PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
Société à responsabilité limitée
Réviseur d'entreprises
400, route d'Esch
B.P. 1443
L-1014 Luxembourg
Telephone +352 494848-1
Facsimile +352 494848-2900
www.pwc.com/lu
info@lu.pwc.com

Report of the Independent Auditors

To the Board of Directors of
Orco Germany S.A.

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Orco Germany S.A. and its subsidiaries (the "Group") as at June 30, 2007 and the related condensed consolidated interim income statement, interim statement of changes in equity and interim cash flow statement for the six-month period then ended (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial information ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Luxembourg, September 20, 2007

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises
Represented by

Amaury Evrard

ORCO GERMANY S.A.

Condensed consolidated interim financial information

As at 30 June 2007

Orco Germany S.A.'s Board of Directors has approved on 30 August 2007 the condensed consolidated interim financial information as at and for the period ended 30 June 2007. All the figures in this report are presented in thousands of Euros, except if explicitly stated.

I. Condensed consolidated interim income statement

The accompanying notes form an integral part of this condensed consolidated interim financial information.

	Note	June 2 007	June 2 006
Revenues	3	**32 786**	**469**
Net gain from fair value adjustments on investment property	3	46 329	19 152
Cost of sales		-30 111	-
Employee benefits		-2 822	-135
Amortization, impairment and provision		-62	-18
Other operating expenses		-1 454	-662
Operating result		**44 666**	**18 806**
Interest expenses		-4 531	-430
Interest income		1 595	14
Other net financial results		-3 103	-62
Financial result		**-6 039**	**-478**
Profit before income taxes		**38 627**	**18 328**
Income taxes		-17 961	294
Net profit		**20 666**	**18 622**
Attributable to minority interests		1 054	-
Attributable to the Group		**21 720**	**18 622**
Basic earnings in EUR per share	12	0,61	2,09
Diluted basic earnings in EUR per share	12	0,60	2,05

II. Condensed consolidated interim balance sheet

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Assets	Note	June 2007	December 2006
NON-CURRENT ASSETS		**836 612**	**198 154**
Intangible assets	9	**54 135**	**22**
Investment property	5	**752 427**	**191 565**
Property, plant and equipment		**27 323**	**952**
Hotels and own-occupied buildings		4 134	64
Fixtures and fittings		3 968	408
Properties under development	6	19 221	480
Financial assets		**2 112**	**4 543**
Deferred tax assets		**615**	**1 072**
CURRENT ASSETS		**227 508**	**148 598**
Inventories	7	63 024	70 031
Trade receivables		27 570	27 646
Other current assets	10	44 072	4 973
Cash and cash equivalents		92 842	45 948
TOTAL		**1 064 120**	**346 752**

Equity and liabilities	Note	June 2007	December 2006
EQUITY		**238 610**	**133 947**
Shareholders' equity		**200 720**	**134 003**
Minority interests		**37 890**	**-56**
LIABILITIES			
Non-current liabilities		**628 434**	**122 524**
Bonds	8	81 872	-
Financial debts	8	407 662	103 164
Provisions		10 390	10 775
Deferred tax liabilities		128 510	8 585
Current liabilities		**197 076**	**90 281**
Financial debts	8	85 690	8 158
Provisions		22 999	18 914
Trade payables		38 737	32 450
Advance payments		36 258	25 370
Other current liabilities		13 392	5 389
TOTAL		**1 064 120**	**346 752**

III. Condensed consolidated interim statement of changes in equity

The accompanying notes form an integral part of this condensed consolidated interim financial information.

	Share capital	Share premium	Translation reserve	Other reserves	Shareholders' equity	Minority interests	Equity
Balance at 31 December 2005	**3 500**	**-**	**-**	**3 017**	**6 517**	**-**	**6 517**
Gains or losses for the period :							
Profit of the period				18 622	18 622		18 622
Capital increase	15 000	7 560			22 560		22 560
Balance at 30 June 2006	**18 500**	**7 560**	**-**	**21 639**	**47 699**	**-**	**47 699**
Gains or losses for the period :							
Translation differences			98		98		98
Profit of the period				3 323	3 323	-64	3 259
Capital increase	24 688	59 313		-1 118	82 883	8	82 891
Balance at 31 December 2006	**43 188**	**66 873**	**98**	**23 844**	**134 003**	**-56**	**133 947**
Gains or losses for the period :							
Translation differences			-101		-101		-101
Profit of the period				21 720	21 720	-1 054	20 666
Capital increase	4 527	31 035		-356	35 206		35 206
Convertible loan				9 892	9 892		9 892
Acquisition of GSG						39 000	39 000
Balance at 30 June 2007	**47 715**	**97 908**	**-3**	**55 100**	**200 720**	**37 890**	**238 610**

IV. Condensed consolidated interim cash flow statement

The accompanying notes form an integral part of this condensed consolidated interim financial information.

	June 2007	June 2006
Operating result	**44 666**	**18 806**
Net gain from fair value adjustments on investment property	-46 329	-19 152
Amortization, impairment & provision	62	18
Adjusted operating profit	**-1 601**	**-328**
Income tax paid	**-373**	**-**
Changes in operating assets and liabilities	**-8 963**	**33 761**
NET CASH FROM OPERATING ACTIVITIES	**-10 937**	**33 433**
Acquisition of subsidiaries, net of cash acquired	-262 140	-75 231
Capital expenditures	-125 466	-29 256
Purchase of intangible assets	-30	-
Purchase of financial assets	-	-78
Net interest paid	-3 451	-551
NET CASH USED IN INVESTING ACTIVITIES	**-391 087**	**-105 116**
Issue of equity instruments	48 733	22 560
Proceeds from borrowings	421 600	65 625
Repayments of borrowings	-21 424	-
NET CASH FROM FINANCING ACTIVITIES	**448 909**	**88 185**
NET INCREASE IN CASH	**46 885**	**16 502**
Cash and cash equivalents at the beginning of the period	45 948	553
Exchange difference on cash	9	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**92 842**	**17 055**

Selected notes to the condensed consolidated interim financial information

1. General information

Orco Germany S.A., société anonyme ("the Company") and its subsidiaries (together "the Group") is a real estate group with a growing portfolio principally located in Germany. It is principally involved in leasing out investment properties under operating leases as well as in the development of properties for its own portfolio or intended to be sold in the ordinary course of business. During the first six months of the year, the Group has substantially focused on growing its property portfolio with completion of acquisitions and signature of firm commitments to buy real estate properties and assets in Germany, and especially in Berlin.

The Company is a limited liability company incorporated for an unlimited term and registered in Luxembourg. The address of its registered office is 48, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg.

As at 30 June 2007, the Company is 72.56% owned by Orco Property Group S.A., Luxembourg, and its shares are listed in the Open Market of the Francfort Stock Exchange since May 2006.

These condensed consolidated interim financial information have been approved for issue by the Board of Directors on 30 August 2007.

2. Summary of significant accounting policies

2.1 Basis of preparation

This condensed consolidated interim financial information for the half-year ended 30 June 2007 have been prepared in accordance with IAS 34, "Interim financial reporting" and should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2006.

2.2 Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements as at and for the year ended 31 December 2006, as described in the annual financial statements for the year ended 31 December 2006.

No new or amended standards or interpretations mandatory for the year ended 31 December 2007 are expected to have a material impact on the 2007 consolidated financial statements.

2.3 Seasonality

Given the high correlation between the sales in the development segment and the number of units ready to be sold, the results for the first six months cannot be extrapolated to the remainder of the year.

3. Segment reporting

The Group is organised into two main segments determined in accordance with the type of activity :

- Renting: leased-out residences, offices or retail buildings, property management and asset management and buildings under construction that are meant to be leased.
- Development: development of projects meant to be disposed off unit by unit, the land bank as well as empty buildings for which the future destination is still under study and project management.

Corporate expenses are allocated on the basis of the revenue realised by each activity.

As at 30 June 2007	Development	Renting	Total
Revenues	**30 884**	**1 902**	**32 786**
Net gain from fair value adjustments on investment property	22 715	23 614	46 329
Net operating expenses	-32 396	-2 053	-34 449
Operating result	**21 203**	**23 463**	**44 666**
Financial result			-6 039
Profit before income taxes			**38 627**
Income taxes			-17 961
Net Profit			**20 666**
Attributable to minority interests			1 054
Attributable to the Group			**21 720**

As at 30 June 2006	Development	Renting	Total
Revenues	-	**469**	**469**
Net gain from fair value adjustments on investment property	17 250	1 902	19 152
Net operating expenses	-422	-393	-815
Operating result	**16 828**	**1 978**	**18 806**
Financial result			-478
Profit before income taxes			**18 328**
Income taxes			294
Net Profit			**18 622**
Attributable to minority interests			-
Attributable to the Group			**18 622**

4. Business combinations

Acquisition of GSG

After almost two years of negotiations, the Group acquired on 12 June 2007 the control of GewerbeSiedlungs-Gesellschaft mbH ("GSG"). This previously state-owned company holds buildings totalling 800 thousand square meters of commercial and light industrial space in Berlin rented out to approximately 1,200 tenants. On the basis of independent valuation reports, the building portfolio and the brand have been fair valued at EUR 408 million and EUR 7 million respectively. The purchase accounting has been determined on a provisional basis and will be completed by the end of 2007. Management is currently assessing the useful life of the brand.

The acquisition of the shares of GSG by the Group is governed by an agreement between Morgan Stanley Real Estate Fund V (MSREF V), the Group and the parent company (Orco Property Group SA). While the control over GSG is already exercised by the Group, the remaining legal steps of the acquisition will be completed in the course of the second half of the year. Due to penalties included in that agreement and the steps already completed, it is considered that the risk of non-completion of all the steps by the parties is remote. After completion, the Group will hold 100% of the issued capital of GSG, the interest of OPG in the Group will decrease to 57% and MSREF V will have acquired an interest of 29% in the Group.

As at June 30 2007, the GSG shares are legally held by two companies respectively held at 50% by OPG and 50% by MSREF V. The financing of the acquisition by OPG has been realised through a loan of EUR 39 million from the Group. Furthermore OPG has been diluted in the Group to 73% by the issue of 3.5 million of shares entirely subscribed in cash by MSREF V for a total consideration of EUR 35 million. The main remaining steps that have to be completed by mid-October 2007 are the following ones:

- The Group will indirectly acquire from OPG 50% of GSG against the cancellation of the EUR 39 million loan granted prior to the transaction.
- The Group will indirectly acquire the remaining 50% of GSG through a contribution in kind by MSREF V against the issue of 10.6 million new shares. The fair value of the consideration given has been estimated at EUR 39 million as a reference to the cash payment to OPG for the acquisition of the first 50%.

Because of the management and governing body representation of the Group representatives within GSG, the Group has in substance the power to govern the financial and operating policies of GSG and the power to cast the majority of votes at meetings of the governing body of GSG. Additionally the acquisition of the 50% held by OPG in GSG is a forward acquisition contract reflecting a present ownership since it gives access to the economic benefits associated with an ownership interest.

For accounting and reporting purposes, this business combination has been accounted for the acquisition of the first 50%. The contribution of the other 50% will be accounted in Quarter 3 as the risks and rewards relating to the additional 50% in GSG have not been fully transferred to the Group as at 30 June 2007. The acquisition of the first 50% has already been financed by the Group.

As at 30 June 2007, GSG only contributes to the consolidated balance sheet with minority interests amounting to 50% of consolidated net equity.

The following table describes the calculation of the cash flow on acquisition, net of the cash and cash equivalents acquired, and the calculation of the goodwill on acquisition. The source of this goodwill is the obligation under IFRS to recognize deferred tax liabilities on the difference between the book values and market values on investment properties while it is common practice not to take them fully into account in the evaluation of a share deal.

GSG	
Intangible assets	7 219
Tangible assets	411 617
Inventories	87
Trade receivables	18 772
Other current assets	7 676
Cash and cash equivalents	19 938
Non current financial liabilities	-68 862
Deferred tax liabilities	-98 844
Current payables	-20 878
Short term debts and provisions	-2 514
Fair value of net assets acquired	**-274 211**
Goodwill on acquisition	-46 867
Acquisition price	**-321 078**
Less cash acquired	19 938
Less minority interests contribution	39 000
Cash flow on acquisition net of cash acquired	**-262 140**

Acquisition in 2006 of Viterra Development

As at 23 June 2006 the Group directly acquired Viterra Development GmbH and Viterra Baupartner GmbH. Those companies and their subsidiaries are referred to as Viterra in this report. Viterra is essentially active in Germany. The development and building portfolio has been fair valued on the basis of an independent valuation report (established by DTZ Debenham).

As part of the transaction, the Group also acquired for a total cash consideration of EUR 13 million two buildings whose property has only been transferred in August with some cash flow adjustment mechanisms bringing the final acquisition price to EUR 14 million.

The following table describes the calculation of the cash flow on acquisition net of the cash and cash equivalents acquired:

Viterra	
Tangible assets	31 821
Financial assets	1 885
Deferred tax assets	1 000
Inventories	81 432
Trade receivables	35 023
Other current assets	14 560
Cash and cash equivalents	13 772
Provisions	-11 343
Deferred tax liabilities	-4 665
Payables	-18 710
Short term debts and provisions	-37 848
Fair value of net assets acquired	**-106 927**
Negative goodwill on acquisitions	18 789
Acquisition price	**-88 138**
Less cash acquired	13 772
Cash flow on acquisition net of cash acquired	**-74 366**

In aggregate, the acquired business contributed revenues of EUR 71.5 million and net loss of EUR 1.7 million to the Group for the period from the acquisition date to 31 December 2006. The Group is not able to disclose the information relating to revenue and profit which would have been generated by the Group for the year ended 31 December 2006 if the acquisition had occurred on 1 January 2006 due to the absence of Viterra Development activities sub-consolidated information prior to the acquisition.

5. Investment property

Investment property	Freehold buildings	Land bank	Land	Total
Balance at 1 January 2006	**19 743**	**-**	**-**	**19 743**
Scope movement	20 937	10 500	-	**31 437**
Investments / acquisitions	97 474	17 385	22 360	**137 219**
Disposal	-	-780	-	**-780**
Revaluation	11 548	1 225	-	**12 773**
Transfer	-8 827	-8 500	8 500	**-8 827**
Balance at 31 December 2006	**140 875**	**19 830**	**30 860**	**191 565**
Scope movement	403 591	910	-	**404 501**
Investments / acquisitions	27 283	79 480	-	**106 763**
Revaluation	28 308	18 021	-	**46 329**
Transfer	-	3 269	-	**3 269**
Balance at 30 June 2007	**600 057**	**121 510**	**30 860**	**752 427**

Variations in 2007

The scope movement refers to acquisition of GSG's lands and buildings (for EUR 404.5 million) located in Berlin. These assets are recognised at their estimated fair value as at 30 June 2007.

During the first semester, the investments and acquisitions reached EUR 106.8 million in the following projects:

Freehold buildings (EUR 27.3 million):

Various residential and office buildings have been acquired in Berlin for a total amount of EUR 27.3 million, among which:

- Pappelallee 3-4 & Küfurstendamm 103-104 in Berlin EUR 8.1 million (revaluation recognized in 2007 EUR 0.4 million)
- Reinhardtstrasse 18 for EUR 8.7 million (revaluation recognized in 2007 EUR 0.1 million);
- Boxhagener Strasse 106 for EUR 2.3 million;
- Prenzlauer Allee 195 for EUR 1.8 million;
- Görstrasse 18 for EUR 1.6 million (revaluation recognized in 2007 EUR 0.1 million);
- Wilhelm-Kuhr-Strasse 86 / Kreuzstrasse 18a for EUR 1.3 million (revaluation recognized in 2007 EUR 0.4 million);
- Lütticher Strasse 49 for EUR 1.0 million (revaluation recognized in 2007 EUR 0.4 million).

The revaluation of freehold buildings mainly includes the revaluation of Wasserstrasse in Dusseldorf (EUR 4.2 million), of Cumberland House in Berlin (EUR 15 million) and of Pier 1 Duisburg (EUR 4 million).

Land bank (EUR 79.5 million):

The amount of EUR 79.5 million is principally composed by Leipziger Platz (in the center of Berlin) for EUR 78.9 million (revaluation recognized in 2007 EUR 16 million).

Most of the investment properties are revalued at 30 June 2007 based on a valuation report established by the independent expert Debenham Tie Leung (DTZ). The total revaluation of investment properties amounts to EUR 46.3 million.

The transfer represents the reclassification of two plots of land for which no building permits have been obtained yet.

Additional information on the main asset acquisitions:

- Leipziger Platz project: the Company has acquired the site in the centre of Berlin that used to be the Wertheim complex. What was once the Wertheim complex and is not being used at present is the last site available for development in the new "Mitte" of Berlin. The new "Mitte" is considered to be the top address for national and international companies and customers. The Sony Center, the DaimlerChrysler quarter and the Beisheim Center are right next to Leipziger Platz. The acquisition price per constructible square meter is 20% lower than recent transactions in the area.This new development will fill the most important gap between the centres of East and West Berlin. With a land area of more than 22 000 m², the project will be carried out directly on Leipziger Platz right next to Potsdamer Platz. Viterra Development, a subsidiary of the Company, will be responsible for the project management. The planned area of 88 000 m² enables varied use to be made of office and retail space as well as residential units and hotels.

Variations in 2006

The scope movements refer to office building in Viterra's asset portfolio essentially Pier Eins in Duisburg and two plots of land: Sky Office in Düsseldorf and Gruga Carre in Essen that are recognized at their fair values at the date of acquisition.

During the year, the investments and acquisitions reached EUR 137.2 million in the following projects:

Freehold buildings (EUR 97.5 million):

- Max Planck Strasse in Köln & Wasser Strasse in Düsseldorf EUR 14.0 million (revaluation recognized in 2006 EUR 2.2 million)
- Various residential and office buildings essentially in Berlin EUR 83.3 million among which:
  - Cumberland Haus acquired for EUR 39.5 million (revaluation recognized in 2006 EUR 4.9 million);
  - Immanuelkirchstraße 3-4 for EUR 10.8 million (revaluation recognized in 2006 EUR 0.2 million);
  - Kufürstendamm 102 EUR 7.8 million (revaluation recognized in 2006 EUR 0.5 million);
  - Kufürstendamm 103-104 EUR 7.0 million;
  - Danziger Straße 73-77 EUR 5.1 million (revaluation recognized in 2006 EUR 1.4 million);
  - Singerstrasse 109 EUR 2.6 million (revaluation recognized in 2006 EUR 1.4 million);

Land and Land bank (EUR 39.7 million):

- Acquisition of land plots in Dusseldorf for EUR 22.4 million for Sky Office development project in Düsseldorf, which is an office tower 30% preleased by Mc Kinsey;
- Helberger in Frankfurt EUR 17.4 million (revaluation recognized in 2006 EUR 1.2 million).

All investment properties are revalued at the end of the year based on a valuation report established by the independent expert Debenham Tie Leung. The total revaluation of investment properties amounts to EUR 12.8 million. This amount does not include the negative goodwill of EUR 18.8 million on the first consolidation of Viterra Developement which is recognized on the same line in the income statement.

The transfers represent the reclassification of the Fehrbelliner Höfe residential apartment project (EUR 8.8 million) in inventory and the Sky Office high tower (EUR 8.5 million) from Land Bank to Land.

Freehold buildings include advance payments amounting to EUR 1.9 million for the acquisition of new properties.

6. Properties under development

Properties under development consist of:

- Constructions in progress for EUR 8.3 million (in 2006 EUR 0.5 million), mainly due to the increase of work in progress for the Sky Office in Düsseldorf (for EUR 7.0 million);
- Advance payments for EUR 10.9 million (nil in 2006), among which EUR 10.0 million have been made by Gebauer Höfe Liegenschaften GmbH, a new fully consolidated subsidiary for the acquisition of Franklinstrasse property (see note 14).

7. Inventories

	June 2007	December 2006
Opening balance	**70 031**	**-**
Acquisition of Viterra	-	81 432
Acquisition of GSG	87	-
Sale of Viterra Ceska to Orco Property Group	-745	-
Variation	-3 080	-20 228
Transfer with investment property	-3 269	8 827
Closing balance	**63 024**	**70 031**

As at June 2007 the scope movements refer to GSG's acquisition and to the sale of Viterra Ceska spol s.r.o. to Orco Property Group S.A. Some plots of land, for which no building permits have been obtained yet, were moved to investment properties. The variations include principally the Viterra Development and Baupartner development projects' sales and an increase related to Fehrbelliner Höfe in Berlin.

As at December 2006 the scope movement refers to the acquisition of Viterra development projects. The Fehrbelliner Höfe residential apartment project is transferred from investment property. The variations include principaly the Knorrstrasse and Baupartner development projects' sales.

8. Borrowings

Non-current bonds	Bonds with repayable subscription warrant
Balance at 31 December 2006	**-**
Issue of new bonds	81 656
Interests accumulated during the period	216
Balance at 30 June 2007	**81 872**

Non-current financial debts	Bank loans	Other non-current loans	Total
Balance at 31 December 2006	**86 600**	**16 564**	**103 164**
Issue of new loans	335 728	4 000	339 728
Acquisition of subsidiaries	68 782	60	68 842
Repayments of loans	-4 860	-16 564	-21 424
Transfers	-84 507	-	-84 507
Balance at 30 June 2007	**401 743**	**4 060**	**405 803**

The derivative instruments included in financial debts on the balance sheet are not detailed in this note. As at 30 June 2007, the derivative instruments' fair value amounted to EUR 1.8 million (nil in 2006).

Current financial debts include a bank loan to GSG of EUR 71.5 million, 80% of which has been refinanced by ABN Amro at the end of August and an operating loan from OPG of EUR 1.1 million.

Non current bank loans issued during the period include:

- a loan granted by ABN Amro amounting to EUR 244.4 million in respect of GSG acquisition financing, bearing interest at EURIBOR plus 105 basis points per annum. This variable interest rate has been swapped for a fixed interest rate at the level of 4.4% plus 105 bps, this swap is recorded at fair market value under the caption Other current assets (see note 10).
- a bank loan of EUR 66.2 million in respect of the acquisition of Leipziger Platz

All non current bank loans include amounts secured by a mortgage on properties. The guarantees granted to financial institutions remain fully valid until complete reimbursement of credits. No partial waiver on pledge or mortgage has been scheduled. As at 30 June 2007, all of the Group's borrowings are denominated in euros (EUR).

The new bond issued in 2007 is described in the two following point:

Bonds with Repayable Subscription Warrants ("OBSAR")

Bonds

Issuer	Orco Germany SA
Nominal	EUR 100,100,052
Number of bonds	148,077
Issue price per bond	at par value, EUR 676
Maturity date	30 May 2012
Redemption price	if the weighted average share price quoted over the 120 stock exchange trading sessions preceding the redemption date is equal to or greater than the exercise price of the Subscription Warrants: at par, EUR 676 per bond, if the company is listed on a regulated market before 30 May 2009 (or EUR 743.6 if the company is not listed on a German regulated market before 30 May 2009); if the weighted average share price quoted over the 120 stock exchange trading sessions preceding the redemption date is less than the exercise price of the Subscription Warrants: EUR 845 per bond.
Nominal interest rate	4%
ISIN	XS0302623953
Listing	Luxembourg stock exchange

Warrants

Number of warrants	9,328,851 (corresponding to 63 warrants/issued bond)
Exercise ratio	one warrant gives the right to one share
Exercise price	if warrants are exercised on or before 30 September 2007, EUR 16.9. If they are exercised from 1 October 2007, EUR 16.9 if the reference share price (weighted average share price from 30 May 2007 to 30 September 2007) exceeds EUR 13.52 or 125% of the reference share price if it is less than EUR 13.52.
Exercise period	30 May 2007 until 30 May 2014
ISIN	XS0302626899
Listing	Luxembourg stock exchange

The funds raised with this bond have been at issuance divided into a long-term debt component, an equity component and a derivative component. Furthermore, the costs linked to the issuance of the bond are deducted from the funds raised. The equity component (EUR 13.8 million reduced by EUR 3.9 million of deferred taxes), classified in other reserves, represents the market value on the date of issue of the subscription warrants embedded in the bond. The derivative component amounting to EUR 1.8 million (EUR 1.7 million at issue) represents the market value of the redemption premium granted to the bondholder if the average market price of Orco shares do not reach a certain level before the repayment date. This derivative is revalued at its market value at each closing through the income statement. The difference between the debt component and the par value of the bond is taken in profit and loss accounts using the effective interest method.

Debt component on issue	**81 656**
Interest accumulated during the period	216
Balance at 30 June 2007	**81 872**

9 Intangible assets

The intangible assets mainly include the goodwill recorded on the acquisition of GSG amounting to EUR 46.9 million (see note 4) and the GSG trademark amounting to EUR 7.2 million (see note 4).

10 Other current assets

As at 30 June 2007, other current assets mainly include tax receivables (EUR 1.2 million), operating loans (EUR 0.9 million), financial derivative assets (EUR 3.3 million) and a receivable relating to GSG external loans to be repaid by MSREF V and Orco Property Group S.A. in accordance with the transaction agreements (EUR 14.2 million) as well as a receivable relating to a guarantee received (EUR 8.7 million). The remaining amount mainly relates to deferred expenses.

11. Equity

	Number of shares	Capital	Share premium
Balance at 31 December 2005	**350 000**	**3 500**	**-**
Split	2 450 000	-	-
Capital increase	31 750 000	39 688	66 873
Balance at 31 December 2006	**34 550 000**	**43 188**	**66 873**
Capital increase I	3 500 000	4 375	30 625
Exercise of share subscription rights	121 333	152	410
Balance at 30 June 2007	**38 171 333**	**47 715**	**97 908**

During the period, Orco Property Group S.A. proceeded together with the Morgan Stanley Real Estate FUND V ("MSREF V") to the takeover of GSG. In accordance with the investment agreement MSREF V became a shareholder in Orco Germany S.A. by subscribing 3,500,000 non-par-value shares against EUR 35,000,000 in a first step ('Capital increase I"). During the second half of the year 2007, the second step ('Capital increase II") will take place with the subscription by MSREF V of 10.6 million non-par-value shares by the contribution of all of its indirect interests in GSG valued at EUR 39 million. Altogether these capital increases correspond to an average issue price per share of EUR 5.25 (share capital and share premium).

The Board of Directors decided, on its meeting on 21 February 2006, to grant without consideration 2,800,000 share subscription rights to all existing shareholders at this date, proportionally to their ownership. According to the share subscription plan, the exercise of three share subscription rights gives right to the subscription of one share of the Company to be created through capital increase at a strike price of EUR 4.63 per share. The share subscription rights are exercisable for a three year period ending on 21 February 2009. In 2007 a number of 364,000 rights was used and consequently 121,333 new shares have been created this way.

No dividends were paid in 2007 nor in 2006 respectively.

12. Earnings per share

	June 2007	June 2006
Shares issued at the beginning of the period (after share split)	34 550 000	2 800 000
Weighted average of new shares issued	961 281	6 099 448
Weighted average outstanding shares for the purpose of calculating the basic earnings per share	**35 511 281**	**8 899 448**
Dilutive potential ordinary shares	**511 235**	**190 964**
Warrants	511 235	190 964
Weighted average outstanding shares for the purpose of calculating the diluted earnings per share	**36 022 517**	**9 090 412**
Net profit attributable to the Group	**21 720**	**18 622**
Effect of assumed conversions / exercises	**55**	**-**
Warrants	55	-
Net profit attributable to the Group after assumed conversions / exercises	**21 775**	**18 622**
Basic earnings in EUR per share	0,61	2,09
Diluted earnings in EUR per share	0,60	2,05

Basic earnings per share is calculated by dividing the profit attributable to the Group by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

13. Related party transactions

During the first six months of 2007, the Company was granted "equity loans" and "operating loans" from its ultimate parent company Orco Property Group S.A., Luxembourg, bearing interest at an annual fixed rate of respectively 6% and 6.5%.

These loans amounted to EUR 5.1 million at 30 June 2007 (respectively EUR 4.0 million for equity loans and EUR 1.1 million for operating loans). Net interests related to these loans amounted to EUR 0.6 million at 30 June 2007.

Some expenses, mainly related to administrative and financial consultancy costs, amounting to EUR 0.2 million as at 30 June 2007, were invoiced by Orco Property Group to the Company. Additionally, EUR 0.8 million recharged by OPG in respect of the OBSAR issuance have been recorded as a transaction cost by the group.

Moreover, at 30 June 2007, the Company has receivables linked to GSG acquisition, for a total amount of EUR 14.2 million (EUR 7.1 million towards Orco Property Group S.A. and EUR 7.1 million towards MSREF V).

In addition, on 2 January 2007, Viterra Ceska spol s.r.o. has been sold to Orco Property Group S.A. for an amount of EUR 2.7 million.

14. Capital commitments

The Group is committed to finalize the acquisition of Gebauer Höfe in Berlin-Charlottenburg situated on:

- Franklinstrasse, 9-10 (area size6,800 m²)
- Franklinstrasse, 11-14 (area size12,859 m²)
- Franklinstrasse, 15-15a (area size2,662 m²)

It includes 11 buildings representing a leasable space of approximately 32,000 square meters and 7 courtyards reaching a usable space of 10.600 square meters. Six buildings dated from the late nineteenth century require a partial refurbishment. Four buildings, constructed around 1990, are in an excellent state. The last one is dedicated to demolition.

The property Franklinstrasse 11-15A is listed as a classified building in the register of monuments (Denkmalliste). The total acquisition price amounts to EUR 40.5 million (advance payment of EUR 10.0 million already made).

15. Events after balance sheet date

On the 6 July 2007 the upper house of the German parliament (the Bundesrat) passed the 2008 tax reform. In accordance with IFRS provisions, the overall German effective tax rate of 40 per cent has continued to be used as the basis for the calculation of the deferred taxes stated in the 2007 interim financial information.

By using the new overall German estimated effective tax rate of 31 per cent, the net amount of deferred tax liabilities as at 30 June 2007 would decrease by EUR 27.2 million resulting in a one-time deferred tax income in the income statement of the third quarter in 2007.