
PRESS RELEASE

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ORCO Germany S.A.: Significant increase in Q1 net profit

ORCO Germany S.A. realized a net profit of €2.2 million in the first quarter of 2011. This represents an increase by €9.4 million in comparison to the net loss of -€7.2 million in the first quarter 2010. The main drivers of this significant improvement were lower interest charges due to executed asset disposals and valuation gains realized on derivative instruments.

The operating result improved by €0.8 million to a total of €7.6 million. This increase derived from two factors: On the one hand gains from disposal of assets driven by the sale of ORCO Leipziger Platz GmbH in February 2011. On the other hand slightly higher revenues from completed development projects as well as Asset Management activities by GSG, who managed to increase the average commercial rent by 1.4% from €4.86 per sqm to €4.89 per sqm. The occupancy rate decreased within the first quarter of 2011 from 77.2% in December 2010 to 76.3% in March 2011, but was more than compensated by the increase in rental income. The management expects to reach an occupancy rate of 79% by the end of the year.

The adjusted EBITDA in the first quarter of 2011 amounted to €8.0 million with a margin of 46.7%. This represents an increase in margin of 4.7 percentage points compared to the first quarter of 2010.

Since the acquisition of GSG in 2007, the total net take-up increased to 47.899 sqm leading to a rise in occupancy rate from 70.4% to 76.3%. During the same period, the average rental income per sqm increased by 9.1%. At present, rental income contributes with 87% to the total revenues of ORCO Germany.

“With the performance of GSG over the past few years in mind and the Asset Management Segment as the new core segment of ORCO Germany, we are quite positive for our future business development,” said Jean-Francois Ott, CEO of ORCO Germany S.A.

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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