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## PRESS RELEASE

### **Preliminary unaudited results for the fiscal year 2009**

#### **ORCO Germany S.A. achieved an improvement of profitability**

- Adjusted EBITDA up 19.6% in 2009
- NAV rose by 7.7% during the last quarter to € 1,73 / share
- Positive net income in Q4 of € 2,7 million
- Finalization of six development projects
- Stronger Integration with OPG initiated
- €230 Million Pipeline of Asset disposals in advanced stage

**(Berlin, 30 March 2010).**

The restructuring process of ORCO Germany S.A. shows first positive results. The improvement of the operational profitability is reflected by a 19.6% increase of the adjusted EBITDA compared to 2008 to €18.6 million (i.e. operating result without net gain from fair value adjustments on investment property, amortization, impairments and provisions as well as correction on cost of goods sold).

Total revenues decreased by 7.1% to €72.0 million in financial year 2009. Development revenues decreased by 24.8% to €19.6 million and rental income declined slightly by 1.9% to reach €54.8 million due to asset sales which led to a lower revenue base

ORCO-GSG – the core business of the Company – generated revenues of €47.7 million (up 3.4% YoY) and accounted for more than 66% to total revenues. Even in a challenging environment ORCO-GSG was able to increase both prices and occupancy rates. The average rent per sqm for commercial space increased from €6.07 in December 2008 to €6.27 in December 2009. The occupancy rate of ORCO-GSG further increased during 2009 by 1.6% points to 76.2%. Since taking over ORCO-GSG in June 2007 the occupancy rate has improved by 6% points. Whereas the first half year closed only with a slightly positive occupancy rate development of +0.2% points, the leasing results in the third and fourth quarters show a considerable increase of +1.4% points. The strong letting performance (64 260 m<sup>2</sup> of new gross letting in 2009) demonstrates that ORCO-GSG has strengthened its position in Berlin as the leading provider of office and multifunctional light industrial space. Being a strong partner of the Berlin economy as well as of its tenants the enhanced cooperation not only with brokers but also with local authorities and institutions helped to increase letting.

Despite the turbulent market circumstances, ORCO Germany S.A. successfully managed to finalize the construction works with a total volume of approximately €205 million on six development projects (Sky Office, H2 Office, Otto Bock Science Center and three Health Care projects) in 2009. The completion of those projects marks a significant de-risking of the Company's business.

Even though 2009 ends with a consolidated loss attributable to the Group of €-105.5 million, after €-121.4 million in 2008, the fourth quarter marks a turning point with a positive net income of €2.7 million. The loss per share moved from €2.48 to €2.16. The main drivers of the losses were impairments and revaluation losses (€81.1 million) and financing costs of € 45.5 million (mainly interest and SWAP costs). The will significantly decrease following the disposal of non strategic, mainly non cash generating assets and the expected non re-occurrence of effects from fair value measurements on swap charges which amounted to € 6.7 million.

All investment properties and inventories were evaluated by the independent valuer DTZ as at 31 December 2009. Like most of the real estate companies worldwide ORCO Germany S.A. had to face high revaluation losses on investment properties. They added up to €54.9 million. Amortization, impairments and provisions amounted to €26.2 million.

The volatility in valuations has led to massive earnings swings in the past years. GSG is now valued € 543 per m<sup>2</sup> or € 445million i.e. around € 3 million less than at the end of 2007 in which GSG was acquired even though revenues increased by around 15% since then.

After a sharp fall of the Net Asset Value (NAV) per share from €3.12 as of 31 December 2008 to €1.61 at the end of Q3 2009, the NAV rose by 7.7% during the last quarter of the year 2009 to €1.73. The equity position improved by 7.3% from €41.3 million (Q3/2009) to €44.3 million as of 31 December 2009.

In 2009, the first phase of the restructuring process concentrated on the Development business. Staff reduction and the closure of branches in Hamburg, Frankfurt and Munich led to reduced employee benefits of €3.8 million compared to 2008. Other operating costs were effectively reduced by 23%, falling from €40.1 million to €30.8 million. The full impact of these measures will be seen in 2010 during which the focus will be the improvement of the efficiency of the asset and investment management business. Strong synergies are expected from a closer cooperation with the major shareholder, ORCO Property Group S.A. .

In a challenging market environment in 2009 the disposal of non-strategic assets generated €46.6 million (lowering the lettable area by 44,000 sqm to 878,000 sqm).

Thanks to improved market conditions, the regained trust in the Group and the Company's ability to successfully complete six project developments, the Company achieved significant progress in the ongoing disposal process conducted in a non price distressed climate. The current disposal channel in different stages of completion from advanced negotiation (LOI) to closing comprises developments and non strategic assets valued at more than €230 Mio. The expected liquidity will significantly improve the financial position of the Group. The already announced conversion of the €17.6 Mio shareholder loan of ORCO Property Group S.A. at €1,60 per share and the related issue of free warrants for existing shareholders will further support the stabilization of the Company.

About ORCO Germany:

ORCO Germany S.A. is a property company that is listed in the Prime Standard on the Regulated Market at Frankfurt Stock Exchange and has its registered office in Luxembourg. The ORCO Germany Group, which acts consistently under its registered name of ORCO Germany, has been operating in Germany since 2004 and concentrates on commercial property as well as on asset management and project development. ORCO currently has about 169 employees in Germany. ORCO Germany is a subsidiary of ORCO Property Group, which is one of the leading Central European property companies. The company established in 1991 is based in Luxembourg and has Euronext, Prague, Budapest and Warsaw Stock Exchange listings.

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