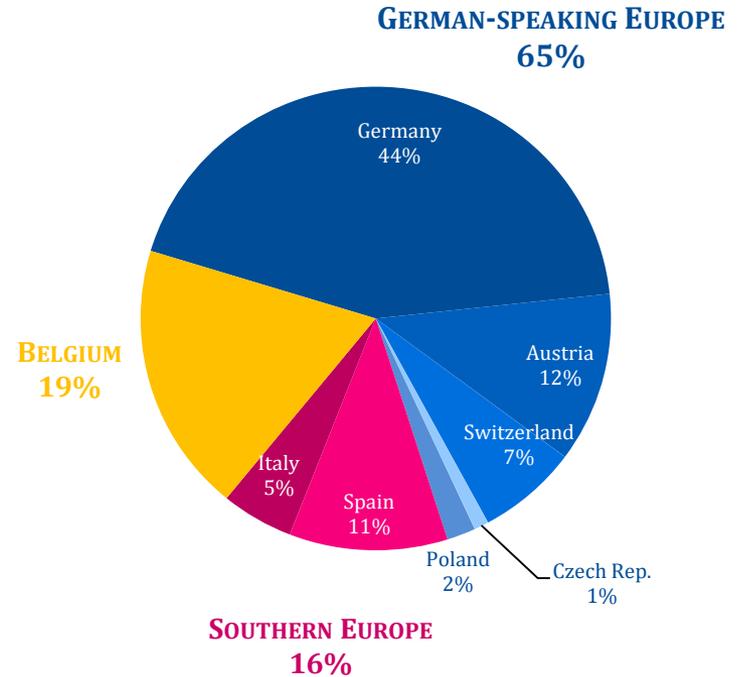
 **54% of the network outside France**



Key figures for the international network



Breakdown of beds by country



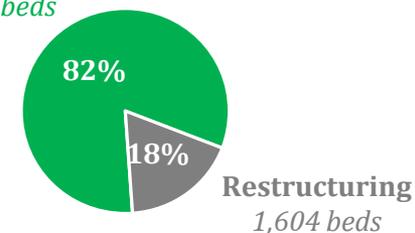
Performing development platforms in dynamic countries with strong purchasing power

European growth pipeline of 9,041 beds

| | Open beds | Beds being restructured | Beds under construction | Pipeline (% of beds under development) |
|--|-----------|-------------------------|-------------------------|--|
|  FRANCE | 29,695 | 1,140 | 1,853 | 9% |
|  BELGIUM | 5,538 | 322 | 1,527 | 25% |
|  SPAIN | 4,034 | 0 | 0 | 0% |
|  ITALY | 1,136 | 60 | 532 | 34% |
|  SWITZERLAND | 2,243 | 0 | 462 | 17% |
|  GERMANY | 13,914 | 82 | 2,814 | 17% |
|  AUSTRIA | 4,462 | 0 | 129 | 3% |
|  CZECH REP. | 205 | 0 | 120 | 37% |
|  POLAND | 704 | 0 | 0 | 0% |
| TOTAL | 61,931 | 1,604 | 7,437 | 13% |

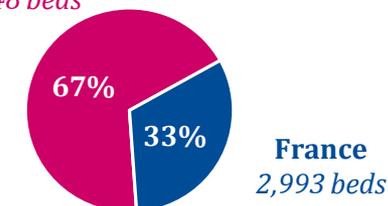
Breakdown of the pipeline by type

Construction
7,437 beds



Geographical breakdown of the pipeline

International
6,048 beds



 **Growth pipeline = secured organic growth for the next 3 to 4 years**

Opening of the retirement home pilot in Nanjing (Xianlin International Care Center)

A unique facility in China with 140 beds

- ✧ **Unique market position in China:** care for dependent people and very high-end residential services
- ✧ **Per-day prices from €100 to over €200**, consisting of three parts:
 - Accommodation and food
 - Care and day-to-day assistance according to the level of dependency
 - Wellness services (spa, massage, additional meals, manicure etc.)

Service, Quality and Training central to the project

- ✧ **Each ORPEA procedure (Care, Quality, Residential Services, Management)** has been transposed and adjusted to the Chinese legal and cultural context
- ✧ **Very active training policy**, with over 5 months of staff training
 - External training (e.g. partnership with the geriatrics department of Xiehe hospital in Beijing)
 - Internal training according to ORPEA methods

A lifestyle and care project that combines ORPEA's knowhow with Chinese culture

- ✧ **Importing ORPEA's drug-free approach** to neurodegenerative diseases: balneotherapy, Snoezelen areas and reminiscence
- ✧ **Adapting to the local culture:** Chinese medicine, specific activities (Tai-chi, calligraphy, massage, mah-jong etc.)







Inauguration of Orpea's Xianlin International Care Center in Nanjing

Inaugurated on 22 March 2016 in the presence of:

- Li, Governor of the District of Xianlin
- Benoit Sevcik, Advisor to the French Embassy in China in charge of Social Affairs
- Mr Hou, Director of the Office of Civil Affairs for Jiangsu Province





2015 results



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2011 – 2015: good momentum in profitability growth

Revenues (€m)

2015/2011: +94%



Net profit (€m)

2015/2011: +92%

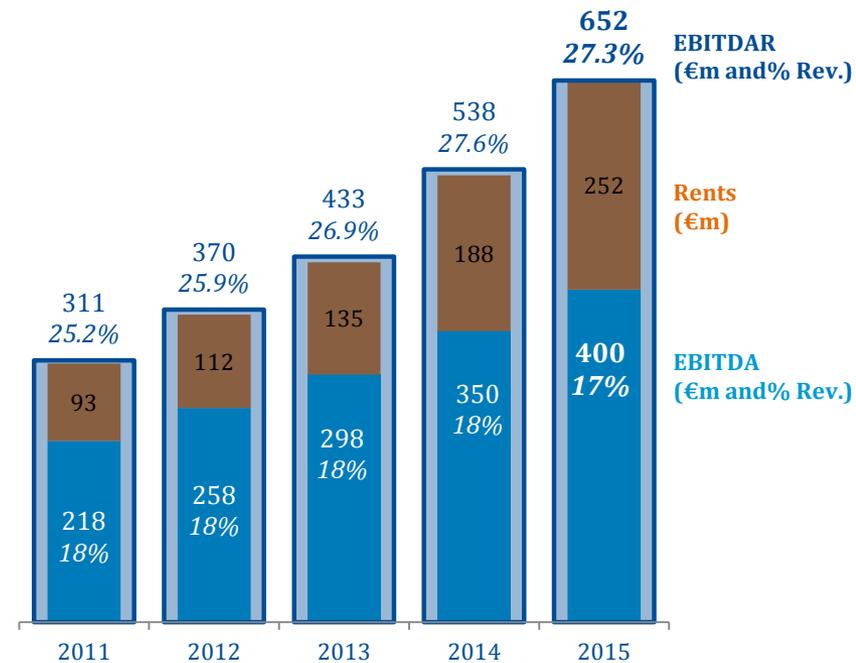


EBITDAR, Rents and EBITDA (€m)

EBITDAR: +110%

Rents: +171%

EBITDA: +83%



* Excluding changes in the fair value of the right to the grant of shares embedded in the ORNANE

CAGR = compound annual growth rate

TARGETS FOR 2015

ACHIEVED IN 2015

1

Original revenue estimate: €2,310m(+18.6%)
Revised to €2,380m (+22.1%)



€2,392m
+22.7%

2

Brisk organic growth of ~5%



+5.4%
> €100m

3

Net increase in the real estate portfolio



€3.4 billion
Increase of €626m

4

Reduction in the cost of debt



Average cost of debt: 3.8%
-20 bp

Strong revenue growth of 22.7% to €2,392 million in 2015

| (€ m) | 2015 | 2014 | % |
|----------------------|----------------|---------|---------------|
| France | 1,596.6 | 1,499.8 | +6.5% |
| | 67% | 77% | |
| International | 795.0 | 448.7 | +77.2% |
| | 33% | 23% | |
| Belgium | 157.8 | 164.9 | |
| Spain | 63.9 | 55.6 | |
| Italy | 45.9 | 41.6 | |
| Switzerland | 130.1 | 84.4 | |
| Germany | 287.5 | 102.2 | |
| Austria | 109.8 | - | |
| Total | 2,391.6 | 1,948.6 | +22.7% |

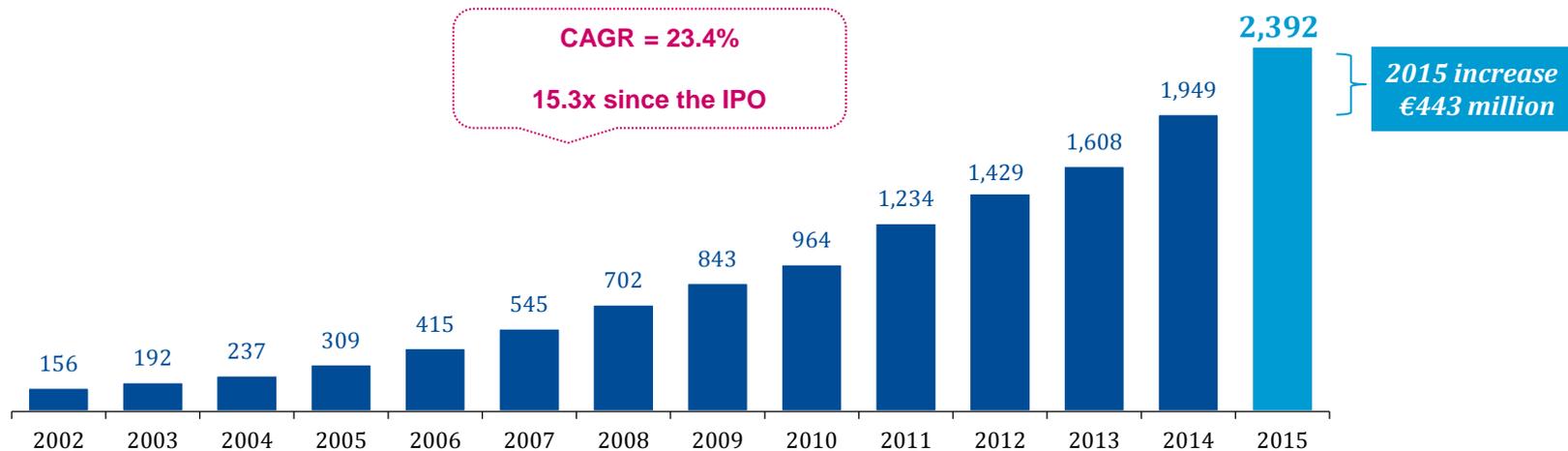
Brisk pace of organic growth

- ✧ Openings: **2,050 beds**
- ✧ Organic growth in 2015: **5.4% (> €100 million)**

Consolidation of 2015 acquisitions

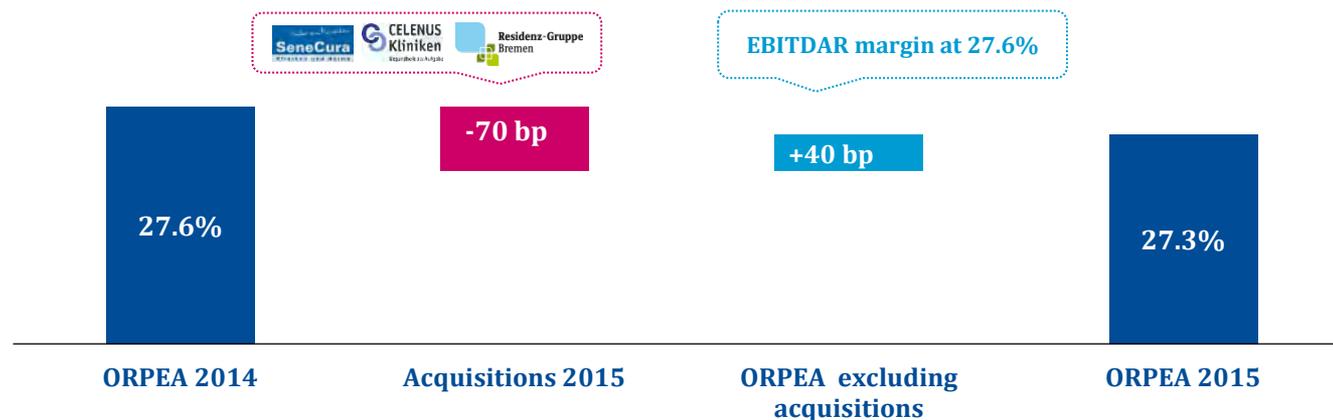
- ✧ SeneCura (Austria): starting 01.04.15
- ✧ Celenus Kliniken (Germany): starting 01.07.15
- ✧ Residenz Gruppe Bremen (Germany): starting 01.10.15

Growth in full-year revenues every year since the IPO



| (€ m) | 2015 | 2014 | % chg. |
|---|---------------|--------|---------------|
| Revenues | 2391.6 | 1948.6 | +22.7% |
| Staff costs | -1216.8 | -968.6 | +25.6% |
| Purchases | -446.5 | -361.2 | +23.6% |
| Tax expense | -90.7 | -81.2 | +11.7% |
| Other income and expense | 14.8 | 0.3 | n/a |
| EBITDAR (recurring EBITDA before rent) | 652.4 | 537.8 | +21.3% |
| <i>% of revenues</i> | 27.3% | 27.6% | |

Analysis of the Group EBITDAR margin



Analysis of margins by geographical region

| In €m | 2015 | | | 2014 | | | Comments |
|---|---------------|--------------|--------------|---------------|--------------|--------------|--|
| | Revenues | EBITDAR | % Rev. | Revenues | EBITDAR | % Rev. | |
|  France | 1596.6 | 451.2 | 28.3% | 1499.8 | 424.4 | 28.3% | Healthy resilience amid tariff cuts in post-acute, rehab. and psychiatric care |
|  Belgium | 157.8 | 31.2 | 19.8% | 165.0 | 35.5 | 21.5% | Temporary impact of new openings |
|  Spain | 63.9 | 15.2 | 23.8% | 55.6 | 13.2 | 23.7% | Strong growth in H2 2015 / H1 2015 (21%) |
|  Italy | 45.9 | 5.5 | 12.0% | 41.6 | 5.4 | 13.0% | Ramp-up in new openings |
|  Switzerland ¹ | 94.6 | 31.2 | 33.0% | 58.7 | 17.2 | 29.3% | Excluding Independent Living business |
|  Germany | 287.5 | 76.6 | 26.6% | 102.2 | 28.0 | 27.4% | Inclusion of RGB and new openings |
|  Austria | 109.8 | 23.6 | 21.5% | | | | Increase of H2 2015 / H1 2015 (20.7%) |
| International ² | 795.0 | 201.2 | 25.3% | 448.8 | 113.4 | 25.3% | |
| Grand TOTAL | 2391.6 | 652.4 | 27.3% | 1948.6 | 537.8 | 27.6% | |

¹ Excluding the Independent Living business

² Including the Independent Living business in Switzerland

14.3% increase in EBITDAR

| (€ m) | 2015 | 2014 | % chg. |
|--|--------------|--------|---------------|
| EBITDAR (recurring EBITDA before rents) | 652.4 | 537.8 | +21.3% |
| Rents | -252.2 | -187.7 | +34.3% |
| Recurring EBITDA | 400.3 | 350.1 | +14.3% |
| % of revenues | 16.7% | 18.0% | |

Trend in rents (€m)



Average increase in rents in 2015: 1.1%

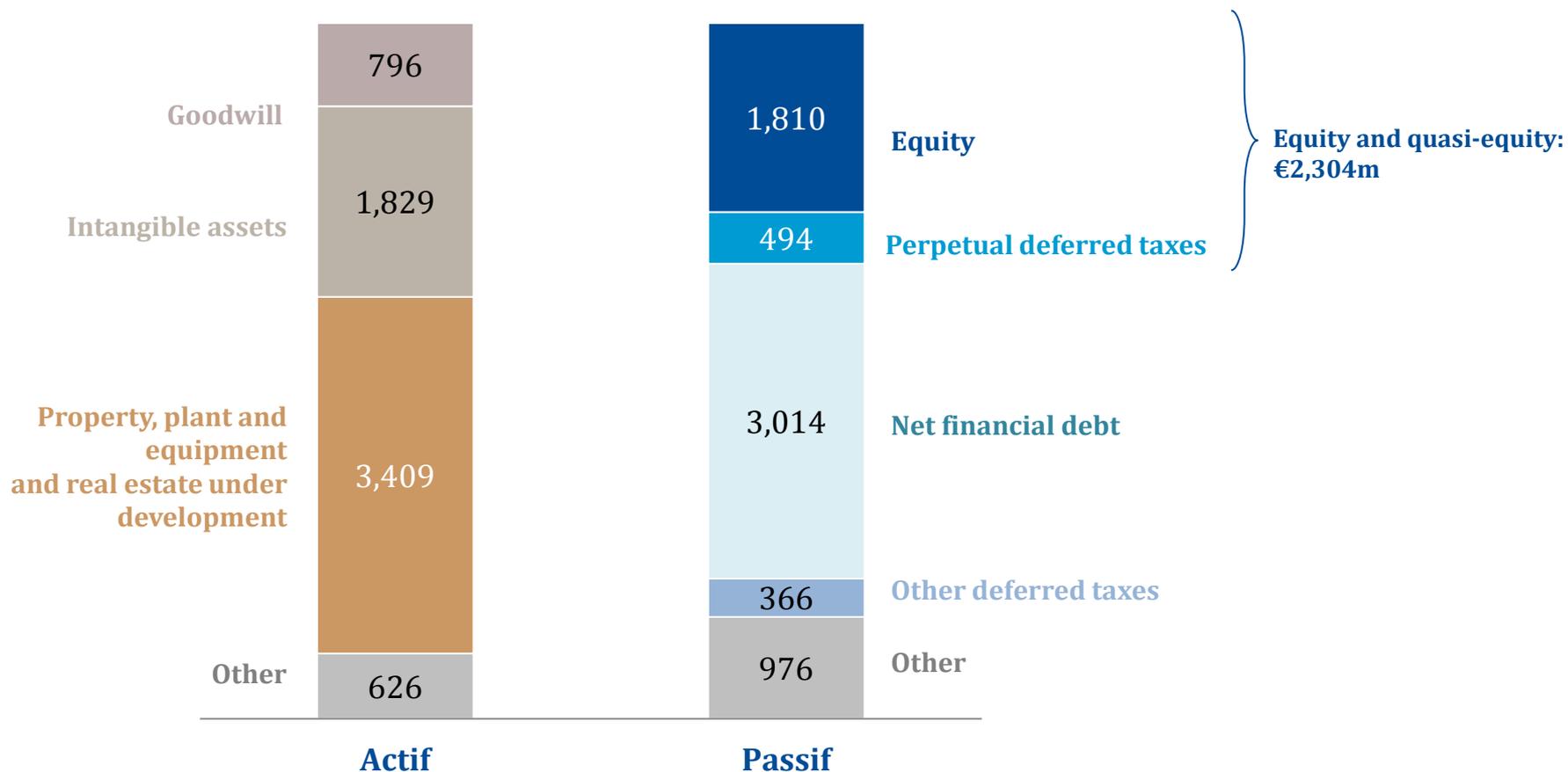
| (€ m) | 2015 | 2014 | % chg. |
|---|--------------|-------|---------------|
| Recurring EBITDA | 400.3 | 350.1 | +14.3% |
| Depreciation, amortisation and provision: | -96.9 | -78.9 | +22.9% |
| Recurring EBIT (op. profit before non-recurring items) | 303.3 | 271.2 | +11.8% |
| Non-recurring items | 21.7 | 37.7 | n/a |
| Net financial income/(expense)* | -96.8 | -99.2 | -2.4% |
| Profit before tax* | 228.2 | 209.8 | +8.8% |
| Tax expense* | -77.3 | -75.3 | +2.7% |
| Share in income/(loss) from equity affiliat | 2.4 | 1.8 | n/a |
| Attributable net profit* | 153.3 | 136.3 | +12.5% |



Solid financial performance in a phase of strong expansion

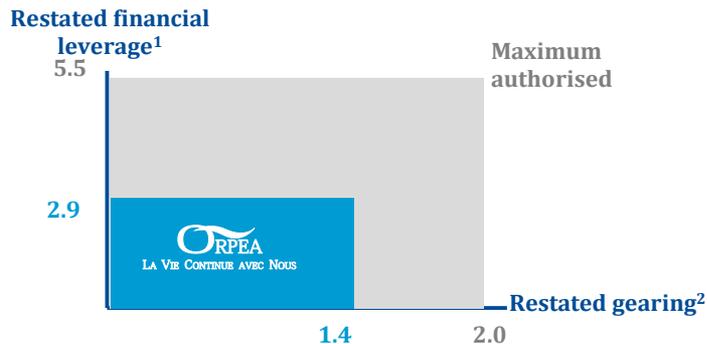
*Excluding changes in the fair value of the right to the grant of shares embedded in the ORNANE by a negative net amount of €26.7m in 2015 and €15.6m in 2014

✧ **Simplified balance sheet* at 31.12.15 (€m)**



*Excluding €200m in assets and debt associated with assets held for sale

Covenants very comfortably met*



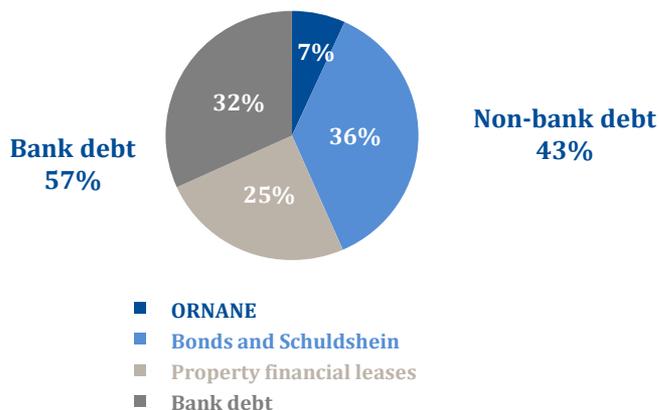
¹ $\frac{\text{Net debt} - \text{real estate debt}}{\text{Ebitda} - (6\% \text{ real estate debt})}$

² $\frac{\text{Net debt}}{\text{Equity} + \text{quasi-equity}}$

Maturity profile of net debt*



Net debt diversified between bank and non-bank debt*



Reduction in the cost of debt

(around 90% of net debt hedged in medium and long term at a fixed rate from 2015 to 2020)



*Excluding €200m in debt associated with assets held for sale at 31 December 2015

ORPEA's key strength: real estate portfolio dedicated to its business activities

Business

70,972 beds
(including 9,041 under development)



Revenues €2,392m

EBITDA €236m
= 2015 EBITDA – Rent at 5.5% of the real estate operated under ownership (€2,988 m)

Net debt €655m

Gearing **2.8x EBITDA**



**FAST-GROWING COMPANY
(NETWORK AND REVENUES UP 50% IN 2 YEARS)
WITH SUBSTANTIAL ADDITIONAL POTENTIAL**

Dedicated real estate portfolio

1.16m sqm



Total value of the portfolio* €3,409m

- In service €2,985m
- Under construction €424m

Total net real estate debt €2,360m

- For properties in service €1,936m
- For properties under construction €424m



**ORPEA'S REAL ESTATE CARRIES A VERY LOW RISK:
HIGH-VALUE ASSET**

*Excluding the impact of €127m in assets held for sale at 31 Dec. 2015

Quality of the very low risk portfolio

Recent assets

Built or renovated by ORPEA

First-class maintenance

Strategic locations

Quality of the tenant

Low vacancy risk



Average age = 13 years

Buildings serviced by ORPEA

At the centre of cities and in areas where people have strong purchasing power

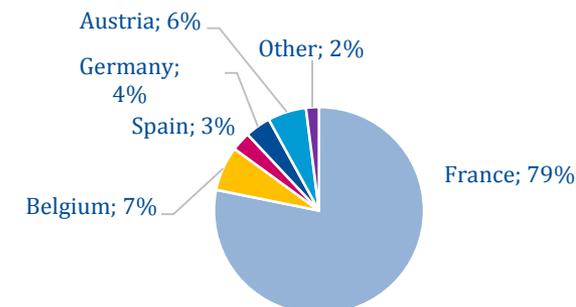
ORPEA, the tenant, rents from ORPEA, the owner

Occupancy rate of facilities stable at a high level and very low risk of tenant departure

Strong portfolio growth

| | 2015 | 2014 | Chg. |
|--|------------------|---------|---------------|
| Ownership rate | 36% | 32% | +4 pts |
| Developed area (m²) | 1,155,500 | 890,000 | 30% |
| Total value* (€ m) | 3,409 | 2,783 | 23% |
| o/w properties in service | 2,985 | 2,198 | |
| o/w under construction | 424 | 585 | |
| Average yield on properties valued by DTZ and JLL | 6.3% | 6.5% | -20 bp |

Breakdown of assets (by value)



*Excluding the impact of €127m in assets held for sale at 31 Dec. 2015

Major change in accounting standards from 1 Jan. 2019 (IFRS 16)

- * Inclusion of rentals (operating leases) on balance sheet
- * Since leases are to be added back to assets and liabilities, companies might as well own properties
 - ⇒ Rental = permanent increase in debt despite rental payments
 - ⇒ Ownership = steady decline in debt following the maturity schedule of loan repayments

Income statement impact

Rental income replaced by depreciation and interest expense

↗ **EBITDA** (EBITDAR = EBITDA)

↗ **Depreciation**

↗ **Interest expense**

Balance sheet impact

Inclusion of rental commitments

↗ **ASSETS** (Right to use a building)

↗ **Financial liabilities**



Greater strategic resolve to lift the real estate ownership rate to between 40% and 50%

| <i>(€ m)</i> | 2015 | 2014 |
|--|-------------|------|
| EBITDA | 400 | 350 |
| Net cash generated by operating activities | 314 | 290 |
| Investments in construction projects | -256 | -207 |
| Acquisitions of real estate | -683 | -197 |
| Disposals of real estate | 211 | 285 |
| Net real estate investments | -728 | -119 |
| Acquisitions of operating assets | -282 | -467 |
| Disposals of operating assets | 0 | 0 |
| Net investments in operating assets | -282 | -467 |
| Net cash generated/(used) by financing activities | 593 | 450 |
| Change in cash over the period | -103 | 154 |
| | | |
| Cash at end of period | 519 | 622 |

✧ Proposed dividend to the 2015 General shareholder meeting: €0.90 / share



Increase in the dividend per share
+12,5%

Share yield*:
1.3%

**Based on the closing price of the share at 24/03/16*

Payout ratio of the net profit:
35%



Openings 2015/2016

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New openings in 2015: 2,050 beds



Schoten (Belgium) - 130 beds



Ostende (Belgium) - 90 beds



Zürich (Switzerland) - 127 beds



Bregenz (Austria) - 80 beds



Ötigheim (Germany) - 84 beds



Saint-Raphaël (France) - 84 beds



De Haan (Belgium) - 105 beds



Paris 16^{ème} (France) - 92 beds



Joinville-Le-Pont (France) - 89 beds

New openings in 2016: 3,000 beds



Paris 17th (France) - 125 beds



Paris 15th (France) - 104 beds



Le Teich (France) - 84 beds



Basel (Switzerland) - 91 beds



Berlin (Germany) - 180 beds



Knokke-le-Zoute (Belgium) - 85 beds



Prague (Czech Republic) - 115 beds



Venice (Italy) - 120 beds



Brussels (Belgium) - 109 beds



Acquisition of Medi-System in Poland



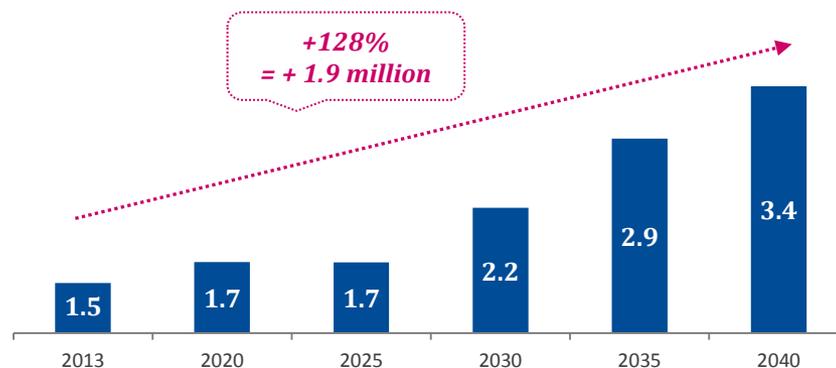
LIFE GOES ON WITH US



Severe ageing of the population

- ✧ **Number of over 80s will more than double between now and 2040:** around 2 million more people
- ✧ **Even more marked phenomenon among the over 90s:** x3.6 increase from 171,000 to more than 600,000 in 2040
- ✧ **Development of neurodegenerative diseases** such as Alzheimer's: +14% between 2014 and 2020

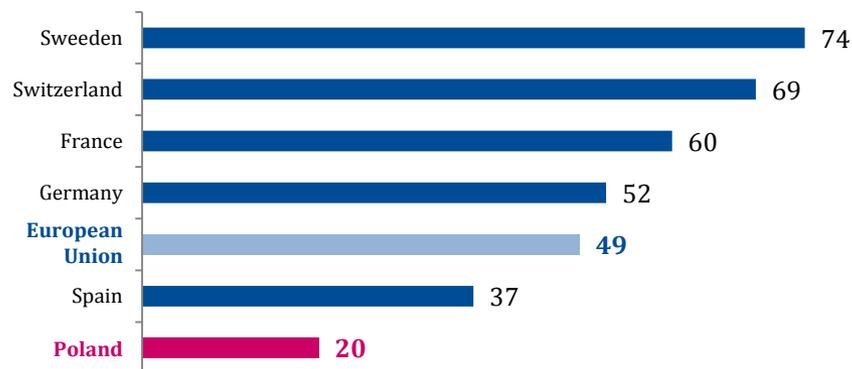
Increase in the number of over 80s (in millions)



Offering severely lagging behind European standards

- ✧ **Existing offering:** around 85,000 beds
- ✧ **Number of beds well below European standards:** 6 beds per 100 people aged 80 and over, compared with 15-20% for Europe
- ✧ **Offering not very well suited** to severe dependency care needs

Number of nursing home beds per 1,000 people aged over 65





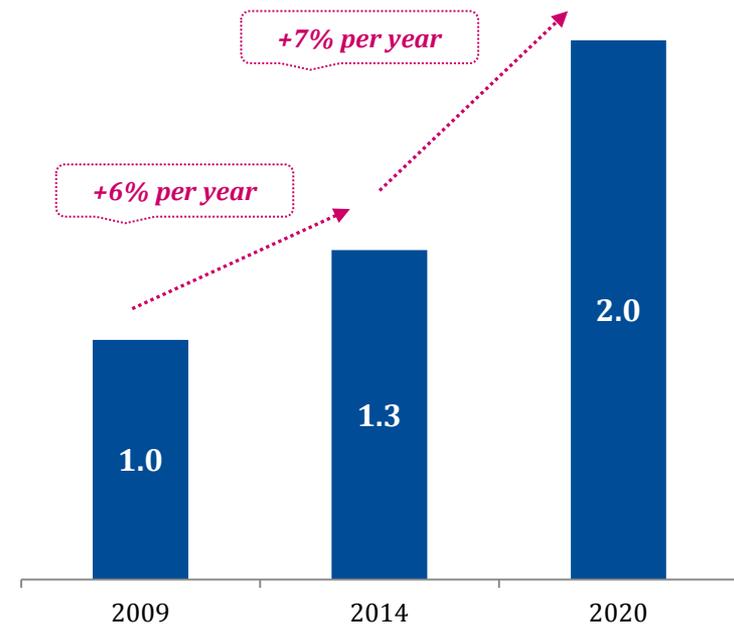
Regular increase in solvency

- * **Sharp increase in dependency care spending** : x2 in 10 years
- * **Strong increase in pension** +5% a year over the last 5 years (part of the people with a pension > €800 rose from 3% to 8% in only 4 years)
- * **Increasing purchasing power of working people**

Sociological changes of the Polish society

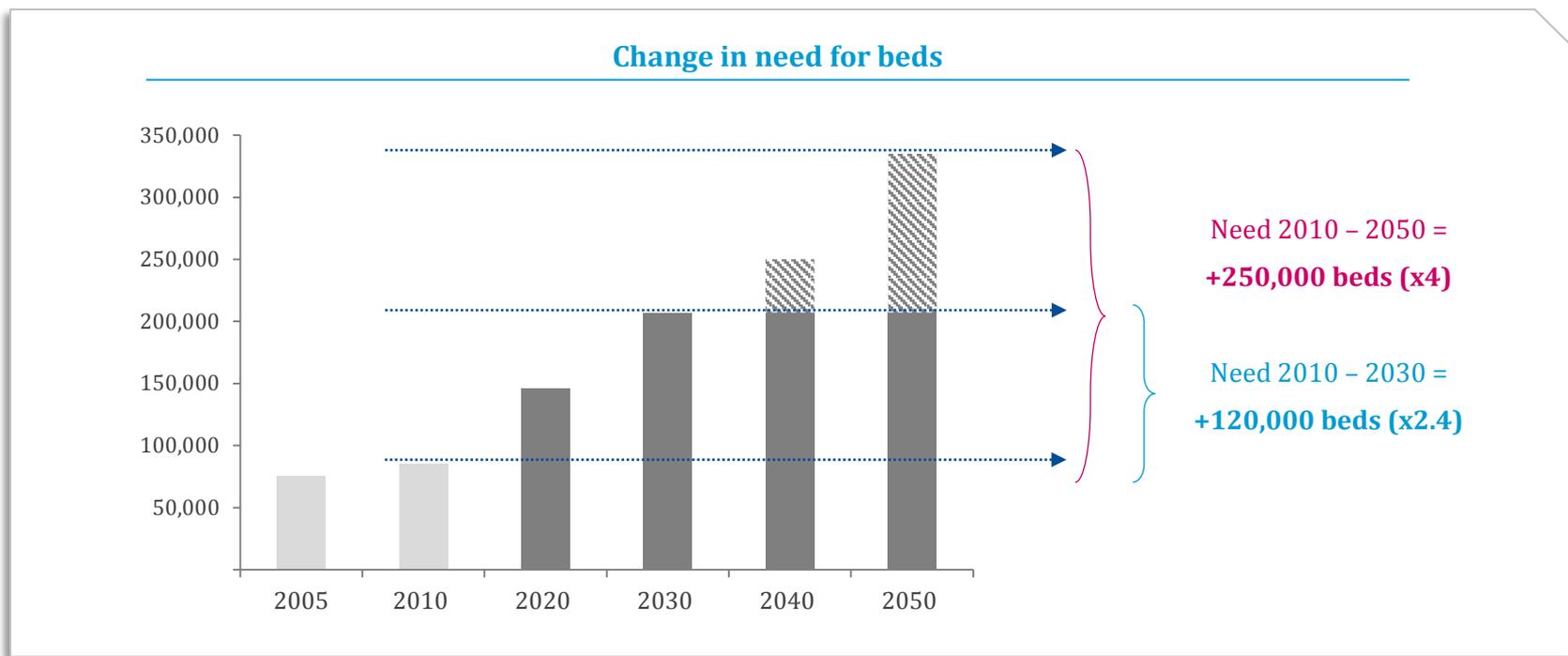
- * **Changing family model**: more and more single-parent families
- * **Urbanization of Polish population**, strong increase in employment rate: **less availability from families as carers**
- * **Better reputation of nursing homes**

Sharp increase in dependency care spending (in € billions)





- ✧ **Need to create 120,000 beds in 15 years, equal to more than doubling the current size of the sector**
- ✧ **One of the highest number of beds to create for any European country**



- ✧ **Recent network of 7 facilities / 704 beds: market leader**
- ✧ **Services covering all areas of dependency care:** long-term care, post-acute and rehabilitation care and nursing homes
- ✧ **An expert management team:** company founded in 2001 by a doctor, who is still a shareholder and will remain with the Group to provide his knowledge, expertise and networks
- ✧ **High quality network:** 50% single rooms (high for Poland), 80% of buildings are less than 10 years old, large facilities (average of 100 beds), good urban locations (mainly in Warsaw)
- ✧ **Excellent reputation** for quality and innovation in specialist care
- ✧ **Ownership of 6 out of 7 buildings**
- ✧ 2016 revenues: around €10m



A unique development platform in a fast-growing country with considerable needs

Polish network of 7 facilities / 704 beds



MAZOWIA (Warsaw)

- ✧ 60 beds: Long-term care, post-acute and rehabilitation care and nursing home
- ✧ Opened in 2005



MARIANNA (Warsaw)

- ✧ 150 beds: Long-term care, post-acute and rehabilitation care and nursing home
- ✧ Opened in 2014



KONSTANCJA I and II (Warsaw)

- ✧ 130 beds + 59 beds: Long-term care, post-acute and rehabilitation care and nursing home
- ✧ Opened in 2003 and 2012



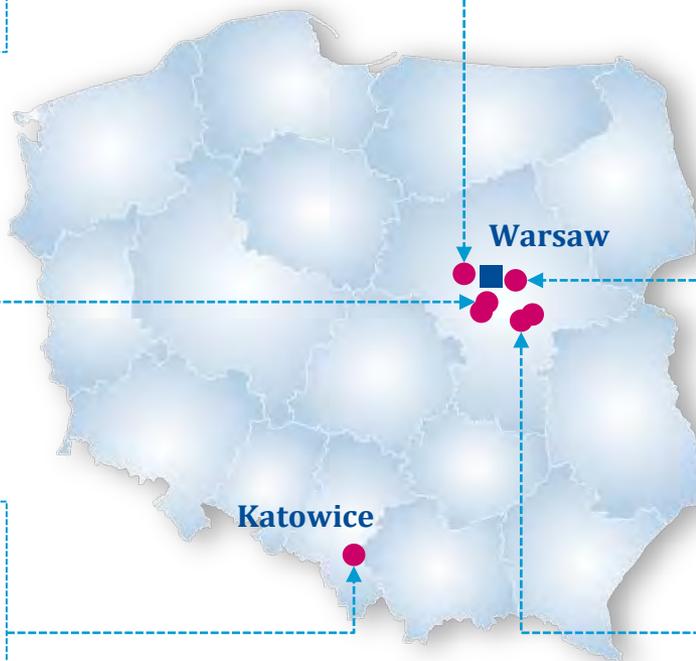
HONORATA (Katowice)

- ✧ 140 beds: Post-acute and rehabilitation care and nursing home
- ✧ Opened in 2015



OSTROWIA I and II (Warsaw)

- ✧ 165 beds: Long-term care, post-acute and rehabilitation care and nursing home
- ✧ Opened in 2008 and 2012



A recent, high quality and multi-disciplinary network



Conclusion



LIFE GOES ON WITH US



Positioned to offer the highest standards of quality in both care and residential services



Organic development: opening of beds in facilities under construction and new construction projects



Selective acquisitions, particularly outside France



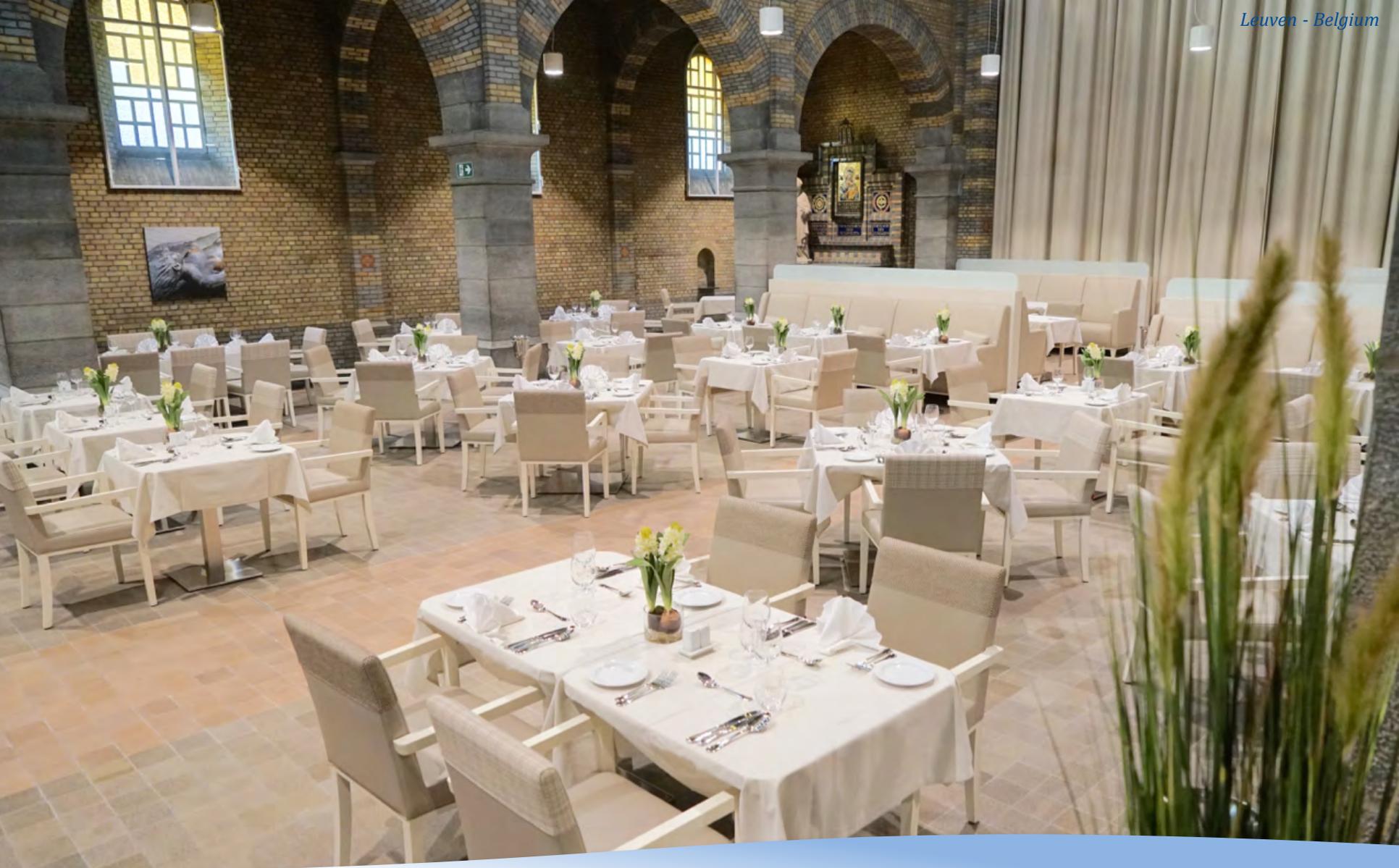
Increase in the proportion of **owned real estate**

2016 TARGET

Revenues of €2,720 million (+13.7%)

Solid profitability

Growth in the real-estate portfolio



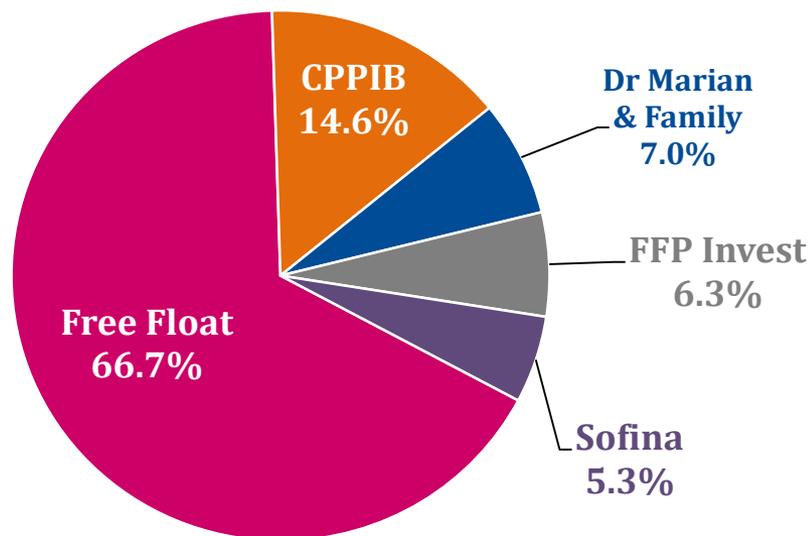
Appendix



LIFE GOES ON WITH US

| <i>In €m</i> | | 31-Dec-15 | 31-Dec-14 |
|---|---|---|--------------|
| ASSETS | Non-current assets | 6,164 | 5,129 |
| | Goodwill | 796 | 677 |
| | Intangible assets | 1,829 | 1,544 |
| | Property, plant & equipment and property under development | 3,409 | 2,783 |
| | Other non-current assets | 131 | 125 |
| | Current assets | 1,014 | 957 |
| | <i>Of which cash, cash equivalent and marketable securities</i> | <i>519</i> | <i>622</i> |
| | Assets held for sale | 200 | 200 |
| | TOTAL ASSETS | 7,378 | 6,286 |
| | LIABILITIES | Sh. Equity, Group share and permanent deferred taxes | 2,304 |
| Shareholders' equity Group share | | 1,810 | 1,498 |
| Deferred taxes on intangible assets (quasi equity) | | 494 | 454 |
| Non-controlling interests | | 0 | 0 |
| Non-current liabilities | | 3,794 | 2,972 |
| Other differed tax liabilities | | 366 | 336 |
| Provision for liabilities and charges | | 135 | 97 |
| Long-term financial debt | | 3,220 | 2,509 |
| Change in the fair value of the entitlement to the allotment of shares in ORNAN | | 73 | 30 |
| Current liabilities | | 1,080 | 1,192 |
| <i>Of which short-term debt (bridge loans)</i> | <i>313</i> | <i>322</i> | |
| Debt linked to assets held for sale | 200 | 200 | |
| TOTAL LIABILITIES | 7,378 | 6,286 | |

Shareholders % of share capital



A diversified board with complementary skills

* Board members:

- Dr Jean-Claude Marian – Chairman
- Yves Le Masne – CEO
- Alexandre Malbasa
- Jean Patrick Fortlacroix
- FFP Invest (Thierry Mabillet de Poncheville)
- Sophie Malarme Lecloux, appointed on proposal by SOFINA
- Alain Carrier, appointed on proposal by CPPIB
- Bernadette Chevallier
- Sophie Kalaidjian (Employees representative)

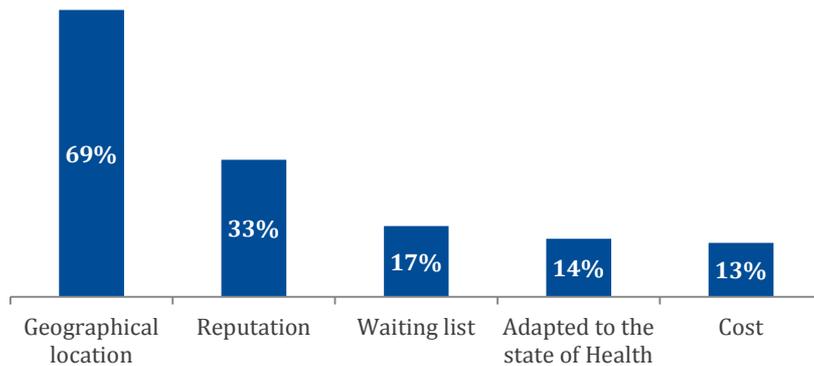
* **Board members bring specific expertise and new contacts for the development of the Group**

Trends in the resident profile

- * Increase in **average entry age**: 88
- * Decrease in **length of stay**: 18 to 20 months
- * Increasingly heavy dependency
- * Increase in **disorientation problems** (60% of people in nursing homes)

Location and Quality: key decision criteria

DREES* survey about the criteria selected by resident and families to choose a nursing home

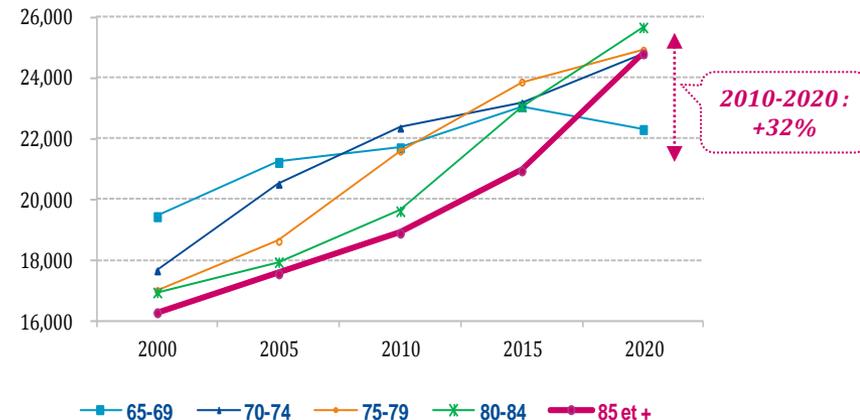


* Official government Offices

Solvency of the resident

- * Increase of revenue for people aged over 85: **+32%** between 2010 and 2030
 - * Average wealth of people aged over 85: €135,000 (Source Igas* 2010)
- Vs average cost for a nursing home: €44,000 (20 months at €2,200 / month)

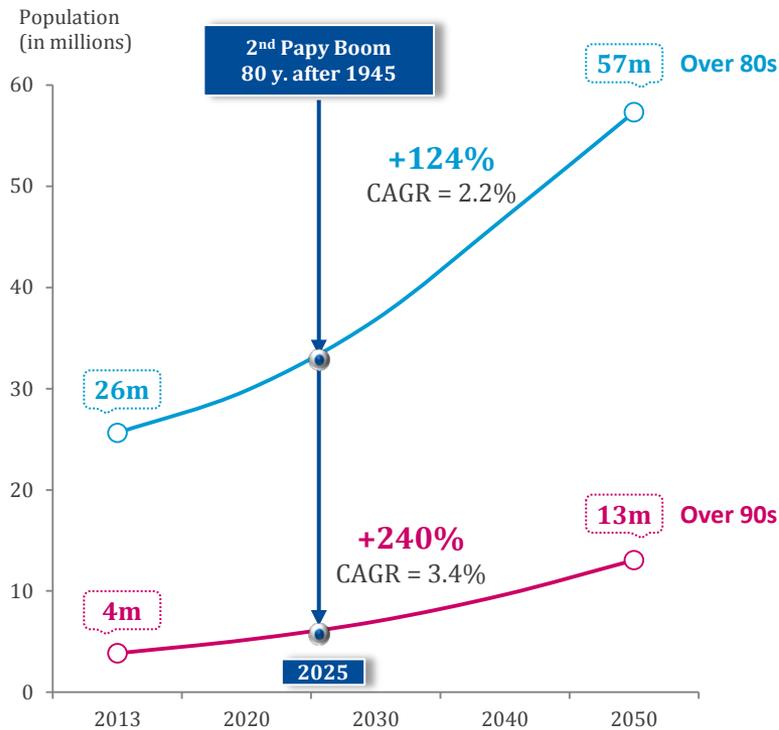
Trends in income of the elderly by age bracket



Source: Report by Jean De Kervasdoué, Professor of Health Services Economics and Management, CNAM

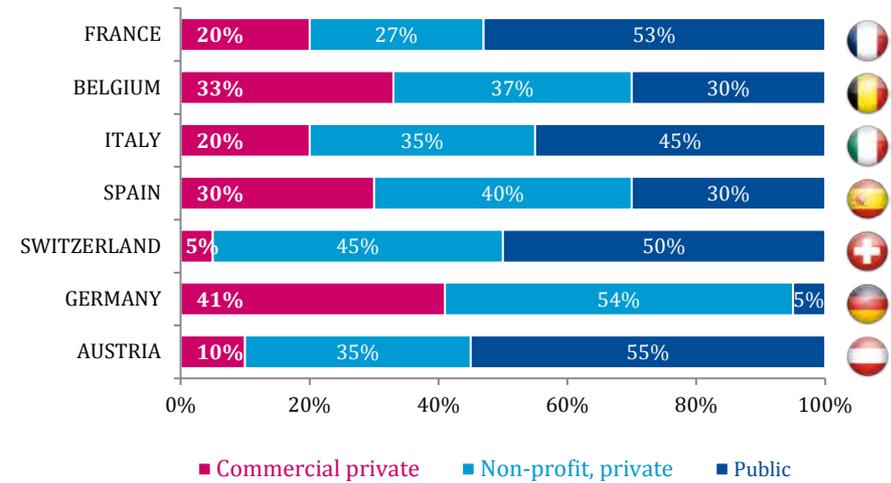
Population ageing accelerating in Europe

- Number of people aged 80 and over to double right across Europe
- Number of those aged 90 and over to triple from 3.8m to 13m by 2050



Source: Eurostat, EUROPOP 2013

Private sector's market share limited



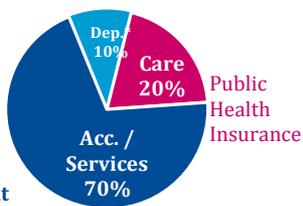
Numerous development opportunities

- Limited investment capacity of public sector and non-profit organisations
- Need for new beds to be created
- Consolidation of a still highly fragmented private sector

Determination of daily prices for nursing homes



FRANCE



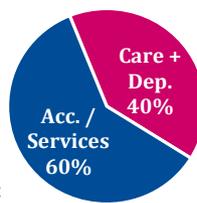
Resident
(pricing freedom for new resident, then regulated)

Public Health Insurance

Average total revenue per day: €110



BELGIUM



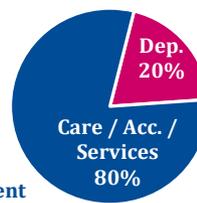
Resident
(pricing freedom at opening, then regulated)

Public Health Insurance

Average total revenue per day: €110



SPAIN



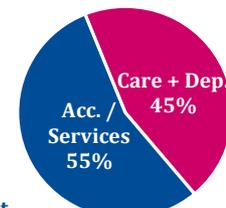
Resident
(pricing freedom)

Region

Average total revenue per day: €55



ITALY



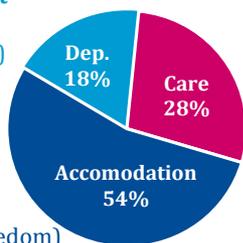
Resident
(pricing freedom)

Regional Health Insurance

Average total revenue per day: €90



SWITZERLAND



Resident
(pricing freedom)

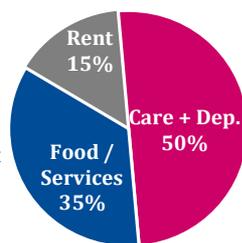
Health Insurance and Private Insurance

Resident
(pricing freedom)
Or Canton

Average total revenue per day: €190



GERMANY



City

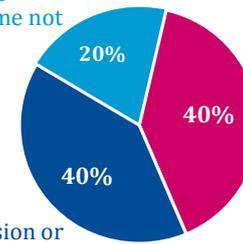
Long-term care insurance (National Health Insurance)

Resident
or Welfare state

Average total revenue per day: €100



AUSTRIA



Paid by the region if resident's income not sufficient

Paid by the public long-term care regime

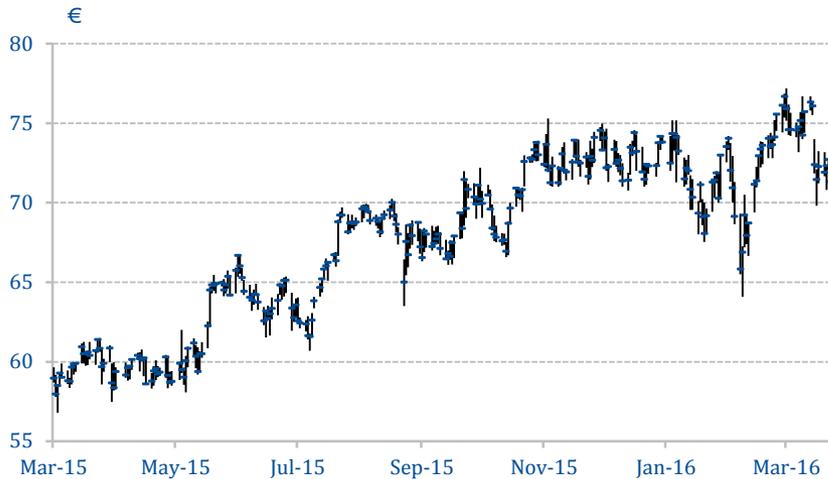
Paid by the resident (pension or portfolio income)

Average total revenue per day: €120

* Dep. = Dependency expenses

Market data (last 12 months)

- ✧ Average daily volume: **175,000 shares/day (=€11m)**
- ✧ Price: **€71.31**
- ✧ High (12-month): **€77.20**
- ✧ Low (12-month): **€57.48**
- ✧ Turnover: **74% in 12 months**
- ✧ Market cap.: **€4,298m**
- ✧ Number of shares: **60,273,691**



Data as at 24/03/16

Indices

- ✧ Compartment A of Euronext Paris
- ✧ **MSCI Small Cap Europe, STOXX Europe 600, CAC Mid 60, SBF 120,**
- ✧ Member of SRD

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- ✧ ORPEA - Steve Grobet, Investor Relations Officer
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