



**NEW INTERNATIONAL STRATEGIC DEVELOPMENT:
ACQUISITION OF MEDI-SYSTEM,
POLAND'S NO. 1 LONG-TERM CARE OPERATOR**

Puteaux, 4 January 2016

The ORPEA group, a leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, has today announced the acquisition of MEDI-System, Poland's No. 1 private dependency care operator, with 7 facilities (704 beds).

MEDI-System, Polish market leader in long-term care

Founded in 2001 by Dr Marcin Zawadzki, MEDI-System has developed a unique network of modern care facilities in Poland, with an offering covering a variety of areas of dependency care, including nursing homes and post-acute care and rehabilitation clinics.

MEDI-System corresponds fully to ORPEA's acquisition criteria:

- facilities that are large (average of 100 beds) and recent (80% of buildings are less than 10 years old);
- urban locations, with 6 out of 7 facilities located in the Warsaw region;
- an excellent reputation for quality and innovation;
- a real estate policy based on ownership, corresponding to ORPEA's ambitions. 6 out of 7 buildings are fully owned.

In 2015, MEDI-System generated revenues of around €10 million.

Prior to ORPEA's acquisition MEDI-System was 50% owned by its founder and 50% by a US private equity firm Highlander Partners. ORPEA has acquired 90% of the company, with the founder keeping 10% of share capital. The acquisition is paid entirely in cash.

Dr Marcin Zawadzki, Chairman and founder of MEDI-System, states: *"We are very pleased with ORPEA's commitment, which forms part of an entrepreneurial and long-term approach. ORPEA offers MEDI-System the opportunity to step up its rate of expansion, while also ensuring excellent standards of care for our patients and residents. ORPEA's financial capacity and expertise, with over 25 years' experience in the industry, mean that it is able to offer strong prospects for all of MEDI-System's employees."*

Poland: considerable needs in the dependency care sector

With a population of 38 million and a particularly fast-growing economy, Poland offers considerable prospects for expansion in the dependency care sector:

- ageing of the population: number of people aged over 80 will double between now and 2040, reaching 2 million;
- offering severely lagging behind European standards in terms of quantity and quality, with 6 beds per 100 people aged 80 and over, compared with 15-20% in Europe;
- need to create beds among the greatest in Europe, with 120,000 beds to be created in 15 years, equal to doubling the current network, which itself is highly fragmented;

- constrictive and complex regulations constituting a significant barrier to entry;
- dynamic job market offering a highly qualified work force.

MEDI-System: a unique development platform

Thanks to this new platform in a country offering rapid economic growth, ORPEA will be able to roll out its model in Poland to meet fast-growing demand: optimisation of the existing network, creation of new facilities meeting high quality standards and selective acquisitions

Yves Le Masne, ORPEA's Chief Executive Officer, comments:

"Our robust pace of international expansion continues at the start of 2016 with this acquisition of Poland's No. 1 nursing home operator. As with other countries, ORPEA has decided to acquire a high quality platform benefiting from a very competent and experienced management team and staff. Furthermore, unlike most of our recent acquisitions, MEDI-System's real estate ownership strategy also offers a rare and particularly attractive opportunity for ORPEA.

To implement its expansion strategy, ORPEA will provide MEDI-System with its financial capacity, know-how in the construction and redevelopment of care homes and its expertise in centralisation. Poland represents a very significant source of growth for the Group and is now ORPEA's tenth development platform."

Advisors

PwC acted as financial advisor to ORPEA and Gide Loyrette Nouel as legal advisor to ORPEA.

Next press release: 2015 full-year revenues 10 February 2016 before the market opens

About ORPEA (www.orpea-corp.com)

Founded in 1989, and listed on Euronext Paris since April 2002, ORPEA is a European leader in integrated Long-Term Care and Post-Acute Care. The Group has a unique network of 697 healthcare facilities, with 68,691 beds (10,439 of them under refurbishment or construction), including:

- 32,743 beds in France at (3,349 beds under refurbishment or construction) at 354 facilities;
- 35,948 beds in the rest of Europe (Germany, Austria, Belgium, Spain, Italy, Czech Republic, Poland and Switzerland) at 343 facilities (7,090 beds under refurbishment or construction).

Listed in Euronext Paris Compartment A, a Euronext Group market
Member of the **SBF 120**, **STOXX Europe 600**, **MSCI Small Cap Europe** and **CAC Mid 60** indices -
ISIN: FR0000184798- Reuters: **ORP.PA** - Bloomberg: **ORP FP**



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