

PRESS RELEASE

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ORCO Germany – First quarter 2009 financial results

I. Loss mainly due to write-downs and impairments.

Revenues amount to €17 Million vs. €15.4 Million in the 1st Quarter 2008;
Stable development of rental income to €14.2 Million (€13.8 Million in 2008)

REVENUES			
	March 2009	March 2008	% change
Leasing	14.225	13.765	3,3%
Development	3.955	1.802	119,5%
Intersegment eliminations	-1.173	-151	
TOTAL	17.007	15.416	10,3%

Leasing Revenues

ORCO Germany's investment portfolio generated €14.2 million of leasing income (compared to €13.8 million in 2008). ORCO-GSG with its 818,000 m² of lettable area contributed €11.8 million (compared to €11.6 million in the first quarter 2008). ORCO-GSG's leasing income increased by 2% from 2008 to 2009.

In the first quarter, the Company managed to increase the occupancy rate slightly by 0.2% (to 74.8% as at 31st March) and to increase the average rental income per m² (from €6.07 to €6.14). The net take-up in the first quarter of 2009 amounted to 2,675 m². Therefore the total net take-up since take-over in July 2007 increased to 37,055 m². During the same period the average rental income per m² increased by 4.8%.

Residential leasing income has lost almost all impact as several assets were disposed of in 2008 and further ones will be sold in 2009.

Development revenues

The development revenues (sales of tangible assets—development) in the first quarter 2009 amounted to €4.0 million vs. €1.8 million in the first quarter 2008.

The main contributors were Ottensen, Hamburg (€1.1 million), Am Grünen Jäger (€0.8 million) and Taunusside (€1.1 million). In 2009 the remaining 4 unsold units in Ottensen, Hamburg and QWaterwest, Frankfurt are expected to be delivered.

Adjusted EBITDA of 3.114 Million EUR

The adjusted EBITDA (i.e. operating result without net gain from fair value adjustments on investment property, amortization, impairments and provisions as well as cost of goods sold) amounted to €3.1 million on €17.0 million of revenue (vs. €4.8 million in March 2008 on €15.4 million of revenue).

The two business lines of ORCO Germany's contribute as follows:

- The adjusted EBITDA of the leasing segment increased by 17.1% to €6.1 million vs. €5.2 million by March 2008. This value includes losses on disposal of assets by €2.1 million. The adjusted EBITDA before assets sold has been raised by 58.4%.
- The adjusted EBITDA of the development activity amounted to €-3.0 million compared to €-0.4 million in March 2008.

Adjusted EBITDA	Development			Leasing			Total		
	March 2008	March 2009	%	March 2008	March 2009	%	March 2008	March 2009	%
Operating result	8 137	-8 115		4 455	6 099	0	12 592	-2 016	
Net gain from fair value adjustments on investment property	-9 366	5 766		0	0		-9 366	5 766	
Amortization, impairments and provisions	904	- 482		720	800		1 624	318	
Correction of COGS	0	- 124		0	- 831		0	- 955	
Adjusted EBITDA	- 355	-2 955	-	5 176	6 068	17,2%	4 821	3 114	35,4%
Net result on sale of assets		0			-1 890		0	-1 890	
Correction of assets sold		0			- 248		0	- 248	
Adjusted EBITDA before assets sold	- 355	-2 955	-	5 176	8 206	58,5%	4 821	5 252	8,9%

Operating Result

The first quarter 2009 closes with a negative operating result of €-2.0 million vs. €12.6 million in March 2008.

The operating result includes:

- Revaluation losses on investment property of €-5.8 million (Wertheim valued at 90€ million) vs. revaluation gains of €9.4 million in March 2008.
- Several disposals of non-strategic assets have been executed. They were concluded with a margin of 7.8% below fair value and created sales revenues of €22.4 million.
- Personnel costs of €2.7 million in March 2009 compared to €3.1 million in March 2008. This 14% decrease is due to the impact of the staff reduction in the fourth quarter 2008. In the first quarter 2009 the staff costs also contain non-recurring severance payments.
- Other operating expenses of €7.8 million vs. €10.1 million in March 2008. They decreased by 23% due to the impact of the cost reduction program. On account of the closing of branch offices rents were reduced by 42%. From sharp cost cutting result the decreases of marketing expenses by 49%, the travel expenses by 61%, the communication and IT expenses by 59% and consultancy expenses by 22%. These cost savings compensated the increase of utility supply expenses by 21.6%. Building maintenance expenses remained stable at the pre-year level.

Financial Result

The net financial result for the first three months of 2009 amounts to €-16.8 million versus €-13.3 million in March 2008. The financial result includes interest expenses of €8.2 million (vs. €10.1 million in March 2008), interest income amounts to €0.2 million versus €0.6 million in March 2008.

The other net financial results amount to €-8.8 million (vs. €-3.9 million in March 2008), which is mainly caused by the fair value measurement of interest rate swaps (€-8.1 million), due to lower interest rates.

II. Significant transactions and events.

Restructuring process continued

After the transition year 2008, ORCO Germany forced its change from an expanding cash-requiring developer/investor active in most German regions into a focused positive cash flow-generating investor.

The Group managed to decrease its costs significantly. Further effects of ORCO's cost savings program are expected to influence the results of the following quarters in 2009.

III. Outlook.

Regarding the income side, 2009 has started with a further slight improvement of the leasing activities. Though it is difficult to predict how the tenant base will cope with the challenging economic environment, ORCO Germany's tenants recruit from a wide variety of economic sectors. So the risk profile of the Group in the renting sector is expected to remain stable.

In the last quarters the income of the Company was much affected by the fair value measurements of investment property, inventories and derivative instruments. Especially the interest rates are not expected to decrease further, what will finish the down-turn of fair values of derivative instruments.

¹: except of the technical university

Consolidated financial statements

	March 2009	March 2008
Revenue	17 007	15 416
Net gain/loss from fair value adjustments on investment property	-5 766	9 396
Other operating income	- 439	56
Cost of goods sold	-2 043	2 550
Employee benefit	-2 682	-3 095
Amortization, impairments and provisions	- 318	-1 624
Other operating expenses	-7 776	-10 106
Operating result	-2 017	12 593
Interest expenses	-8 172	-10 059
Interest income	168	648
Other net financial results	-8 843	-3 867
Financial result	-16 846	-13 278
Profit/loss before income taxes	-18 863	- 685
Income taxes	- 249	- 764
Net profit/loss	-19 112	-1 449
Attributable to minority interests	- 5	- 70
Attributable to the Group	-19 107	-1 379

Consolidated financial statements

ASSETS		
	March 2009	December 2008
NON-CURRENT ASSETS	779 807	808 449
Intangible assets	51 154	51 172
Investment property	712 592	741 050
Property, plant and equipment	14 117	14 166
Own-occupied buildings	10 896	10 912
Fixtures and fittings	3 124	3 254
Properties under development	97	0
Financial assets at fair value through profit & loss	385	489
Deferred tax assets	1 560	1 572
CURRENT ASSETS	260 560	234 465
Inventories	196 820	171 868
Trade receivables	10 023	9 959
Other receivables	20 805	17 832
Derivative Instruments	16	31
Current financial assets	144	136
Cash and cash equivalents	32 752	34 639
TOTAL	1 040 367	1 042 914

EQUITY AND LIABILITIES		
	March 2009	December 2008
EQUITY	130 659	149 769
Shareholders' equity	130 658	149 764
Minority interests	0	5
LIABILITIES	909 709	893 144
Non-current liabilities	661 660	649 145
Bonds	87 678	86 793
Financial debts	463 981	448 705
Provisions & other long term liabilities	12 015	12 096
Derivative instruments	5 841	8 031
Deferred tax liabilities	92 145	93 520
Current liabilities	248 049	244 000
Financial debts	134 157	136 901
Trade payables	20 610	16 977
Advance payments	28 427	28 070
Derivative instruments	32 485	22 329
Other current liabilities	32 368	39 723
TOTAL	1 040 367	1 042 914

About ORCO Germany

ORCO Germany 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 S.A. is a subsidiary of ORCO Property Group. Established in 1991, ORCO Property Group has its registered seat in the Grand-Duchy of Luxembourg and is listed on the Euronext Paris, 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 since 2006. It was transferred to the Prime Standard at the Frankfurt Stock Exchange on 13th November 2007.

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