



Half-Year 2015 results



LIFE GOES ON WITH US

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- 7. Conclusion**





Introduction

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ORPEA's offer



Europe-wide operator



67,987 beds



690 facilities

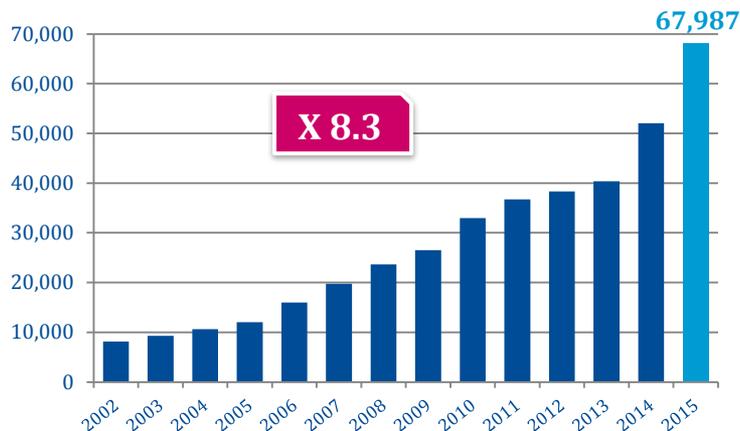


9 countries

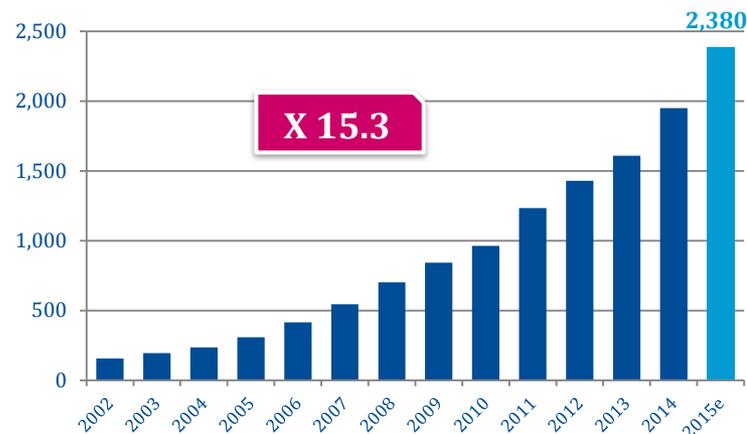


42,000 employees

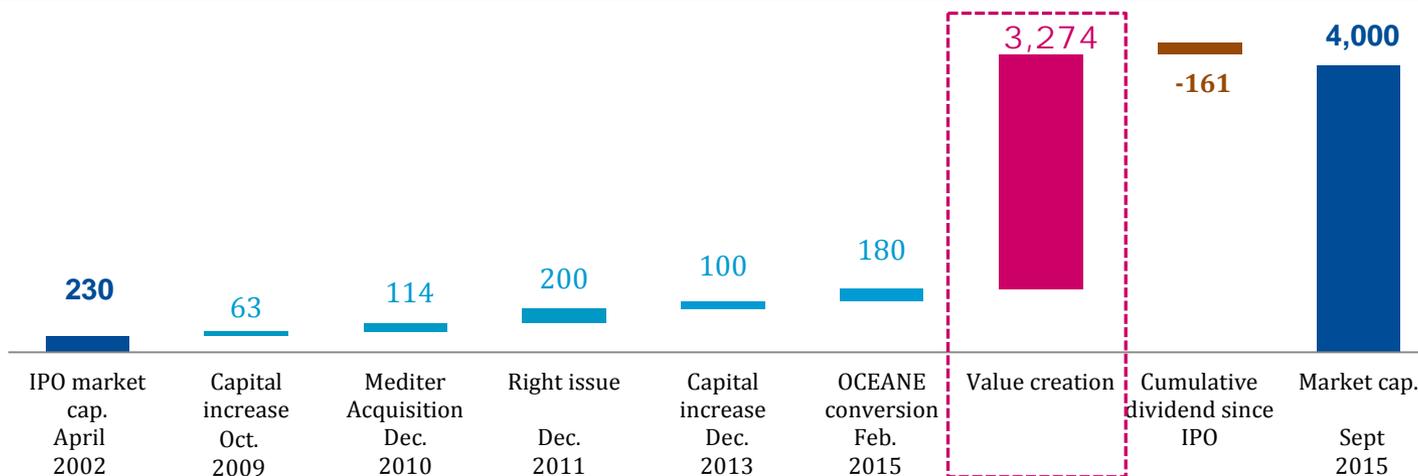
Network (number of beds)



Revenues (€m)



High value creation since the IPO (in €m)





4 new acquisitions: +12,331 beds

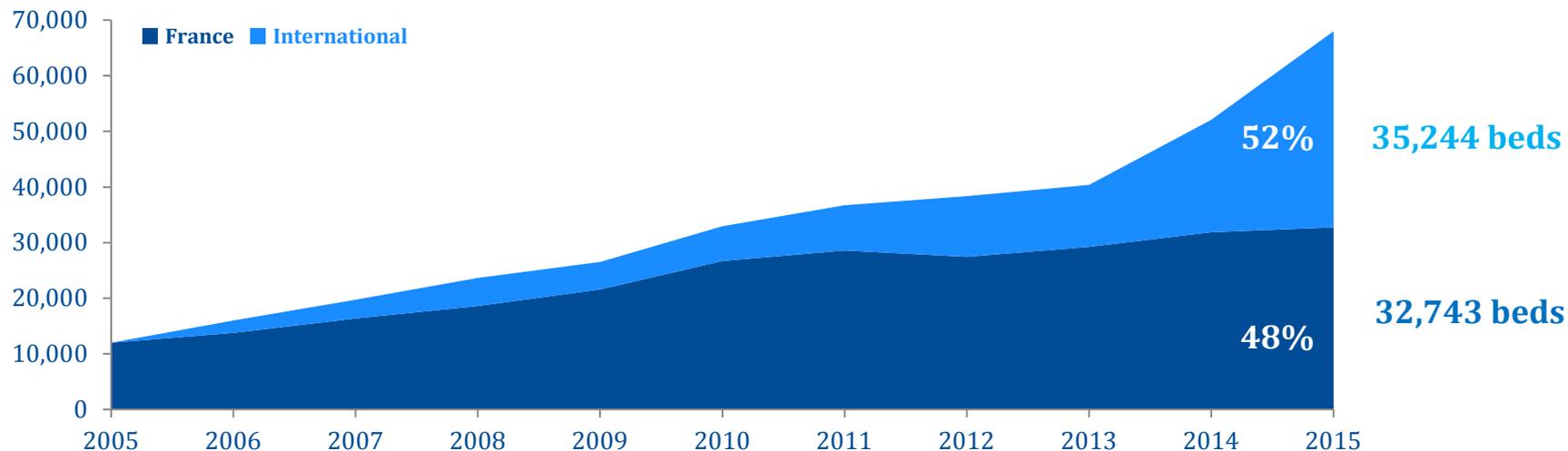
- ✧ **Two strategic acquisitions:** SeneCura in Austria and Celenus Kiliniken in Germany
- ✧ **Two additional acquisitions:** Residenz Gruppe Bremen and Vitalis in Germany



Continued strong momentum in new openings and developments

- ✧ **1,350 new beds opened** in H1 2015, of which 55% outside France
- ✧ Development of new facilities in Germany: **1,607 beds in the space of 12 months**

Growth in ORPEA's network



Quality at the heart of ORPEA's strategy

- * A Quality approach based on a 20-year track record
- * A department underpinning the Group's expansion in France and the international markets: ongoing pursuit of optimisation and cross-fertilisation between the various countries
- * Quality = guarantee of long-term viability of the business model and sustainable profitability



International recognition of expertise through several industry awards



- * **Private hospital care awards:** 10 projects nominated and 1 winner in the Human Resources category (new tool focusing everyone's attention on risk management)
- * **Long-term care awards:** 18 facilities nominated and 3 finalists in the "care home living" and "prevention" categories



- * **Golden Award for the Grafenwörth facility** in the Long-term Care awards ("Caring for dementia in the future")
- * **"Great Place to Work":** SeneCura ranks among the top employers in the healthcare sector at national level
- * **Several regional awards:** "Carer of the year 2014" for a care manager in the Burgenland region



- * **Silver Care ranked top care facility group in 2015 for the 4th consecutive year** based on the MDK national rating system, in the groups with more than 30 facilities category
- * **Celenus Kiliniken: 3 facilities in the top ten** German post-acute and rehabilitation care facilities according to German Pension Insurance



Work: on schedule

- ✦ Final stage of decoration and fitting out work
- ✦ Tests, cleaning and furnishing now in progress



Quality procedures and approach

- ✦ ORPEA's Quality Procedures fully translated and adapted to the local system
- ✦ ORPEA's traceability information system translated and adapted
- ✦ **2015 award for "Most internationally influential long-term care and rehabilitation company"** from the organising committee of the Nanjing Care for the Elderly trade fair (local government)



Recruitment and training

- ✦ Partnership project with the nearby hospital for Emergencies
- ✦ Recruitment of the management team: manager, chief nursing officer, administration, safety, maintenance, etc.
- ✦ Training material and programmes completed



Marketing and sales

- ✦ Implementation of web marketing tools: website, wechat and weibo accounts
- ✦ Positioning: ORPEA, "guardian of the good times"
- ✦ Preparation of a communications campaign







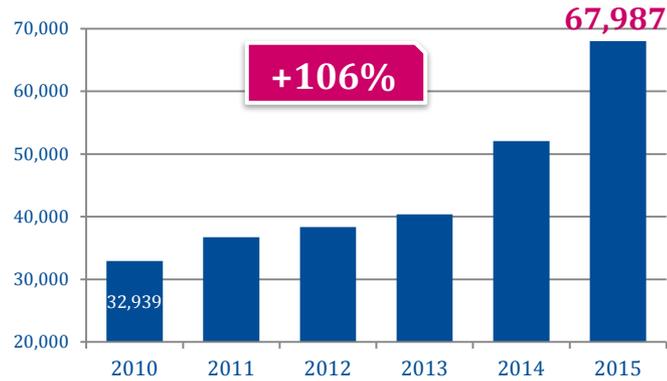


ORPEA network

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2010 – 2015: strong acceleration in international network expansion

Total network (number of beds)



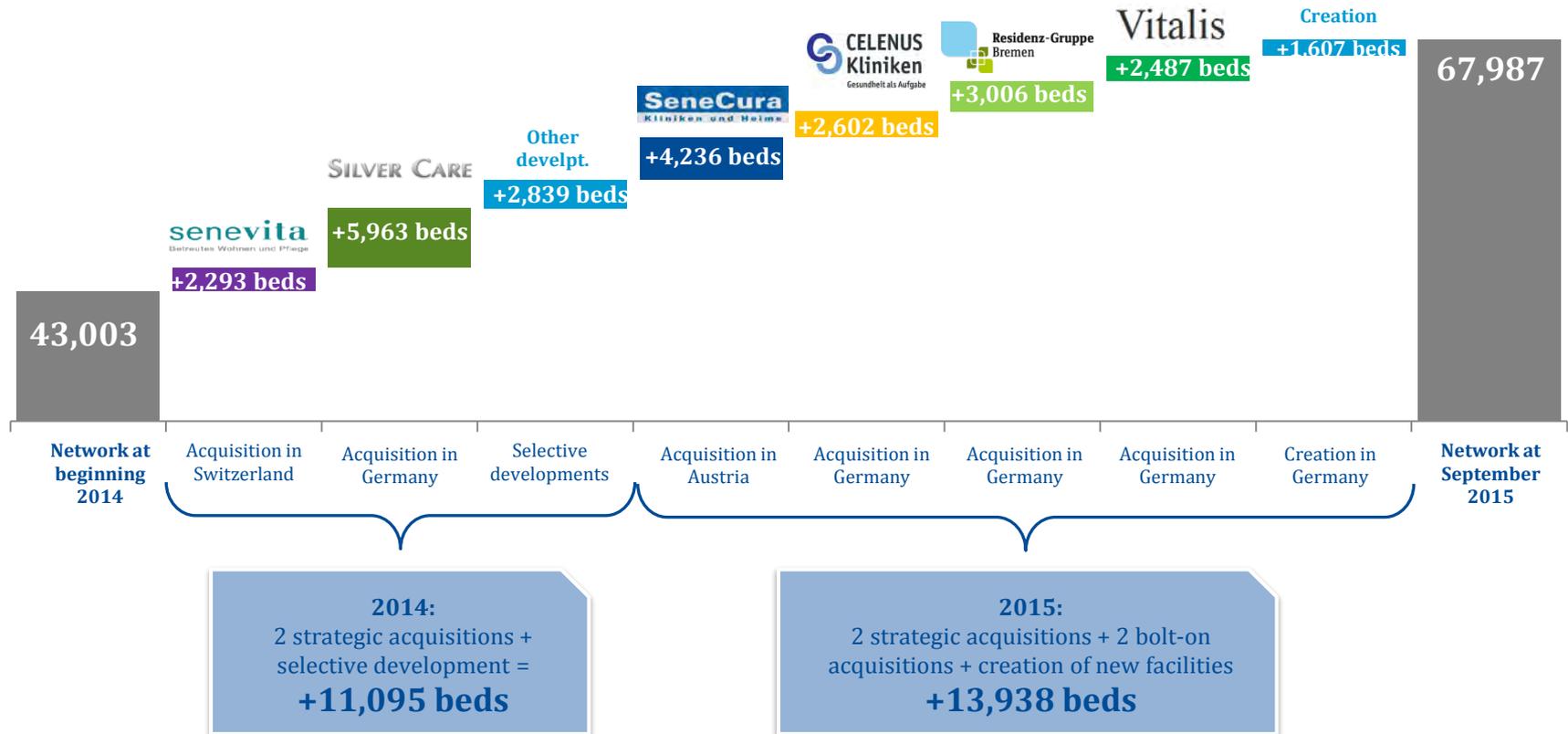
**International network
(Number of beds and % of the total network)**



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

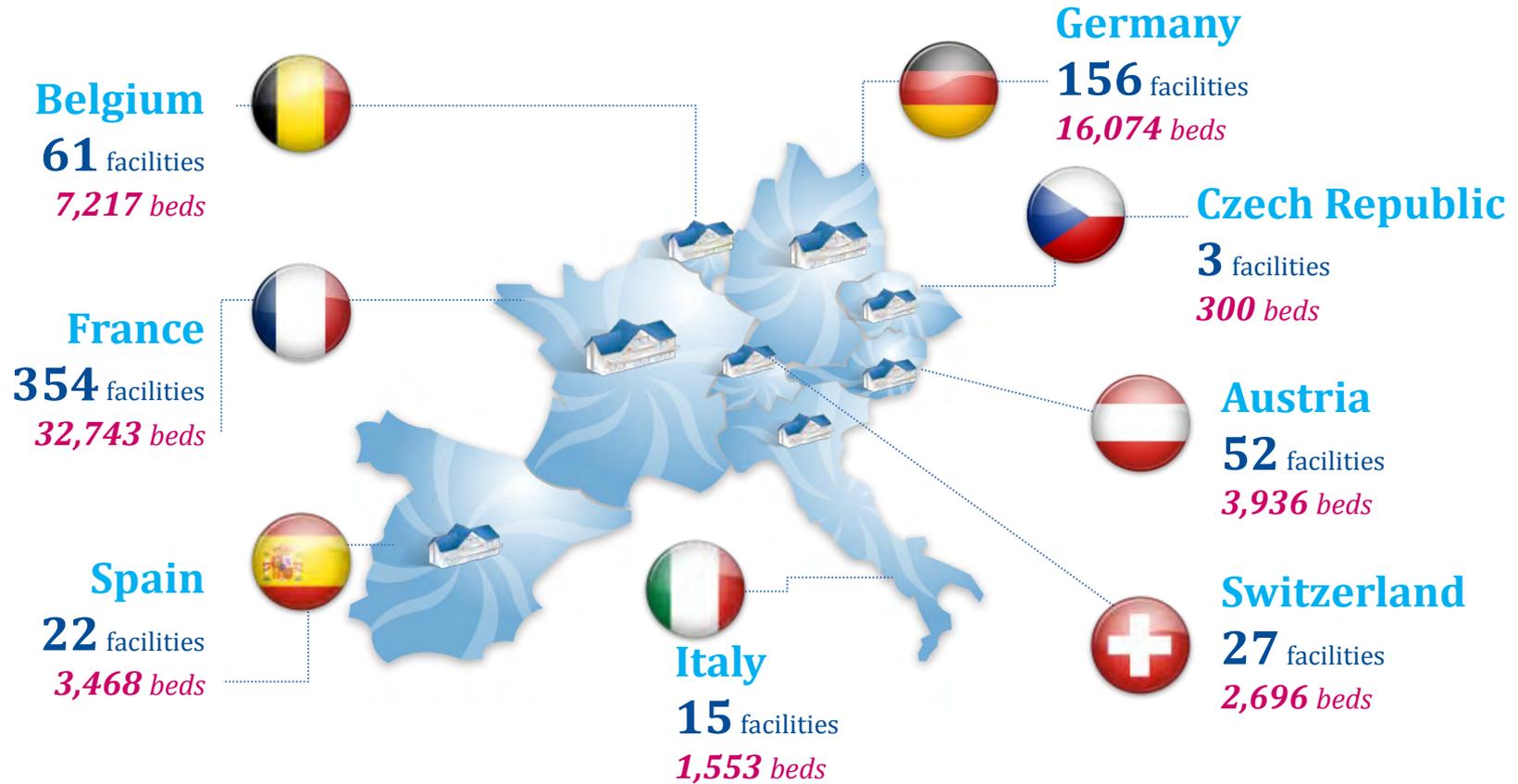


Total network: +58% = +25,033 new beds
(96% outside France)



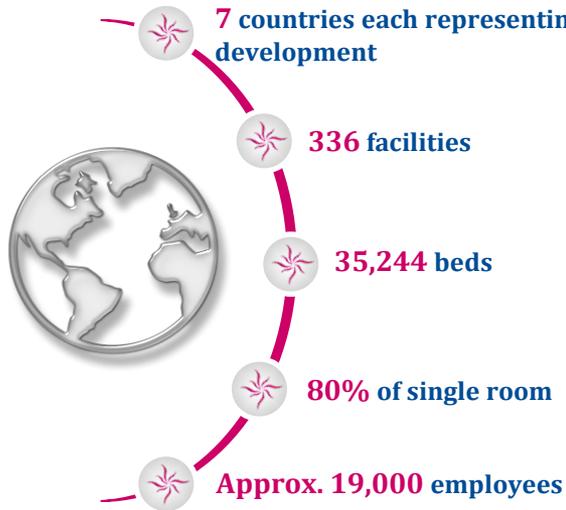
Revenues of these acquisitions on full-year basis at maturity: approx. €750m

A European network of 67,987 beds in 690 facilities



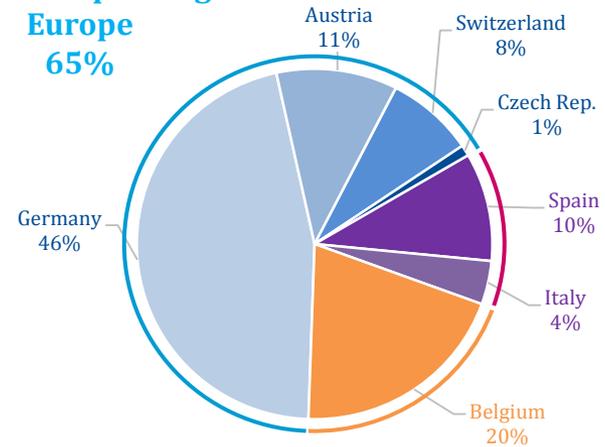
52% of the network outside France

Key figures for the international network



Breakdown of beds by country

German-speaking Europe 65%



Southern Europe 14%

High-quality network



- ✧ **Attractive locations:** Flanders, Zurich, Basel, Dortmund, Berlin, Madrid, etc.
- ✧ Nationwide networks with a solid reputation for Quality

Strong growth potential

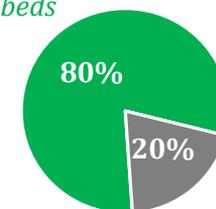
- ✧ **7,090 beds** being restructured or under construction (92% are new builds)
- ✧ **High value-added projects:** Berlin, Geneva, Prague, Knokke le Zoute, Antwerp, etc.
- ✧ Numerous development opportunities

European growth pipeline of 10,439 beds

	Open beds	Beds being restructured	Beds under construction	Pipeline (% of beds under development)
 FRANCE	29,394	1,468	1,881	10%
 BELGIUM	4,777	518	1,922	34%
 SPAIN	3,468	0	0	0%
 ITALY	1,161	60	332	25%
 SWITZERLAND	2,021	0	675	25%
 GERMANY	13,271	0	2,803	17%
 AUSTRIA	3,456	0	480	12%
 CZECH REP.	0	0	300	100%
TOTAL	57,548	2,046	8,393	15%

Breakdown of the pipeline by type

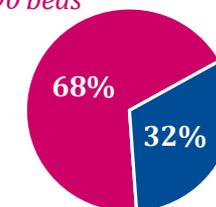
Construction
8,393 beds



Restructuring
2,046 beds

Geographical breakdown of the pipeline

International
7,090 beds



France
3,349 beds

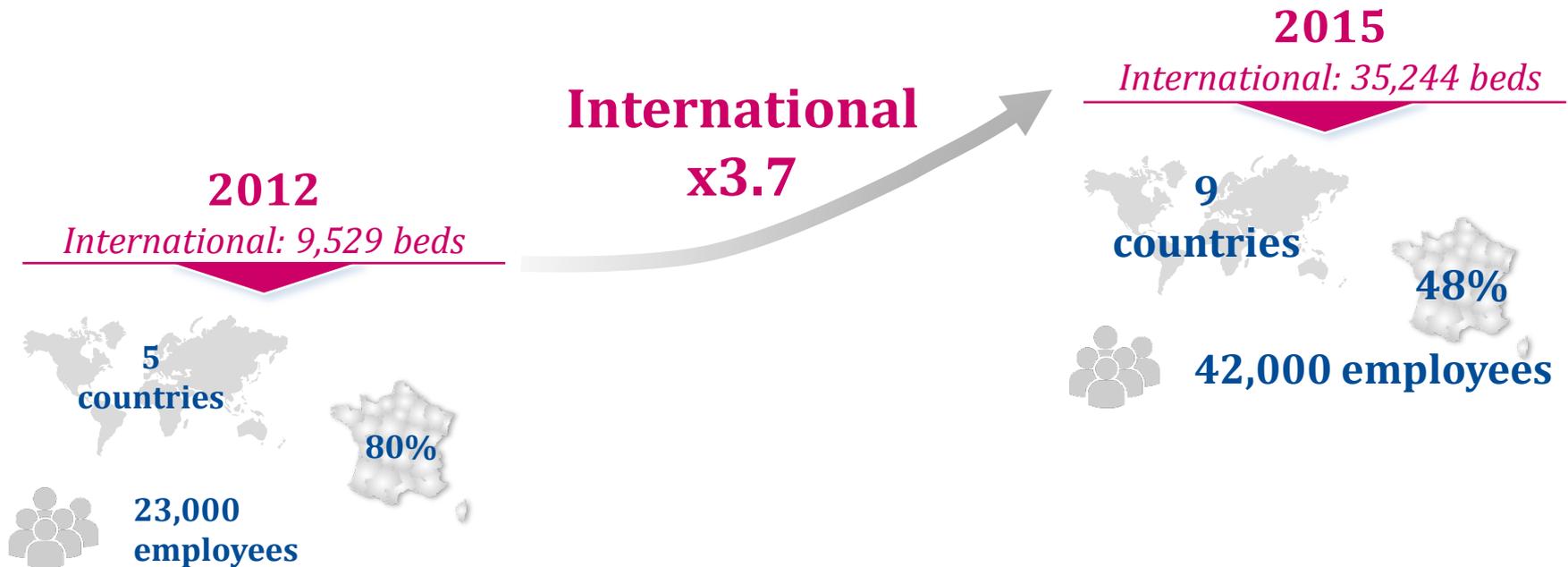
 **Growth pipeline = secured organic growth for the next 3 to 4 years**



An international organisation

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Major 3-year international expansion drive by the group



Find the right balance between:

- * *decentralisation to accommodate specific national characteristics and forge close customer relationships*
- * *centralisation to unlock synergies, facilitate control and make communication more fluid*

Definition of a Business Unit: country or group of specific facilities within a single country

Roles and responsibilities of the Business Units



Management

- ✧ Senior management team (CEO, COO, CFO) and administrative headquarters for support functions



Financial autonomy

- ✧ Management of the P&L, balance sheet, business plan and financing for selective development



Strategy

- ✧ Preparation of an operational roadmap every year and a strategic development plan



Management

- ✧ Management of operations in line with the Group's requirements

In conjunction with the Group's Executive Management



BU's objectives: make countries accountable, stay in close touch with national expectations and accommodate local differences

Definition of Corporate Functions: central services headed up by a Corporate Officer with the support of International Managers acting as Business Units' point of contact in their area of specialisation

Roles and responsibilities of the Corporate Functions

- ✧ Drafting of Group requirements (processes, reporting, etc.) and control framework (in conjunction with the Group's Executive Management)
- ✧ Support for Business Units with implementation of the processes
- ✧ Controls on compliance with the requirements
- ✧ Advisory role to Executive Management on strategically important issues

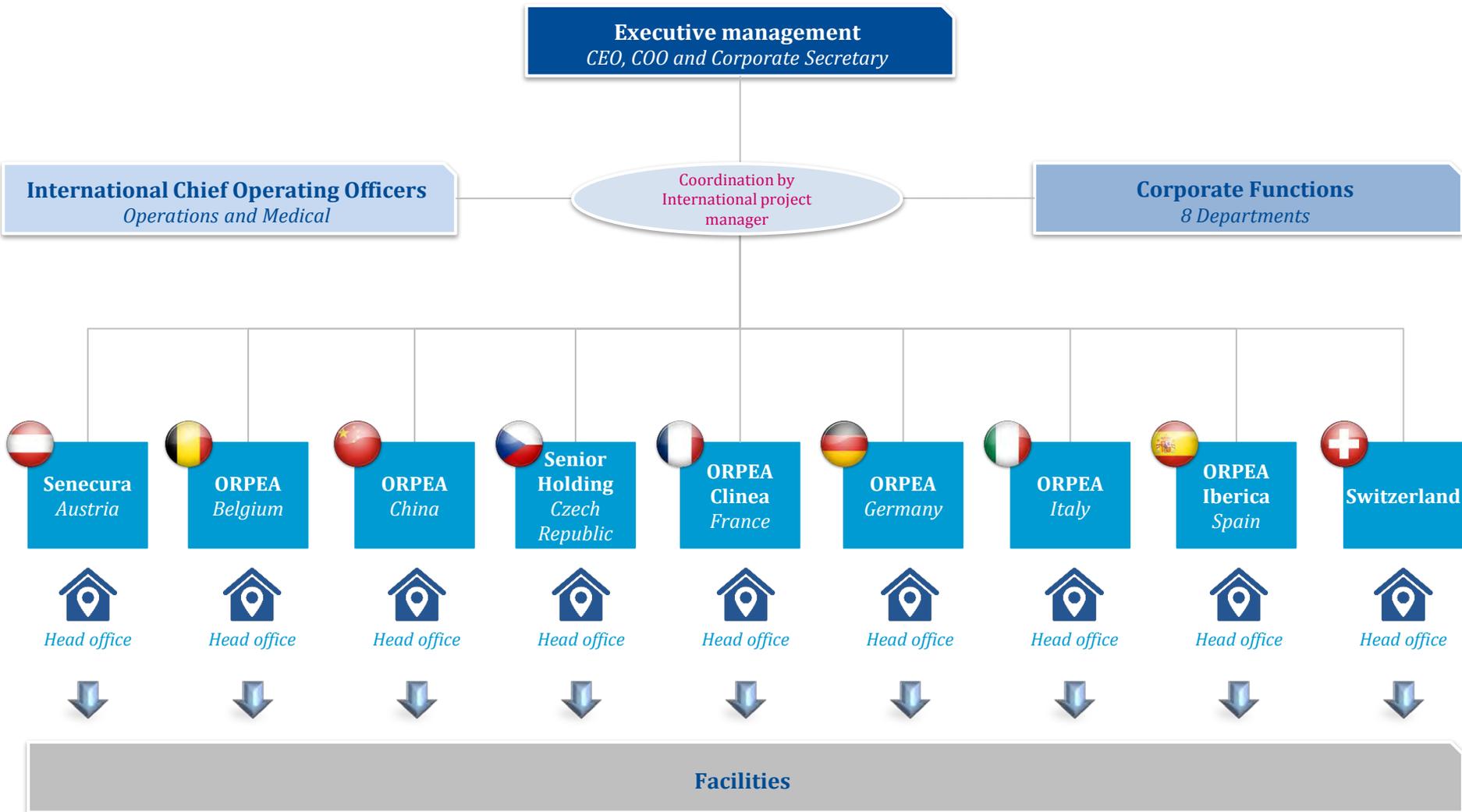
Corporate Functions

1. <i>Purchasing</i>	5. <i>Finance</i>
2. <i>Construction and maintenance</i>	6. <i>Legal</i>
3. <i>Management control</i>	7. <i>Quality</i>
4. <i>Development</i>	8. <i>Human resources</i>



Objectives of the Corporate Functions: provide their experience in their area of expertise and ensure a smooth flow of information

An organisation built for international expansion



A new head office, tailored to the Group's growth dynamics



A new head office, tailored to the Group's growth dynamics

A modern building for ORPEA's sole occupation

- ✧ A fully redeveloped building totalling **7,500 sqm on 9 floors**
- ✧ Building **occupied and owned solely by ORPEA**
- ✧ A single head office: all departments now **housed** in the same premises instead of 3 different buildings



A modern, pleasant working environment

- ✧ Fitted out to suit ORPEA's own specific needs
- ✧ **Modern design and equipment** compliant with the latest safety and comfort standards
- ✧ **Areas dedicated to employees' quality of life:** fitness centre, cafeteria, etc.



Objectives: efficiency, exchange and unity

- ✧ **Encourage exchange** and facilitate inter-departmental relations
- ✧ Further improve employees' working conditions
- ✧ **Strengthen the ORPEA culture** and image of unity
- ✧ **Improve ability** to prepare for future growth



A powerful information system, capable of handling the next 10 years of growth

Construction of an efficient data centre

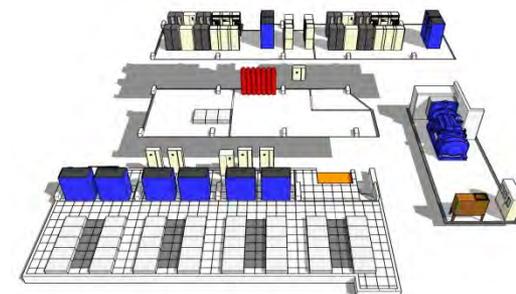
- ✧ Data centre housed in a single room of 160 m² with space for **40 computer racks**: 15 racks currently used, representing about 150% growth capacity
- ✧ Capacity to **host all data** and tools making up the Group's information system
- ✧ **Centralised system** with a global network access provider: COLT

A major investment for the future

- ✧ Investment of **€20m over 10 years**
- ✧ Long-term security through recourse to the most highly reputed suppliers and the most modern equipment (Oracle, CISCO, etc.)
- ✧ Health Data Host (**HDS**) accreditation in progress

Objectives: control, secure and anticipate

- ✧ Management applications shared across the entire Group: maintenance and reporting gains
- ✧ Full control of the information system, particularly in terms of **data security: CNIL**
- ✧ Strong ability to **meet the specific needs** of users
- ✧ Improved **supervision** and control of the various units



KEY FIGURES

- **240 Kw UPS**: 20 minutes of autonomy
- **650 kVA generator**: 3 days of autonomy (6,000 litre tank capacity)
- **250 servers with 300 TB storage**
- ITIL certification



Half-Year 2015 results

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2015 INITIAL TARGETS

H1 2015 ACHIEVEMENTS

1

Initial revenue target: €2,310m (+18.6%)
Before Celenus and RGB acquisitions



€1,122m
+26%

2

Solid organic growth



+5.7%
~ €50m

3

Solid profitability



EBITDAR¹ margin: 27.6%
+20 bp

4

Increase in real estate ownership



Growth in real estate portfolio:
+ €224m
To over €3 billion

Strong revenue growth in H1 2015: +26.0%

€m	H1 2015	H1 2014	%
France	788.2	733.0	+7.5%
	70%	82%	
International	334.2	157.7	+111.9%
	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	
Total	1122.4	890.6	+26.0%

Robust organic growth

- ✦ Openings: **1,350 new beds** (14 facilities), of which 55% outside France
- ✦ Organic growth in H1 2015: **+5.7%**

Contribution from acquisitions

- ✦ Switzerland (Senevita): Q1 2015
- ✦ Germany (Silver Care): H1 2015
- ✦ Austria (SeneCura): Q2 2015

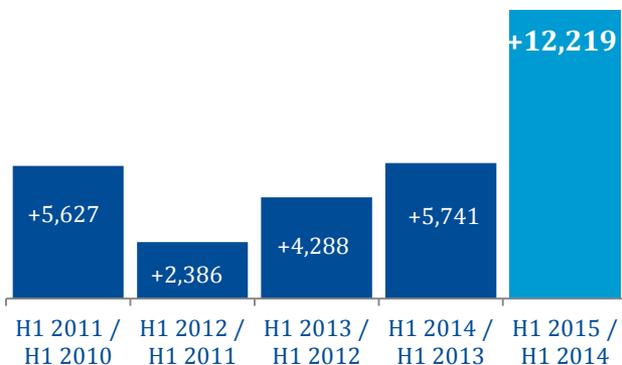
Trends in half-yearly growth (€m)



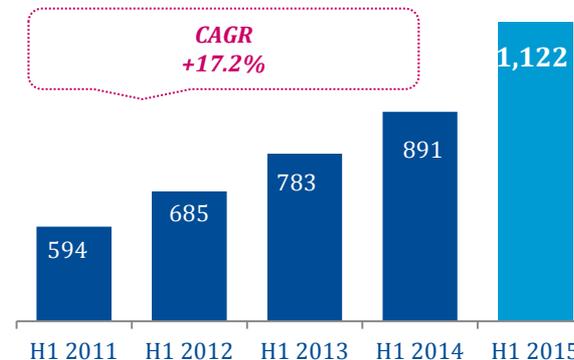
+9.1% per half-year for the past 10 half-years

H1 2011 - H1 2015: combining strong expansion, growth and profitability

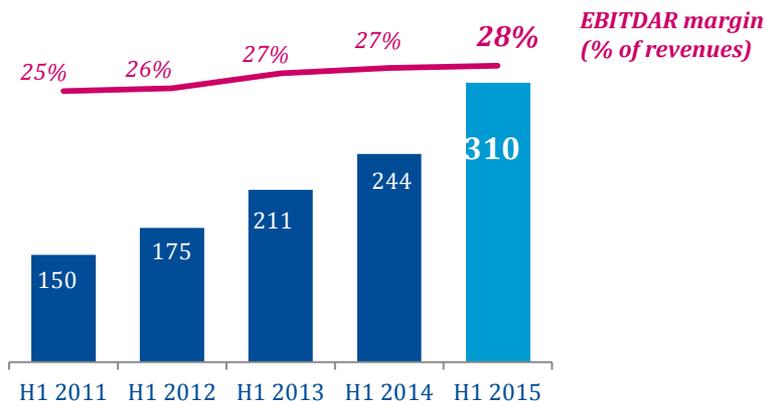
Year-on-year change in number of beds



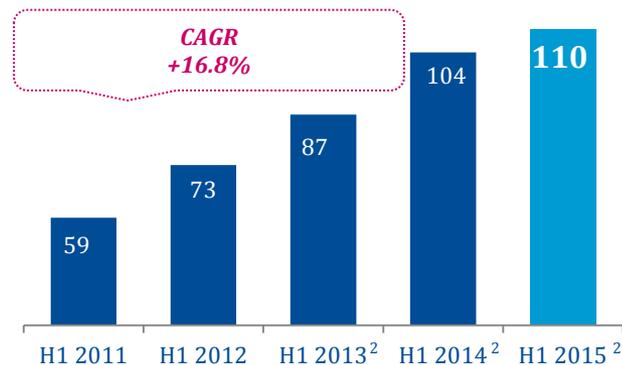
Revenues (€m) +89%



EBITDAR¹ (€m): +107%



Pre-tax profit¹ (€m) +86%



Auditors limited review in progress

¹ Prior to adoption of the new IFRIC 21 interpretation

² Excluding change in fair value of the right to the grant of shares embedded in the ORNANE

In €m	Before application of IFRIC 21			Application of IFRIC 21	
	H1 2015	H1 2014	%	H1 2015	H1 2014
Revenue	1,122.4	890.7	+26.0%	1,122.4	890.7
EBITDAR	310.0	243.8	+27.2%	303.6	236.9
Recurring EBITDA	191.0	163.9	+16.6%	184.6	157.0
Recurring EBIT (Rec. Oper. Profit)	145.3	124.7	+16.6%	138.9	117.8
Non recurring items	12.6	26.7	<i>N/A</i>	12.6	26.7
EBIT (Operating profit)	157.9	151.4	+4.3%	151.5	144.5
Net financial cost*	-48.1	-47.9	+0.4%	-48.1	-47.9
Profit before tax*	109.8	103.5	+6.1%	103.4	96.6
Income tax*	-39.7	-39.6	+0.3%	-37.3	-37.0
Share in profit of associates and jv	1.4	0.4	<i>N/A</i>	1.4	0.4
Net profit (group share) *	71.5	64.5	+10.9%	67.5	60.0

* **The new IFRIC 21 interpretation** (IAS 37) requires recognition of the full amount of the annual property and C3S tax charges in the first half alone. In previous years, these charges had been split evenly between both half-year periods. The charge amounted to €6.4 million in H1 2015 and €6.9 million in H1 2014. There will not therefore be any impact on the full-year financial statements.

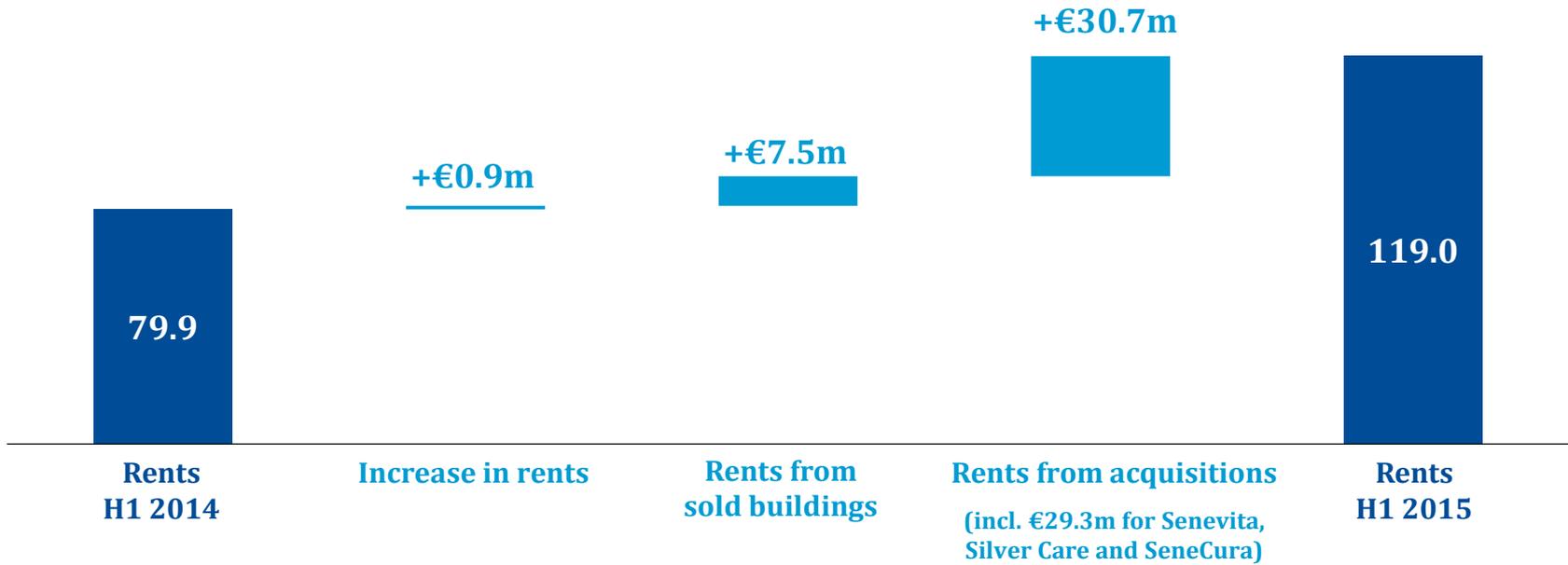
Auditors limited review in progress

* Excluding changes in the fair value of the right to the grant of shares embedded in the ORNANE of a net amount of (€12.1m) in H1 2015 and (€14.4m) in H1 2014

In €m	Before application of IFRIC 21			Application of IFRIC 21	
	H1 2015	H1 2014	%	H1 2015	H1 2014
Revenues	1122.4	890.7	+26.0%	1122.4	890.7
Staff costs	-568.4	-440.5	+29.0%	-568.4	-440.5
Expenses	-209.6	-166.0	+26.3%	-209.6	-166.0
Taxes and duties	-43.1	-40.3	+6.9%	-49.5	-47.2
Other income and expenses	8.7	-0.1	NA	8.7	-0.1
EBITDAR	310.0	243.8	+27.2%	303.6	236.9
% of revenues	27.6%	27.4%		27.0%	26.6%
Rents	-119.0	-79.9	+48.9%	-119.0	-79.9
Recurring EBITDA	191.0	163.9	+16.6%	184.6	157.0
% of revenues	17.0%	18.4%		16.4%	17.6%
Depreciation & Amortization	-45.7	-39.2	+16.5%	-45.7	-39.2
Recurring EBIT (Recurring Ope. Profit)	145.3	124.7	+16.6%	138.9	117.8
% of revenues	12.9%	14.0%		12.4%	13.2%

* **The new IFRIC 21 interpretation (IAS 37)** requires recognition of the full amount of the annual property and C3S tax charges in the first half alone. In previous years, these charges had been split evenly between both half-year periods. The charge amounted to €6.4 million in H1 2015 and €6.9 million in H1 2014. There will not therefore be any impact on the full-year financial statements.

* Rents in €m



Average annualized increase in rents: +1.3%

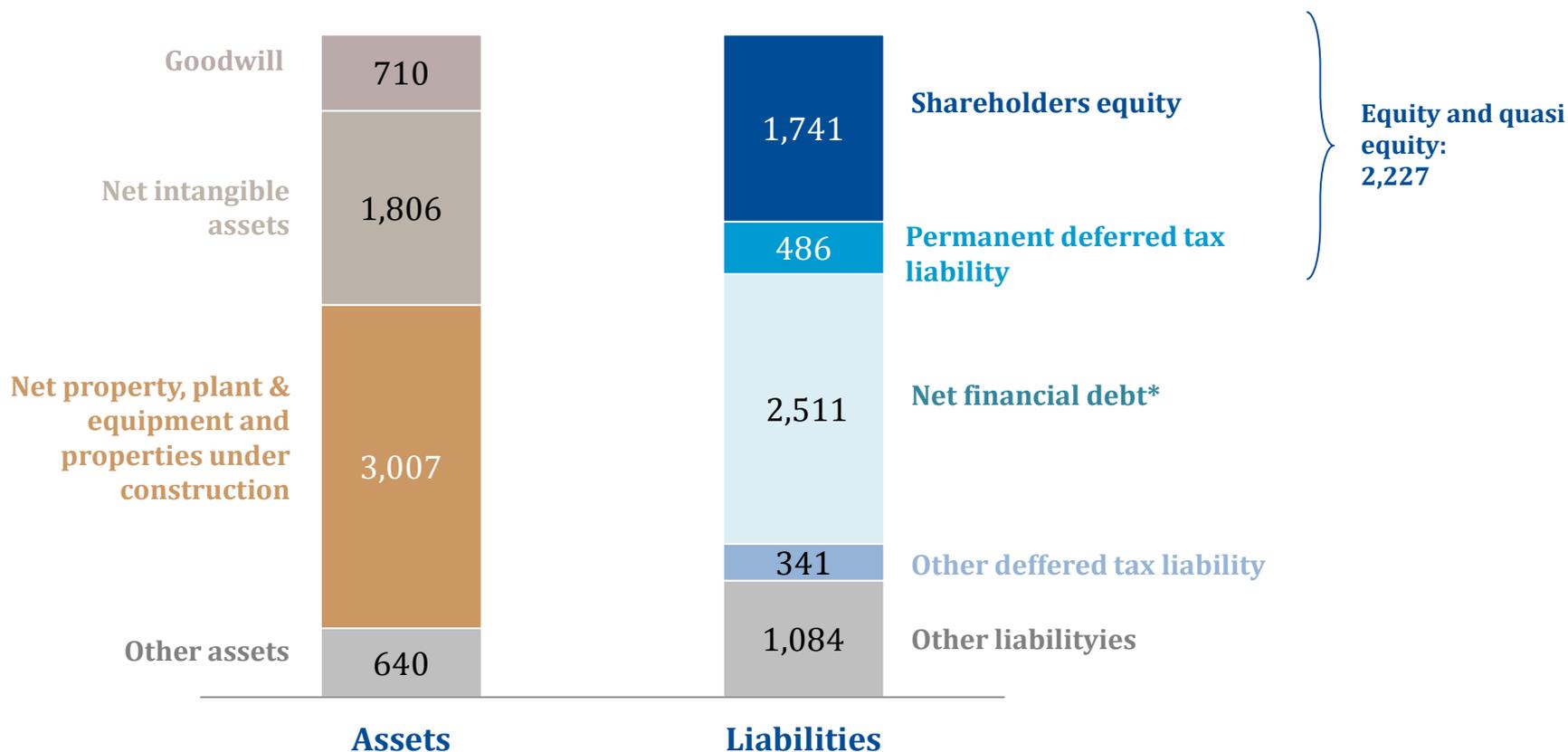
Profitability geographical breakdown

In €m	H1 2015			H1 2014			Comments
	Revenues	EBITDAR ¹	% Rev.	Revenues	EBITDAR ¹	% Rev.	
 France	788.2	224.7	28.5%	733.0	207.8	28.3%	
 Belgium	77.6	14.0	18.0%	82.3	16.3	19.8%	Many openings and restructurings temporarily affecting margins
 Spain	31.4	6.6	21.0%	24.5	5.9	24.3%	Ramp-up of acquisition made in H2 2014 (reached maturity in H2 2015)
 Italy	22.2	3.4	15.5%	20.1	3.1	15.5%	Ramp-up of facilities
 Switzerland	41.8	14.4	34.4%	22.5	6.0	26.7%	Excluding Independent-Living business
 Germany	105.4	28.3	26.9%				
 Austria	35.3	7.3	20.7%				
International*	334.2	85.3	25.5%	157.7	35.9	22.2%	
Grand TOTAL	1,122.4	310.0	27.6%	890.7	243.7	27.4%	

* Including Independent-Living business

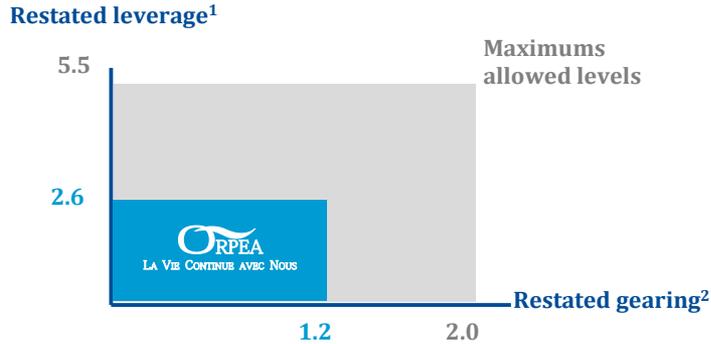
¹ Prior to adoption of the new IFRIC 21 interpretation

✧ Balance sheet at 30/06/15 in €m



*Excluding assets and debt associated with assets held for sale for €176m

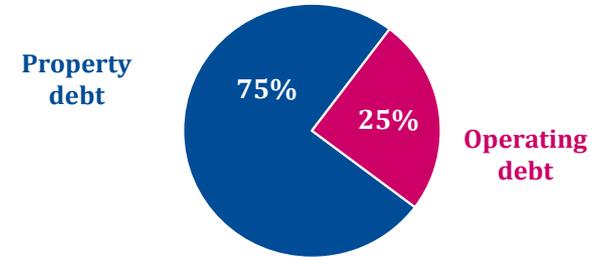
Wide respect to the covenants*



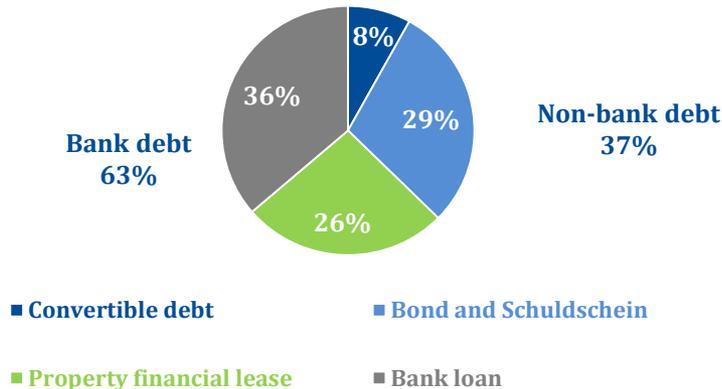
¹ $\frac{\text{Net Financial Debt} - \text{Property Debt}}{\text{EBITDA} - (6\% \text{ Property Debt})}$

² $\frac{\text{Net Financial Debt}}{\text{Equity} + \text{Near Equity}}$

Strengthening of the property net debt*



Net debt* diversified between bank and non-bank debt*



Net debt maturity schedule*



Auditors limited review in progress

* Excluding debt associated with assets held for sale for €176m at 30/06/15

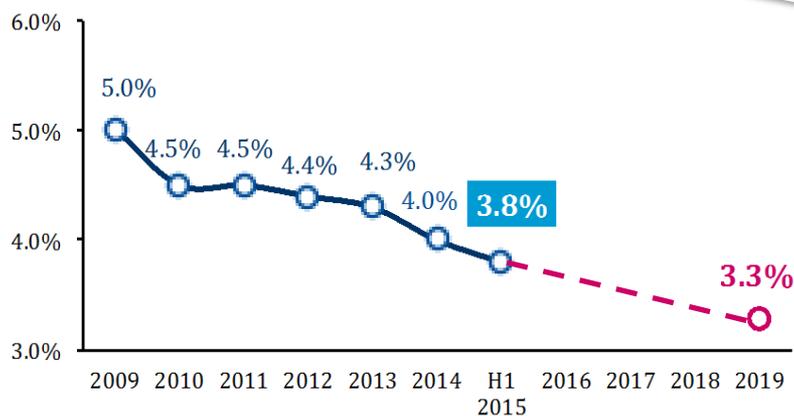
Extremely favourable interest rate environment



July 2015: €310.5m Schuldschein issue

- * Initial size: €100 million
- * Maturities: 5, 6 and 7 years
- * Attractive rates: e.g. <2.2% fixed for 5 years
- * Diverse investors: Asian, German, Spanish, French, etc.

DECREASE IN COST OF DEBT (after hedging)



- * 90% of the net medium and long-term debt is hedged at fixed-rates (either fixed-rate from the outset or through swaps)
- * Prospect of automatic decline in the average cost of debt to 3.3% in 2019 thanks to new transactions and hedging

✧ Continuation of real estate strategy mixing ownership and rental:

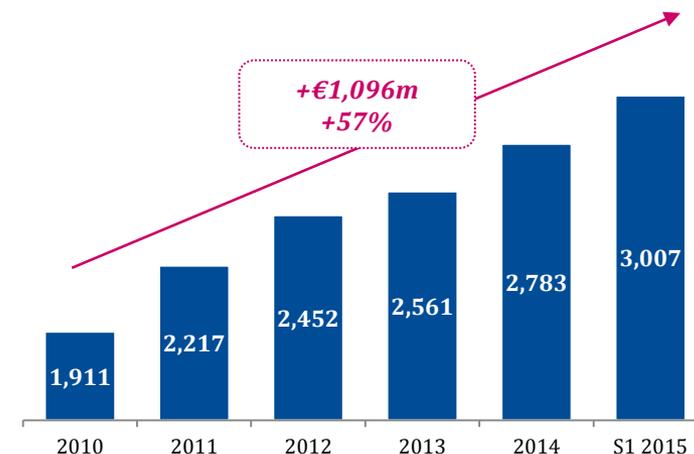
- **Sale of €130 million** of assets on favourable rent and indexation terms
 - **Investment in all countries**, particularly in Germany and Austria
 - **Continued developments...**
- ⇒ **€224m net increase in real estate portfolio**

Portfolio summary at 30 June 2015

	30-Jun-15	31-Dec-14	Change
Total number of buildings	297	267	+ 30 buildings
o/w wholly-owned properties	163	138	+ 25 buildings
Space (sqm)	1,040,000	890,000	+17%
Total value* (€m)	3,007	2,783	+8%

* Excluding assets held for sale for €176m at 30/06/15

Change in real estate value



A valuable asset portfolio
Liquid assets strengthening the Group's financial security
Securing long-term profitability

<i>In €m</i>	H1 2015	H1 2014
Recurring EBITDA ¹	191	164
Net cash flow from operating activities	117	102
Investment in construction	-109	-128
Property sale	130	76
Total internal cash flow	138	50
Acquisition of property	-243	-86
Acquisition of operating assets (intangible assets)	-158	-160
Net cash flow from financing activities	159	228
Change in cash during the period	-104	32
Cash and cashe quivalent at the end of the period	+462	+501

Auditors limited review in progress

¹ Prior to adoption of the new IFRIC 21 interpretation



2015 new openings

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New openings in 2015: 2,500 beds



Schoten - Antwerp (Belgium) - 130 beds



Ostende (Belgium) - 90 beds



Zürich (Switzerland), Nursing home - 126 beds



Basel (Switzerland), Nursing home - 93 beds



Ötigheim (Germany) - 84 beds



Berlin (Germany) - 180 beds



De Haan (Belgium), Nursing home - 105 beds



Paris (75), Nursing home - 92 beds



Joinville (94), Nursing home - 89 beds



Germany: a country with strong potential

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Celenus Kliniken, 3rd largest private operator of post-acute care, rehabilitation and psychosomatic facilities

Leading operator in medium-stay care

- ✧ **Post-acute care and rehabilitation facilities:**
 - orthopaedics, oncology, cardiology, neurology, etc
- ✧ **Psychiatric facilities** (Somatic and psychosomatic care facilities):
 - eating disorders, depression, acute pain, tinnitus, etc

Key figures

- ✧ **15** facilities (+ 1 day care center) representing **2,602 beds**
- ✧ **Approx. €100m** in 2014 revenues
- ✧ **100%** of buildings are rented

High-quality network

- ✧ Average size of facilities > **160 beds**
- ✧ **90%** of single rooms
- ✧ **Reputation for quality:** 3 facilities among the top 10 German post-acute care and rehabilitation facilities according to the German Pension Insurance rankings

Locations in Saxony and Baden-Württemberg



- Celenus facility
- || Post-acute care and rehabilitation day care
- Headquarter

High quality facilities



Key Post-acute and Rehab. objectives

- * **Fundamental principle of the post-acute care and rehabilitation sector in Germany: help patients back to work**
- * According to the authorities, objectives are:
 - Bolster the employment market by helping people return to work
 - Optimize the public finances by increasing revenues through the number of active employees and reducing spending (post-acute care and rehabilitation facilities less expensive than hospital or in-home medical care)

€1 in public money invested generates a ROI of €5

Regulation: major barrier to entry

- * Strong system of authorisations
- * Need to **enter into a contract with Statutory health Insurance and / or Statutory Pension Insurance** that cover costs

No more new authorisations

Daily rate

- * **“All inclusive” rates** (including single room)
- * Possibility to charge some additional comfort services
- * **Daily rate of €120 to €135**
- * **3 types of payment based on patient’s status**
 - Active patient: rate negotiated and paid for by Statutory Pension Insurance and by Statutory Health insurance (somatics)
 - Non-active patient: rate negotiated and paid for by Statutory Healthcare Insurance
 - Special requirement or non-German national: rate paid by the patient

The vast majority of Celenus’ beds are for “Active” patients



Fundamentals conducive to the development of post-acute care and rehabilitation facilities in Germany, with encouragement from the authorities

Breakdown of beds by type of operator



Source: DESTATIS

Sector undergoing radical changes

- ✧ Downtrend in capacity in terms of the number of facilities meeting a need for more specialized, modern facilities located at the heart of highly populated areas
- ✧ Reduction in the market share held by public and non-profit participations: scope for privatizations

Highly fragmented private sector

- ✧ Still 60% of facilities owned by independent operators
- ✧ Need for consolidation to meet demand for medical service quality and efficiencies

Celenus Kliniken's key strengths conducive to active development

EXPERIENCED MANAGEMENT

Reputed team in M&A and operational management of post-acute care and rehabilitation facilities in Germany

QUALITY OFFER

A specialised range of care with a reputation for quality

SECTOR SUPPORTED BY PUBLIC AUTHORITIES

A sector promoting employment and helping to keep down public health expenditure



AN ORGANISED GROUP

A Group built and organised to handle growth

NEED OF CONSOLIDATION

A still fragmented sector currently taking shape



A new platform for effective and efficient development in Germany

Acquisition of Residenz Gruppe Bremen (3,006 beds)

High-quality network

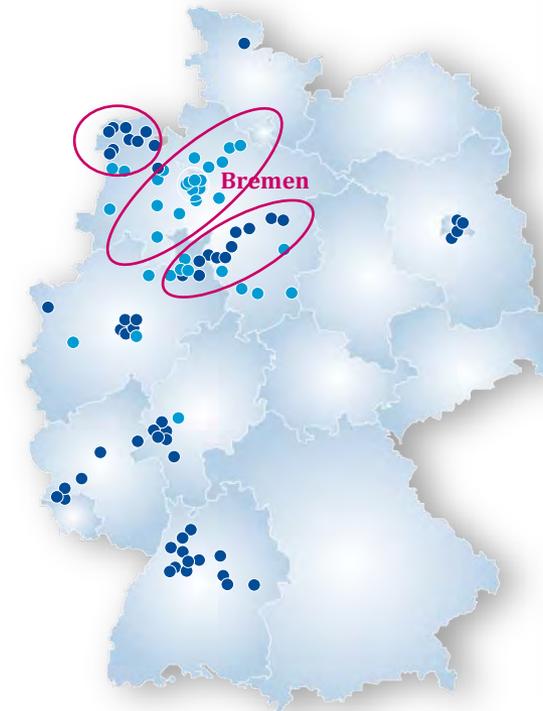
- ✧ Family-owned group with **3,006 beds/38 facilities** (5 under construction)
- ✧ **80%** of single rooms
- ✧ Recently built: **86% are less than 10 years old**
- ✧ Group with a solid local reputation
- ✧ 2014 revenues: **€67 million** (consolidated from 1 Oct. 2015)

Good fit with the existing network

- ✧ **Geographical fit:** integration with existing clusters + creation of a new cluster around city of Bremen
- ✧ **Strengthening of the network** in north-western Germany

Strong potential for value creation

- ✧ **Improved operating performance** owing to the introduction of ORPEA's processes
- ✧ **Substantial synergies** in purchasing and head office costs
- ✧ **Extensions** to certain facilities and **creation** of new facilities



● Silver Care facilities

● Residenz Gruppe Bremen facilities



Acquisition dovetailing perfectly with ORPEA's criteria: growth and strong potential

Acquisition of Vitalis (2,487 beds)

Vitalis

High-quality network

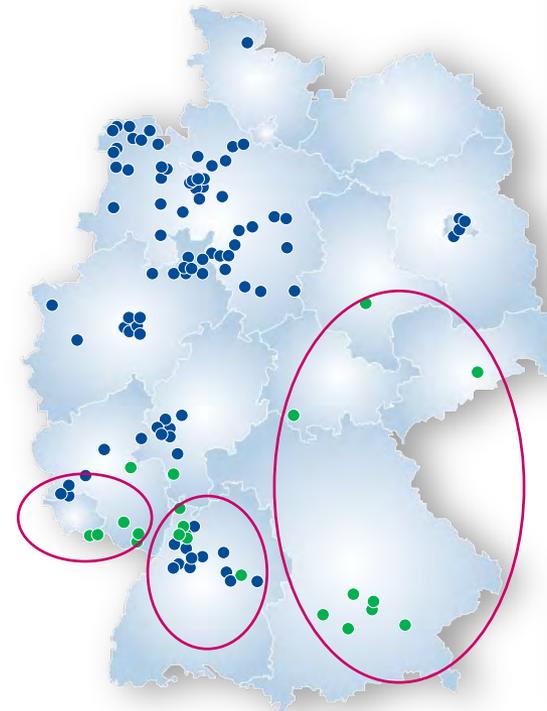
- * Family-owned group with strong recent development: **2,487/ 25 facilities** (including 3 facilities under construction)
- * **78%** of single rooms
- * Large-scale facilities: **100 beds on average**
- * Recently built: **80% are less than 5 years old**
- * 2015 revenue: **€58 million** (consolidated from 1 Jan. 2016)

Good fit with the existing network

- * **Geographical fit:** integration with existing clusters + creation of a new cluster in Bavaria
- * **Strengthening of the network in South and South Eastern Germany (Bavaria and Saxony)**

Strong potential for value creation

- * **Improved operating performance** owing to introduction of ORPEA's standards
- * **Substantial synergies** in purchasing and head office costs
- * **Recently built network continuing to ramp up**



● Silver Care facilities

● Vitalis facilities



Acquisition dovetailing perfectly with the existing network and Residenz Gruppe

Major drive underway to build new nursing homes in Germany

Formation of a real estate team

- ✦ **Goal:** replicate ORPEA's model (construction and real estate ownership) and reduce use of property developers
- ✦ A team dedicated to real estate – sourcing of land, negotiations, architects, project management, budget control
- ✦ German real estate experts possessing considerable experience and a powerful network



14 new projects launched in 12 months

- ✦ **New facility projects** for the last 12 months: **1,607 beds** (14 facilities + extensions)
- ✦ New construction projects linked to the RGB and Vitalis acquisitions: **805 beds**



Criteria for building new facilities

- ✦ **Selective approach to location:** urban and central areas and good fit with existing clusters
- ✦ Identification of local needs and collaboration with local supervisory authorities harnessing the expertise of regional directors
- ✦ **High-quality facilities:** 100% of single rooms, capacity of over 80 beds, architecture and modern equipment



Growth pipeline of 2,803 beds under construction, some under ownership = guarantee of organic growth and strong future profitability

Example of high value creation development in Germany: Dortmund Phoenixsee

Construction of an 88-bed nursing home + 24 units of Assisted-living around Dortmund lake

- * 100% of single rooms (51 sqm/bed)
- * High-calibre services

Prestige location in Dortmund

- * Phoenix district, entirely redeveloped around a 24-hectare lake
- * One of the last remaining lakeside plots
- * Fit very well with the existing cluster in Dortmund, NRW

Real estate strategy

- * Land acquired by ORPEA
- * Construction by ORPEA German team
- * ORPEA ownership at the end of the construction

Opening

- * Planned in 2017



Germany: rapid expansion in a country enjoying upbeat conditions

A country with solid fundamentals



- * **Population ageing:** dependent elderly to double in number by 2050 (from 2.5m to 5.0m)
- * Substantial demand for the **creation of new beds:** 100,000 beds needed by 2020
- * **Consolidation imperative** in a highly fragmented private sector
- * **Secure financing system,** in surplus

Creation of a powerful network in 18 months

Platform acquisitions

Complementary acquisitions

Creation of new facilities

April 2014

May 2015

July 2015

Sept. 2015

18 months

SILVER CARE



Vitalis

5,963 beds

+2,602 beds

+3,006 beds

+2,487 beds

+2,016 beds

5,963
beds

8,565 beds

11,571 beds

14,058 beds

16,074
beds

Total beds

German network: 156 facilities/16,074 beds

Rapid roll-out of the ORPEA model

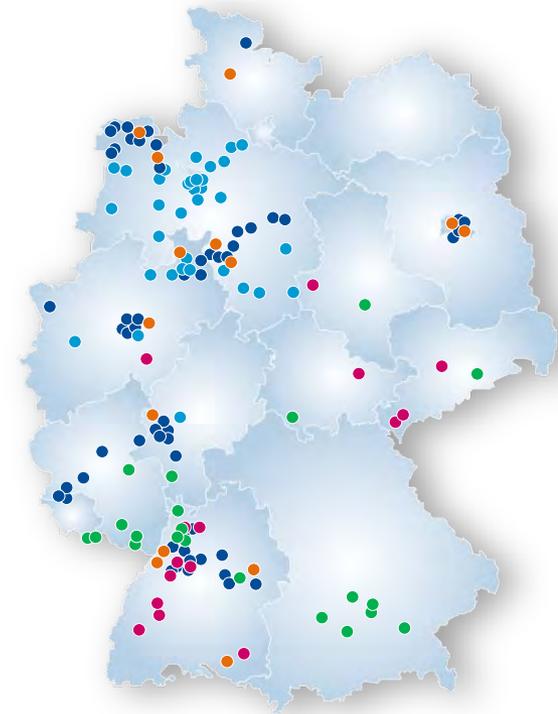
- ✧ Active across the entire spectrum of the long-term and medium-term care sector: nursing homes, post-acute care, rehabilitation and psychiatric facilities

A network of over 16,000 beds with great potential

- ✧ 156 facilities/16,074 beds, 17% of which are under construction
- ✧ **High-quality network:** over 80% single rooms, modern buildings in attractive locations

Implementation of the real estate strategy

- ✧ Ownership of new developments
- ✧ Existing buildings acquired on attractive terms



● Silver Care facilities

● Residenz Gruppe Bremen facilities

● Celenus Kliniken facilities

● Vitalis facilities

● Developments



Continued pursuit of this profitable growth strategy: acquisitions, new facilities and real estate ownership

Real estate strategy: raise the ownership rate in international markets

Leasing model

EBITDA of 9% to 13%
(depending on country, locations)

Ownership model

EBITDA = EBITDAR of 23 to 30%
(depending on the country)

Real estate strategy

ORPEA beginning of 2014



**Real estate
ownership rate**

**Around
40%**

International development

+17,000 beds Asset light,
i.e. growth of 40%

- ✦ **Senevita** - Switzerland
100% asset light
- ✦ **Silver Care** - Germany
100% asset light
- ✦ **Celenus Kliniken** - Germany
100% asset light
- ✦ **SeneCura** - Austria
70% asset light
- ✦ **Residenz Gruppe** - Germany
100% asset light

ORPEA today



**Real estate
ownership rate**

**Around
30%**

ORPEA in the future



**Increase in ownership
rate as a result of:**

- ✦ Acquisitions of existing
buildings in international
markets on attractive terms

- ✦ New projects

Very low interest rate
environment/High level of
liquidity



Conclusion

ORPEA
LIFE GOES ON WITH US

1

VALUE-CREATING GROWTH



- * Development and construction of facilities in strategic locations
- * Selective acquisitions

2

NETWORK OPTIMISATION



- * Integration of new acquisitions: synergies, implementation of ORPEA processes, etc.
- * Continued rollout of new organisation structure

3



STRENGTHENING THE ASSET PORTFOLIO

- * Continuation of real estate ownership strategy in new developments

4



FINANCIAL FLEXIBILITY

- * Take advantage of very low financing terms and strong liquidity in the credit market

2015 TARGET

- * Revenues = €2,380 million (+22.1%)
- * Solid profitability
- * Increase in real estate portfolio

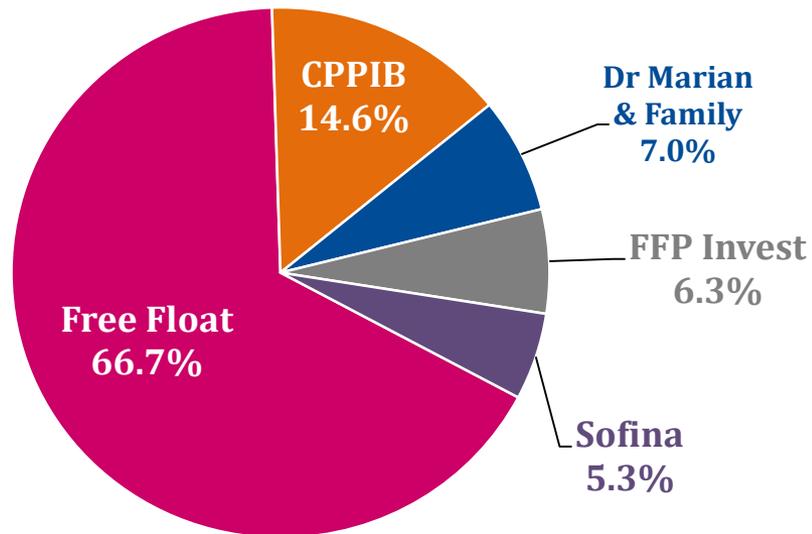


Appendix

ORPEA
LIFE GOES ON WITH US

<i>In €m</i>		30-June-15	30-Dec-14
ASSETS	Non-current assets	5,654	5,129
	Goodwill	710	677
	Intangible assets	1,806	1,544
	Property, plant & equipment and property under development	3,007	2,783
	Other non-current assets	131	126
	Current assets	972	957
	<i>Of which cash, cash equivalent and marketable securities</i>	<i>462</i>	<i>622</i>
	Assets held for sale	176	200
	TOTAL ASSETS	6,802	6,286
	LIABILITIES	Sh. Equity, Group share and permanent deferred taxes	2,227
Shareholders' equity Group share		1,741	1,498
Deferred taxes on intangible assets (quasi equity)		486	454
Non-controlling interests		0	0
Non-current liabilities		3,101	2,942
Other differed tax liabilities		341	336
Provision for liabilities and charges		118	97
Long-term financial debt		2,593	2,479
Change in the fair value of the entitlement to the allotment of shares in ORNAN		49	30
Current liabilities		1,298	1,192
<i>Of which short-term debt (bridge loans)</i>	<i>381</i>	<i>322</i>	
Debt linked to assets held for sale	176	200	
TOTAL LIABILITIES	6,802	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**

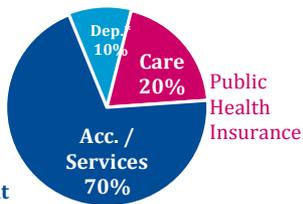
	80+ between 2013 and 2050	90+ between 2013 and 2050	Number of existing beds	Bed ratio (in % of 80+ population)	Estimated beds to be created
 FRANCE	+110% 7.7m in 2050	x 3.2	590,000	16%	25,000-30,000 by 2025 + 116.000 to be rebuilt*
 BELGIUM	+117% 1.3m in 2050	x 3.5	137,000	23%	45,000 by 2030
 ITALY	+111% 3.9m in 2050	x 3.0	390,000 (only 25% for highly dependent people)	10%	80,000 by 2030
 SPAIN	+124% 5.7m in 2050	x 3.3	350,000	14%	50,000 by 2030
 SWITZERLAND	+180% 1.1m in 2050	x 3.6	93,000	24%	70,000 by 2030
 GERMANY	+136% 10.5m in 2050	x 3.3	875,000	20%	100,000 by 2025
 AUSTRIA	+156% 1.1m in 2050	x 3.5	70,000	15%	30,000 by 2030

* Obsolete beds, not efficient for taking care of very dependent people. Cost of reconstruction estimated at €11.6b
(Official Government report – Nov. 2011)

Determination of daily prices for nursing homes



FRANCE



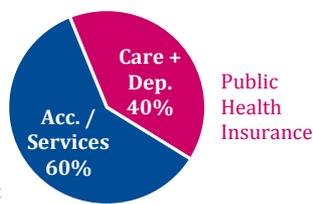
Resident
(pricing freedom for new resident, then regulated)

Public Health Insurance

Average total revenue per day: **€110**



BELGIUM



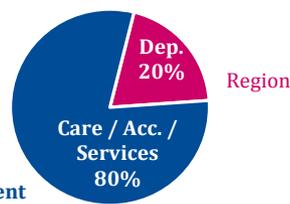
Resident
(pricing freedom at opening, then regulated)

Public Health Insurance

Average total revenue per day: **€110**



SPAIN



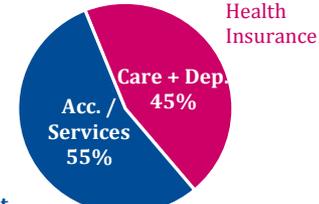
Resident
(pricing freedom)

Region

Average total revenue per day: **€55**



ITALY



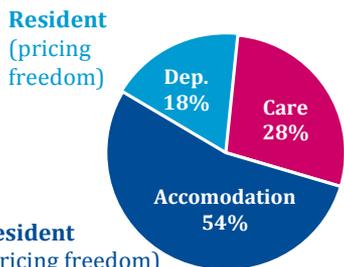
Resident
(pricing freedom)

Regional Health Insurance

Average total revenue per day: **€90**



SWITZERLAND



Resident
(pricing freedom)

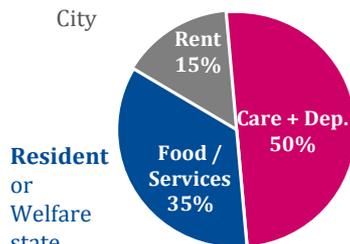
Health Insurance and Private Insurance

Resident
(pricing freedom)
Or Canton

Average total revenue per day: **€190**



GERMANY



City

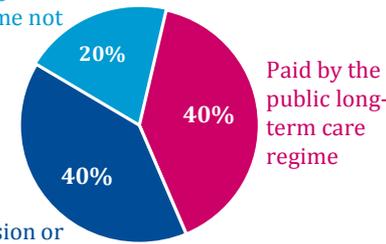
Long-term care insurance (National Health Insurance)

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: **109,000 shares/day (=€6.3m)**
- ✧ Price: **€66.60**
- ✧ High (12-month): **€70.25**
- ✧ Low (12-month): **€42.82**
- ✧ Turnover: **47% in 12 months**
- ✧ Market cap.: **€4,014m**
- ✧ Number of shares: **60,273,691**



Data as at 16/09/15

Indices

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

Contacts

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