

PRESS RELEASE

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Preliminary unaudited half year results 2011**ORCO Germany S.A.: Net profit increases but refinancing remains challenging**

In the first six months of 2011, ORCO Germany S.A. almost doubled its net profit on a year-on-year basis. The Company realized a net profit of €15.2 million whereas in the first half of 2010, net profit had amounted to €8.3 million. While net profit increased, revenues decreased by €67.4 million in the first half of 2011 and amounted to €31.9 million due to the fact that no development sales were realized in the period. In the context of the lower revenues, the adjusted EBITDA ended up at €12.9 million for the first half of 2011, decreasing by 35.2% in a year-on-year comparison. Mainly on account of lower valuation gains, the operating result (EBIT) in comparison to the first half year 2010 decreased by €9.1 million to €31.4 million. The diluted earnings per share moved from €0.17 in June 2010 to €0.31 in June 2011.

The main drivers for the increased net profit were gains on disposal of assets resulting from the share-deal on the land plot Leipziger Platz, lower employee benefits, savings achieved on other operating expenses due to the ongoing optimization of cost structures and lower interest expenses reflecting the volume of asset sales conducted in 2010 and 2011. The fact that no development sales were realized during the first six months of 2011 whereas in 2010 the Healthcare portfolio and H2 Office were disposed of, leading to total revenues of €71.0 million, accounted for the decrease of revenues by 67.9%.

Refinancing of GSG loan and restructuring the Corporate Bond remain challenging

"With our strategic disposal plan and ongoing cost cutting programme, we managed to strengthen ORCO Germany's core business and record net profits. But despite this positive development, we are still in a very challenging situation when it comes to the refinancing of the €300 million GSG loan and the refinancing of the €100 million Bond. They will be our main focus for the coming months", said Jean-Francois Ott, CEO of ORCO Germany S.A.

Between January and June asset sales were closed for a total amount of €119.1 million. The company will continue its selected disposal program of remaining non-core assets starting with Sky office, to be contracted by year end, and also Hakeburg, Hüttenstraße and GSG's Kurfürstenstraße. In line with the disposals, ORCO Germany's leasing income decreased from €32.0 million in the first half year of 2010 to €27.7 million in the first half year 2011. In contrast to the overall lower leasing income of the group, ORCO-GSG's Berlin business parks revenues increasing by 0.3% to €25.6 million on a year-on-year basis. Therein the rental income of GSG increased by 2.0%. According to the strategy to dispose of non cash-generating assets, GSG now represents 92.2 % of total revenues of ORCO Germany compared to a share of only 79.7% in 2010.

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 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 listings on NYSE Euronext Paris, Prague, Budapest and Warsaw stock exchanges.

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