

PRESS RELEASE

Luxembourg, November 27 2008

ORCO Germany - 9 months accounts 2008

Focus on core business

Cost reduction plan implemented

Adjusted EBITDA increased from -0.1 Million EUR to 13.7 Million EUR

Operating result of leasing portfolio increased to 79.2 Million EUR

ORCO Germany S.A.'s Board of Directors has approved on the 27th of November 2008 the companies consolidated financial statements for 2008.

I. Profit & Loss

	September 08	September 07
Revenue	60 226	65 670
Net gain from fair value adjustments on investment property	60 953	47 361
Other operating income	513	349
Cost of good sold	-11 605	-35 336
Employee benefit	-9 749	-4 460
Amortization, impairments and provisions	-17 668	- 904
Other operating expenses	-30 017	-22 603
Operating result	52 653	50 077
Interest expense	-26 304	-14 706
Interest income	1 130	2 571
Other net financial result	- 828	-6 757
Financial result	-26 003	-18 892
Profit before income taxes	26 650	31 185
Income taxes	-11 967	11 940
Net profit	14 683	43 125
Attributable to minority interests	- 18	-1 101
Attributable to the Group	14 701	44 226

A. Revenues

Leasing Revenues

ORCO Germany's investment portfolio generated 42.1 Million EUR of leasing income (compared to 12.7 Million EUR by the end of September 2007). Contribution of GSG and its affiliated companies (excluding intercompany effects) amounted to 35 million EUR within the first nine months 2008.

Although the third quarter was effected by a 6,687 sqm space reduction of a large tenant the occupancy rate of ORCO-GSG improved to 74.2% in 2008 (compared to 71.6% at YE 2007). The Leasing requests were again recorded across almost all business sectors. The development of the assets in the Eastern parts of Berlin remains positive. Three of five top-performing assets are located in Eastern Berlin. Additionally leases show a positive trend – leasing levels for new lettings are in average around 13% above average leases for existing leases. In all, the leasing revenues in the period January 01, 2008 to September 30, 2008 increased by 6.7% compared to the leasing revenues in the respective period 2007.

ORCO Germany's investment portfolio comprises a total of 913,000 sqm of lettable area, compared to 925,000 m² in September 2007.

Moreover the agreed leasing contracts for Sky Office and H2Office ensure an increasing leasing income for the future. Currently the letting status contracted for the projects Sky Office has been increased by 1800 sqm to a letting status of 60% and for H2 Office a leasing contract of 1150 sqm has been signed leading to an occupancy rate of 10%.

Development revenues

Development revenues amount to 19.2 million EUR. They primarily were produced by the sale of 22 delivered residential units and the sale of commercial project Voßstraße.

Additionally were contracted 9 units by end of Q3 and further 9 sales contracts were agreed in October. All these units will be delivered in Q4 2008. There are very good chances that until the yearend all residential units will be sold and delivered.

B. Adjusted EBITDA

The adjusted EBITDA for the first nine months amounts to 13.7 million EUR for 60.2 million EUR of turnover (versus -0.1 million EUR in September 2007 for 65.7 million EUR turnover). The adjusted EBITDA raised by 9.96 million EUR while the turnover has decreased by 5.4 million EUR, showing a significant improvement of the operating profitability especially in the leasing sector.

The adjusted EBITDA of the development activity amounts to -6.7 million EUR in September 2008 compared to -5.66 million EUR in September 2007. Until September 2008, there was fewer development projects finished than in the same period in 2007, which explains that development revenues could not reach the same level as in the previous year.

The adjusted EBITDA of the leasing portfolio amounts to 20.4 million EUR compared to 5.5 million EUR for the same period in 2007.

	Development	Leasing	TOTAL
OPERATING RESULT	-26501	79154	52653
adjustments on investment property	-608	-60345	-60953
Amortization, impairments and provisions	17774	-106	17669
Correction of cost of goods and assets sold	2679	1699	447
ADJUSTED EBITDA	-6655	20402	13747

C. Operating Result

The third quarter of 2008 closes with a positive operating result of 52.7 million EUR vs. 50.1 million EUR in September 2007. The result includes surplus on revaluation on assets.

The operating result comprises impairments related to the revaluations performed by DTZ for the assets Fehrbelliner Höfe (-10.3 million EUR) and Helberger (-7.0 million EUR).

The operating result contributes to ORCO Germany's two business lines:

The operating result of the development activity was -26.5 million EUR in September 2008 compared to 20.9 million EUR in September 2007.

The operating result of the leasing portfolio amounts to 79.2 million EUR compared to 29.2 million EUR for the same period in 2007. This result is composed of increased leasing revenue and decreased operating expenses and a gain from fair value adjustments in the leasing segment.

D. Financial Result

The net financial result in the end of third quarter of 2008 amounts to -26.0 million EUR compared to -18.9 million EUR for the first three quarters in 2007. The interest expense of -26.3 million EUR vs. -14.7 million EUR corresponds to the Group global financial charges. The cash interest rate of the global debt (bond excluded) amounts to 5.50%. Bank borrowings show an interest rate after hedging of 5.27%.

II. NAV Calculation

A complete revaluation of the portfolio is being reviewed as we speak. Therefore, the management does not release for this period any calculation of the net asset value.

The fair value adjustments and the impairments correspond to those booked as of June 30, on the basis of a full review of the portfolio performed by the management and DTZ at this date

III. Outlook

The focus lies on the completion of the projects in construction such as Sky Office (Düsseldorf), H2 Office and Health care projects. Consequently the already successfully achieved letting status for both project shall be further increased. Negotiations regarding significant area sizes are in final stages for Sky Office and H2 Office. The planning and preliminary development work of the key projects Leipziger Platz and Cumberland (Berlin) are continuing.

ORCO Germany will dispose of all remaining residential units of its developments projects by the end of 2008 allowing to focus on commercial developments and asset management.

ORCO Germany will continue to focus on increasing the occupancy level while optimizing further the operating costs of its rental portfolio.

A task of the next months also becomes the continued optimisation of the structures and processes to set up by an even more efficient approach and to realise further cost savings and synergies. The group settled a cost cutting program which effects are yet not visible in third quarter accounts. It concerns staff reduction, closing offices in secondary cities, overhead costs reduction.

Three priorities have been implemented:

- 1) Reduction of the launch of new projects, resulting into a downsizing of the project management teams
- 2) Downscale support functions
- 3) In depth monitoring of marketing, consulting & travel expenses.

As at September 2008, the short-term debt (< 1 year) amounts to 74.3 million EUR. The total amount of debt declined slightly since December 2007 from 640.1 million EUR to 639.7 million EUR.

It is the strategy of the management to turn short term loans into longer maturity ones. The company is working on the global restructuring of its debt. The management anticipates that considering the ongoing discussions with banks the financings should be prolonged after increase of the equity portion in each project.

Condensed consolidated interim balance sheet

ASSETS		
	September 08	December 2007
NON-CURRENT ASSETS	907 897	859 362
Intangible assets	52 034	51 930
Investment property	831 720	782 319
Property, plant and equipment	17 091	16 286
Own-occupied buildings	13 140	13 096
Fixtures and fittings	3 345	2 782
Properties under development	606	408
Financial assets at fair value through profit & loss	438	2 124
Deferred tax assets	6 614	6 703
CURRENT ASSETS	239 950	261 019
Inventories	169 541	112 508
Trade receivables	6 190	33 745
Other receivables	21 708	18 397
Derivative Instruments	1 805	687
Current financial assets	378	861
Cash and cash equivalents	40 328	94 821
TOTAL	1 147 847	1 120 381

EQUITY AND LIABILITIES		
	September 08	December 2007
EQUITY	286 187	271 507
Shareholders' equity	285 876	271 179
Minority interests	311	328
LIABILITIES	861 660	848 874
Non-current liabilities	544 869	584 533
Bonds	85 949	83 432
Financial debts	435 159	482 307
Provisions & other long term liabilities	11 417	10 336
Derivative instruments	12 344	8 458
Deferred tax liabilities	123 276	111 621
Current liabilities	193 515	152 720
Financial debts	118 591	74 347
Trade payables	14 073	11 397
Advance payments	30 602	28 217
Derivative instruments	320	748
Other current liabilities	29 929	38 011
TOTAL	1 147 847	1 120 381

Condensed consolidated interim cash flow statement

	September 08
Operating result	52 653
Net gain from fair value adjustments	-60 953
Amortization, impairments & provisions	17 668
Gains and losses on disposal of investments	- 496
Adjusted operating profit / loss	8 872
Financial result	400
Income tax paid	- 542
Financial result and income tax paid	- 142
Changes in operating assets and liabilities	1 198
NET CASH FROM OPERATING ACTIVITIES	9 928
Acquisition of subsidiaries, net of cash acquired	0
Capital expenditures	-34 373
Proceeds from sales of non current tangible assets	13 475
Purchase of intangible assets	- 162
Purchase of financial assets	0
Net interest paid	-29 011
NET CASH FROM OPERATING ACTIVITIES	-50 071
Issue of equity instruments	0
Proceeds from borrowings	36 479
Repayments of borrowings	-50 733
NET CASH FROM FINANCING ACTIVITIES	-14 254
NET INCREASE / DECREASE IN CASH	-54 397
Cash and cash equivalents at the beginning of the period	94 821
Exchange difference on cash	- 96
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	40 328

About ORCO Germany

ORCO Germany S.A. is a real estate company that has its registered seat in Luxembourg and that is listed in the Prime Standard on the Regulated Market of Frankfurt Stock Exchange. The ORCO Germany group, which operates under the uniform registered trademark ORCO Germany, has been pursuing its activities in Germany since 2004 and concentrates on commercial properties as well as on asset management and project development. ORCO Germany currently employs about 214 members of staff.

In 2006, ORCO Germany strategically reinforced its project development operations by acquiring Viterra Development. Viterra Development was renamed ORCO Projektentwicklung GmbH at the beginning of 2008 and is one of the leading project developers and investors specializing in commercial and residential properties in the German core markets of Berlin, Düsseldorf, Frankfurt, Hamburg and Munich. ORCO Germany expanded its portfolio of properties in Berlin in June of 2007 by taking over Gewerbesiedlungs-Gesellschaft (GSG); the company now manages approximately 1 million square meters of developed and undeveloped areas. GSG was established in 1965 and is the largest owner of commercial space in Berlin with about 825,000 square meters of office and multifunctional space. ORCO-GSG owns 45 so-called commercial courtyards and centres, as well as 235 residential units. Most of the properties are located in the city centre with excellent connections to the Berlin public transportation network.

ORCO Germany S.A. is a subsidiary of ORCO Property Group S.A. Established in 1991, the company has its registered seat in Luxembourg and is listed on the Euronext, Prague, Budapest and Warsaw stock exchanges. It operates primarily in the Czech Republic, Hungary, Poland, Russia, Croatia, the Slovak Republic and Germany.

ORCO Germany was listed on the Open Market from 2006 until November 2007, when it transferred to the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange.

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