



GERMANY

PRESS RELEASE

Berlin, 19th November 2009

Report on the first nine months of 2009

Good operating performance by ORCO Germany S.A.

- **Strong performance of the rental business in Berlin and impact of restructuring measures lead to 87% increase of adjusted EBITDA**
- **Reinforcement of equity position by expected conversion of a shareholder loan**
- **Sky Office has been completed on time and delivered to tenants**
- **Loss mainly due to second quarter write-downs and impairments**

ORCO Germany S.A. continued its restructuring programme in the third quarter of the 2009 financial year and improved its operating profitability. Adjusted EBITDA in the first nine months of the current financial year rose by 87% to EUR 16.1 million on sales of EUR 51.2 million. A year ago, the company generated sales of EUR 60.2 million and adjusted EBITDA of EUR 8.6 million. EBITDA margin increased by 17 percentage points up to 31% compared to 14% in third quarter of 2008. This progression was driven by the good leasing performance of the GSG portfolio and the impact of the restructuring efforts, although the restructuring exercise will not take full effect until next year. During the first nine months personnel costs were cut by EUR 2,8 million or 29% compared to the same period last year due to the impact of the effective staff reduction and branch office closures accomplished.

“Next to the good operating performance we are pleased by the decision taken by our shareholders, who voted for the resolutions proposed (conversion of a shareholder loan) at the extraordinary general meeting at the end of October to improve our equity base,” says Rainer Bormann, CEO of ORCO Germany S.A..

The ORCO Germany portfolio generated rental income of EUR 41.5 million in the period under review. The rental income reported by ORCO-GSG, the core area of the company's operations, increased by 9% to EUR 38 million. ORCO-GSG also increased its occupancy level by 0.7% to 75.3% on 30. September 2009, while raising the average rental price from EUR 6.07 to EUR 6.24 per square metre. The company expects to continue generating stable rental income growth in its core business.

The development project Sky Office in Dusseldorf was completed and handed over to tenants on time and has a 65% occupancy rate. There are signs of a slight pick up in demand for high quality office space in Düsseldorf.



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H2 Office in Duisburg, one of the two developments still under construction, will be completed on time at the beginning of next year. Two health care projects were handed over on time. The most recent project – a senior citizens' centre in Gütersloh – was officially opened in the fourth quarter.

The loss in the period under review amounted to EUR 108.7 million, compared with earnings of EUR 14.7 million in the previous year. The main reasons for the large reduction are devaluations of property in the fixed assets and depreciation of inventories in the second quarter of 2009.

The complete quarterly report can be downloaded from <http://www.orcogermany.de/quartalsabschlusse.html>.

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 makes consistent use of the registered ORCO Germany brand name, has been operating in Germany since 2004 and concentrates on commercial property, asset management and project development.

ORCO Germany S.A. is a subsidiary of ORCO Property Group, which is one of the leading Central European property companies. The company was established in 1991, is based in Luxembourg and has Euronext, Prague, Budapest and Warsaw Stock Exchange listings. It operates mainly in the Czech Republic, Hungary, Poland, Russia, Croatia, the Slovak Republic and Germany.

ORCO Germany obtained a listing on the Open Market in 2006 and switched to the Prime Standard at Frankfurt Stock Exchange on 13. November 2007.

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