Half-year 2017 results

27 September 2017

Agenda

Introduction

Comprehensive offering of mid-term and long-term care for physical and mental conditions

Day centres

Day hospitals and night hospitals

Nursing homes

- **Short stays**
- **Alzheimer's units**
- **High dependency units**

Post-acute, rehabilitation and psychiatric hospitals

- **Specialisations**: musculoskeletal, geriatric, addiction treatment, cardiology, nervous system, respiratory, oncology

Independent living facilities

Homecare and services

Core businesses Non-core businesses

Complementary activities meeting demand from patients and residents and also from supervisory authorities

Improvement in Quality, the Group's constant objective and priority

Comprehensive Quality programme

- **Identical Quality policy rolled out in every country** covering every aspect of care – healthcare, services, food, accommodation, events, reception, dialogue, etc.
- **Comprehensive Quality programme**: written procedures, training, manager incentives, regular internal audits and external audits, innovation, etc.
- **Quality principle**: continuous improvement and programme adjustments

Results of the 2016 satisfaction surveys

- Satisfaction survey of residents and families across the entire network
  - Satisfaction rate **>90%**
- Satisfaction survey of referral partners (healthcare professionals) in France:
  Satisfaction rate **>90%**

Prize-winning innovative initiatives

IT and Security

- ISO 27001 certification of the Group's IS division
- IT & Security Prize awarded by *Magazine Solutions Numériques* for the implementation of its NSOC (Network & Security Operation Center)

Care for residents and patients

- **France**: Silver Show & Silver Night: 5 prize-winning projects
- **Poland**: Prize awarded to Medi System by the National Health Care System

HR management

- **France**: FHP Trophy awarded to Clinique de Kerfriden
  (Passing-on of values, knowledge and skills to future professionals)
- **Austria:** Training programme for pain management rewarded with an accolade by the National Nursing Homes Federation

ORPEA awarded "best enterprise donation raising" at the 2017 "Children without Cancer" run

ORPEA GROUP

880 registered ORPEA employees
€180,000 raised as donations

enfants SANS cancer
COURSE 2017

Spain: Sanyres' integration

Target of integrating Sanyres with ORPEA Ibérica

- Sanyres acquired in July 2016
- **3,300 beds** (**18** facilities), **almost doubling the size of the Spanish network**
- **Acquisition of the real-estate (**140,000 sqm), facilities with on average 184 beds

Objective: Rapidly obtain a single organisation and structure

Forward planning of avenues of improvement

- **2 different cultures:**
  - Sanyres is a brand that inspires great loyalty among its teams
  - Orpea Ibérica has also a strong culture of Quality and business sustainability
  - **2 Head Offices** (Córdoba and Madrid) with **2 IT systems**

Parallel action plan for Support functions (Head office) and facilities

- One overriding imperative: a unified information system
- Identify Sanyres' top talents to optimise the organisation

Successful integration starts with a detailed action plan

Integration making good progress just 1 year on from the acquisition

-1-
Integration of Support functions

- IT systems migration: payroll, care, accounting and reporting (completed in April 2017)
- Transfer of the Córdoba head office to Madrid: mobility offered to Sanyres employees
- Recruitment to strengthen the Head Office's capabilities
- New head office for ORPEA Ibérica with newest technologies and sized for the new network (moving in April 2017, less than 12 months after the acquisition)

-2-
Operational integration of facilities

- Introduction of new regional divisions
- Implementation of ORPEA procedures in all Sanyres facilities
- Reorganisation of facilities management
- Integration under the ORPEA brand

Results to date

Highly motivated, integrated teams

A single brand, culture and system

First integration stage successful

Germany: organisational and development

ORPEA Germany: organisational improvements after a phase of strong expansion

2014 - 2016

3 years of intensive development through acquisitions:

- Acquisition of **10** groups (Silver Care platform followed by the acquisitions of Residenz Gruppe Bremen, Vitalis): **11,456 beds**
- Around **3,000 beds under construction**

Approximately **15,000** nursing home beds with **10** regional head offices

2017 - 2019

Organisational improvements to build a single head office and development through the creation of new facilities

New management team

Erik Hamann - *CEO*
Former CFO and Deputy CEO at Rhoen-Klinikum[1], 17 years' experience in the long-term care/health sectors

Robert Kordic - *COO*
Former head of operational performance at Asklepios[2], 10 years' experience in the long-term care/health sectors

Andreas Heinrich - *CFO*
Previously at PWC, former deputy CFO at Asklepios[2], 12 years' experience in the long-term care/health sectors

Pooling of support functions at a single head office in Frankfurt

- Efforts to increase synergies
- Closure of regional offices (4 shut down in process)
- Centralisation of functions (HR, accounting, payroll, catering, maintenance & security, purchasing, marketing, real estate portfolio management)
- IT: harmonisation of care management software, staff scheduling, invoicing

[1] Rhoen-Klinikum: approx. 10,000 acute care beds and revenues of €3b before the sale to Fresenius
[2] Asklepios: 150 healthcare facilities, 2016 revenues of €3,2b

Efforts to expand sources of operating leverage

Potential sources of revenue growth

- Increase in the proportion of private residents
- Development of **additional services**: rooms with a higher level of comfort, complementary products and services (room furnishings, additional services, etc.)
- **Renegotiation of day rates** for facilities that have not done any rate increases recently

Potential sources of improvement in staff costs

- Strengthening of HR policy (training, internal promotion)
- Participation in programmes for refugees
- Reinforcement of our own temporary staffing agency

Potential sources of improvement in real estate

- **Acquisition of real estate** at attractive rates
- Construction of new facilities by ORPEA

Important potential for higher profitability and greater flexibility

Development focused on value creation

Opportunistic acquisitions

- Avoiding very large acquisitions that are expensive and rarely value-creating
- Possibility of **selective acquisitions** of small groups at reasonable prices

Construction of new facilities

- New construction projects in **strategic locations**: at the heart of leading urban centres and districts with strong purchasing power
- Expansion of the real estate and construction team
- **30** facilities under construction or at concrete planning stage representing close to **3,000** beds
- Numerous other projects on the drawing board
- Expansion and diversification of the offering: **Assisted-living residences, Day centres (campus concept)**

A model creating value and well-suited to the regulatory environment

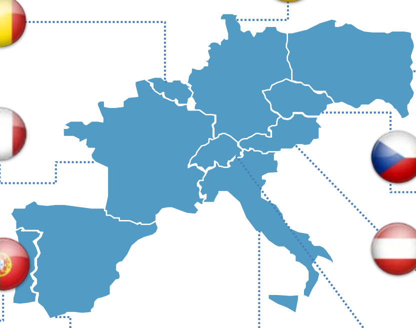
Network and development

Network of 798 facilities / 82,838 beds in 12 countries

Europe

784 facilities

80,698 beds



Germany
165 facilities
16,824 beds

Belgium
60 facilities
7,389 beds

Poland
10 facilities
1,174 beds

France
357 facilities
33,122 beds

Czech Republic
12 facilities
1,716 beds

Portugal*
10 facilities
1,000 beds

Austria
77 facilities
6,807 beds

Spain
45 facilities
7,857 beds

Italy
16 facilities
1,738 beds

Switzerland
32 facilities
3,071 beds

Brazil*

13 facilities

2,000 beds

China

1 facility

140 beds

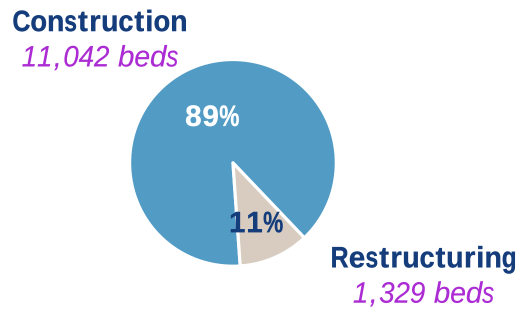
60% of the network outside France

** Joint venture 49%-owned by ORPEA*

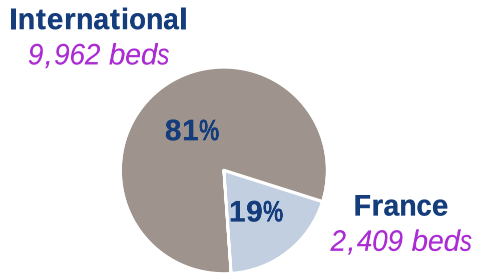
Growth pipeline of 12,371 beds under construction and being restructured

	Beds open	Beds being restructured	Beds under construction	Pipeline (% of beds under development)
France	30,713	1,030	1,379	*7%*
Germany	14,518	0	2,306	*14%*
Austria	6,588	0	219	*3%*
Belgium	5,412	239	1,738	*27%*
Brazil[1]	0	0	2,000	*100%*
China	140	0	0	*0%*
Spain	7,697	0	160	*2%*
Italy	1,271	60	407	*27%*
Poland	704	0	470	*40%*
Portugal[1]	0	0	1,000	*100%*
Czech Rep.	886	0	830	*48%*
Switzerland	2,538	0	533	*17%*
Total	**70,467**	**1,329**	**11,042**	***15%***

Breakdown of the pipeline by type



Geographical breakdown of the pipeline



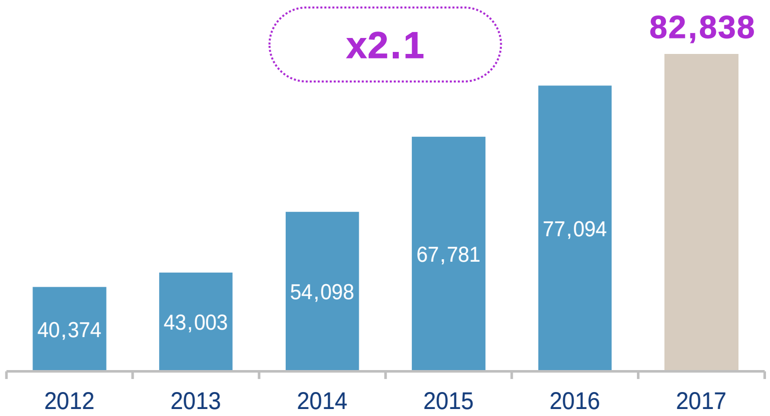
Growth pipeline = organic growth guaranteed over the next 3 to 4 years

* *Joint venture 49%-owned by ORPEA*

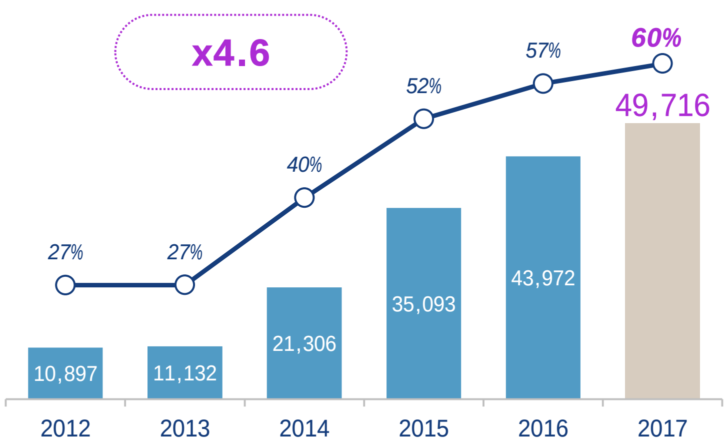
2012 - 2017: strong acceleration in the growth of the international network with 6 additional countries

ORPEA GROUP

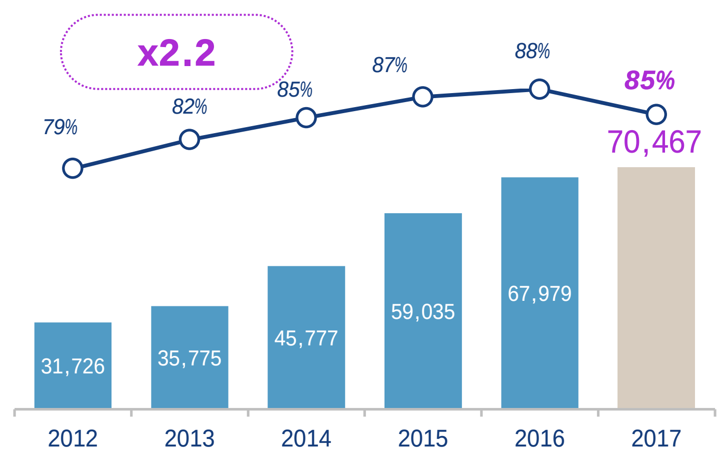
Total network (number of beds)



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



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



Growth of 22% in the network over 2 years through acquisitions and selective developments

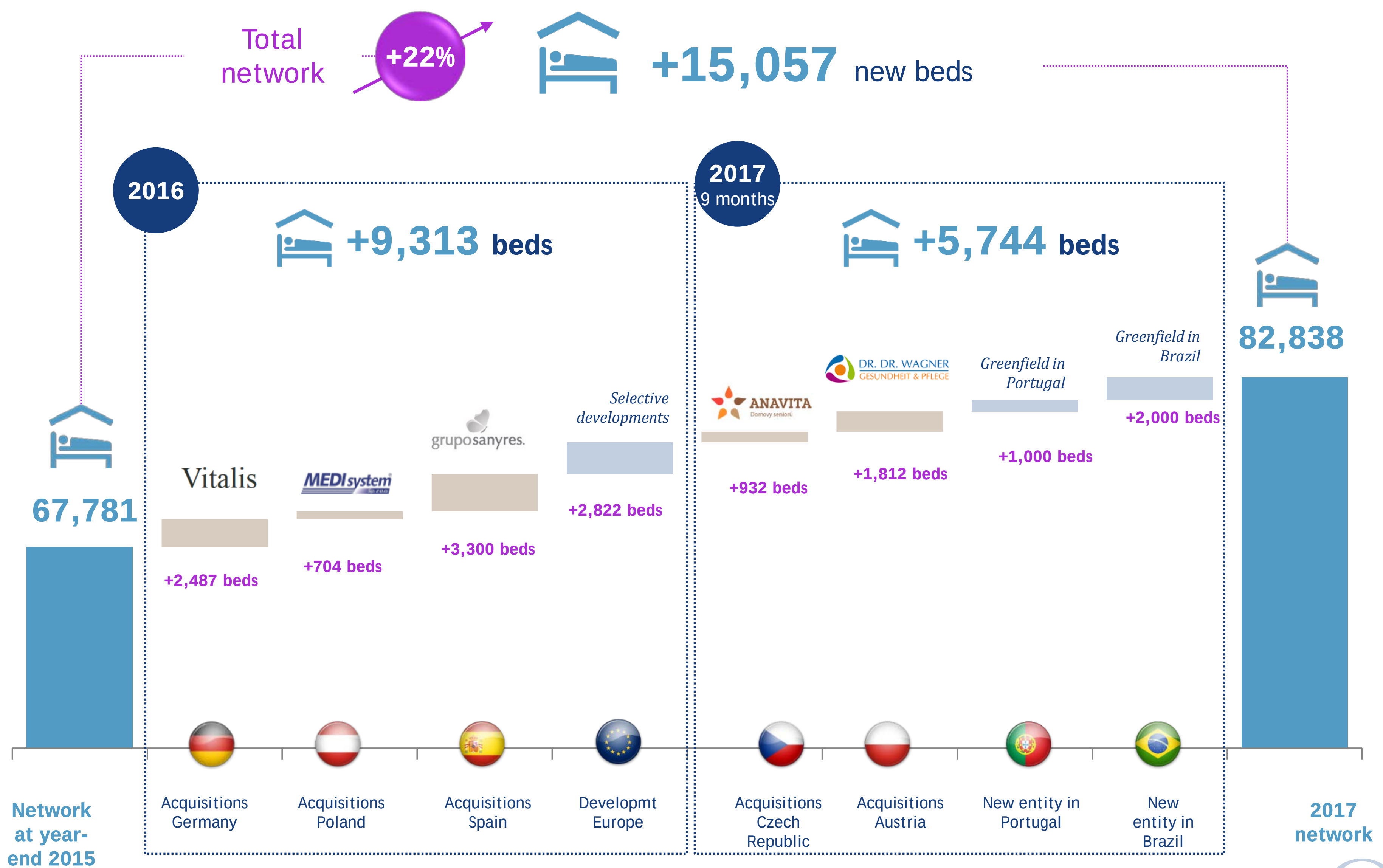


Illustration of ORPEA's strategy of selective acquisitions: 2 groups representing 2,744 beds in 2017

ORPEA GROUP

Acquisition of Anavita in the Czech Republic

ANAVITA
Domovy seniorů

- Nursing homes
- **6** facilities/**932** beds (including 256 under construction)
- Ownership of **100%** of real estate
- **€7m** in revenue in 2016 => **€14m** at maturity

ORPEA now the market leader in the Czech Republic with 1,716 beds

Acquisition of the Dr. Dr. Wagner in Austria

DR. DR. WAGNER
GESUNDHEIT & PFLEGE

- Post-acute and rehabilitation hospitals + Nursing homes
- **18** facilities / **1,812** beds
- Ownership of **80%** of real estate
- **€60m** in revenue in 2016

ORPEA is making new additions to its range of care solutions and has extended its leadership in Austria with 6,807 beds

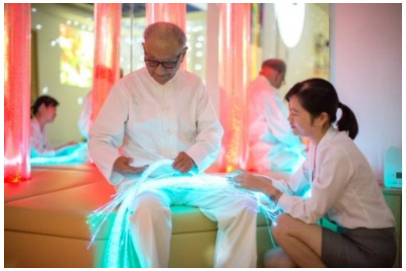
Compliance with ORPEA's standards

- Small-scale family groups easy to integrate
- High-quality facilities
- Potential for margin improvement
- Real estate acquisitions

China: ORPEA's know-how recognised in Nanjing

Growing recognition of ORPEA's know-how

- **Reference facility in China for the introduction of non-drug-based therapies**: spa therapy, Snoezelen room, Reminiscence areas
- Implementation of training programmes




Partnership-based expansion strategy

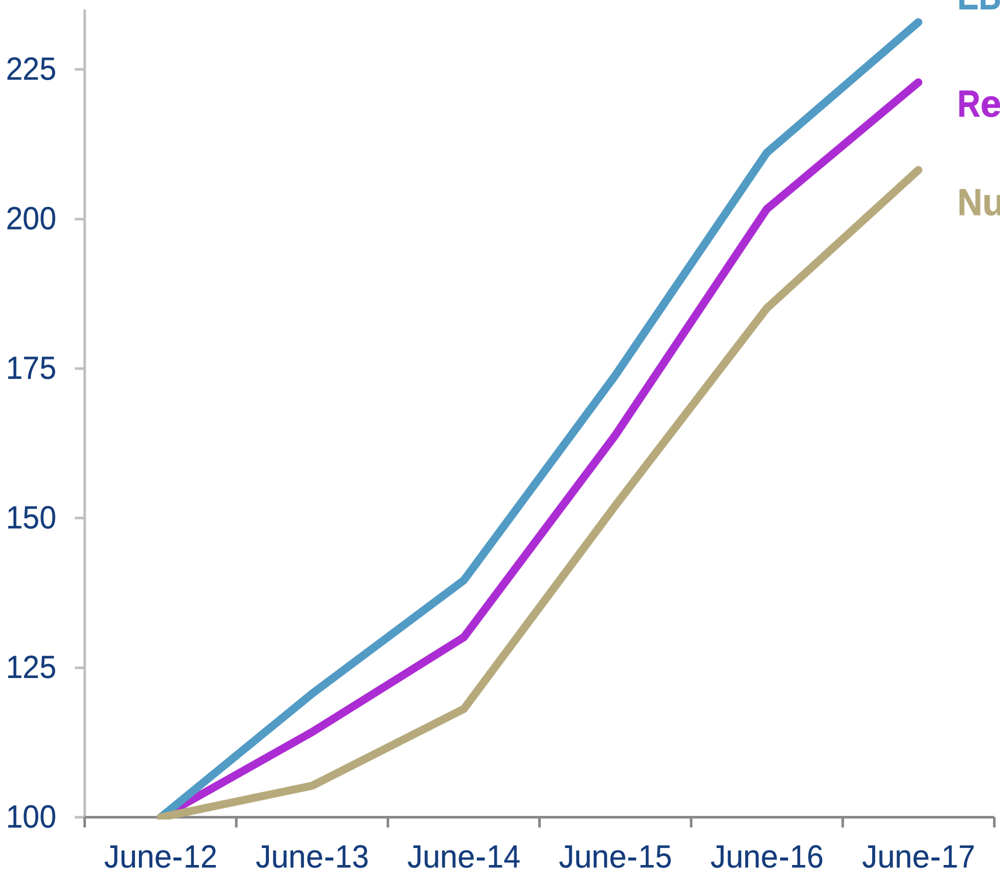
- **Plan to set up joint ventures** with prominent Chinese investors in cities such as Beijing, Changsha, and Shanghai
- **Management contracts** to build up the volume of activity

Active and careful development

Half-year 2017 results

5 years of development (H1 2012 - H1 2017): size of network and earnings doubled

Over 5 years
+41,490 beds
Full-year revenue of €1.7 billion



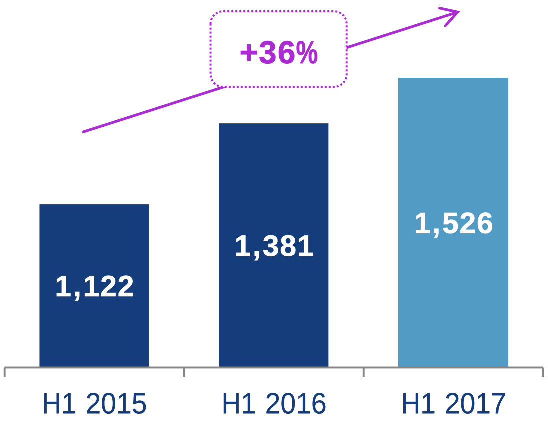
EBITDAR*	+133% +18% p.a.
Revenue	+123% +17% p.a.
Number of beds	+108% +16% p.a.

*See definitions in the glossary

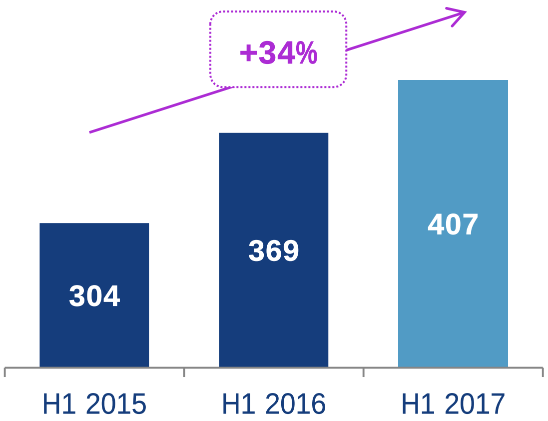
Limited review procedures in progress

Over 3 years, EBITDA* up 40%

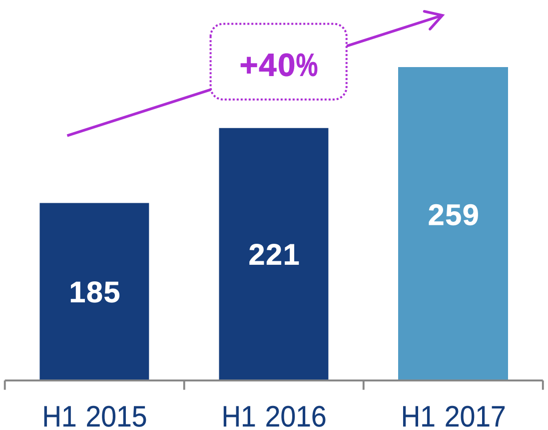
Revenue (€ m)



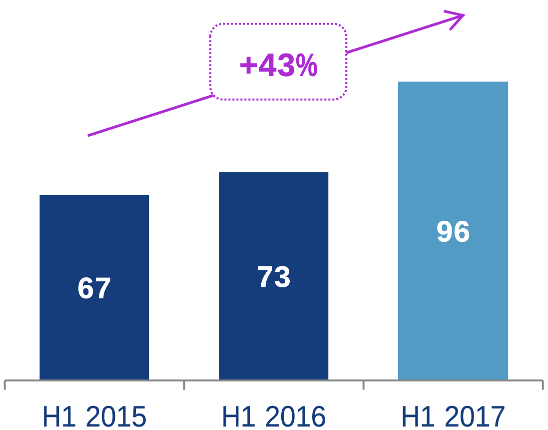
EBITDAR* (€ m)



EBITDA* (€ m)



Net profit attributable to ORPEA's shareholders[1] (€ m)



[1] *Excluding changes in the fair value of the conversion right embedded in the ORNANE*

**See definitions in the glossary*

Limited review procedures in progress

H1 2017: a half-year period ahead of objectives

OBJECTIVES FOR 2017	ACHIEVED IN H1 2017
1 Revenue growth: +10%	**+10.5%** €1,526m
2 Healthy organic growth*	**+5.5%** €75m
3 Healthy EBITDA* margin	**+100bp** 17.0%
4 Lower cost of borrowing	**-10bp** 3.10%
5 Expansion of the real estate portfolio[1]	**+€545m** €4,620m

[1]*Excluding the impact of the €40m in assets held for sale at 30.06.17*

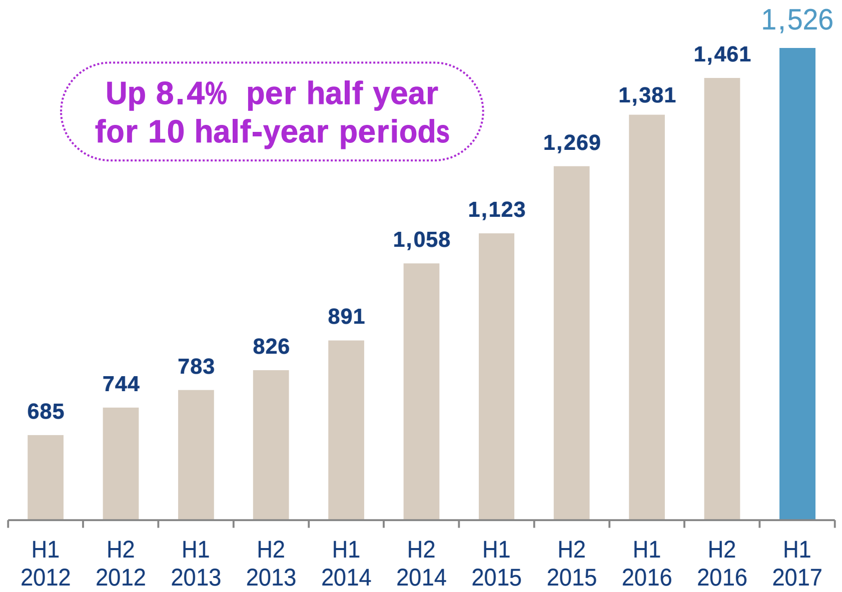
**See definitions in the glossary*

Limited review procedures in progress

H1 2017 revenue: strong growth of +10.5%

Me	H1 2017	H1 2016	Chg.
France	**877.7**	835.9	*+5.0%*
	58%	*61%*	
International	**648.0**	544.6	*+19.0%*
	42%	*39%*	
Germany	**260.5**	246.6	*+5.6%*
Austria	**102.3**	83.6	*+22.4%*
Belgium	**81.9**	79.6	*+2.9%*
China	**0.7**	-	
Spain	**69.5**	34.5	*+101.4%*
Italy	**24.4**	23.8	*+2.5%*
Poland	**6.0**	5.3	*+13.2%*
Switzerland	**98.0**	70.6	*+38.8%*
Czech Rep.	**4.7**	0.6	
Total	**1,525.7**	1,380.5	*+10.5%*

Growth per half-year period (€m)



Strong organic growth

- Openings: **850 beds**
- H1 2017 organic growth: **+5.5%**

Contribution of acquisitions to H1 2017 revenue

- Sanyres in Spain acquired in H2 2016
- Spitex in Switzerland acquired in H1 2017

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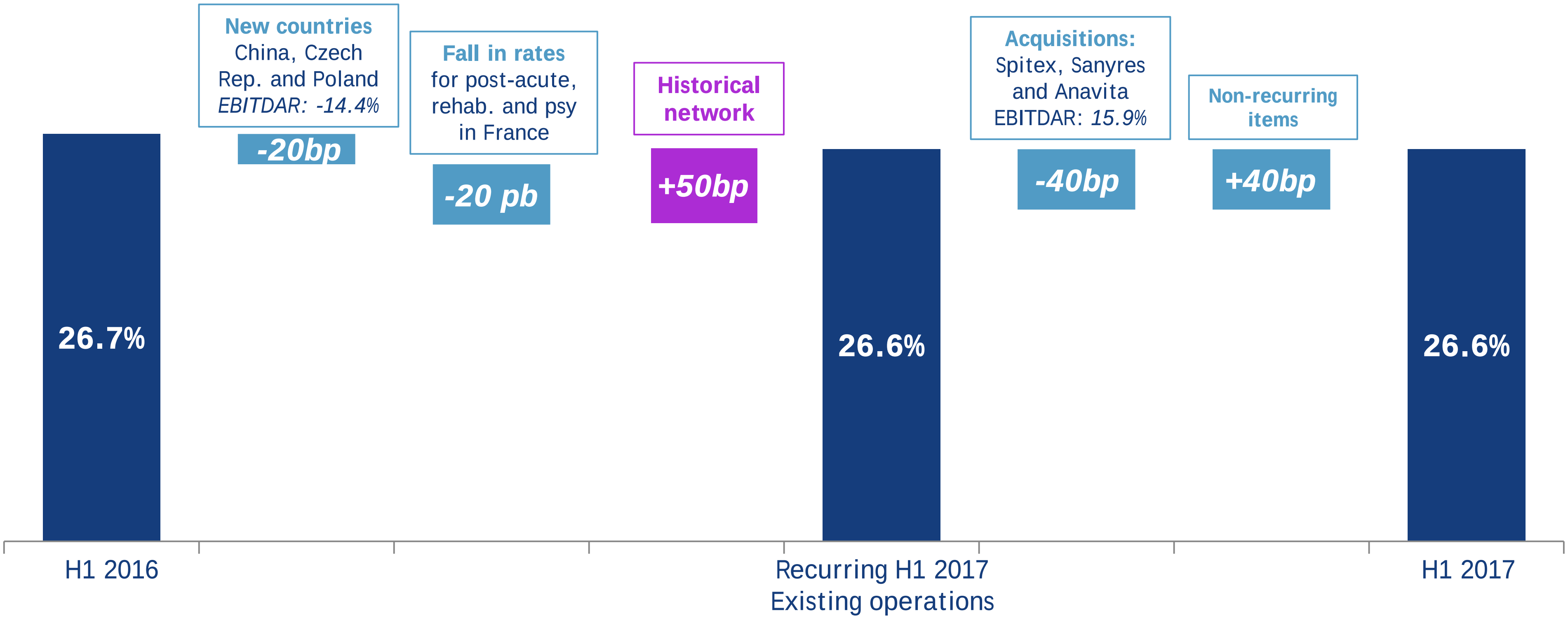
Sound EBITDAR margin amid development and organisational improvements



+ Strong performance in historical footprint

– Impact of organisational improvements in new countries and acquisitions

Limited review procedures in progress

New countries in structuration phase

The ORPEA model

A head office in each country housing the local management team and support functions

Need for critical mass of 2,500 to 3,000 beds

Organisational improvements in non-mature countries experiencing strong growth

	CHINA	POLAND	CZECH REP.	ITALY
Start of activity	2016	2016	2016	2005
Number of beds opened	140	704	886	1,271
Annual head office costs (€ m) *% of revenue*	€2.0m *155%*	€1.8m *15%*	€1.5m *16%*	€6.8m *14%*

Limited review procedures in progress

Analysis of margins by geographical region

In €m	H1 2017			H1 2016			Comments
	Rev.	EBITDAR*	% rev.	Rev.	EBITDAR*	% rev.	
France	877.7	256.9	29.3%	835.9	236.9	28.3%	Stable margin excluding non-recurring items
Germany	260.5	63.1	24.2%	246.6	62.0	25.1%	-90 bp: organisational improvements at Head offices
Austria	102.3	20.3	19.8%	83.6	15.7	18.8%	+100 bp
Belgium	81.9	14.2	17.4%	79.6	13.6	17.1%	+30 bp
China	0.7	-1.3	N.A.				1st facility opened in 2016
Spain	69.5	14.8	21.3%	34.5	7.4	21.4%	-10 bp (integration of Sanyres)
Italy	24.4	4.2	17.2%	23.8	4.1	17.2%	Stable
Poland	6.0	0.9	15.0%	5.3	0.8	15.1%	-10 bp
Czech Rep.	4.7	-0.6	N.A.	0.6	-0.4	N.A.	New openings and integration of Anavita
Switzerland [1]	77.0	23.0	29.9%	51.1	17.6	34.4%	Impact of the acquisition of Spitex

[1] *Excluding the Assisted-Living business in Switzerland*

**See definitions in the glossary*

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Recurring EBITDA* up +17.4%

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(€ m)	H1 2017	H1 2016	Chg.
Revenue	**1525.7**	1380.5	*+10.5%*
Staff costs	**-804.3**	-710.9	*+13.1%*
Purchases	**-266.4**	-253.8	*+5.0%*
Taxes other than on income	**-57.7**	-56.8	*+1.6%*
Other income and expenses	**9.2**	9.5	*N.A.*
EBITDAR* (i.e. before rents)	**406.6**	368.5	*+10.3%*
% of revenue	***26.6%***	*26.7%*	
Rents	**-147.7**	-148.0	*-0.2%*
EBITDA*	**258.8**	220.5	*+17.4%*
% of revenue	***17.0%***	*16.0%*	

Trend in rental income (€ m):

*See definitions in the glossary

Limited review procedures in progress

Strong growth in recurring operating profit: +15%

€m	H1 2017	H1 2016	Chg.
EBITDA*	**258.8**	220.5	*+17.4%*
Depreciation, amortisation and provisions	-70.8	-57.0	*+24.2%*
Recurring operating profit	**188.1**	163.6	*+15.0%*
Net financial cost[1]	-66.7	-53.5	*+24.8%*
Pre-tax profit on ordinary activities* [1]	**121.3**	110.0	*+10.3%*
Non-recurring items	13.8	4.6	*N.A.*
Profit before tax [1]	**135.1**	114.6	*+17.9%*
Income tax expense [1]	-41.0	-40.4	*+1.5%*
Share in profit/(loss) of associates	2.1	1.4	*N.A.*
Net profit excluding mark to market of ORNANE derivative [1]	**96.1**	75.6	*+27.1%*

**See definitions in the glossary*

[1] Excluding the non-cash impact of €142.7m arising from the mark-to-market of the derivative included in the ORNANE bonds and the early redemption of the ORNANE bonds. This expense will be offset in full in H2 2017 by an increase in equity of around €385m, the exact amount of which will be determined when the conversion of the ORNANE bonds goes ahead in October 2017.

Limited review procedures in progress

Cash flows

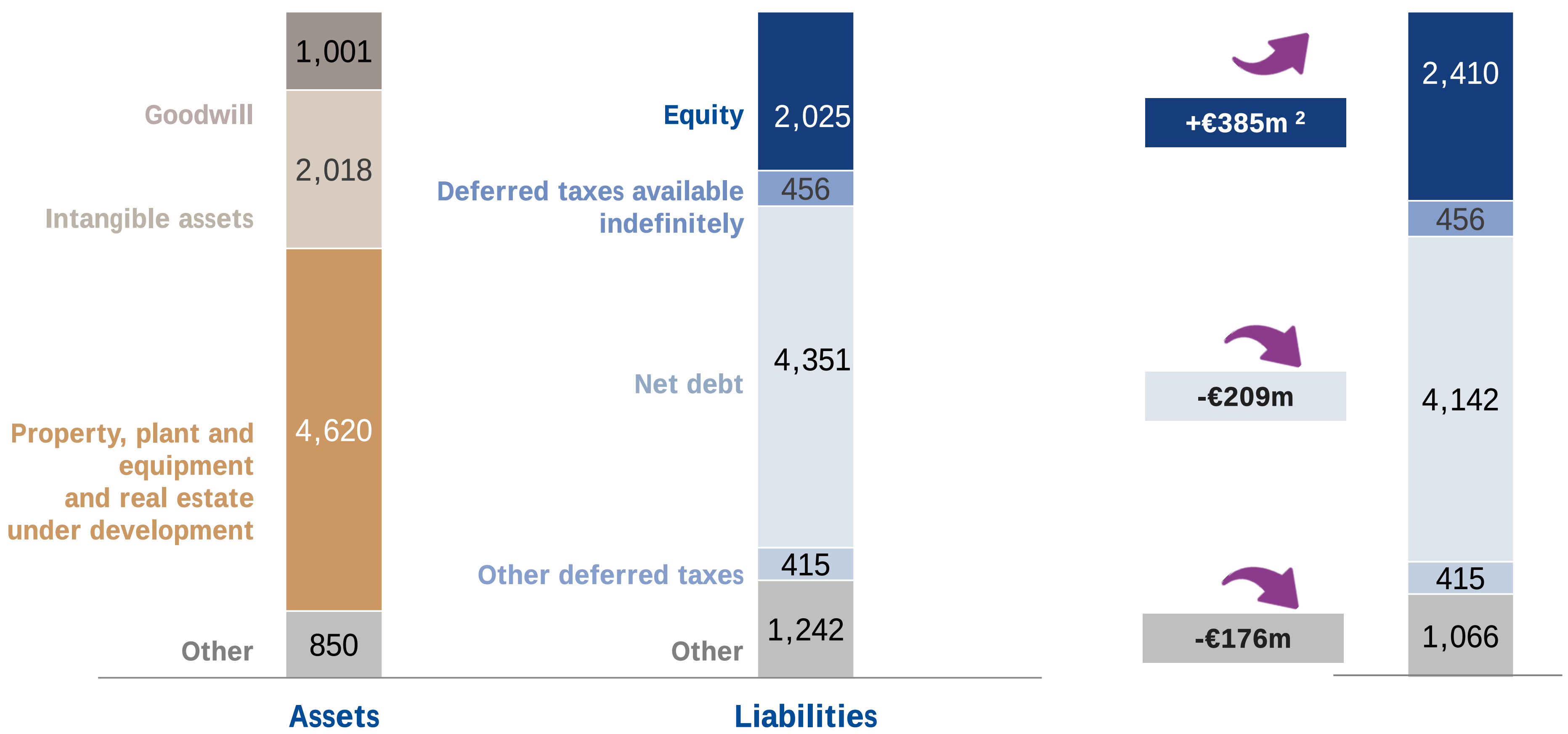
(€m)	H1 2017	H1 2016
EBITDA	259	221
Net cash from operating activities	**167**	140
Investments in construction projects	-155	-107
Acquisitions of real estate	-483	-160
Disposals of property assets	16	54
Net real estate investments	**-622**	-213
Net investments in operating assets	**-98**	-55
Net cash from financing activities	**568**	68
Change in cash over the period	**15**	-60

	30 June 2017	31 Dec. 2016
Cash at end of period	**554**	539

Limited review procedures in progress

Sound financial structure

Condensed balance sheet[1] at 30 June 2017 (€m)



Real estate portfolio: +€545m

[1] Excluding €90m in assets and debt associated with assets held for sale
[2] Exact amount of which will be determined when the conversion of the ORNANE bonds goes ahead in October 2017

Limited review procedures in progress

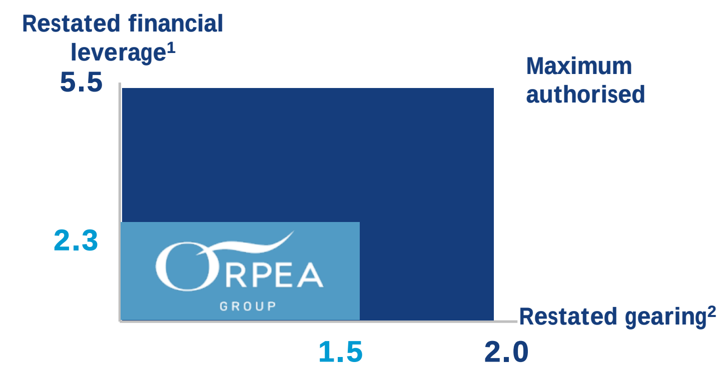
Diversified and long-term net real estate debt

Indicators	After ORNANE redempt.	30 June 2017	31 Dec. 2016
Net financial debt* (€m)	4,142	4,351	3,680
% real estate debt	85%	85%	84%
Restated financial leverage[1]	2.3	2.3	2.3
Restated gearing[2]	1.5	1.8	1.5

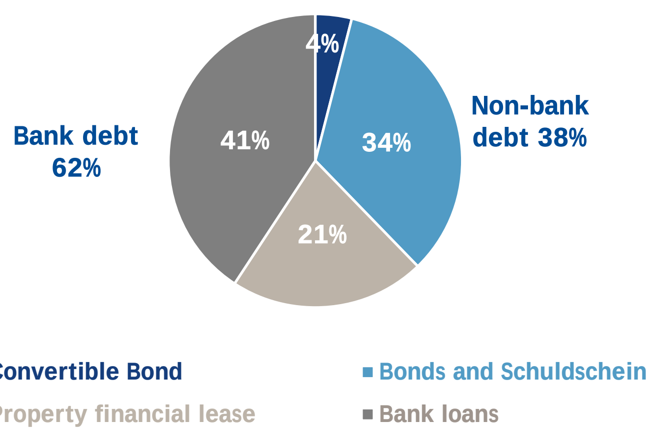
1 $\frac{\text{Financial liabilities Net – Real estate debt}}{\text{EBITDA – (6\% real est. debt)}}$

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

Covenants comfortably met
(after ORNANE redemption)

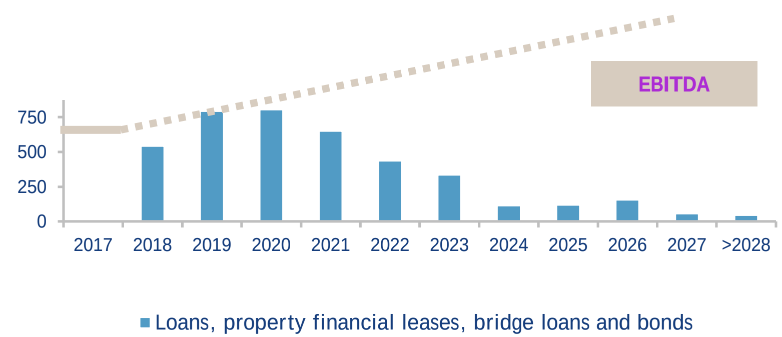


Diversified net debt*



Maturity profile of net debt*
(after ORNANE redemption)

Average maturity = 5 years



Excluding €90m and €140m in debt associated with assets held for sale at 30 June 2017 and 31 December 2016 respectively

Limited review procedures in progress

New transactions strengthening the post-30 June 2017 financial structure

New unsecured financing

- **Euro PP bond:**
  €150m with a 7-year maturity
- **Schuldschein issue:** €224m over maturities of 5 to 10 years

Extension of debt maturity at an attractive cost

Early repayment of the ORNANE bonds issued in 2013

- **Objectives**: further increase borrowing capacity and lower financial expense
- **Principle:** repayment of nominal value and performance in shares
- **ORNANE bonds still outstanding prior to redemption:** **3,695,897**, i.e. **86.75%** of the initial tranche (**€172m**)
- **Maximum number of 3,947,218 new shares to be issued**

Dual impact on ORPEA's finances:

- **reduction in debt**
- **increase in equity**

Average maturity of debt

5 years

from 4.5 years previously

Restated gearing

1.5x

vs. 1.8x previously

Non-bank debt

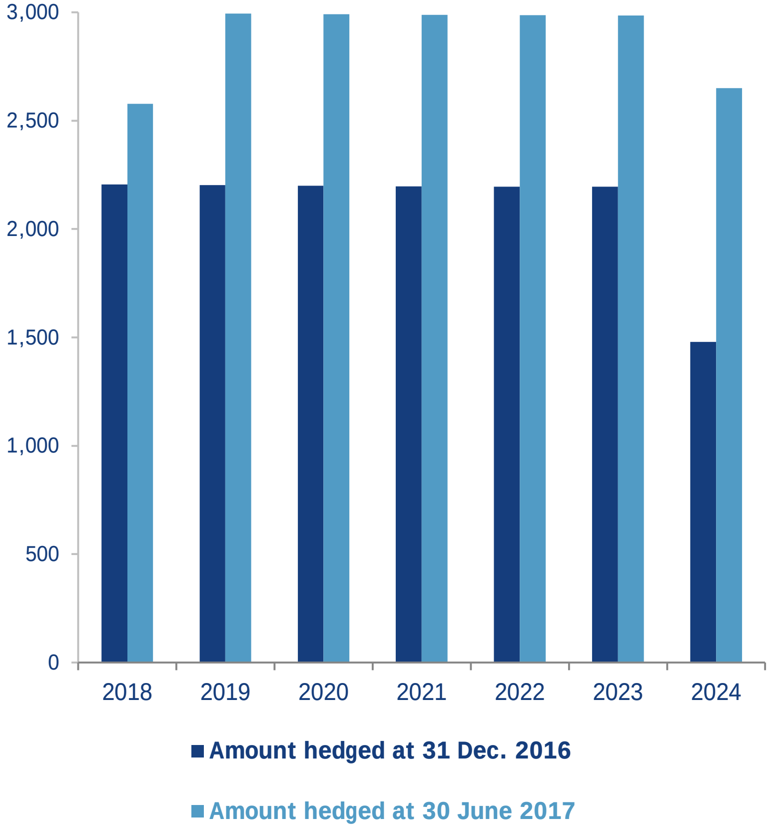
44%

vs. 38% previously

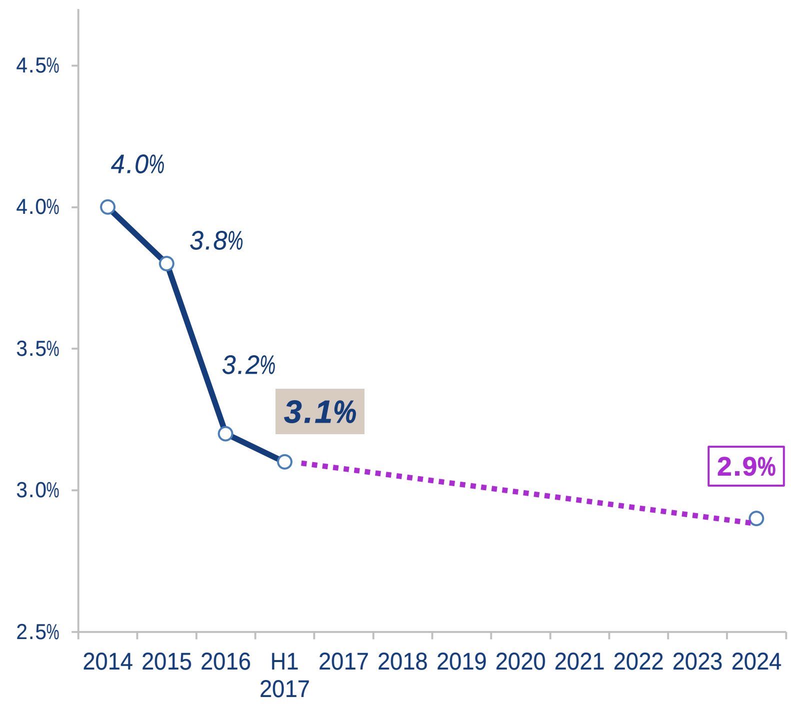
Limited review procedures in progress

Debt fully hedged

Floating-rate net debt fully hedged



Fall in the cost of borrowing



100% of net debt carries a fixed rate

Limited review procedures in progress

ORPEA's dedicated real estate portfolio - its key distinguishing feature and strength

Business

82,838 beds

(including 12,371 under development)

Forecast full-year revenue	**€3,125m**
EBITDA = H1 2017 EBITDA x 2 – Rent at 5.5%* of the wholly-owned real estate operated (€4,173m)	€288m
Operational net debt	€653m
Financial leverage	**2.3x EBITDA**

HEALTHY "OPERATING" FINANCIAL LEVERAGE

Dedicated real estate

Total value of the portfolio[1]	**€4,620m**
- In operation	€4,173m
- Under construction	€447m
Total net real estate debt	€3,698m
- For properties in operation	€3,226m
- For properties under construction	€447m

ORPEA'S REAL ESTATE: HIGH-VALUE, LOW-RISK ASSET

(Rents are directly paid by ORPEA)

[1]*Excluding the impact of the €40m in assets held for sale at 30.06.17*

Limited review procedures in progress

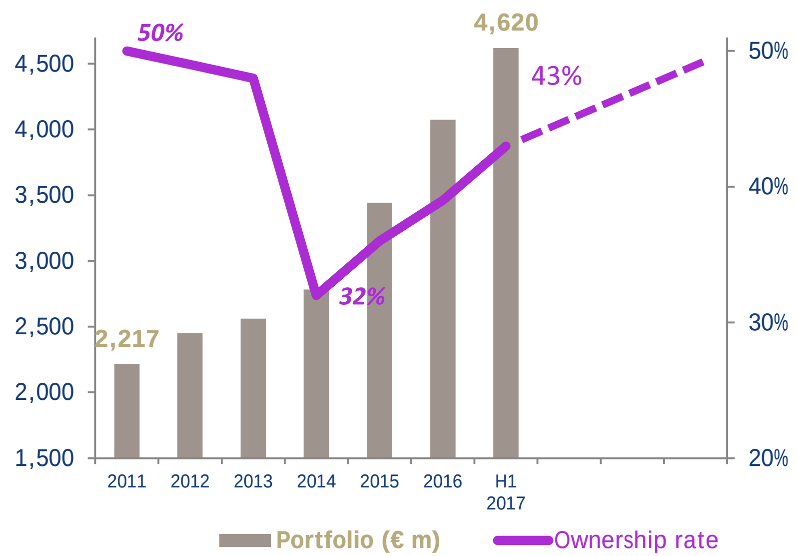
Real estate portfolio: €4.6b (+13% in 6 months)

	30.06.17	31.12.16	Chg.
Real estate ownership rate	**43%**	39%	*+4pts*
Surface area (m²)	**1,755,000**	1,525,000	*+15%*
Total value[1] (€ m)	**4,620**	4,075	*+13%*
Average yield (properties valued by DTZ and JLL)	**6.1%**	6.1%	=

Real estate ownership rate by country

	30 June 2017	31 Dec. 2016	Chg.
Group total	**43%**	39%	***+4pts***
France	**52%**	50%	***+2pts***
Germany	**11%**	9%	***+2pts***
Austria	**55%**	39%	***+16pts***
Belgium	**47%**	45%	***+2pts***
Spain	**62%**	61%	***+1 pt***
Italy	**64%**	33%	***+31pts***
Poland	**88%**	86%	***+2pts***
Switzerland	**7%**	7%	**=**
Czech Republic	**100%**	0%	***+100pts***

Growth in the portfolio (€ m) and ownership rate



[1]*Excluding the impact of the €40m and €67m in assets held for sale at 30 June 2017 and 31 Dec. 2016 respectively*

Limited review procedures in progress

New openings in 2017 and projects

2017: 2,000 new beds opened

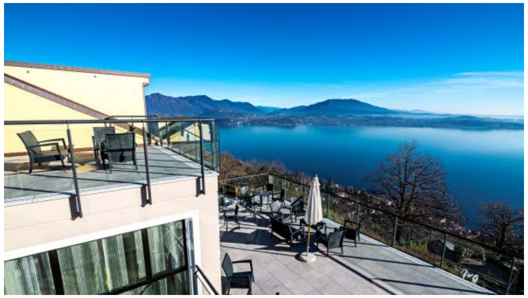
Brussels Overijse (Belgium) - 80 beds

Paris 16th (France) - 87 beds

Callian (France) - 80 beds

Bern (Switzerland) - 226 beds

Zürich (Switzerland) - 80 beds



Lake Maggiore (Italy) - 80 beds

Kolin (Czech Republic) - 131 beds

Sitzenberg (Austria) - 80 beds

Ardooie (Belgium) - 175 beds

Development projects

Hamburg (Germany) - 157 beds

Genoa (Italy) - 140 beds

Milan (Italy) - 120 beds

Warsaw (Poland) - 144 beds

Zürich (Switzerland) - 158 beds

Suresnes (France) - 96 beds

Development in Brazil and Portugal

Brazil: healthy fundamentals and strong development potential

Rapid population ageing

- **Strong increase in life expectancy:** 75 years (+12 years over 30 years)
- Growth rate in population of over 80s one of the highest in the world: **Set to increase by 12m out to 2050**, double the rate in Europe
- Surge in neurodegenerative diseases: **+165% rise forecast by 2033**

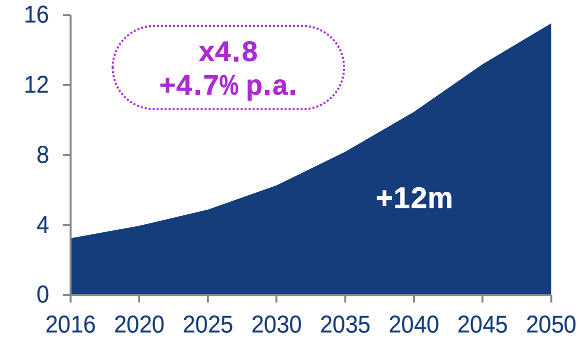
Insufficient and inadequate capacity

- **Existing capacity:** 100,000 beds/3,500 facilities
- **Low infrastructure rate:** 3% vs. 15 to 20% in Europe
- **Small-scale facilities** (30 beds), with 3- to 4-bed rooms, ageing infrastructure
- Capacity dominated by the **non-profit sector**

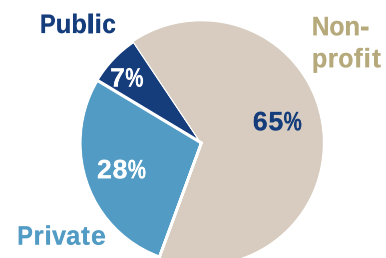
Supportive regulatory framework

- **Authorisation granted** by the city authorities in connection with the building permit (compliance with standards)
- **No control over daily rates and fully paid by residents**

Evolution of over 80s (m)[1]



Breakdown of existing capacity



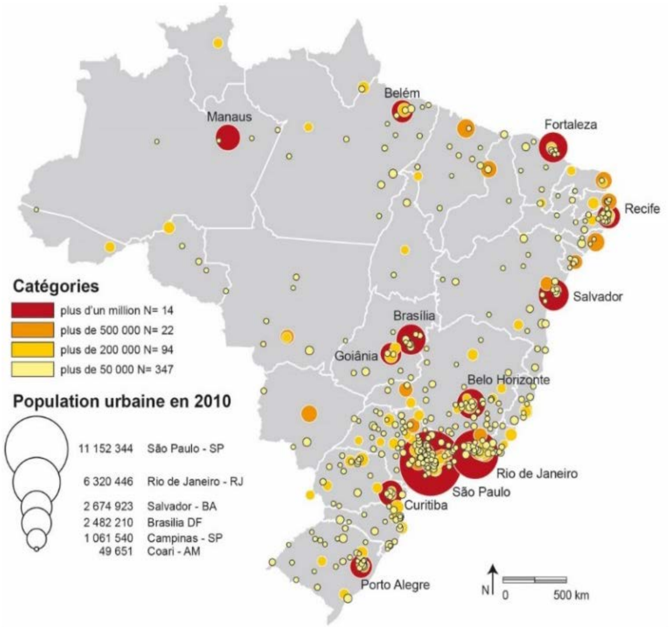
A country with cultural similarities to Europe and offering a very strong development potential

[1] Source: World Bank

Brazil: concentration of wealth and the population in the south east

Geographical concentration of wealth

- **52%** of the elderly population lives in the south-east
- **70%** of cities in Brazil do not have any elderly care capacity
- Strong concentration of wealth in the south-east and especially in the two largest urban centres



Strong improvement in the economy

- 2017 GDP: **+0.5%** (+2% in 2018)
- Reduction in unemployment
- Inflation declining and at the lowest level since 1999 of **2.7%** in July 2017
- Decline in interest rates: **9.25%** in July 2017 (**14.25%** in October 2016)
- Strong increase in the São Paulo stock exchange: **+89%** since the beginning of 2016
- Major privatisation programme

Development concentrated at the heart of major cities

Portugal: one of Europe's oldest populations

Rapid population ageing

- **Life expectancy among the highest in Europe**: 80 years
- Growth in population of over 80s: x2 by 2050 **(+650,000)**
- 18% of the population holds 53% of the wealth (Lisbon, Porto and Braga regions).

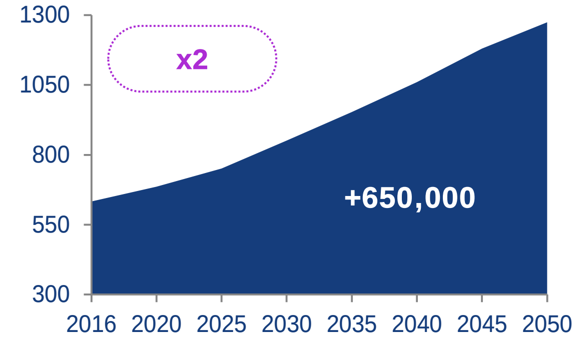
Inadequate capacity

- **Existing capacity**: 89,000 beds predominantly comprising facilities with no medical care
- **Small-scale facilities** (40 beds), with few private rooms (3%)
- Capacity dominated by the **non-profit sector** (especially religious institutions)

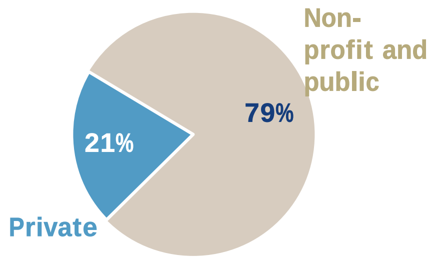
Supportive regulatory framework

- Regulatory framework tightened up by introduction of a new law in 2012
- **System of operating permits** granted by the Solidarity and Social Security ministry
- **No control over daily rates and fully paid by residents**

Evolution of over 80s (m)[1]



Breakdown of existing capacity



A country complementing existing operations in the Iberian peninsula

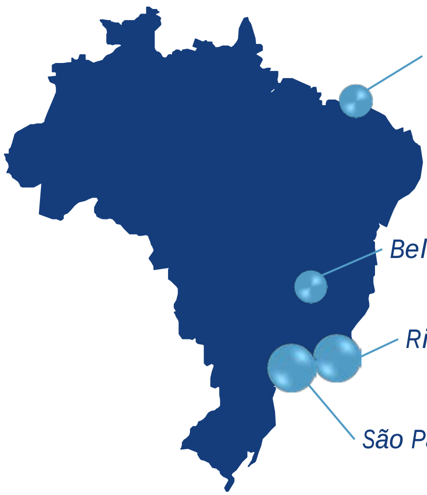
[1] *Source: World Bank*

Strategy of expansion into Brazil and Portugal

Brazil

150 beds
per facility

- Locations in best districts of big cities
- High-end services



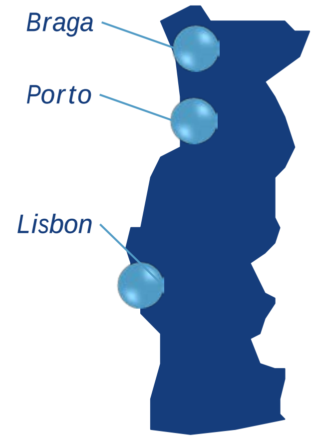
Major new area of development for the Group

Portugal

100 beds
per facility

€60 to €80
Daily rates

- Locations in prime urban areas of Lisbon, Braga and Porto
- High-end services



Extension of European coverage

Development in partnership with the SIS Group

Operational: creation of a joint-venture in each country with the SIS Group

Option to buy out the remaining **51%** at a pre-agreed price

GROUPE SIS

SIS group set up by Philippe Austruy, a well-known developer and pioneer in the European long-term care sector (founder of Générale de Santé, Medidep, Mediter, Medibelge)

49% (ORPEA Group)

51% (Groupe SIS)

OPERATIONAL JV

- Joint analysis of projects by SIS and ORPEA

Real estate: ORPEA will own over 50% of the properties in each country

Brazil

2,000 beds under construction

Openings between 2019 and 2021

Plans to build new facilities and make acquisitions

Portugal

1,000 beds under construction

Openings between 2019 and 2021

Peninsula Project

198 beds

- **Barra da Tijuca district:** affluent population, strong growth since the 1990s
- **Peninsula Condominium**: development of houses, apartments and luxury goods stores
- **7,764 sqm** project
- High quality services

Selected project in Rio de Janeiro

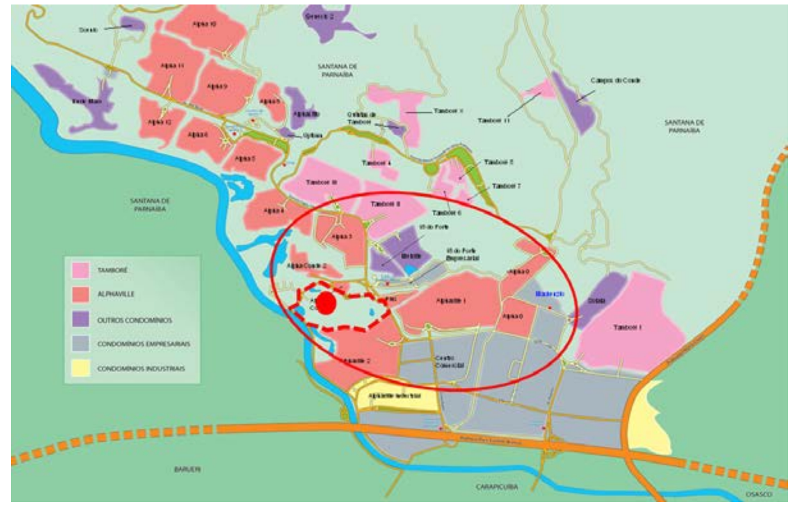
Peninsula Project

Selected project in São Paulo

Alphaville Project

262 beds

- **São Paulo - Alphaville**: district in the inner suburbs of São Paulo encompassing numerous residential condominiums and retail stores
- **AlphaGran Condominium** close to retail stores
- **9,685 sqm** project
- High quality services



Selected project in São Paulo

Alphaville Project

ORPEA GROUP

Bom Sucesso Project - Belém

115 beds entirely in private rooms

- **Lisbon - Santa Maria de Belém:**
  - Sea view at one of Lisbon's most prestigious locations
- **7,830 m²** project
- First class facility

Bom Sucesso Project - Belém

Warsaw (Poland)

Strategy and outlook

Execution of the longstanding value-creation strategy

Development in prime locations

Creation of new facilities (locations with strong purchasing power)
Selective and opportunistic acquisitions
Optimisation of the existing network (extensions, specialisation, etc.)

Internationalisation

New developments in the 12 existing countries, e.g. Eastern Europe, Brazil
Identification of new geographical territories with insufficient capacity and strong purchasing power

Expansion of the real estate portfolio

Acquisition of properties operated
Ownership of most new projects

Ongoing organisational improvements

Building-up of management and head office teams in the new countries
Strengthening of support and control functions

ORPEA is now a world leader in long-term care

Outlook for 2017 reiterated

Revenue target	+10%	> €3,125m
Operating performance		Healthy
Real estate ownership rate		Increasing
Development		Brisk

Callian (France)

Appendix

Glossary

Organic growth	**Organic growth reflects the following factors:** 1. The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates 2. The year-on-year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year-earlier period 3. Revenue generated in the current period by facilities created in the current or year-earlier period, and the change in revenue at recently acquired facilities by comparison with the previous equivalent period
EBITDAR	**EBITDA before rents**, including provisions related to external charges and staff costs
EBITDA	**Recurring operating profit before net additions to depreciation and amortisation**, including provisions related to external charges and staff costs
Pre-tax profit on ordinary activities	Recurring operating profit - Net financial expense

Consolidated statement of financial position

In €m		30-June-17	31-Dec-16
ASSETS	**Non-current assets**	**7,795**	7,081
	Goodwill	1,001	982
	Intangible assets	2,017	1,889
	Property, plant & equipment and property under development	4,620	4,075
	Other non-current assets	156	135
	Current assets	**1,247**	1,104
	Of which cash, cash equivalents and marketable securities	*554*	*540*
	Assets held for sale	**90**	140
	TOTAL ASSETS	**9,132**	8,326
LIABILITIES	**Equity attributable to equity holders of the parent and perm**	**2,502**	2,519
	Equity attributable to equity holders of the parent	2,046	2,076
	Deferred taxes on intangible assets	456	443
	Non-controlling interests	**0**	0
	Non-current liabilities	**5,021**	4,425
	Other deferred tax liabilities	415	342
	Provision for liabilities and charges	217	207
	Medium- and long-term financial debt	4,198	3,801
	Change in the FV of share allotment entitlements embedded in ORNANE	191	75
	Current liabilities	**1,518**	1,242
	Of which short-term debt (bridging loans)	*686*	*419*
	Debt linked to assets held for sale	**90**	140
	TOTAL EQUITY AND LIABILITIES	**9,132**	8,326

Limited review procedures in progress

Stock market data

ORPEA GROUP

Market data (12 months)

- Average trading volume: **160,000 shares per day (= €14m**) all platforms combined
- Share price: **€103.40**
- 12-month high: **€107.35**
- 12-month low: **€70.36**
- Turnover: **69% in 12 months**
- Mkt cap.: **€6,267m**
- Nbr of shares outstanding: **60,607,956**

Indices

- Compartment A of Euronext Paris
- Component of the MSCI Small Cap Europe, Stoxx Europe 600, CAC Mid 60 and SBF 120 indices
- Member of the SRD (deferred settlement service)

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Data as at 19 September 2017