



FURTHER STRATEGIC INTERNATIONAL EXPANSION:

- **ACQUISITION OF SENEcura, AUSTRIA'S LEADING LONG-TERM CARE PROVIDER¹**
- **NETWORK OF 4,236 BEDS (55 FACILITIES) THAT GENERATED REVENUE OF €125 MILLION IN 2014**

NEW DEVELOPMENT PLATFORM THAT IS UNIQUE IN AUSTRIA AND THE CZECH REPUBLIC

- **44% REVENUE GROWTH SECURED OVER 4 YEARS (€180 MILLION IN 2018)**

Puteaux, 20 January 2015: The ORPEA group, one of the leading European providers of long-term care (nursing homes, medium-stay and psychiatric clinics), has today announced the acquisition of the SeneCura group, Austria's leading provider of long-term care¹, with established presence in the Czech Republic.

SeneCura, Austria's leading long-term care provider in the private sector

Founded in 1998, SeneCura is a family-owned group that has enjoyed solid growth over the past 10 years. Today, it is Austria's leading provider of long-term care in the private sector with an integrated service offering assisted-living and care options for the elderly, comprising nursing homes (day centres, Alzheimer's units, temporary stays), rehabilitation clinics, in-home care and services.

Thanks to the experience of its managers and the know-how of its teams, by year-end 2014 the SeneCura had built a unique network of 55 care facilities, with a total of 4,236 beds, breaking down as follows:

- Austria: 3,936 beds (52 care facilities), including 480 beds under construction;
- Czech Republic: 300 beds (3 care facilities) under construction.

In 2014, SeneCura generated €125 million in revenue. With its growth pipeline of 780 beds, the Group has already secured €180 million in revenue out to 2018, representing a growth rate of 44%.

SeneCura's offering and business model are comparable to ORPEA's, with:

- an offering renowned for the quality of its care and services, SeneCura having landed numerous awards in the regions it serves;
- facilities located at the heart of cities and urban centres in 7 of Austria's 9 regions;
- a single room rate of around 70%;

¹ In the private sector

- a portfolio of recently built facilities (mostly after 2003);
- an occupancy rate of care homes close to 100%;
- a hybrid property policy combining full ownership, building leases and leasing contracts with expected ownership of 30% of the buildings in the future.

A unique position in a country with buoyant fundamentals

With over 15 years' experience in caring for the elderly, SeneCura is a leading high quality nursing care provider in the Austrian market with a unique position. The other private-sector operators, which are far smaller in size, are local groups focused on a single region.

The Austrian long-term care sector has solid and buoyant fundamentals, with strong and sustainable growth prospects for the next few years:

- Significant population ageing: the number of people over 80 is set to double by 2040 to 800,000, making it one of the strongest growth rates in Europe;
- Insufficient care capacity: one of the lowest per capita capacity rates in Europe, hence a need for an additional 30,000 beds by 2030, i.e. almost a 50% increase in existing capacity, all sectors combined;
- Supreme dominance of public-sector and non-profit organisations, which account for 90% of the beds authorised to date, against the backdrop of cutbacks in public spending;
- Stringent and complex regulations involving regional permit systems. Expansion therefore requires solid know-how and experience;
- Strong purchasing power, with annual GDP per capita of \$49,050, i.e. 40% above the European Union average.

In the Czech Republic, SeneCura has begun to expand into regions with strong purchasing power, particularly in the Prague area.

Both countries fit the ORPEA Group's expansion criteria, as they offer the prospect of strong and sustainable development over the coming years.

A unique platform for future development

With ORPEA's backing, SeneCura will be able to step up its expansion in both Austria and the Czech Republic by developing new facilities and carrying out selective acquisitions.

With an expert-led management team boasting an established network of contacts in the supervisory authorities and a sound reputation for quality and innovation, SeneCura aims to:

- strengthen its position in Austria in all aspects of long-term care;
- become the sector leader in the Czech Republic by establishing new facilities compliant with Group standards;
- maximise its margins by harnessing ORPEA's expertise in centralising functions and controlling.

These ambitious development plans for ORPEA's strategic positioning in Austria and the Czech Republic will create substantial value for the Group.

Another deal set to boost earnings from 2015

The acquisition of SeneCura will be finalised on 1 April 2015, and the new subsidiary will be consolidated by ORPEA from that date onwards.

Payment for the deal will be made solely in cash from ORPEA's reserves. Thanks to the early repayment of its OCEANE bonds as announced in early January, as well as various very attractive financing already obtained, the Group boasts substantial financial flexibility.

The acquisition of this strategically important asset, together with a property portfolio, will meet the Group's investment and financial discipline criteria. Like its two recent acquisitions in Germany and Switzerland, this will also boost the ORPEA Group's earnings per share from 2015 onwards.

Post the transaction, ORPEA's network will consist of 56,314 beds at 579 facilities, 43% of which will be outside France.

Commenting on the deal, Yves Le Masne, ORPEA's Chief Executive Officer, said:

"Following the acquisitions of Senevita in Switzerland and Silver Care in Germany in 2014, ORPEA has made a great start to 2015 by completing another strategically important deal with tremendous development potential.

This acquisition of an asset with a unique competitive position in Austria and the Czech Republic gives ORPEA another growth and profitability driver, as well as value-creating expansion opportunities.

Thus the Group is continuing its expansion into Europe by adding a new source of future growth, while strictly complying with its profitability criteria.

Given its financial flexibility and the opportunity of attractive financing, the Group will continue to pursue its strategy of international expansion by obtaining operating permits and making selective acquisitions."

Dr Jean-Claude Marian, ORPEA's Chairman, added: *"The powerful international development momentum built up in 2014 has carried forward into early 2015. In 12 months, the Group has made three strategic acquisitions adding 12,492 beds, of which 17% are under development. These deals will ultimately boost annual revenues by €510 million.*

These developments are especially promising because ORPEA has acquired three platforms combining expansion potential with a strong operational reputation located in countries with robust, dynamic and stable economies where the elderly population enjoys strong purchasing power."

Advisers

Acxit Capital Management, represented by Thomas Klack and his team, acted as financial advisers, with Bredin Prat acting as ORPEA's legal counsel.

Credit Suisse and EY acted as SeneCura's financial advisers and Klemm Rechtsanwalts-GmbH as its legal counsel.

**Next press release: revenue for 2014 full-year
11 February 2014 before the market opens**

About ORPEA (www.orpea-corp.com)

Listed on Euronext Paris since April 2002 and a member of the Stoxx 600 index, ORPEA is a European leader in integrated Long-Term Care and Post-Acute Care. The Group has a unique network of 579 healthcare facilities, with 56,314 beds (49,905 of them operational), including:

- 31,871 beds in France (3,979 under refurbishment or construction) across 345 facilities
- 24,443 beds in Europe – in Austria², Belgium, Germany, Italy, Spain, Switzerland and Czech Republic² – (5,430 under refurbishment or construction) across 234 facilities

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



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² Subject to closing of the SeneCura transaction