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PRESS RELEASE
Luxembourg, 5 August 2016

CPI PROPERTY GROUP announces on behalf of its wholly owned subsidiary Nukasso Holdings Limited the appointment of an independent expert for the determination of the equitable price to be offered to the shareholders of ORCO Property Group S.A. within the context of the mandatory takeover at the request of the CSSF

CPI PROPERTY GROUP *société anonyme* hereby announces on behalf of its wholly owned subsidiary Nukasso Holdings Limited, and the persons acting in concert with it (the "**Bidders**"), the appointment of an independent expert for the determination of the equitable price to be offered to the shareholders of ORCO Property Group S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg and registered with the Luxembourg Trade and Companies Register (RCS) under number B 44 996 ("**ORCO**"), further to a request of the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") on 1 August 2016, in the context of the mandatory takeover bid (the "**Mandatory Bid**") over any and all of the ordinary shares of ORCO (the "**ORCO Shares**"), referred to in the press release published on 8 June 2016 by CPI PROPERTY GROUP, which the Bidders fully agree with.

On the basis of the tasks conferred upon the CSSF in Articles 4, 5 and 6 of the law of 19 May 2006 implementing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (the "**Takeover Bid Law**"), the CSSF is the competent authority for the approval of the offer document to be drawn up and published by the Bidders in accordance with Article 6 (2) of the Takeover Bid Law (the "**Offer Document**").

The final Offer Document must contain all the information necessary to enable the holders of the ORCO Shares to reach a properly informed decision as to whether or not they should participate in the Mandatory Bid.

Moreover, according to Article 5 (1) of the Takeover Bid Law, the Mandatory Bid must be made at an equitable price, such price normally regarded as being the highest price paid for the same securities by the bidder, or by any persons acting in concert with him/her, over a period of 12 months before the bid, as further specified in Article 5 (4) of the Takeover Bid Law, and more specifically:

"The highest price paid for the same securities by the offeror, or by persons acting in concert with him/her, over a period of twelve months before the bid referred to in article 5 (1) shall be regarded as the equitable price. If, after the bid has been made public and before the offer closes for acceptance, the offeror or any person acting in concert with him/her purchases securities at a price higher than the offer price, the offeror shall increase his/her offer so that it is not less than the highest price paid for the securities so acquired.

Provided that the general principles laid down in article 3 are respected, the CSSF is authorized to adjust the price referred to in the first subparagraph. The highest price may only be adjusted either



upwards or downwards where the highest price was set by agreement between the purchaser and a seller, or where the market prices of the securities in question have been manipulated, where market prices in general or certain market prices in particular have been affected by exceptional occurrences, or in order to enable a firm in difficulty to be rescued. The CSSF shall in such cases apply clearly defined criteria which can be the average market value or a particular period, the break-up value of the company or other objective valuation criteria generally used in financial analysis.

A grand-ducal regulation may provide other circumstances in which market errors could have an impact on the setting of the price according to the first subparagraph of this paragraph.

Any decision by the CSSF to adjust the equitable price shall be substantiated and made public."

In the context of the approval of the Offer Document, the equitable price will also be subject to approval by the CSSF, as an essential part of the Offer Document.

In light of the above, the CSSF has addressed a request to the Bidders to submit to the CSSF a proposal for the appointment of an expert to determine the equitable price owed to the shareholders of ORCO Property Group S.A. within the context of the Mandatory Bid. The proposal shall include at least three separate candidates fulfilling several requirements and should be accompanied by information and documentation justifying, among others, the fulfillment of those requirements. Among others, the following requirements must be fulfilled:

- full independence from and absence of conflict of interests with any of the Bidders, Orco and any other party directly or indirectly involved in the Mandatory Bid or in the preparation thereof;
- proven track-record and first class reputation in the valuation of securities that are comparable to those of Orco;
- preparation of the valuation report on the basis of objective methods generally used in financial analysis;
- consent to the publication of the valuation report.

The above proposal shall be communicated to the CSSF as soon as possible and at the latest until 31 August 2016.

The expert shall be subsequently appointed by the CSSF on the basis of the proposal submitted to it by the Bidders. In the hypothetical event that the Bidders do not submit a proposal in line of the above requirements within the above-mentioned timeframe, the CSSF reserves the right to appoint an expert of its own choice.

Further information on the appointment of the expert and on the calendar of the Mandatory Bid will be made public by CPI Property Group *société anonyme* and Orco under the Luxembourg law of 11 January 2008 on transparency requirements for issuers, as amended, in due course.

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