

STRONG GROWTH OF 10.7% IN Q1 2018 REVENUE TO €832M

✦ SOLID ORGANIC GROWTH OF +5.4%

FURTHER INTERNATIONAL EXPANSION IN THE NETHERLANDS WITH THE ACQUISITION OF 2 COMPANIES - DAGELIJKS LEVEN AND WOONZORGNET

2018 TARGETS REITERATED:

✦ REVENUE OF €3,400M

✦ EBITDA MARGIN ABOVE OR EQUAL TO ITS 2017 LEVEL

Puteaux, 2 May 2018 (6:00pm CEST)

The ORPEA group, a world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, psychiatric hospitals, and homecare services), today announces its revenue for the first quarter to 31st March 2018, and the establishment of a foothold in the Netherlands with the acquisition of Dagelijks Leven and Woonzorgnet.

Yves Le Masne, Chief Executive Officer of ORPEA, commented:

"Our first-quarter 2018 performance was very brisk, and we achieved further robust revenue growth of 10.7% to €832m. This highly impressive top-line increase was again driven by our powerful model combining very strong organic growth of 5.4% and acquisitions, including in Austria, the Czech Republic and Germany.

The pace of organic growth held up across all our geographical territories thanks to:

- *consistently high occupancy rates as a result of our high-quality care and the carefully targeted location of our facilities;*
- *the ramp-up in facilities that we have opened over the past two years, mostly in large towns and cities or in areas with strong purchasing power;*
- *the opening of 650 beds in the first quarter of 2018 alone in France, Switzerland, Italy and Belgium.*

In line with our strategy, we have continued to expand in Europe by establishing a foothold in the Netherlands through the acquisition of two companies. Dagelijks Leven and Woonzorgnet represent unique platforms for organic growth, with their experienced management teams and a first-class reputation, which will help achieve our development targets in this new territory.

These deals demonstrate our ability to attract the best teams so that we are able to create value over the long term.

We are confidently reiterating our targets for 2018 of revenue of €3,400m (increase of 8.3%), an EBITDA margin at least on a par with its 2017 level and further organic development and acquisitions".

Solid Q1 2018 revenue growth of 10.7%

<i>In €m</i>	Q1 2018	Q1 2017	<i>Change</i>
France Benelux	499.3	474.9	+5.1%
Central Europe	214.5	187.0	+14.8%
Eastern Europe	80.1	55.0	+45.4%
Iberian Peninsula	37.8	34.5	+9.6%
Rest of the World	0.4	0.3	+70.7%
Total revenue	832.1	751.7	+10.7%
<i>Including organic growth¹</i>			<i>+5.4%</i>

Anavita in the Czech Republic been consolidated since 1st April 2017, Dr. Dr. Wagner in Austria since 1st July 2017, and Inoges in Germany since 1st January 2018.

Central Europe covers Germany, Italy and Switzerland. Eastern Europe covers Austria, Poland and the Czech Republic. Iberian Peninsula covers Spain and Portugal. The Rest of the World segment solely consists of China to date.

Expansion into the Netherlands with the acquisition of Dagelijks Leven and Woonzorgnet

Under its European expansion strategy, ORPEA has established a foothold in the Netherlands by acquiring one of the leading nursing home operators and a recognised expert in psychiatric care. With these two latest deals, the Group has secured additional organic growth potential for the coming years.

The long-term care sector in the Netherlands boasts healthy growth prospects:

- the population of over-80s is forecast to nearly triple by 2050;
- the bed capacity rate per capita is low - around 35% below the average level in Europe - and so 100,000 new beds need to be added by 2040;
- the private sector's market share is very limited at just 4%.

Founded in 2013, Dagelijks Leven is one of the leading nursing home operators with a network of 800 beds in 40 facilities (including 220 beds under construction and due to open in 2018). Its facilities were all built recently (less than four years old) and have gained a solid reputation among both residents and the supervisory authorities for the quality of the care and services they provide.

Dagelijks Leven possesses an attractive, highly standardised and rapidly replicable model:

- identically sized facilities (20 beds) attuned to the country's culture;
- a unified per diem rate;
- centralisation of all support functions: from design to management, it takes less than one year from the selection of land through to the opening of a new facility;
- an expert management team that has created this model and will contribute to its development in the future.

¹ Organic growth reflects the following factors: 1. The year-on-year change in the revenues of existing facilities as a result of changes in their occupancy rates and daily rates; 2. The year-on-year change in the revenues of redeveloped facilities or those where capacity has been increased in the current or year-earlier period; 3. Revenues generated in the current period by facilities created in the current or year-earlier period, and the change in revenues at recently acquired facilities by comparison with the previous equivalent period.

ORPEA will acquire the majority of the share capital of Dagelijks Leven. This deal is still subject to authorization by the Dutch health authorities, which is expected in due course.

At the beginning of 2018, ORPEA acquired Woonzorgnet, a recognised expert in providing long-term psychiatric care with 162 beds in 7 facilities.

**Next press release: H1 2018 revenue
24 July 2018 after market close**

About ORPEA (www.orpea-corp.com)

Since its creation in 1989, ORPEA has expanded rapidly to become one of the main world leader in long-term care, with its network of 818 facilities, with 86,650 beds (13,379 of them under construction or redevelopment), including:

- 33,437 beds in France (2,223 beds under construction or redevelopment) at 357 facilities
- 53,213 beds outside France (Austria, Belgium, Brazil, China, Czech Republic, Germany, Italy, Poland, Portugal, Spain and Switzerland) at 461 facilities (11,156 beds under construction or redevelopment)

ORPEA is listed on Euronext Paris (ISIN code: FR0000184798) and a constituent of the SBF 120, STOXX 600 Europe, MSCI Small Cap Europe and CAC Mid 60 indices.

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