

PRESS RELEASE

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Unaudited results for the fiscal year 2010**ORCO Germany S.A.: Improving profitability and value creation**

- Revenues increased by 109.5% to €150.9 million
- Adjusted EBITDA up 75% in 2010 to € 33 million
- Operating profit at €62.4 million (+ €132.1 million vs 2009)
- Major creation of value with NAV rising from € 1.79 to € 1.98 per share
- Positive net profit of € 5.6 million or € 0.11 per share (+ €111.0 million vs 2009)
- Further operational integration with GSG and corporate integration with Orco Property Group
- Priority to deleverage / refinance the spring 2012 maturities

Jean-Francois Ott, CEO of ORCO Germany S.A.

“The Leipziger Platz transaction and the continuing performance improvement on our strategic ORCO GSG Berlin assets clearly show that we are on track again after challenging years.”

Non-strategic assets sold above book values

The plan to dispose €230 million non strategic, mainly non cash producing assets, is progressing. Over 2010, the Group managed to sell and transfer 15 properties and two remaining residential units worth €151 million. Those sales included the Healthcare portfolio, H2 Office, Cumberland and Ministergärten. Despite the sale of some income producing assets, the increase in occupancy and average rent per square meter of ORCO GSG Berlin portfolio compensated losses in rental income. In total, the Asset Management revenues increased from €56.2 million to €56.7 million. The improved performance of ORCO GSG demonstrates the Group focus on asset management of its Berlin properties.

As another substantial contribution to the results 2010, ORCO Germany was able to recognize revaluation gains of €25.6 million supported by the independent evaluator report as of 31 December 2010, including €20.7 million of fair value profits realized on the net present value of the agreed sales price for Leipziger Platz.

Liabilities reduced, equity base strengthened

In line with Orco Germany’s announcement to reduce debts and to strengthen its equity basis, the total amount of liabilities decreased by €109 million from €927 million as of 31 December 2009 to €818

million as of 31 December 2010. As of 31 December 2010, the current financial debts¹ amounted to €134.6 million, mostly on Sky office, compared to €252 million end of 2009, showing a clear easing of short term liquidity pressure. However, the Company is facing the challenging refinancing of both GSG in April 2012 and the bond issue in May 2012.

The NAV, as at 31 December 2010, amounted to € 96.8 million versus € 87.3 million as at 31 December 2009. The NAV per share amounted to € 1.98 (versus € 1.79 in 2009).

Costs cutting process and vertical integration of functions with OPG and GSG progressed

Staff reduction and the vertical integration of Orco Germany into both Orco Property Group for corporate and management functions and GSG for operational ones led to the reduction of staff costs of € 0.7 million. It generated one off restructuring charges compensating savings but will translate into effective savings of € 3.4 million in 2011.

Outlook 2011

Going forward, the Group will emerge into a Berlin focused asset manager, we are now ready to seize development options in- and outside the existing portfolio while continuing to dispose non strategic assets.

The financial priorities for 2011 remain the refinancing of the GSG loan and the bond which are both due in Q2 2012.

¹ Excluding liabilities linked to assets held for sale, mostly Leipziger Platz at end 2010

I. Consolidated income statement

	December 2010	December 2009
Revenue	150 898	72 018
Net gain/loss from fair value adjustments		
on investment property	25 561	-54 907
Other operating income	2 096	933
Net gain/loss on disposal of assets	370	-1 563
Cost of goods sold	-77 009	-19 756
Employee benefits	-8 756	-9 456
Amortisation, impairments and provisio	3 933	-26 160
Other operating expenses	-34 667	-30 789
Operating result	62 426	-69 680
Interest expenses	-41 018	-35 578
Interest income	365	446
Other net financial results	-4 789	-10 343
Financial result	-45 443	-45 475
Profit/loss before income taxes	16 983	-115 155
Income taxes	-11 400	9 713
Net profit/loss	5 584	-105 442
Total loss attributable to:		
non controlling interests	12	40
Attributable to the Equity holders of the Company	5 596	-105 482
Basic earnings in EUR per share	0,11	-2,16
Diluted earnings in EUR per share	0,11	-2,16

II. Consolidated balance sheet

ASSETS		
	31 Dec ember 2010	31 December 2009
NON-CURRENT ASSETS	562 790	689 764
Intangible assets	50 528	50 672
Investment property	508 158	633 257
Property, plant and equipment	3 890	5 205
Own-occupied buildings	2 338	2 362
Fixtures and fittings	1 552	2 843
Financial assets at fair value through profit or loss	214	249
Deferred tax assets		381
CURRENT ASSETS	191 943	262 114
Inventories	142 276	216 317
Trade receivables	11 120	10 997
Other receivables	20 578	12 246
Derivative Instruments	0	31
Current financial assets	30	29
Cash and cash equivalents	17 939	22 494
Assets held for sale	112 674	19 360
TOTAL	867 407	971 238
EQUITY AND LIABILITIES		
	31 Dec ember 2010	31 December 2009
EQUITY	49 910	44 328
Equity attributable to the owner of the Company	49 876	44 283
Non-controlling interests	33	45
LIABILITIES	817 498	926 910
Non-current liabilities	538 026	548 555
Bonds	94 192	90 374
Financial debts	325 776	360 890
Provisions & other long term liabilities	10 394	10 421
Derivative instruments	19 323	8 587
Deferred tax liabilities	88 340	78 282
Current liabilities	213 472	362 882
Financial debts	134 602	252 383
Trade payables	2 629	10 737
Advance payments	17 590	27 477
Derivative instruments	18 668	28 514
Other current liabilities	39 982	43 771
Liabilities linked to assets held for sale	66 000	15 474
TOTAL	867 407	971 238

III. NAV

Net Asset Value (in k €)		
	31 December 2010	31 December 2009
Equity attributable to owners of the Company	49.876	44.283
Fair value adjustments on investment portfolio	0	0
Fair value adjustments on hotels and own occupied buildings	554	167
Fair value adjustments on properties under development	0	0
Fair value adjustments on inventories	0	3.934
Deferred taxes on revaluations	89.651	82.270
Goodwills	-43.285	-43.285
Own equity instruments	0	-24
Net asset value	96.796	87.344
Net asset value per share	1,98	1,79
Existing shares	48.771.333	48.771.333

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 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.

For further information please contact:

Kirchhoff Consult AG
 Sebastian Bucher
 T +49 40 60 91 86 18
 F +49 40 60 91 86 60
 sebastian.bucher@kirchhoff.de