Prospectus dated 10 April 2013

Orpéa

€33,000,000 4.60 per cent. Notes due 30 May 2019
to be assimilated (*assimilables*) and interchangeable for trading purposes with the existing
€128,000,000 4.60 per cent. Notes due 30 May 2019
issued on 30 November 2012

Issue Price: 100.791492 per cent. of the aggregate principal amount of the Notes,
plus an amount corresponding to accrued interest from, and including,
30 November 2012 to, but excluding, 12 April 2013
at a rate of 1.67616439393 per cent.

The €33,000,000 4.60 per cent. Notes due 30 May 2019 of Orpéa (the "**Issuer**") will be issued on 12 April 2013 (the "**Notes**") and will, upon listing, be assimilated (*assimilables*) and interchangeable for trading purposes with the existing €128,000,000 4.60 per cent. Notes due 30 May 2019 issued on 30 November 2012 (the "**Existing Notes**").

Interest on the Notes will accrue from, and including, 30 November 2012 at the rate of 4.60 per cent. *per annum*, payable annually in arrears on 30 May in each year, except for the first payment of interest on the Notes which will be a short coupon of €2,281.10 per denomination of €100,000 payable in arrears on 30 May 2013 for the period from, and including, 30 November 2012 to, but excluding, 30 May 2013, as further described in "Terms and Conditions of the Notes – Interest".

Unless previously redeemed or purchased and cancelled, in accordance with the terms and conditions of the Notes, the Notes will be redeemed at their principal amount on 30 May 2019. Notes may, and in certain circumstances shall, be redeemed before their maturity date, in whole but not in part, at their principal amount, together with any accrued interest thereon, in the event that certain French taxes are imposed (see "Terms and Conditions of the Notes" under "Redemption and purchase – Redemption for taxation reasons"). Noteholders (as defined in "Terms and Conditions of the Notes") will be entitled, in the event of a Change of Control (as defined in "Terms and Conditions of the Notes") of the Issuer, to request the Issuer to redeem their Notes at their principal amount, together with any accrued interest thereon (see "Terms and Conditions of the Notes" under "Redemption and purchase – Redemption following a Change of Control"). In addition, the Issuer may redeem all, but not some only, of the Notes at any time prior to their maturity date at their relevant Make-whole Redemption Amount (see "Terms and Conditions of the Notes" under "Redemption and purchase – Early redemption at the Make-whole Redemption Amount").

The Notes will be issued in dematerialised bearer form in the denomination of €100,000 each. Title to the Notes will be evidenced by book entries in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. "**Account Holders**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France and includes Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, Luxembourg.

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC dated 4 November 2003, as amended. Application has been made for the Notes to be listed and admitted to trading on Euronext Paris as from 12 April 2013. The Existing Notes are already listed on Euronext Paris. Euronext Paris is a regulated market within the meaning of the Directive 2004/39/EC.

Neither the Notes nor the long-term debt of the Issuer has been rated.

Copies of (i) this Prospectus, (ii) the Prospectus relating to the Existing Notes, (iii) the 2010 Reference Document and (iv) the 2011 Reference Document will be available and obtainable, free of charge, at the registered office of the Issuer and the specified office of the Fiscal Agent during normal business hours on any weekday (except Saturdays, Sundays and public holidays) and will be available on the websites of the Issuer (www.orpea-corp.com) and of the *Autorité des marchés financiers* (www.amf-france.org). The Interim Financial Report is available on the website of the Issuer.

See the "Risk Factors" section for a description of certain factors which should be considered by prospective investors prior to any investment in the Notes.

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

In accordance with Articles L. 412-1 et L. 621-8 of the *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* ("**AMF**") has granted to this Prospectus the visa n°13-153 on 10 April 2013.

This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

Lead Manager
Crédit Agricole Corporate and Investment Bank

*This Prospectus has been prepared for the purposes of giving information with respect to the Issuer, the Issuer and its subsidiaries taken as a whole (the "**Group**") and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer as well as the rights attached to the Notes.*

This Prospectus is to be read and construed in conjunction with all the documents which are incorporated by reference herein (see "Documents incorporated by reference"). The Issuer accepts responsibility for the information contained or incorporated by reference herein. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

*Crédit Agricole Corporate and Investment Bank (the "**Lead Manager**") has not separately verified the information contained or incorporated by reference in this Prospectus. The Lead Manager does not make any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by, or on behalf of, any of the Issuer or the Lead Manager that any recipient of this Prospectus or any other financial statements should purchase the Notes.*

No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Notes not contained in this Prospectus. Any information or representation not so contained herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Lead Manager. The delivery of this Prospectus or any offering or sale of Notes at any time does not imply (i) that there has been no change with respect to the Issuer or the Group since the date hereof and (ii) that the information contained or incorporated by reference in it is correct as at any time subsequent to its date.

This Prospectus and any other information relating to the Issuer or the Notes should not be considered as an offer, an invitation or a recommendation by any of the Issuer or the Lead Manager to subscribe or purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The Lead Manager does not undertake to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Notes of any information coming to its attention. Investors should review, inter alia*, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase the Notes. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, its business, its financial condition and the issued Notes and consult their own financial or legal advisers about risks associated with an investment in the Notes and the suitability of such an investment in light of their particular circumstances. Prospective investors should read carefully the section entitled "Risk Factors" set out in this Prospectus prior to any investment in the Notes.*

The distribution of this Prospectus and the offering or the sale of the Notes in certain jurisdictions may be restricted by law or regulation. The Issuer and the Lead Manager do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution, offering or sale. In particular, no action has been taken by the Issuer or the Lead Manager which is intended to permit a public offering of any Note or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Notes and distribution of this Prospectus and of any other offering material relating to the Notes, see "Subscription and Sale" below.

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are being offered outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S).*

*In this Prospectus, references to "**€**", "**EURO**", "**EUR**" or to "**euro**" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.*

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements *preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.*

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PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

After having taken all reasonable measures to ensure that such is the case, I hereby certify that the information contained or incorporated by reference in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 10 April 2013

ORPEA
115, rue de la Santé
75013 Paris
France

Duly represented by Yves Le MASNE, *Directeur Général* (Chief Executive Officer)

Signed by his duly authorised attorney:
Yamina Emmungil
Directrice Juridique (Head of Legal Affairs)

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with:

- the sections referred to in the table below included in the 2010 registration document of the Issuer in the French language (*document de référence 2010*) which was filed with the *Autorité des marches financiers* (the "**AMF**") on 8 June 2011 under no. D.11-0549 (the "**2010 Reference Document**") and which includes the statutory audited consolidated and unconsolidated financial statement of the Issuer,
- the sections referred to in the table below included in the 2011 registration document of the Issuer in the French language (*document de référence 2011*) which was filed with the AMF on 24 May 2012 under no. D.12-0537 (the "**2011 Reference Document**") and which includes the statutory audited consolidated and unconsolidated financial statements of the Issuer, and
- the interim financial report to 30 June 2012, which is reviewed by the statutory auditors of the Issuer (the "**Interim Financial Report**"),

which are incorporated by reference in, and shall be deemed to form part of, this Prospectus.

So long as any of the Notes is outstanding, as described in "General Information" below, copies of the documents incorporated by reference are available on the Issuer's website (www.orpea-corp.com) and upon request, free of charge, at the principal office of the Issuer or the specified office of the Paying Agent during normal business hours on any weekday (except Saturdays, Sundays and public holidays). The 2010 Reference Document and 2011 Reference Document are also available on the *Autorité des marchés financier*'s website (www.amf-france.org).

The information incorporated by reference in this Prospectus shall be read in connection with the cross reference list below. Any information not listed in the following cross-reference list but included in the documents incorporated by reference in this Prospectus is given for information purposes only and shall not be deemed to be incorporated, and to form part of, this Prospectus. Any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise); any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Rule	**INFORMATION INCORPORATED BY REFERENCE** **Annex IX of the European Regulation 809/2004/EC**	**2010 Reference Document (page number and section)**	**2011 Reference Document (page number and section)**	**2012 Interim Financial Report (page number)**
3.	**RISK FACTORS**			
3.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors"		Chapitre 4 Section 5, p.123 to 146	
4.	**INFORMATION ABOUT THE ISSUER**			
4.1	**<u>History and development of the Issuer</u>**		Chapter 3, Section 2.1, p 60 and 61	
4.1.1	The legal and commercial name of the issuer		Chapter 2, Section 1, p. 10	
4.1.2	The place of registration of the issuer and its registration number		Chapter 2, Section 1, p. 10	
4.1.3	The date of incorporation and the length of life of the issuer, except where indefinite		Chapter 2, Section 1, p. 10	
4.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office		Chapter 2, Section 1, p. 10	
4.1.5	Any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency		Not applicable	Not applicable

5.	**BUSINESS OVERVIEW**			
5.1	**Principal activities**		Chapter 3, p.58 to 104	
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed		Chapter 3, Section 1, p.58 and 59, Section 5 p.79 to 85	
5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position		Chapter 3, Section 8, p. 100 to 104	
6.	**ORGANISATIONAL STRUCTURE**			
6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it		Chapter 3, Section 6, p. 86 to 88 and Chapter 3, Section 2 p.62 and 63	
6.2	If the Issuer is dependant upon other entities within the group, this must be clearly stated together with an explanation of this dependence.		Not applicable	
8.	**PROFIT FORECAST OR ESTIMATES**		Not applicable	Not applicable
9.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**			
9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.		Chapter 2, Section 2, p. 25 to 28	
9.2	Administrative, Management, and Supervisory bodies conflicts of interests		Chapter 2, Section 2, p. 29	
10.	**MAJOR SHAREHOLDERS**			
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused		Chapter 2, Section 1.14, p. 19 and 20	
10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer		Chapter 2, Section 1.14.4, p. 21	
11.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**			
11.1	**Historical Financial Information** Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following: (a) the balance sheet (b) the income statement (c) the accounting policies and explanatory notes	Chapter 5, Consolidated financial statements, p.138 to 192 Chapter 6, Statutory financial statements, p. 193 to 223	Chapter 5, Consolidated financial statements, p.156 to 215 Chapter 6, Statutory financial statements, p. 216 to 245	Interim financial consolidated statement p.9 to 52
11.2	**Financial statements** If the issuer prepares both own and consolidated	Chapter 5, Consolidated	Chapter 5, Consolidated	Interim financial

	financial statements, include at least the consolidated financial statements in the registration document	financial statements, p.138 to 192	financial statements, p.156 to 215	consolidated statement p.9 to 52
11.3	<u>**Auditing of historical annual financial information**</u>			
11.3.1	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given	Chapter 5, Section 1, p. 138 and 139 Chapter 6, Section 1, p. 193 and 194	Chapter 5, Section 2, p. 214 and 215 Chapter 6, Section 2, p. 242 and 243	p. 51 and 52
11.3.2	An indication of other information in the registration document which has been audited by the auditors.	Not applicable	Not applicable	Not applicable
11.4	<u>**Interim and other financial information**</u>			Not applicable
12	**MATERIAL CONTRACTS**		Not applicable	Not applicable
13	**THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**			
13.1	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the registration document.		Not applicable	Not applicable
13.2	<u>**Third party information**</u> Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.		Not applicable	Not applicable

RISK FACTORS

The Issuer considers that the risk factors described below are important to make an investment decision in the Notes and/or may alter its ability to fulfil its obligations under the Notes towards investors. All of these factors are contingencies which are unpredictable and may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or to any of its subsidiaries.

The following describes the main risk factors relating to the Issuer and the Notes that the Issuer considers, as of the date hereof, material with respect to the Notes. The risks described below are not the only risks the Issuer faces and they do not describe all of the risks of an investment in the Notes. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations or on an investment in the Notes.

Prior to making an investment decision in the Notes, prospective investors should consider carefully all the information contained or incorporated by reference in this Prospectus, including the risk factors detailed below. In particular, prospective investors, subscribers and holders of Notes must make their own analysis and assessment of all the risks associated to the Notes and the risks related to the Issuer, its activities and its financial position. They should also consult their own financial or legal advisors as to the risks entailed by an investment in the Notes and the suitability of such an investment in light of their particular circumstances.

The Notes should only be purchased by investors who are financial institutions or other professional investors who are able to assess the specific risks implied by an investment in the Notes, or who act on the advice of financial institutions.

The order in which the following risk factors are presented is not an indication of the likelihood of their occurrence.

Terms defined in the "Terms and Conditions of the Notes" section of this Prospectus shall have the same meaning where used below.

1. Risks related to the Issuer and its activities

The risk factors relating to the Issuer and its activities are described in the 2011 Reference Document and incorporated by reference in this Prospectus (see "Documents Incorporated by Reference" herein) and include the following:

- obtaining and renewing operating licences and authorisations;
- pricing of the Group's facilities;
- a change of public policy in France;
- difficulties in recruiting qualified staff;
- climate;
- occurrence of pandemic;
- potential liability actions against the Group's facilities;
- legal actions for medical errors or negligence;
- the Group's growth strategy;
- property risk;
- environmental risk;
- financial risk management.

The Issuer expressly advises prospective investors to carefully consider in full the risk factors set out in the 2011 Reference Document (pages 123 to 146).

2. Risks related to the Notes

An investment in the Notes might not be suitable for all investors

Each prospective investor must determine based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. In particular, each prospective investor should:

(i) have sufficient knowledge and experience to properly assess the Notes, the merits and risks of investing in such Notes and the information contained or incorporated by reference in this Prospectus;

(ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and sensitivity to the risk, an investment in the Notes and the impact the Notes might have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including any currency exchange risk when the currency in which payment of principal or interests is to be made is different from that of the prospective investor;

(iv) understand thoroughly the terms of the Notes and related risks and be familiar with the behaviour of the financial markets and any relevant indices;

(v) be able to assess (either alone or with the help of a financial adviser) possible changes in the economy, rates of interest or in other factors that may affect its investment and its ability to bear the applicable risks; and

(vi) consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowings and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Legality of Purchase

Neither the Issuer, the Lead Manager, nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates, or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for their own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

The Notes might be redeemed or purchased by the Issuer prior to their stated maturity

The Issuer reserves the right to purchase Notes in the open market or otherwise at any price in accordance with applicable regulations. Such transactions shall have no impact on the normal repayment schedule of outstanding Notes, but they decrease the yield of Notes which would be redeemed prior to their stated maturity.

In the event that the Issuer would be obliged to pay additional amounts in respect of any Note due to any withholding as provided in Condition 7 of the Terms and Conditions of the Notes, the Issuer may, and in certain circumstances shall, redeem all of the Notes then outstanding in accordance with such Condition.

In addition, the Issuer may redeem all, but not some only, of the Notes at any time prior to their maturity date, at their relevant make-whole redemption amount, as provided in Condition 5.3 of the Terms and Conditions of the Notes.

Any early redemption of the Notes may result, for the Noteholders, in a yield that is considerably lower than anticipated. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

Change of control – Put option

In the event of a Change of Control of the Issuer (as defined in Condition 5.4 of the Terms and Conditions of the Notes), each Noteholder will have the right to request the Issuer to redeem all of its Notes at their principal amount, together with any accrued interest thereon. In such case, any trading market in respect of those Notes in respect of which such redemption right is not exercised may become illiquid.

Any early redemption of the Notes may result, for the Noteholders, in a yield that is considerably lower than anticipated. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

The Notes may not be protected by restrictive covenants, and do not prevent the Issuer from incurring additional indebtedness, including indebtedness that would come prior to or rank equally with the Notes

Apart from clauses relating to a Change of Control of the Issuer or the termination of all or substantially all of the Issuer's business, the Terms and Conditions of the Notes contain certain financial covenants. However, these financial covenants are not applicable to the Issuer if an investment grade rating is assigned to the Issuer and no event of default has occurred and is continuing. There are no specific restrictions on the payment of dividends, the incurrence of unsecured indebtedness or the issuance or repurchase of securities by the Issuer or any of its subsidiaries. As a result, it is possible that the Issuer could enter into or be the subject of transactions that are disadvantageous to the Noteholders.

The Terms and Conditions of the Notes contain a negative pledge undertaking that prohibits the Issuer in certain circumstances from creating security over assets, but subject to certain exceptions.

Subject to the above mentioned restrictions and negative pledge and the restrictions existing in its other debt instruments, the Issuer and its subsidiaries may incur significant additional debt that could be considered before or rank equally with the Notes. Although these restrictions are significant, they are subject to a number of important exceptions, and debt incurred in compliance with these restrictions could be substantial. If the Issuer incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding. If the Issuer or its subsidiaries incur significant additional debt that is structurally senior or that would otherwise come prior to the Notes, it could intensify the risks of Noteholders as compared with the holders of such instruments.

Credit risk

Noteholders are exposed to the credit risk of the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Notes, thus creating a loss for the investor.

Modification of the terms and conditions of the Notes

Noteholders and holders of the Existing Notes will be grouped automatically for the defence of their common interests in a *Masse* (as defined in Condition 12 of the Terms and Conditions of the Notes) and a general meeting of Noteholders can be held. A resolution of the general meeting of Noteholders and holders of the Existing Notes can bind holders of the Notes, including those who did not attend or vote at the relevant general meeting or those who voted in a manner contrary to the majority.

In addition, the general meeting of holders of the Notes may deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, as applicable, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Change in current legislation

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change to French law, regulation or administrative practice (or to the interpretation thereto) after the date of this Prospectus.

French Insolvency Law

The Issuer is incorporated under the laws of France. Accordingly, any insolvency proceedings with respect to the Issuer or its French subsidiaries would likely be carried out under the laws of France, including article 1244-1 of the French *Code civil* and laws relating to conciliation procedure (*procédure de conciliation*) and safeguard procedure, accelerated financial safeguard procedure, judicial reorganization or liquidation proceedings (*procédure de sauvegarde, procédure de sauvegarde financière accélérée, redressement or liquidation judiciaire*). Certain provisions of insolvency laws in France are less favourable to creditors than are the bankruptcy laws of other countries. In general, French reorganization or liquidation legislation favours the continuation of a business and protection of employment over the payment of creditors.

Pursuant to article 1244-1 of the French *Code civil*, French courts may, in a civil proceeding involving a debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations. In addition, pursuant to article 1244-1 of the French *Code civil*, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be allocated to repayment of the principal.

As a general rule, creditors whose debts arose prior to the commencement of bankruptcy proceedings must file a claim with the creditors' representative within certain periods (which may depend on the domicile of the creditor) of the publication of the court order commencing bankruptcy proceedings (safeguard procedure, accelerated financial safeguard procedure, judicial reorganization or liquidation proceeding). Creditors who have not submitted their claims during this period are barred from receiving distributions made in connection with the bankruptcy proceedings and their unasserted claims will be unenforceable against the debtor both during and following the implementation of the continuation plan, provided the debtor has complied with the plan's terms.

French courts may order that the date on which the company became unable to pay its debts as they came due be deemed to be an earlier date of up to eighteen (18) months prior to the order commencing bankruptcy proceedings (report de la date de cessation des paiements). This date marks the beginning of a "suspect period" (*période suspecte*) during which certain transactions that are entered into may be voided.

In addition, from the date of the court order commencing bankruptcy proceedings, the debtor is prohibited from paying debts outstanding prior to the court order, subject to limited exceptions. Contractual provisions that would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events, such as those contained in the Terms and Conditions of the Notes, may be subject to an automatic stay of payment under French law applicable to debts outstanding at the time of commencement of bankruptcy proceedings.

Noteholders and holders of the Existing Notes will be grouped automatically for the defence of their common interests in a *Masse*. However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") if a safeguard procedure (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling payments which are due and/or partially or totally writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the amount of debt securities held by the holders which have cast a vote at such Assembly). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Taxation

Prospective purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or of other jurisdictions. In some jurisdictions, no official statements of the tax authorities nor court decisions are available for securities such as the Notes. Prospective investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice based on their individual situation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the prospective investor. These investment considerations should be read in connection with the "Taxation" section of this Prospectus.

EU Directive on the taxation of savings income

The EC Council directive 2003/48/EC dated 3 June 2003 on taxation of savings income (the "**Directive**") requires each Member State to provide to the tax authorities of another Member State details of any payment of interest or other similar income within the meaning of the Directive made by a paying agent within its jurisdiction to, or under certain circumstances collected for the immediate benefit of, a beneficial owner (within the meaning of the Directive), resident in that other Member State. However, for a transitional period Luxembourg and Austria impose, instead of the exchange of information referred to above, a withholding tax on all interest payments within the meaning of the Directive, unless the beneficiary of interest payment elects for the exchange of information. The rate of this withholding tax is 35% since 1 July 2011, and will remain so until the end of the transitional period.

The European Commission has suggested some amendments to the Directive, which might, if they are implemented, amend or broaden the scope of certain requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and if an amount of, or in respect of a tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

Absence of rating

Neither the Notes nor the long-term debt of the Issuer is rated. The assessment of the Issuer's ability to comply with its payment obligations under the Notes is made more complex for investors. One or more independent credit rating agencies may assign credit ratings to the Notes on an unsolicited basis. A credit rating may be revised or withdrawn by the rating agency at any time. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

3. Risks related to the market

Market value of the Notes

The market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors, including economic and market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries.

The value and the volatility of the Notes depend on a number of interrelated factors, including economic, financial or political events in France or elsewhere, or factors affecting capital markets generally and the market on which the Notes are admitted to trading.

The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder. If the creditworthiness of the Issuer deteriorates or if economic and market conditions decline, the value of the Notes may also decrease and Noteholders selling their Notes prior to maturity may lose all or part of their investment.

A secondary market for the Notes might not develop nor be liquid

An investment in the Notes should be considered primarily with a view to holding them until their maturity. As of the date of this Prospectus, there is no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market, in which case the market or trading price and liquidity of the Notes may be adversely affected. Noteholders may be unable to sell their Notes easily or within satisfactory price conditions, in particular in respect of the yield available in similar investments with a secondary market. The sale price of the Notes prior to maturity will be equal to their market price, which may entail either a gain or a loss for the selling Noteholders.

The liquidity of any market for the Notes will depend upon the number of Noteholders (which could be very limited), the market for similar securities, the interest of securities dealers in making a market, general economic conditions and the Issuer's financial condition, performance, prospects and other factors. Historically, the market for indebtedness with characteristics similar to the Notes has not been consistently liquid and has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for the Notes will not be subject to similar disruptions. Any such disruptions may have an adverse effect on Noteholders. In addition, market-making activity in the Notes, if any, will be subject to limits imposed by applicable laws and regulations. As a result, the Issuer cannot assure Noteholders that an active trading market will develop for the Notes.

Exchange rate risks

Principal and interest on the Notes will be paid in Euro, which may present certain risks if a Noteholder's financial activities are denominated principally in a currency or currency unit other than Euro (the "**Investor's Currency**"). These include the risk that exchange rates may significantly change (notably due to depreciation of Euro or appreciation of the Investor's Currency). As a result, Noteholders may receive less interest or principal than expected. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and

(iii) the Investor's Currency-equivalent market value of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Government and monetary authorities with jurisdiction over the Investor's Currency may impose (as some have done in the past) exchange controls or modifiy their exchange control. Such exchange controls could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Fixed interest rate

The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of a fixed interest rate note is determined during the term of such note or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the note varies in the opposite direction. If the Market Interest Rate increases, the price of the note typically decreases, until the yield of the note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed-rate note typically increases, until the yield of the bond equals approximately the Market Interest Rate.

Noteholders should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for Noteholders if they sell Notes during the period in which the Market Interest Rate exceeds the fixed rate of the Notes.

TERMS AND CONDITIONS OF THE NOTES

The issue by Orpéa (the "**Issuer**") of its €33,000,000 4.60 per cent. notes due 30 May 2019 (the "**Notes**") to be assimilated (*assimilables*) and interchangeable for trading purposes, upon listing of the Notes, with the existing €128,000,000 4.60 per cent. notes due 30 May 2019 issued on 30 November 2012 (the "**Existing Notes**") was authorised by (i) the resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 17 October 2012 and 14 November 2012 and (ii) a decision of Mr. Yves Le Masne, *Directeur Général* of the Issuer, dated 9 April 2013.

A fiscal agency agreement relating to the Existing Notes (the "**Fiscal Agency Agreement**") has been entered into on 30 November 2012 between the Issuer and Société Générale, as fiscal agent, paying agent, quotation agent and put agent (the "**Fiscal Agent**", "**Paying Agent**", "**Quotation Agent**" and "**Put Agent**" which expressions shall, where the context so admits, include any successor for the time being as fiscal agent, paying agent, quotation agent or put agent, as the case may be) and will be supplemented by a supplemented fiscal agency agreement relating to the Notes to be entered into on 12 April 2013.

References below to the "**Noteholders**" are to the holders of the Notes. References below to "**Conditions**" are to the numbered paragraphs below.

1. Form, denomination and title

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced by book-entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France ("**Euroclear France**") which shall credit the accounts of the Account Holders. For the purposes of these Conditions, "**Account Holder**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**").

Title to the Notes shall be evidenced and will pass upon by entries in the books of Account Holders and transfer of Notes may only be effected through registration of the transfer in such books and in denominations of €100,000.

2. Status

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer (*engagements chirographaires*), and rank *pari passu* without any preference amongst themselves and with all other unsecured and unsubordinated indebtedness and guarantees (subject to exceptions imposed by French law), present or future, of the Issuer.

3. Negative pledge

The Issuer agrees that so long as any of the Notes remains outstanding, it will not create any mortgage, charge, pledge, lien, right or security interest which would constitute a *sûreté réelle* or its equivalent under any applicable legislation other than Permitted Lien (as defined below) upon all or part of its business (*fonds de commerce*), assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) unless the obligations of the Issuer under the Notes are equally and rateably secured therewith so as to rank *pari passu* with such Relevant Indebtedness or the guarantee or indemnity thereof.

This undertaking relates exclusively to the incurrence of Relevant Indebtedness and in no way affects the Issuer's ability to dispose of its assets or to otherwise grant any security interest over or in respect of such assets in any other circumstances.

For the purposes of these Conditions:

"**Financial Statements**" means the latest consolidated financial statements of the Issuer (whether annual or semi-annual);

"**Global Amount of Tangible and Intangible Assets Unpledged (except goodwill)**" means the sum of the amounts of "Net intangible assets (*immobilisations incorporelles nettes*)", "Net Real Estate, plant & equipment (*immobilisations corporelles nettes*)", "Real Estate under construction (*immobilisations en cours de construction*)" less the "Debt-related commitment (*engagements liés à la dette*)", all as set out in, or derived from, the respective balance sheet items of the Financial Statements as amended from time to time;

"**Net Financial Debt**" means "Non-current liabilities (*dettes financières à long terme*)" plus "Current financial liabilities (*dettes financières à court terme*)" plus "Others liabilities such as liabilities associated with assets held for sale" (*autres dettes telles que la dette associé à des actifs détenus en vue de la vente*)" less "Cash and Cash equivalents (*trésorerie et équivalents de trésorerie*)" as set out in the respective balance sheet items in the Financial Statements as amended from time to time; and

"**outstanding**" means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those in respect of which claims have become prescribed under Condition 8.

"**Permitted Lien**" means encumbrances:

(a) which result from the operation of statutory provisions; or

(b) which result from the operation of provisions under standard business terms of banks or saving banks; or

(c) which existed at the time of the issue of the Notes; or

(d) which are granted after 1 December 2016 to noteholders under notes issued in 2012 having a residual maturity of more than nine (9) years, provided that the relevant lien guarantees no more than the lowest of (i) €60,000,000 (sixty million euros) (or its equivalent in any other currency) and (ii) thirty-five (35%) per cent. of the outstanding principal amount of the notes so guaranteed; or

(e) which are established with the prior consent of the Noteholders; or

(f) including liens that fall under item (c) and (d), which are granted or will be granted to banks, credit institutions, noteholders or lenders under a loan agreement or any other financing agreement or instrument provided that the Issuer maintains an amount of tangible and intangible assets unpledged (except goodwill) (the "**Free Unpledged Amount**") which equals at least 1.5 times the sum of the aggregate principal amount of the Existing Notes and of the aggregate principal amount of the 2018 Notes (as defined below). The Free Unpledged Amount means the Global Amount of Tangible and Intangible Assets Unpledged (except goodwill) less the Unsecured Net Financial Debt on the basis of the figures reported in the respective consolidated and condensed financial statements of the Issuer's group (the "**Financial Statements**").

"**Relevant Indebtedness**" means any present and future obligations of the Issuer under bank loans, bonds, loan agreements under the format of "Schuldschein", registered debentures and dematerialised debt securities, that may be (i) entered into or issued from time to time by the Issuer and/or (ii) traded under a book-entry transfer system.

"**Unsecured Net Financial Debt**" means the Net financial Debt less the "Debt-related commitment (*engagements liés au financement*)" as set out in, or derived from, the respective balance sheet items of the Financial Statements as amended from time to time.

"**2018 Notes**" means the €65,000,000 4.10 per cent. notes due 10 January 2018 of the Issuer.

4. Interest

The Notes bear interest from, and including, 30 November 2012 (the "**Original Issue Date**") to, but excluding, 30 May 2019 (the "**Maturity Date**") at the rate of 4.60 per cent. *per annum*, payable annually in arrears on 30 May in each year, except for the first payment of interest on the Notes which will be a short coupon of €2,281.10 per denomination of €100,000 payable in arrears on 30 May 2013 for the period from, and including, the Original Issue Date to, but excluding, 30 May 2013.

Each Note will cease to bear interest from their due date for redemption, unless the Issuer defaults in payment for their redemption on said date. In such event, it shall continue to bear interest at the rate of 4.60 per cent. *per annum* (both before and after judgment) until the day (included) on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

If interest is required to be calculated for a period of less than one year, it will be calculated on an actual/actual basis for each period, being the actual number of days elapsed during the relevant period divided by 365 (or by 366 if a 29 February is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

5. Redemption and purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 5 or Condition 9.

5.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.

5.2 Redemption for taxation reasons

(i) If, by reason of a change in any law or regulation of France, or any change in the official application or interpretation of such law or regulation, becoming effective after the Original Issue Date, the Issuer would, on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its sole discretion, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their principal amount, together with accrued interest to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, subject to having given not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their principal amount together with all interest accrued to the date fixed for redemption of which notice hereunder may be given, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date has passed, as soon as practicable thereafter.

5.3 Early redemption at the Make-whole Redemption Amount

The Issuer may, subject to having given (i) not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11 and (ii) not less than fifteen (15) calendar days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and the Quotation Agent (which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**")), redeem all, but not some only, of the Notes then outstanding at any time prior to the Maturity Date at their relevant Make-whole Redemption Amount.

For the purposes of this Condition:

"**Benchmark Rate**" means, with respect to any Make-whole Redemption Date, the rate per year equal to the annual equivalent yield to maturity of the French government bond (*Obligations Assimilables du Trésor* – OAT) bearing interest at a rate of 4.25 per cent. *per annum* and maturing on 25 April 2019. If such French government bond is no longer outstanding, a Similar Security will be reasonably chosen by the Quotation Agent, after prior consultation with the Issuer if practicable under the circumstances.

"**Make-whole Margin**" means +0.50 per cent. *per annum.*

"**Make-whole Redemption Amount**" means the greater of (i) the principal amount of the Notes together with accrued interest thereon to (but excluding) the Make-whole Redemption Date and (ii) as determined by the Quotation Agent, the sum of the present values of the Remaining Scheduled Payments of principal and interest on the Notes discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in case of a leap year) by 366) at a rate equal to the Make-whole Redemption Rate.

"**Make-whole Redemption Rate**" means the sum of the Benchmark Rate and the Make-whole Margin.

"**Remaining Schedule Payments**" means, with respect to each Note, the remaining scheduled payments of principal thereof and interest thereon that would be due after the related Make-whole Redemption Date; provided, however, that, if the Make-whole Redemption Date is not an interest payment date with respect to the

Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon on the Make-whole Redemption Date.

"**Similar Security**" means a reference bond or reference bonds issued by the French Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

5.4 Redemption following a Change of Control

If a Change of Control (as defined below) occurs at any time while any Note remains outstanding, each Noteholder will have the option to require the Issuer to redeem all (but not some only) the Notes held by such Noteholder (the "**Put Option**") as described below.

The Notes will be redeemed at their principal amount, together with interest accrued since the last Interest Payment Date (or, if applicable, since the Original Issue Date) to, but excluding, the Optional Redemption Date (as defined below).

If a Change of Control occurs, the Issuer shall promptly give notice to the Noteholders, in accordance with Condition 11. Such notice will specify that any Noteholder has the option to require the early redemption of its Notes, and will specify (i) the nature of the Change of Control, (ii) the date fixed for the early redemption (the "**Optional Redemption Date**"), which date shall be no earlier than twenty-five (25) business days in Paris and no later than thirty (30) business days in Paris from the date of publication of the notice, (iii) the period (the "**Put Period**"), of at least fifteen (15) business days in Paris, during which the Put Option and the relevant Notes must be received by the Put Agent and (iv) the procedure for exercising the Put Option.

To exercise the Put Option, the Noteholder must transfer (or cause to be transferred by its Account Holder) its Notes to be so redeemed to the account of the Put Agent (details of which are specified in the Change of Control Notice) for the account of the Issuer within the Put Period together with a duly signed and completed notice of exercise in the then current form obtainable from the Put Agent (a "**Put Option Notice**") and in which the Noteholder may specify an account denominated in euro to which payment is to be made under this Condition. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

Following the Put Option Notice, the Issuer shall redeem the Notes tendered as provided above on the Optional Redemption Date.

For the purposes of this Condition, a "**Change of Control**" shall be deemed to have occurred each time that any Third Party acting alone or in concert shall come to hold the control of the Issuer.

For the purposes of this definition:

"**Affiliates**" means:

(A) in relation to a legal entity (*personne morale*), any subsidiary or parent of that legal entity, and any subsidiary of any such parent for the time being, where:

 (1) a "subsidiary" is a company that is a directly or indirectly controlled by that legal entity;

 (2) a "parent" is a company that directly or indirectly controls that legal entity; and

(B) in relation to an individual (*personne physique*), a legal entity controlled by such individual, as well as any subsidiary (as defined above) of any such legal entity.

"**Control**" means holding (directly or indirectly, through companies themselves controlled by the relevant person(s)) (x) the majority of the voting rights attached to the Issuer's shares or (y) more than 40% of these voting rights if no other shareholder of the Issuer, acting alone or in concert, holds (directly or indirectly through companies controlled by such shareholder(s)) a greater percentage of voting rights and

"**Main Shareholders**" means one or several of the following shareholders:

(i) Mr. Jean-Claude MARIAN, his Affiliates and his heirs (*ayants droits à titre universel*);

(ii) SEMPRE and its Affiliates;

(iii) NEOGEMA and its Affiliates; and

(iv) FFP Invest and its Affiliates.

"**Third Party**" means any person other than the Main Shareholders.

5.5 Purchases

The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price in accordance with applicable laws and regulations (notably articles 238-2 and 238-2-1 of the General Regulations of the *Autorité des marchés financiers*).

All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held or cancelled in accordance with applicable laws and regulations.

Notes purchased by the Issuer may be held by it in accordance with Article L.213-1 A of the French *Code monétaire et financier* to promote the liquidity of the Notes, it being specified that the Issuer may not hold Notes for more than one (1) year after their purchase date pursuant to Article D.213-1 A of the French *Code monétaire et financier*.

5.6 Cancellation

All Notes which are redeemed pursuant to Conditions 5.1, 5.2 and 5.4 or purchased for cancellation pursuant to Condition 5.5, will forthwith be cancelled and accordingly may not be reissued or sold.

6. Payments

6.1 Method of payment

Payment of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account on which credits or transfers may be made in Euro) as specified by the beneficiary in a city where banks have access to the TARGET System. In these Conditions, "**TARGET System**" means the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) or any succeeding system.

Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear France, Euroclear and Clearstream, Luxembourg) and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agent, as the case may be, in respect of such payments.

Payments will be subject in all cases to any tax or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.2 Payments on business days

If any due date for payment of principal or interest in respect of any Note is not a business day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a business day and shall not be entitled to any interest or other additional sums in respect of such postponed payment.

In the preceding paragraph, "**business day**" means any day (not being a Saturday or Sunday) on which commercial banks and foreign exchange markets are opened for general business in Paris and on which the TARGET System is operating and on which Euroclear France is open for general business.

6.3 Fiscal Agent, Paying Agent, Quotation Agent and Put Agent

The initial Fiscal Agent, Paying Agent, Quotation Agent and Put Agent and its specified office are as follows:

Société Générale
32, rue du Champ de Tir
BP 81236
44312 Nantes Cedex 3
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Quotation Agent or Put Agent and/or appoint another Fiscal Agent, Paying Agent, Quotation Agent or Put Agent or additional Paying Agents or Put Agents, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders, in accordance with Condition 11, and as long as there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) a leading investment bank active on the market acting as Quotation Agent and (iii) so long as the Notes are admitted to trading on Euronext Paris, a Paying Agent having a specified office in a European city and ensuring the financial service in France.

Any termination or change of Fiscal Agent, Paying Agent, Quotation Agent or Put Agent will be notified to the Noteholders in accordance with the provisions of Condition 11.

7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any French law or regulation should require that any payment of principal or interest in respect of the Notes be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision or authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, after such deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)):

(i) who is subject to such taxes, duties, assessments or other governmental charges, in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or

(ii) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 7.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed after five (5) years (both for principal and interest) from the due date for payment thereof.

9. Events of Default

The Representative (as defined in Condition 12), acting on its own or upon request of any Noteholder, may, upon written notice given to the Issuer (copy to the Fiscal Agent), cause all, but not some only, of the Notes to become immediately due and payable at their principal amount, together with accrued interest to (but excluding) their actual redemption date, if any of the following events (each, an "**Event of Default**") occurs:

(a) any amount of principal or interest on any Note (including any additional amount referred to in Condition 7) shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of fifteen (15) business days in Paris from such due date; or

(b) the Issuer defaults in the due performance of, or compliance with, any other obligation in respect of the Notes (including Condition 3 and the requirement to comply with the Financial Covenants referred to in Condition 10) and such default continues for a period of thirty (30) business days in Paris (unless such default is not curable in which case such period shall not apply) following receipt by the Issuer of a written notice of such default from the Representative; or

(c) any other present or future indebtedness of the Issuer or any of its Material Subsidiairies (as defined below) for borrowed monies in excess of €15,000,000 (fifteen million euros) (or its equivalent in any other currency), whether individually or in the aggregate,

(i) becomes, following the expiry of any applicable grace period, due and demanded (*exigée*) prior to its stated maturity as a result of a default (howsoever described) thereunder, or

(ii) is not paid at its stated maturity,

except if the Issuer or such Material Subsidiary, as the case may be, has disputed in good faith that such indebtedness is due, and such dispute has been submitted to a competent court in which case such event shall not constitute an event of default hereunder so long as the dispute has not been finally adjudicated; or

(d) the Issuer or any of its Material Subsidiaries (a) makes any proposal for a general moratorium or amicable settlement in relation to its debt with its main creditors to which the Noteholders are not party or applies for the appointment of a conciliator or an ad hoc representative (*mandataire ad hoc*), or (b) has applied to enter into a conciliation procedure (*procédure de conciliation*) with its principal creditors, or (c) a resolution is passed or a judgment is issued for the voluntary liquidation (*liquidation amiable*), winding-up, dissolution (*dissolution*), judicial liquidation (*liquidation judiciaire*) or judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or (d) to the extent permitted by law, the Issuer is subject to any other insolvency or bankruptcy proceedings under any applicable laws; or

(e) the Issuer no longer holds, pursuant to a transfer to a Third Party, including following a merger, demerger or partial business transfer, the control (as defined in Articles L.233-1 and L.233-3 of the French *Code de commerce*) of one of its Material Subsidiary, it being specified that such clause shall not prevent the Issuer and the Principal Subsidiaries to merge, demerge or transfer partial business within the Group (as defined in Condition 10).

10. Financial Covenants

So long as any of the Notes is outstanding, the Issuer shall at all times comply with the following financial covenants:

(i) maintain the R1 Ratio (as defined below) below or equal to 5.5 as at 31 December in each year, and

(ii) maintain the R2 Ratio (as defined below) below or equal to 2 as the 31 December in each year,

(each, a "**Financial Covenant**").

For the purpose of calculating the ratios set out in this Condition 10, only consolidated data should be taken into account, as defined in the consolidated annual financial statements of the Issuer on the basis of the rules and methods applicable to the accounting system of the Issuer at the Original Issue Date. In the event of a change in the accounting regulation applicable to the Issuer and its Subsidiaries, as described in the notes to the consolidated financial statements of the Issuer for the financial year ending 31 December 2011, the Issuer undertakes to renegotiate in good faith with the *Masse* of the Noteholders, that determines in general meeting the financial commitments and ratios calculation methods described in this Condition 10.

The Issuer shall provide the Put Agent within six months after the end of the financial year at the latest with (i) a compliance certificate signed by its statutory auditors evidencing the compliance with the Financial Covenants set out in this Condition 10 and describing the details of their calculation, or (ii) as the case may be, a non-compliance certificate.

So long as any of the Notes is outstanding, the Put Agent shall promptly deliver a notice to the Noteholders, in accordance with Condition 11, if (i) for any reason whatsoever, it did not receive such certificate from the Issuer or (ii) it results from such certificate that any of the Financial Covenants is not complied with by the Issuer on the basis of the latest Issuer's annual audited consolidated financial statements.

Notwithstanding the provisions set out in this Condition 10, if the Issuer proceeds to a significant external growth operation (defined as an operation resulting of a change of more than 25% of (i) the consolidated turnover of the Issuer over the last financial year, or (ii) the consolidated assets of the Issuer at the end of such financial year, or (iii) the net profit of the Issuer before tax at the end of this financial year), the above R1 Ratio and R2 Ratio will be calculated on the basis of pro forma accounts, prepared in order to take into account the impacts of the acquisition and subject to a report from the auditors of the Issuer. These derogatory provisions will be only applicable for the financial year in which the acquisition will take place. The above general provisions will be applicable for the following financial years.

If an Investment Grade Rating is assigned to the Issuer and no Event of Default has occurred and is continuing, then for so long as an Investment Grade Rating continues to be assigned to the Issuer and no Event of Default occurs, the Financial Covenants shall be suspended and shall not be applicable to the Notes and the Issuer shall not be required to deliver any compliance certificate or non-compliance certificate as contemplated above.

For the purposes of these Conditions:

"**R1 Ratio**" means: $$\frac{\textit{Adjusted Net Debt}}{\textit{Adjusted EBITDA}}$$

"**R2 Ratio**" means: $$\frac{\textit{Consolidated Net Debt}}{\textit{Consolidated Equity + Deffered Tax Liabilities arising on the Revaluation of Intangible Assets}}$$

"**Adjusted Net Debt**" means, on the basis of the consolidated financial statements of the Issuer, the Consolidated Net Debt, less the amount of the Real Estate Debt;

"**Adjusted EBITDA**" means the Consolidated EBITDA less 6% of the Real Estate Debt;

"**Consolidated EBITDA**" means, on the basis of the consolidated financial statements of the Issuer, the EBIT *plus* the sum of:

- the allocations net of releases of operating provisions for assets and of operating provisions for liabilities and charges, and
- the allocations net of releases of amortization of intangible and tangible fixed assets (including, without limitation, depreciation relating to the adjustment in consolidation of financial leases and hire-purchase contract);

"**Consolidated Equity**" means, on the basis of the consolidated financial statements of the Issuer, "equity" (*capitaux propres*) *plus* "minority interests" (*intérêts minoritaires*) as shown in the consolidated financial statements of the Issuer, established pursuant to the international standards IFRS.

"**Consolidated Net Debt**" means, on the basis of the consolidated financial statements of the Issuer, the Financial Indebtedness, less the amount of "cash" ("*disponibilités*") and "marketable securities" ("*valeurs mobilières de placement*") and any items equivalent to the assets adjusted pursuant the IAS 7 standard;

"**Deferred Tax Liabilities arising on the Revaluation of Intangible Assets**" means, the deferred tax liabilities arising relating to the revaluation of intangible assets as shown in the consolidated financial statements of the Issuer.

"**EBIT**" means, on the basis of the consolidated financial statements of the issuer, the outstanding operating profit (*résultat opérationnel courant*), as shown in the financial statements;

"**Financial Indebtedness**" means, on the basis of the consolidated financial statements of the Issuer, the sum of:

(i) any short, mid and long term loans or indebtedness incurred with banks, credit institutions and other financial creditors,

(ii) any loans or indebtedness related to any financial instruments (excluding shares, perpetual subordinated debt, deeply subordinated debt or any equivalent instruments) according to Article L. 211-1 of the French *Code monétaire et financier*, governed by French or foreign law, including any indebtedness in relation to any currency or interest rate swap agreement or any hedging contract, excluding the fair value of the currency or interest rate swap agreements or any hedging contracts;

(iii) any outstanding bank overdrafts, discounted bill not yet due, transferable receivables according to the Dailly law ("*loi Dailly*") or any other form of assignment of some or all of the customer item (*poste client*) to the extent that such operations are without recourse on the Issuer or the related subsidiaries;

(iv) any bonds or notes issued by the Issuer (excluding perpetual subordinated debt, deeply subordinated debt or any equivalent instruments);

(v) any payment obligation incurred pursuant to any financial lease according to IAS 17;

(vi) any debt incurred, in principal or ancillary, under any guarantee, endorsement or surety granted by the Issuer or its Subsidiaries, in order to secure the Financial Indebtedness incurred by a third party to the Group, any amount of money due in respect of any financial contracts (according to Article L 211-1 of the French *Code monétaire et financier*) it being specified that the net amount payable by the debtor will be taken into account to the extent that the contract includes a netting option; and

(vii) any deferred payment obligation incurred in connection with the acquisition of any asset provided that such deferral of payment is the method to finance this acquisition.

"**Fitch**" means Fitch Ratings or any of its successors or affiliates.

"**Group**" means the Issuer and its French and foreign subsidiaries of the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

"**IFRS**" means "International Financial Reporting Standards", being the international accounting standards that are applicable at the Original Issue Date as endorsed by the European Union. In the event of any changes in these accounting standards after the Original Issue Date, and if such new standards have an adverse impact on the consolidated financial statements of the Issuer, the consolidated financial statements used to conduct the compliance test with the above mentioned financial ratios will be adjusted on the basis of the IFRS accounting standards applicable at the Original Issue Date.

"**Investment Grade Rating**" means (i) a rating of at least BBB- by S&P, Baa3 by Moody's or BBB- by Fitch or any equivalent rating by any other rating agency generally recognized as such by banks, securities houses and investors in the euro-markets, and provided that (ii) no rating assigned is below BBB- for S&P, Baa3 for Moody's and BBB- for Fitch.

"**Material Subsidiary**" means any consolidated subsidiary by global integration of which the Issuer, directly or indirectly, holds at least 40% of the voting rights (provided that no other shareholder holds, directly or indirectly, alone or in concert, a fraction of the voting rights greater than the Issuer) and which represented i) more than 10% of the consolidated turnover of the Issuer over the last financial year, or ii) more than 10% of the consolidated assets of the Issuer at the end of the last financial year or iii) more than 10% of the net profit before taxation of the Issuer at the end of the last financial year.

"**Moody's**" means Moody's Investors Service Inc. or any of its successors or affiliates.

"**Real Estate Debt**" means, on the basis of the consolidated financial statements of the Issuer, the sum of:

(i) long-term loans and debts related to the housing stock (*emprunts et dettes long-terme liés au parc immobilier*);

(ii) debts corresponding to real estate leasing agreements *(dettes correspondants à des contrats de crédit-bail immobilier);*

(iii) real estate property bridge loans (*prêts relais immobiliers*); and

(iv) overdrafts related to real estate (*decouverts liés à l'immobilier*).

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies or any of its successors or affiliates.

"**Subsidiary**" means any subsidiary (filiale) of the Issuer within the meaning of Article L.233-3 of the French *Code de commerce*.

11. Notices

Any notice to the Noteholders will be duly given if delivered to Euroclear France and published, so long as the Notes are listed on Euronext Paris and the rules applicable to such market so require, in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos* or such other newspaper as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the Noteholders).

Any notice to the Noteholders shall be deemed to have been given on the date of such delivery or publication or if published on different dates, on the date of the first publication.

12. Representation of the Noteholders

The Noteholders will be grouped automatically for the defence of their common interests in a *masse* (hereinafter referred to as the "***Masse***").

The *Masse* will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce*.

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

The initial representative of the *Masse* (the "**Representative**") shall be Hugues Delafon, c/o Crédit Agricole Corporate and Investment Bank – 9, quai du Président Paul Doumer – 92920 Paris La Défense Cedex – France.

The alternate representative of the *Masse* (the "**Alternate Representative**") shall be Edouard Lemardeley, c/o Crédit Agricole Corporate and Investment Bank – 9, quai du Président Paul Doumer – 92920 Paris La Défense Cedex – France.

The Alternate Representative shall replace the initial Representative should the initial Representative resign or no longer be able to fulfil his duties. In the event of death, resignation or revocation of the Alternate Representative, a replacement will be elected by a Noteholders' general meeting.

The Issuer shall pay to the Representative an amount equal to five hundred euros (€500) *per annum* for its services, payable annually on 30 May in each year, commencing on 30 May 2013, up to and including the Maturity Date provided that the Notes remain outstanding at each such dates (it being noted that for the period beginning on 30 November 2012 and ending on 30 May 2013, the amount due to the Representative shall be calculated *prorata temporis*). Should the Alternate Representative replace the initial Representative, he will receive the remuneration of five hundred euros (€500) *per annum*, which will only be due starting from the first day of his acting in such capacity.

All interested Noteholders may at all times obtain the names and addresses of the Representative and the Alternate Representative at the principal office of the Issuer and the specified office of any of the Paying Agents.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in general meetings of Noteholders will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general meeting.

The Noteholders and the holders of the Existing Notes will be grouped in a single *Masse* upon listing of the Notes.

13. Further issues

The Issuer may from time to time, without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry identical rights in all respects (or in all respects except for the issue price and the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the case of such an assimilation, the holders of such further notes and the Noteholders will be grouped in a single *masse* for the defence of their common interests. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

14. Governing law and jurisdiction

The Notes are governed by, and shall be construed in accordance with, French law.

Any dispute arising out of or in connection with the Notes will be submitted to the competent courts within the jurisdiction of the Court of Appeal of Paris.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be used by the Issuer mainly for diversification of its sources of funding and contribute to extending the maturity profile of its financial resources.

DESCRIPTION OF THE ISSUER

The section below is a summary of the description of the Issuer which is included in the 2011 Reference Document and the 2012 Interim Financial Report which are incorporated by reference into this Prospectus, as provided in Section "*Documents Incorporated by Reference*".

Administrative information

ORPEA is a *Société Anonyme (limited liability company)* with a Board of Directors governed by French law, with a share capital of EUR 66,247,577.50.

ISIN Code: FR0000184798 - Listed on segment A of NYSE Euronext Paris.

Business sector: operating structures of care dependency, either permanent or temporary.

ICB code: 4533, Health care provider.

APE code: 853 D.

History

The ORPEA Group has been built up methodically in 23 years, making it the European leader in Dependency care with nursing homes for dependent people, multi-disciplinary and specialist post-acute and rehabilitation care facilities and general psychiatric clinics.

Founded in 1989 by the current Chairman, Dr Jean-Claude Marian MD, ORPEA expanded during 6 years through the creation of 46 facilities, representing 4,600 nursing home beds. In 1995, following a period of brisk expansion, ORPEA reorganised itself in order to optimise its management costs with the creation of an administrative head office.

In 1999, ORPEA started the development of a medium-term care offering with the creation and acquisition of post-acute and rehabilitation care and psychiatric care clinics.

In 2002, ORPEA was successfully floated on the Second Marché of Euronext Paris with a market capitalisation of €250m. The target of this IPO was to ensure strong growth and step up its capacity for expansion.

In 2004, ORPEA started its expansion into Europe with the opening of two facilities in Italy. The international development was accelerated in 2006 with acquisitions in Switzerland, Belgium and Spain.

In 2010, ORPEA carried out its largest acquisition with Mediter, representing a total of 4,866 beds at 57 facilities.

In 2011, the Group continued to grow both in France and abroad, and strengthened its financial structure with a right issue of €203 million that was the largest capital increase in France in 2011.

In 2012, ORPEA continued its expansion in Europe with two strategic acquisitions in Spain and Belgium. The Group also started diversifying its sources of financing with the completion of several private placement in bonds.

Corporate purpose

The ORPEA Group's purpose and business is to offer global dependency care in the form of long term care (nursing homes), post-acute and rehabilitation care and psychiatric care facilities.

The corporate purpose of ORPEA is:

- Creating, developing, acquiring, managing and operating, directly or indirectly, all types of medical care facilities, medical and social care facilities and residential facilities for the elderly, all types of residential facilities for disabled people of any age, and all hotel, hotel-related and leisure accommodation facilities;
- Providing technical, commercial, administrative and financial assistance to all companies whose business activity is directly or indirectly related to the foregoing;
- Acquiring and subscribing to equity instruments in all existing or future companies and creating and managing all financial investments;
- Secondarily, purchasing, enhancing the value of, exchanging and selling, after division and/or works where applicable, the property asset owned by the company.

Overview of the Issuer's business

The ORPEA Group's activities are based on the following fundamentals:

- service values, professionalism and welcome shared by all employees;
- uniform facilities, allowing it to offer global and high quality dependency care;
- an organisational structure in place to satisfy residents, patients and employees;
- an on-the-ground operating framework, as close as possible to residents, patients and employees.

The ORPEA Group operates facilities in European countries where the sector is regulated in a very similar way to in France, namely Belgium, Spain, Italy and Switzerland. These countries have in common:

- strong regulation with a numerus clausus ("restricted numbers") system on the number of beds constituting a significant barrier to entry;
- a sharp increase in the number of elderly people;
- a supply of beds that is insufficient in both quantity and quality.

The regulatory framework of ORPEA's business and the pricing are detailed in pages 68 to 78 of the 2011 Reference Document.

Business Model and strategy

For the last 10 years, ORPEA Group has a very dynamic expansion strategy through a proven business model:

- Creation of new facilities by getting some new authorizations;
- Selected acquisitions where ORPEA has a real know-how for refurbishment and upgrade of the Quality of old facilities.

For many years, ORPEA's real estate strategy has been to remain the owner of approximately 50% of its housing stock. The objective of this real estate policy is to:

- control its operation to provide the best quality service and maintain the flexibility to perform any work needed;
- increase the Group's net worth through acquiring new and well located assets;
- secure ORPEA's profitability in the medium and long term.

After 10 years of intense development, the ORPEA Group has strengthened its European leadership position in the global Dependency care sector and now has a solid base of mature facilities. For detailed information about ORPEA's network please refer to the table set out below (page 30).

Henceforth, ORPEA has all the assets it requires to deploy a strategy based on increasing cash-flow generation, accompanied by a more selective and value added pace of external growth.

Organisation of the group

The Group's organisational structure is based on two main principles:

- centralisation of all general services at the head office (accounting, purchasing, payroll, legal, billing, etc.);
- an operating organisational structure suited to the responsiveness requirements of its business lines, as well as the Group's management reporting and quality monitoring demands.

Corporate Governance

In the last years, the ORPEA's governance has changed.

Thus, the Board decided on 15 February 2011 to separate the roles of Chairman and CEO.

The Board of Directors was also extended when renewing the appointments of the directors at the general meeting convened to approve the financial statements for the year ended 31 December 2010. The term of office for directors was reduced from six years to four years and appointments were staggered to avoid a block renewal. Continuing the strengthening of the Board, two new directors were appointed by the Ordinary General Meeting of 17 October 2011.

On 14 November 2011 the Board of Directors adopted rules of procedure to improve its operations. The Board also set up two committees: the Audit Committee and the Appointments and Remuneration Committee.

The Company is managed by a Board of Directors, currently consisting of seven members:

- Dr Jean-Claude Marian MD, Chairman and founder of ORPEA;
- Yves Le Masne, CEO of ORPEA;

- Brigitte Michel, Board member;
- Alexandre Malbasa, Board member;
- Jean-Patrick Fortlacroix, Independent board member;
- FFP Invest, represented by Thierry Mabille de Poncheville, Independent board member;
- Neo Gema, represented by Philippe Austruy, Independent board member.

Shareholder structure as of 28.01.2013

Shareholder	**No. of shares**	**% of share capital**	**No. of voting rights**	**% of voting rights**
JC Marian	*10,686,468*	*20.16%*	*20,488,814*	*29.99%*
SANTE FINANCE ET INVESTISSEMENT	*1,015,000*	*1.92%*	*1,015,000*	*1.49%*
Marian family	*533,482*	*1.01%*	*1,048,514*	*1.53%*
JC Marian and family	**12,234,950**	**23.09%**	**22,552,328**	**33.01%**
Sempré	4,262,284	8.04%	8,181,660	11.98%
Neogema	1	0.00%	1	0.00%
FFP Invest	3,811,353	7.19%	3,811,353	5.58%
Treasury shares	20,882	0.04%		
Public sector	32,668,593	61.64%	33,767,684	49.43%
Total	**52,998,062**	**100.00%**	**68,313,025**	**100.00%**

In 2012, no declarations were made with respect to threshold crossings of share capital.

On 24 January 2013, the private limited company under Belgian law NeoGema (controlled by Mr Philippe Austruy), notified the company that it had fallen below the threshold of 5% of share capital and voting rights on 18 January 2013 as a result of the selling of share capital off the market.

Outlook

The Group intends to keep this first-class growth momentum going during 2013 and confidently expects to generate sales of €1,600 million (up 12%, including brisk organic growth), together with strong margins.

For the following years, ORPEA is set to continue pursuing its strategy of margin improvement, cash generation, debt reduction and controlled development creating substantial value.

Key financial items

Condensed consolidated income statement

(in millions of euros)	**06.30.2012 (limited review)**	**06.30.2011 (limited review)**	**12.31.2011 (audited)**	**12.31.2010 (audited)**	**12.31.2009 (audited)**
Sales	*684.7*	*594.2*	1,234.1	964.2	*843.3*
EBITDAR[1]	*174.6*	*150.0*	311.4	236.1	*205.6*
EBITDA[2]	*121.9*	*105.6*	218.2	172.3	*151.4*
Recurring Operating Profit	*92.4*	*78.1*	163.2	129.8	*115.4*
Operating Profit	*110.0*	*90.8*	190.0	151.1	*134.5*
Net financial cost	*-36.8*	*- 31.7*	-65.0	- 52.7	*- 45.7*
Tax	*-22.8*	*- 20.5*	-45.5	- 30.9	*- 29.8*
Consolidated net income	*50.8*	*40.1*	80.3	66.3	*61.2*
Net profit (Group share)	*50.7*	*40.3*	80.3	66.3	*61.1*

[1] EBITDAR = recurring EBITDA before rents, including provisions relating to "external charges" and "staff costs".

[2] EBITDA = recurring operating profit before net depreciation and amortization, including provisions relating to "external charges" and "staff cost

Cash-flow statement's key figures

(in millions of euros)	**06.30.2012 (limited review)**	**06.30.2011 (limited review)**	**12.31.2011 (audited)**	**12.31.2010 (audited)**	**12.31.2009 (audited)**
Cash flow	*103.0*	*93.2*	*184.2*	*137.2*	*107.8*
Cash flow from operations	*78.5*	*66.3*	*202.3*	*135.6*	*127.0*
Cash flow from investing activities	*-180.0*	*- 198.4*	*-349.5*	*-296.7*	*- 258.2*
Cash flow from financial activities (including Financial Expenses)	*12.8*	*- 25.6*	*180.2*	*302.3*	*213.0*
Change in cash and cash equivalents	*-88.8*	*- 157.7*	*32.9*	*141.2*	*81.7*
Cash and cash equivalents at end of period	*220.7*	*118.9*	*309.5*	*276.5*	*135.4*

Condensed consolidated balance sheet

(in millions of euros)	**06.30.2012 (limited review)**	**06.30.2011 (limited review)**	**12.31.2011 (audited)**	**12.31.2010 (audited)**	**12.31.2009 (audited)**
Shareholders' equity	*1,178*	*935*	1,155	895	*642*
Non-current financial liabilities	*1,500*	*1,488*	1,462	1,459	*1,180*
Current financial liabilities	*604*	*496*	587	509	*340*
- Cash and cash equivalents	*-221*	*- 119*	-309	- 277	*- 135*
Net debt	*1,883*	*1,865*	1,740	1,691	*1,385*
Goodwill	*342*	*314*	323	431	*204*
Intangible assets	*1,163*	*1,063*	1,129	835	*775*
Property, plant and equipment	*2,306*	*2,016*	2,217	1,910	*1,662*
Total assets	*4,578*	*4,009*	4,482	3,880	*3,061*

Breakdown of beds by geographical area and by type (in operation, under restructuration or under construction) as at July 1st, 2012, including 100% of Medibelge.

	TOTAL	**France**	**Spain**	**Belgium**	**Italy**	**Switzerland**
Number of operating beds	33,317	25,340	2,938	4,117	847	75
Including beds undergoing restructuration	*3,050*	*2,296*	*0*	*724*	*30*	*0*
Number of beds under construction	5,031	3,479	0	1,087	375	90
Total number of beds	**38,348**	**28,819**	**2,938**	**5,204**	**1,222**	**165**
Total number of facilities	**410**	**333**	**22**	**41**	**12**	**2**

For the breakdown of beds in operation, undergoing restructuration and under contruction by geographical area over the last three years, please refer to page 7 of the 2011 Reference Document.

About Medibelge

During the first-half of 2012, Medibelge was 49% owned and was therefore accounted for by equity method. Since July 1st, 2012, ORPEA holds 100% of Medibelge, following the purchase of the remaining 51% (the amount of this acquisition is not significant compared to the level of the development of the group; this transaction had no material impact on Orpea's financial statements). Medibelge is therefore fully consolidated in ORPEA's third quarter revenue and will be fully consolidated in ORPEA's second half financial statements.

Bond issuances

In the second-half of 2012, the Issuer has been active on the bond market with:

- a €193 million euros dual tranche bond issuance arranged by Crédit Agricole Corporate and Investment Bank admitted to trading on Euronexr Paris on 30 November 2012 (for further information please refer to section "**Recent Developments**" of this Prospectus);
- a €20 million euros bond issuance arranged by Kepler Capital Markets admitted to trading on Euronext Paris on 30 November 2012; and
- a €90 million euros bond issuance arranged by Deutsche Bank admitted to trading on the regulated market of the Luxembourg Stock Echange on 4 December 2012.

RECENT DEVELOPMENTS

On 18 July 2012, the Issuer published the following press release:

ORPEA, leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its sales for the first half of 2012 to 30th June.

In €m IFRS	Quarterly			Half-Year		
	Q2 2012	Q2 2011	*Var.*	**H1 2012**	H1 2011	*Var.*
France	**303.2**	264.5	*+14.6%*	**601.9**	525.7	*+14.5%*
% of total sales	*87%*	*88%*		*88%*	*88%*	
International	**45.1**	36.7	*+22.9%*	**82.9**	68.5	*+21.0%*
% of total sales	*13%*	*12%*		*12%*	*12%*	
Belgium	17.9	17.2		36.4	33.6	
Spain	15.3	7.5		24.6	15.1	
Italy	7.1	7.0		14.2	12.0	
Switzerland	4.8	4.9		7.6	7.8	
Total sales	**348.3**	301.2	*+15.6%*	**684.8**	594.2	*+15.2%*
Organic growth[1]			*+8.4%*			*+8.6%*

Yves Le Masne, CEO of ORPEA, comments: "*Continuing the trend of previous quarters, ORPEA has again benefitted from its historical development policy and recorded buoyant sales growth of +15.6% over the 2nd quarter of 2012.*

This excellent performance is the result of its mixed growth strategy combining selective acquisitions and particularly strong organic growth over the first half (+8.6%).

Occupancy rates remain very high in all countries in which the Group is present, including countries whose economic environment is more uncertain, thanks to:

- *considerable requirements associated with the growing number of very elderly people;*
- *the substantial appeal of ORPEA's facilities: modern buildings constructed by the Group in accordance with the highest Quality standards, in strategic locations and with a large number of individual private rooms.*

With sales growth of +15.2% over the 1st half, with no contribution from Medibelge, ORPEA is confidently reaffirming its annual sales target of €1,425m for FY 2012, along with an improvement in profitability and cash flow, whilst continuing to pursue its very selective development policy based on value creation."

Further new facilities opened and jobs created

The Group opened 4 new facilities during the 2nd quarter, and has opened a further 5 since early July, giving a total of 12 new facilities since the start of the year, representing around a thousand beds.

Thanks to these new openings, ORPEA has created over 600 long-term jobs since the start of the year. The Group is further strengthening its commitment as a local economic player and will continue to recruit staff throughout 2012.

Pursuance of the permanent innovation policy

Within the framework of its permanent innovation policy, ORPEA has presented a telemedicine project to the *Agence Régionale de Santé Ile de France* regional health agency's request-for-proposals selection committee. 9 projects have been shortlisted from the 26 projects submitted, including ORPEA's.

The aim of this project is to further improve the terms and conditions of nursing home emergency treatment, by providing residents with remote access to a medical opinion thanks to the expertise of specialised medical teams from the Group's Post-Acute Care, Rehab. and Psychiatric Care clinics.

The results expected from this project are clear: reduce the need for residents to visit an external specialist and the time needed to obtain a medical opinion, limit hospital stays and help optimise Social Security expenditure whilst further improving the quality of care.

Acquisition of the remaining 51% stake in Medibelge

At 1st July 2012, ORPEA held 100% of Medibelge following the acquisition of the remaining 51% of the company. Medibelge will therefore be 100% consolidated within ORPEA's accounts from the 2nd half of 2012.

Medibelge has 2,156 beds (including 89 being renovated and 150 under construction) in 19 facilities mainly located in Brussels and the surrounding area.

This acquisition will allow ORPEA to strengthen its regional coverage, thus becoming a benchmark player in Belgium with a network of 4,899 beds across 43 sites, and also becoming the leading private player on this sector in Brussels.

The Belgian dependency care sector is similar to that of France (authorisation system, financing of care, etc) and there are considerable needs (estimated at a further 40,000 beds by 2030). Within this context, ORPEA will continue its development, notably in Flanders, which is a dynamic region with numerous opportunities, via both organic growth and external growth.

Further property divestment for €55.5m

In June 2012, a further asset disposal operation took place with BELFIUS INSURANCE SA, one of Belgium's leading insurance companies.

The €55.5m deal concerns 3 buildings either completed or under construction in Belgium.

The terms and conditions are similar to those of the operation carried out with Ethias at the start of the year.

This operation confirms the appeal of ORPEA's property assets, which provide long-term visibility, for institutional investors, and notably insurance companies.

This transaction reflects ORPEA's intention of benefitting, in tandem with the significant decrease in the return on financial products, from very attractive rental conditions.

[1] Organic growth is the result of the following factors: creations of new facilities, extensions to or restructuring of existing facilities, as well as changes in occupancy rates and daily rates. Organic growth is analysed facility by facility. Growth incorporates improvements in sales compared to the previous equivalent period, for recently-acquired facilities.

On 14 Novembre 2012, the Issuer published the following press release:

ORPEA, leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced its revenues for the third quarter of 2012 to 30th September.

In €m IFRS	Quarterly			9-months		
	Q3 2012	Q3 2011	***Var.***	**2012**	2011	***Var.***
France	**307.2**	274.3	***+12.0%***	**909.1**	800.0	***+13.6%***
% of total sales	*84%*	*88%*		*86%*	*88%*	
International	**59.2**	37.4	***+58.4%***	**142.1**	105.9	***+34.2%***
% of total sales	*16%*	*12%*		*14%*	*12%*	
Belgium	34.7	17.4		71.1	51.1	
Spain	12.1	7.9		36.8	23.0	
Italy	8.7	8.0		22.9	20.0	
Switzerland	3.7	4.0		11.3	11.8	
Total sales	**366.4**	311.7	***+17.6%***	**1 051.2**	905.9	***+16.0%***
Organic growth[1]			***+7.8%***			***+8.3%***

Yves Le Masne, CEO of ORPEA, comments: "*The growth momentum achieved by ORPEA since the beginning of the year has continued and even accelerated during the third quarter. Sales advanced by 17.6% on the back of further brisk organic growth (7.8%) and a strong increase in international markets (58.4%) thanks in particular to the successful integration of Artevida in Spain and of Medibelge in Belgium.*

Organic growth, which reached 8.3% over the first nine months of the year, was again underpinned by:

- *a high occupancy rate at mature facilities in all the European markets;*
- *the ramp-up of facilities opened recently in strategic locations and offering a high standard of quality;*
- *the opening of close to 900 new beds during the quarter, representing around ten facilities, lifting the total number opened since the beginning of 2012 to 1,900.*

Through these accomplishments, ORPEA continues its commitment to the local economy, creating around 1,000 jobs since the beginning of the year.

With sales growth running at 16.0% over the first nine months of the year, ORPEA is confident in its ability to meet its full-year sales target of €1,425 million in 2012, together with improvement in its margins and cash flow.

Looking ahead to 2013 and subsequent years, ORPEA is very confident that it will be able to achieve solid growth in its sales and margins by tapping its pipeline of close to 8,000 beds and structural factors, including the ageing of the population."

[1] Organic growth is the result of the following factors: creations of new facilities, extensions to or restructuring of existing facilities, as well as changes in occupancy rates and daily rates. Organic growth is analysed facility by facility. Growth incorporates improvements in sales compared to the previous equivalent period, for recently-acquired facilities.

On 28 November 2012, the Issuer published the following press release:

ORPEA, leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, today announced the successful completion of its first private placement of €193 million in bonds with major French institutional investors (insurance companies and mutual groups), which was arranged by Groupe Crédit Agricole.

This bond has two tranches:

- a €65 million Tranche A with a maturity of 5 years and 1.5 months and a 4.10% coupon;
- a €128 million Tranche B with a maturity of 6.5 years and a 4.60% coupon.

The aim of this non-dilutive transaction is to strengthen the Group's finances, without increasing the overall amount of net debt, by:

- diversifying its sources of financing, a process initiated in 2010 with the OCEANE issue and supplemented by the March 2012 Schuldschein private placement;
- extending the average maturity of its debt;
- securing highly attractive conditions.

Yves Le Masne, ORPEA's CEO, commented: "*The success of this private bond placement reflects the confidence that institutional investors have in ORPEA's business model, which combines high visibility with sustainable development prospects.*

ORPEA is maximising its financial strength while honouring its commitment of keeping a grip on its overall debt.

With this transaction, ORPEA has again broken new ground by tapping an innovative new form of financing, in anticipation of the banking disintermediation that has been at work in the United States for some considerable time already."

The deal was arranged by Crédit Agricole CIB. ORPEA was advised by White & Case LLP in Paris and Crédit Agricole CIB by CMS Bureau Francis Lefebvre in Paris.

The prospectus received AMF visa no. 12-580 on 28 November 2012, with the securities due to be listed on NYSE Euronext Paris from 30 November 2012. This prospectus is available for download from ORPEA's web site (www.orpea-corp.com, Documentation section) and also from the AMF's web site (www.amf-france.org).

On 13 February 2013, the Issuer published the following press release:

ORPEA, the leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, has today announced its sales for the fourth quarter and for the 2012 financial year ended on 31 December 2012.

In €m IFRS	**Full-year**			**Quarterly**		
	2012	2011	*Var.*	**Q4 2012**	Q4 2011	*Var.*
France	**1,227.4**	1,094.3	*+12.2%*	**318.3**	294.3	*+8.1%*
% of total sales	*86%*	*89%*		*84%*	*90%*	
International	**201.7**	139.8	*+44.3%*	**59.5**	33.9	*+75.5%*
% of total sales	14%	11%		16%	10%	
Belgium	104.6	67.5		33.5	16.4	
Spain	50.4	30.6		13.7	7.6	
Italy	31.3	26.9		8.3	6.9	
Switzerland	15.3	14.8		4.0	3.0	

Total sales	**1,429.0**	1,234.1	***+15.8%***	**377.7**	328.2	***+15.1%***
Organic growth[1]			***+8.2%***			***+8.0%***

[1] Organic growth reflects the following factors: 1. the growth in sales (in period n vs. period n-1) of existing facilities as a result of changes in their occupancy rates and daily rates, 2. the growth in sales (in period n vs. period n-1) of restructured facilities or those with capacity increased during period n or n-1, and 3. sales generated in period n by facilities set up in period n or n-1. Organic growth includes the improvement in sales recorded at recently-acquired facilities by comparison with the previous equivalent period.

Strong growth in 2012 sales

Yves Le Masne, CEO of the ORPEA group, commented: *"ORPEA posted a remarkable performance in 2012, with sales rising by 15.8% to reach a record level of €1,429 million, beating the guidance of €1,425 million announced in November 2011.*

In a gloomy economic environment, ORPEA continued to deliver very healthy organic growth of 8.2%, representing a record increase in sales of more than €100 million, owing in particular to the opening of 2,150 beds in 2012.

Outside France, business was boosted by the strategic acquisitions completed in 2012. During the fourth quarter, international revenues grew by 75% to represent 16% of consolidated sales.

This performance will lead to higher margins and cash flow, especially as a result of the ramp-up in the number of beds now at maturity, while the Group's debt is tightly controlled, managed effectively and highly diversified."

Growth prospects and jobs to be created in 2013

ORPEA is set to keep its momentum going in 2013, by opening another 2,000 beds at some 20 or so facilities, all situated in high-quality locations.

ORPEA will open new facilities at locations including Nantes, Guérande, Saint Laurent du Var, La Garenne Colombes, Le Cannet, Lyon and Chamalières, as well as in Nyon, Switzerland.

Thanks to this active development policy and after having created over 7,000 jobs in the past five years, ORPEA is set to maintain its commitment to the regional economies by creating 1,200 sustainable jobs in the caring, residential and administrative sectors during 2013.

The Group intends to keep this first-class growth momentum going during 2013 and confidently expects to generate sales of €1,600 million (up 12%, including brisk organic growth), together with strong margins.

Further developments in international markets

In line with its strategy of international expansion, the Group completed deals on attractive terms in Belgium and Italy, representing 1,100 in new beds that will add significant value.

ORPEA acquired 900 beds in Flanders, to speed up its expansion in this region blighted by a major shortage of facilities for the dependent elderly. This acquisition has tremendous potential, with 300 beds operational and another 600 beds under construction.

In Italy, the Group is also expanding its network with the acquisition of two facilities in the Turin region, representing 200 beds.

Dr Jean-Claude Marian, ORPEA's Chairman, ended by saying: *"ORPEA has delivered another year of remarkable growth, thanks in particular to the new facilities opened in France and expansion of its international network.*

This first-class momentum will carry through into 2013 and future years. In a sector in which demand for high-quality care for dependent individuals is growing tremendously right across Europe, ORPEA boasts unique strengths:

- *Growth potential of close to 8,000 beds under construction and being restructured, which is regularly topped up to secure its future expansion;*

- *Recognition of its know-how, particularly its ability to support people suffering from neurodegenerative disorders, and pan-European expertise;*
- *Its ability to invest and create jobs.*

As demonstrated by the recent deals in Flanders and Italy, ORPEA is actively pursuing its value-creating expansion in international markets.

In France, the sector faces major challenges, with the growth in the population of the very elderly and the need to renovate close to 116,000 beds (i.e. 17% of current capacity), according to a public report by the Caisse Nationale de la Solidarité pour l'Autonomie*), which will cost an estimated €11.7 billion (excluding land).”*

Key dates for investors

The following dates are subject to change. Press releases will be published before the market opens.

Event	Date
Full-year 2012 results	Wednesday, 27 March 2013
First-quarter 2013 sales	Tuesday, 30 April 2013
First-half 2013 sales	Wednesday, 17 July 2013
Interim 2013 results	Wednesday, 11 September 2013

On 27 March 2013, the Issuer published the following press release:

ORPEA, the leading European player in Long-Term Care (nursing homes), Post-Acute Care and Psychiatric Care, has today announced its consolidated results[1] for the financial year to 31 December 2012.

[1] The financial statements are currently being audited.

In €m (IFRS)	**2012**	**2011**	**▲%**
Revenues	**1,429.1**	1,234.1	*+15.8%*
EBITDAR (EBITDA before rents)	**368.5**	311.4	*+18.4%*
EBITDA	**256.3**	218.2	*+17.5%*
Recurring operating profit	**193.7**	163.2	*+18.7%*
Operating profit	**222.2**	190.0	*+16.9%*
Profit before tax	**149.4**	125.0	*+19.5%*
Attributable net profit	**97.0**	80.3	*+20.8%*

Commenting on these figures, Yves Le Masne, ORPEA’s Chief Executive Officer, said: *“After two years (2010 and 2011) of strong expansion, ORPEA had an excellent year in 2012 combining:*

- *Strong business growth (+15.8%);*
- *Solid progress in all its profitability indicators, at a faster pace than growth in revenues (recurring operating margin up 40 basis points);*
- *Greater financial flexibility;*
- *Increase in the real estate portfolio in full ownership to €2.4 billion.*

At the same time, the Group continued to pursue expansion, focusing on projects creating substantial value, especially in international markets. With the addition of 3,660 new beds since the beginning of 2012, the network has moved above the 40,000 bed mark, including 27% outside France.

Thanks to its effective business model, ORPEA has started 2013 with confidence and anticipates another year of strong top-line growth (revenue target of €1,600 million), together with further profitability improvement, debt under control and additional selective developments.

Buoyed by this strong business performance, ORPEA has steadily improved the quality of the long-term care it provides for the elderly in its facilities as part of its civic-minded approach."

ORPEA, a civic-minded approach meeting the needs of the elderly

Over the past five years, ORPEA has invested more than €1.5 billion to meet demand in society for facilities offering high-quality care, service and accommodation to look after the elderly and at the same time providing a boost to the regional economies.

Over the past five years, ORPEA has created more than 7,000 long-term jobs that cannot be offshored and has a total workforce of 25,000. As well as offering a wide variety of different jobs, ORPEA has ratcheted up its policy of providing training in jobs related to the care of the elderly and delivered over 200,000 hours of training in 2012.
As a responsible employer that strives to promote diversity within its teams, the Group is also heavily involved in integrating and retaining people with disabilities within its workforce and employees close to retirement age.

ORPEA also pays close attention to the environmental quality of its facilities, as prescribed by its internal engineering and project management department. Its new facilities meet the highest energy performance standards, and the Group invests several million euros every year in improving the energy efficiency of existing facilities.

Lastly, ORPEA shares its know-how by working closely with not-for-profit associations and organisations caring for the dependent elderly, and it is actively involved in promoting health education for the broader population.

Strong profitability improvement

Full-year 2012 revenues rose by 15.8% to €1,429 million on the back of brisk organic growth[2] (8.2%) and the contribution made by acquisitions, especially in international markets.

EBITDAR (EBITDA before rents) increased by 18.4% to €368.5 million. After an increase of 80 basis points in 2011, the EBITDAR margin rose by a further 60 basis points during 2012 to reach 25.8% of revenues.

Rental expenses rose 20.5% to €112.2 million owing chiefly to the impact of acquisitions and divestments of facilities. At comparable structure, rents edged up by just 1.6% owing to careful management of rent indexation.

EBITDA increased by 17.5% to €256.3 million.

Recurring operating profit advanced by 18.7% and accounted for 13.6% of revenues, which represents a 40 basis point improvement on the 2011 level. This performance was driven predominantly by the ramp-up in mature facilities, which produced higher margins than those of beds under development: mature beds now account for 79% of the total for the network, up from 65% at year-end 2011.

Operating profit (EBIT) rose by 16.9% to €222.2 million. This reflected a non-recurring gain after tax of €28.5 million, compared with €26.8 million in 2011 owing in particular to real estate disposals.
The **net cost of debt** came to €72.8 million, representing a modest increase of 12% on 2011, despite further expansion by the Group.

Attributable net profit for 2012 totalled €97 million, representing an increase of 20.8%, in spite of the unfavourable impact of the increased tax burden from 2012 (over €6 million).

[2] Organic growth reflects the following factors: 1. the growth in revenues (in period n vs. period n-1) of existing facilities as a result of changes in their occupancy rates and daily rates, 2. the growth in revenues (in period n vs. period n-1) of refurbished facilities or those with capacity increased during period n or n-1, and 3. Revenues generated in period n by facilities set up in period n or n-1. Organic growth includes the improvement in revenues recorded at recently-acquired facilities by comparison with the previous equivalent period.

Dividend of €0.60 per share proposed

At the Annual General Meeting, the Board of Directors will propose paying out a dividend of €0.60 per share for the 2012 financial year, compared with €0.50 in the previous financial year. This dividend would represent a payout ratio of 33% of attributable net profit.

Real estate portfolio: a strategic asset worth €2.4 billion

At 31 December 2012, the portfolio represented a developed area of 824,000 sqm (out of more than 1 million sqm in land) consisting of 248 buildings, 142 of which are partially owned.

In line with its strategy of owning a significant portion of its asset base, ORPEA increased its real estate portfolio by €187 million during 2012. Its total value came to €2,404 million[3] and broke down as follows:

- €2,069 million in assets built and operated, up 13% on the previous year, predominantly through acquisitions and project completions. The portfolio's value remained stable on a like-for-like basis.
- €335 million in assets under construction or refurbishment, and land.

These new or recently completed buildings, which are of a high architectural quality and situated in strategic locations, give the Group considerable asset value, while underpinning its medium- and long-term profitability.

Capitalising on investor interest in the real estate owned by the Group and highly attractive level of rents and indexation, ORPEA stepped up the pace of its disposals during 2012 to €300 million.

[3] Excluding the impact of €121 million in assets held for sale.

Tight grip on debt and greater financial flexibility

Shareholders' equity, Group share totalled €1,209 million at 31 December 2012, compared with €1,152 million at 31 December 2011.

Net debt stood at €1,802 million[4], almost stable compared with its level at 30 June 2012. It is still mainly property-related (85%), secured by high-quality assets that are not very volatile.

The Group's two main debt ratios declined by comparison with 30 June 2012. At 31 December 2012, they were as follows:

- financial leverage restated for real estate assets = 1.7x compared with 2.1x at 30 June 2012 (authorised level of 5.5x);
- adjusted gearing = 1.2x compared with 1.3x at 30 June 2012 (authorised level of 2.0x).

Following the various private placements it completed in 2012, the Group's finances are now on an even firmer footing:

- at 31 December 2012, 29% of net debt consisted of non-bank debt, compared with 11% at year-end 2011;
- the average maturity of net debt rose from 4.1 years to 5 years at year-end 2012.

Capitalising on a highly favourable interest-rate environment, the Group continued to enhance its hedging arrangements, and around 90% of debt is hedged for 2013. Over the 2014-2017 period, around 95% of debt is hedged at highly attractive rates, which will automatically lead to a reduction in the cost of debt over the coming years.

[4] Excluding €121 million in debt associated with assets held for sale

European leader with 40,374 beds

Since the beginning of 2012, the Group has continued to expand its network by gaining new licences and making selective acquisitions, especially outside France, adding Artevida in Spain and Medibelge[5] in Belgium.

ORPEA has now reached a new milestone in its development, with more than 40,000 beds in its network, including 10,000 outside France.
At 1 March 2013, the network comprised 40,374 beds in 431 facilities, breaking down as follows:

	TOTAL	France	Spain	Belgium	Italy	Switzerland
Beds in operation	34,972	26,488	2,938	4,510	871	165
o/w under refurbishment	*3,246*	*2,334*	*0*	*912*	*0*	*0*
Beds under construction	5,402	2,989	0	2,008	405	0
Total number of beds	**40,374**	**29,477**	**2,938**	**6,518**	**1,276**	**165**
Number of facilities	**431**	**339**	**22**	**56**	**12**	**2**

Despite the acceleration in the pace of new openings in 2012, ORPEA still boasts the greatest growth reservoir in the sector, with 8,648 beds under refurbishment or under construction.

[5] Since 1 July 2012, ORPEA has held 100% of Medibelge's capital.

Summing up, Doctor Jean-Claude Marian, Chairman of ORPEA, said: *"Over the past 10 years, ORPEA has achieved spectacular expansion across Europe, with its network of facilities and workforce growing fivefold and its revenues and net profit by a factor of 9.2x. At the same time, the Group has helped to increase the professionalism of the sector and developed innovative new ways of meeting the needs of and enhancing the continuity of care for the elderly.*

It will continue to pursue the strategy initiated in early 2012 combining margin improvement, cash generation, a tight grip on the debt burden and value-creating expansion during 2013 and over the coming years.

The Group is active in developments bringing the private sector together with the charity and public sectors to optimise care arrangements while meeting investment constraints.

ORPEA is perfectly equipped to execute this strategy smoothly, since it possesses:

- *A unique capacity to identify development opportunities on attractive terms;*
- *A network of mature beds accounting for 79% of the network's total, generating strong cash flow;*
- *Totally secure organic growth over the next few years owing to its growth reservoir of 8,648 beds under construction or refurbishment;*
- *Flexible and optimised financial structure.*
- *A civic-minded approach focused on improving care for the dependent elderly and providing a boost to local economies."*

TAXATION

The following is a summary limited to certain tax considerations in France relating to the Notes and is included herein solely for information purposes. It specifically contains information on withholding taxes levied on the income from the Notes held by Noteholders who (i) are not tax residents in France, (ii) do not hold their Notes through a fixed base or a permanent establishment in France and (iii) do not otherswise hold shares of the Issuer. This summary is based on the laws in force in France as of the date of this Prospectus, as applied and construed by the French tax authorities, subject to any changes in law or in interpretation. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

1. EU directive on the taxation of savings income

Under EC Council Directive 2003/48/EC on the taxation of savings income dated 3 June 2003 (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of any payment of interest or similar income paid by a paying agent within its jurisdiction to, or under certain circumstances collected for, a beneficial owner (within the meaning of the Savings Directive) resident in that other Member State. However, for a transitional period, Austria and Luxembourg impose, instead of such exchange of information, a withholding tax on all payments of interest within the meaning of the Savings Directive unless the beneficiary of interest payment elects for the exchange of information. The rate of this withholding tax is 35% since 1 July 2011, and will remain so until the end of the transitional period. This transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also since 1 July 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding tax) in relation to payments made by a paying agent within its jurisdiction to, or under certain circumstances collected for, a beneficial owner (within the meaning of the Savings Directive) resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or under certain circumstances collected for, a beneficial owner (within the meaning of the Savings Directive) resident in one of those territories.

On 13 November 2008, the European Commission published a detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Savings Directive they may amend or broaden the scope of the requirements described above.

2. France

Witholding Tax

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on the Notes will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis of the French *Code général des impôts*, at a rate of 30% or 75% subject, if applicable, to the more favourable provisions of a tax treaty.

Notwithstanding the foregoing, the 75% withholding tax provided by Article 125 A III of the French *Code général des impôts* will not apply in respect of the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to the official administrative guidelines (*Bulletin Officiel des Finances Publiques-Impôts*) published by French tax authorities on 12 September 2012, BOI-INT-DG-20-50, Paragraph No.990, an issue of notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if such notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and that the operation of such market is carried out by a market operator or an investment service provider, or by such other similar foreign entity, provided further that such market operator, investment service provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

The Notes being, as from 12 April 2013, admitted to the clearing operations of a duly authorised central depositary, payments of interest and other revenues made by, of for the account of, the Issuer under the Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts.*

In addition, neither the non-deductibility nor the withholding tax set out in article 119 *bis* 2 of the French *Code général des impôts* will apply in respect of the issue of Notes if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official administrative guidelines (*Bulletin Officiel des Finances Publiques-Impôts*) published by French tax authorities on 12 September 2012, BOI-INT-DG-20-50, Paragraph No.550, an issue of notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if such notes qualify to one of the three above-mentionned classifications.

Savings Directive

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of Annex III to the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 10 April 2013, Crédit Agricole Corporate and Investment Bank (the "**Lead Manager**") agreed with the Issuer, subject to the satisfaction of certain conditions, to procure the subscription and payment, failing which to subscribe and pay, for the Notes at an issue price equal to 100.791492 per cent. of their aggregate principal amount, plus an amount corresponding to accrued interest from, and including, 30 November 2012 to, but excluding, 12 April 2013 at a rate of 1.67616439393 per cent., less the commissions agreed between the Issuer and the Lead Manager for the benefit of the Lead Manager. The Subscription Agreement entitles, in certain circumstances, the Lead Manager to terminate it prior to payment being made to the Issuer.

1. General restrictions

No action has been or will be taken by the Issuer or Lead Manager (to the best of their knowledge) in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any document, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

The Lead Manager has agreed and represented that it has complied and will comply (to the fullest extent possible) with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any other offering material.

2. France

The Lead Manager has represented and agreed that, in connection with their initial distribution, it has not offered or sold or caused to be offered or sold, and will not offer or sell or cause to be offered or sold, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed, and will not distribute or cause to be distributed, to the public in France, directly or indirectly, this Prospectus or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

3. United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act.

The Notes are only being offered and sold outside of the United States in accordance with Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

The Lead Manager has represented and agreed that it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Notes as part of their distribution at any time within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

4. United Kingdom

The Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activities (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving, the United Kingdom.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France), Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) with the common code 085860569. The ISIN code for the Notes is FR0011362060.
2. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of the Notes. The issue of the Notes was authorised by (i) the resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 17 October 2012 and 14 November 2012 and (ii) a decision of Mr. Yves Le Masne, *Directeur Général* of the Issuer, dated 9 April 2013.
3. For the purposes of the admission to trading of the Notes on Euronext Paris, and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the *Autorité des marchés financiers* (the "**AMF**") and received visa No.13-153 dated 10 April 2013.
4. The total expenses related to the admission to trading of the Notes is estimated to €1,875.
5. Save for any fees payable to the Lead Manager, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue.
6. The yield of the Notes is 4.45 per cent. *per annum.*, being calculated at 12 April 2013 on the basis of its issue price. It is not an indication of future yield.
7. The statutory auditors of the Issuer for the period covered by the historical financial information are Burband Klinger & Associés (140, rue du Faubourg Saint-Honoré - 75008 Paris – France) and Deloitte & Associés (185 avenue Charles de Gaulle - 92524 Neuilly-sur-Seine Cedex – France). They have audited and rendered audit reports on the financial statements of the Issuer for each of the financial years ended 31 December 2010 and 31 December 2011. Burband Klinger & Associés belongs to the *Compagnie Régionale des Commissaires aux Comptes de Paris* and Deloitte & Associés belongs to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.
8. Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2012.
9. Except as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2011.
10. Except as disclosed in this Prospectus, during the period of twelve (12) months prior to the date of this Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.
11. So long as any of the Notes is outstanding, copies of this Prospectus, the prospectus relating to the Existing Notes, the documents incorporated by reference in this Prospectus, the by-laws (*statuts*) of the Issuer, the most recent financial statements of the Issuer and, as the case may be, the audit reports with respect thereto will be available and obtainable, free of charge, at the registered office of the Issuer and the specified office of the Fiscal Agent during normal business hours on any weekday (except Saturdays, Sundays and public holidays). Copies of (i) this Prospectus, (ii) the Prospectus relating to the Existing Notes, (iii) the 2010 Reference Document and (iv) the 2011 Reference Document are also available on the websites of the *Autorité des marchés financiers* (www.amf-france.org) and of the Issuer (www.orpea-corp.com). The Interim Financial Report is available on the website of the Issuer.

Issuer

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