
PRESS RELEASE

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Half-year results 2012

ORCO Germany: Reinforcement of balance sheet as GSG refinancing progresses.

Key Events: first half results and post-closing events:

- **Signature of refinancing term sheet on GSG for approximately EUR 270 Million**

At the end of August the Group has obtained a detailed term sheet for financing from a club of German banks in the amount of approximately EUR 270 Million. In light of such progress, the Company expects to obtain a further extension of the standstill agreement on the existing EUR 286 Million financing beyond 31 August 2012.

- **Executing of OG's bonds restructuring:**

Approximately 85% of the OG bonds have been acquired by OPG against notes convertible in two steps into approximately 26 Million new OPG shares and the remaining OG bonds can be exchanged for a maximum of EUR 20 Million of newly issued OPG notes (the 'New Notes'). The first step of conversion into 18 Million new shares took place in May, bringing the total number of OPG shares issued to 35 Million.

Half year financial lights:

- **Revenues and occupancy rate of GSG reach all time high**

In the first half of 2012, the total revenues of ORCO Germany S.A. amounted to EUR 32.3 million, a slight increase compared to previous year's EUR 31.9 million. ORCO-GSG, the key asset of ORCO Germany, continued improving rental revenues. With revenues of EUR 26.2 million in the first half of 2012, GSG elevated revenues compared to previous year's period by EUR 0.6 million or 2.4%, thus delivering the lion's share of the total revenues of ORCO Germany. This was reached by GSG due to an increased average commercial net rent (from EUR 4.90 to EUR 5.11 per sqm) and a raise in the overall occupancy rate from 77.1% in June 2011 to 78.9% in June 2012. Both, revenues and occupancy rate, are on an all-time high.

The adjusted EBITDA improved to €15.9 million, up 23.1% from €12.9 million in H1/2011, reflecting the continuous improvement of the Company's operational profitability.

Despite this stable development of revenues, ORCO Germany reported a decrease of its operating result (EBIT) to EUR 3.1 million (EUR 31.4 million in the first half of 2011) and a net loss of EUR 12.3 million (H1/2011: net profit of EUR 15.3 million). The main reasons for this sharp decline were negative

effects from impairments taken, among others, on the Sky office building in Düsseldorf (EUR 13.6 million) and a provision set up for potential litigation on Leipziger Platz (EUR 4.0 million)

- **Financial restructuring shows positive effects**

In its Management Report for the first six months of the financial year 2012, ORCO Germany states, that as at 30 June 2012, the equity of ORCO Germany has been raised significantly to EUR 165.5 million (versus EUR 69.8 million in 2011). The increase in equity mainly stemmed from the bond restructuring and the accompanied capital increase of EUR 109.1 million as a consequence of ORCO Property Group holding 85% of the bonds. With the conversion of these OG bonds into bonds convertible in shares issued by ORCO Property Group and, in addition, repayments on the GSG loan as well as loan redemptions executed mainly on sold assets, total financial debts of ORCO Germany as at 30 June 2012 have been reduced to EUR 440.8 million (31 December 2011: EUR 534.5 million). Thus, the loan to value ratio improved from 78.0% as at 31 December 2011 to 65.6% thanks to the Group's deleveraging efforts taken.

Outlook

Management remains confident to close the GSG refinancing by year end and benefit from the historically low interest level once the refinancing has been finally concluded. The Company also expects to have closed the Sky office disposal.

Furthermore, ORCO-GSG might continue to dispose assets which are not judged as of strategic importance. The scale of the disposal program depends on achieved sales prices as well as the associated tax impact. In addition, ORCO-GSG is examining development potentials on existing assets with the aim to expose and enlarge spaces which can be leased out.

After approximately 85% of the ORCO Germany bonds have already been converted into ORCO Property Group issued bonds convertible into shares, it is aimed at to exchange remaining 15% of ORCO Germany bonds into new notes issued by ORCO Property Group in September in order to finalize the equitization of the ORCO Germany bond.

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 ORCO Property Group, established in 1991, is based in Luxembourg and has listings on NYSE Euronext Paris, Prague and Warsaw stock exchanges.

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