

PRESS RELEASE

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First Half Year Results 2008 (non-audited)

26.8 Million EUR profit

9% EBIT increase to 48.8 Million EUR

Operating result of renting portfolio increased to 72.8 Million EUR

60.9 Million EUR of revaluation profit

ORCO Germany S.A.'s Board of Directors has approved on the 28th of August 2008 the condensed consolidated financial information as of June 30th, 2008.

I. Profit & Loss

P & L		
	June 2008	June 2007
Revenue	39,936	32,786
Net gain from fair value adjustments on investment property	60,953	46,329
Other operating income	1,898	0
Cost goods sold	-9,636	-16,514
Employee benefits	-5,396	-2,822
Amortisation, impairments and provisions	-18,445	-62
Other operating expenses	-20,563	-15,051
Operating result	48,747	44,666
Interest expenses	-18,681	-4,531
Interest income	1,948	1,595
Other net financial results	8,601	-3,103
Financial result	-8,132	-6,039
Profit before income taxes	40,615	38,627
Income taxes	-13,864	-17,961
Net profit	26,751	20,666
Attributable to minority interests	-12	-1,054
Attributable to the Group	26,763	21,720
Basic earnings in EUR per share	0.55	0.61
Diluted earnings in EUR per share	0.55	0.60

A. Revenues

Renting Revenues

ORCO Germany's investment portfolio generated 28.6 Million EUR of rental income (compared to 1.9 Million EUR in June 2007). Driven by the increased marketing activities ORCO-GSG's contribution in the first six months amounted to 23.1 Million EUR and exceeded all expectations.

During the first half of 2008, the occupancy rate of ORCO-GSG improved to 74.4%. The net take up increased by 160% YoY (from 12,539 sqm to 32,544 sqm) and the gross lettings increased by 60.31% YoY (from 39,362 sqm to 63,104 sqm). New renting request were recorded across almost all business sectors and related to space ranging from 100 sqm to more than 10,000 sqm. A very positive development was observed within the assets in the Eastern parts of Berlin. Among the five top-performing assets, three are located in Eastern Berlin. Also rents show a positive trend – rent levels for new lettings are in average around 13% above average rents for existing leases. ORCO-GSG as a result already shows a positive net cash flow (including financing costs) in the first half of 2008.

ORCO Germany's investment portfolio comprises a total of 934,540 sqm of lettable area, compared to 69,618 sqm in June 2007. The rental income from commercial holdings represents 86% of all rental revenues.

Residential Development

The turnover amounts to 3.2 Million EUR, for a total of 10 delivered units and is therefore on budget. During the first three months Forward Purchase Contracts for a total of 11 units were signed.

B. Revaluation Profit

The revaluation profit amounts to 60.95 Million EUR vs. 46.3 Million EUR in the first half of 2007. This revaluation profit only includes the revaluation of investment properties and land bank. Ongoing developments and properties under construction (both valued at cost less depreciation and impairment) are excluded from this calculation.

The main contributors to this revaluation profit are:

- i. ORCO-GSG with 60.3 Million EUR, (Wolfenerstraße 32-36: 9.8 Million EUR; Reuchlinstraße: 8.0 Million EUR; Geneststraße 7.2 Million EUR; Gustav-Meyer-Allee: 4.6 Million EUR; Plauenerstraße: 4.4 Million EUR and Helmholtzstraße 3.7 Million EUR).
- ii. Land bank Leipziger Platz with 9.4 Million EUR to 108 Million EUR.

The fair value on project Cumberland decreased by 8.8 Million EUR to 53.0 Million EUR.

C. Adjusted EBITDA

The adjusted EBITDA for the first six months amounts to 7.01 Million EUR for 39.94 Million EUR of turnover (versus -2.41 Million EUR in June 2007 for 32.79 Million EUR). The growth of the EBITDA has been much stronger than the one of the turnover, showing a significant improvement of the operating profitability.

The EBITDA of the development activity was -5.91 Million EUR in June 2008 compared to -2.20 Million EUR in June 2007. In these first six months of 2008 less development projects were finished than in the same period 2007, which explains how development revenues could not reach the same level as in previous year

The EBITDA of the renting portfolio amounts to 12.92 Million EUR compared to -0.21 Million EUR for the same period in 2007.

June 2008	Development	Leasing	TOTAL
Operating Result	-24,023	72,770	48,747
Net result from fair value adjustment on investment property	-608	-60,345	-60,953
Amortization, impairments and provisions	18,584	-139	18,445
Correction of cost of goods and assets sold	137	632	769
ADJUSTED EBITDA	-5,910	12,918	7,008

D. Operating Result

The first half 2008 closes with a positive operating result of 48.75 Million EUR vs. 44.67 Million EUR in the first half of 2007. The results includes surplus on revaluation on assets.

The operating result is including impairments related to the revaluations performed by DTZ for the assets Fehrbelliner Höfe (-10.3 Million) and Helberger (-7.0 Million).

The contribution of ORCO Germany's two business lines:

The operating result of the development activity was -24.02 Million EUR in first half of 2008 compared to 21.2 Million EUR in 2007.

The operating result of the renting portfolio amounts to 72.77 Million EUR compared to 23.46 Million EUR for the same period in 2007. This result is composed of increased renting revenue and in relation to that decreased operating expenses and a gain from fair value adjustments in the renting segment.

E. Financial Result

The net financial result in the first half year of 2008 amounts to -8.13 Million EUR compared to -6.04 Million EUR for the first half year of 2007. The interest expense of -18.68 Million EUR vs. -4.53 Million EUR corresponds to the Group global financial charges. The cash interest rate of the global debt (before hedging) amounts to 5.31%. The effective interest rate for the bonds is 7.90%. Bank borrowings show an interest rate after hedging of 5.24%.

Interest Income amounts to 1.95 Million EUR vs. 1.60 Million EUR in the first half year of 2007. The other financial results amounting to 8.60 Million EUR are mainly composed of gains from revaluation of derivative instruments.

II. NAV calculation

The method of the net asset value calculation is based on portfolio valuation and gives the real estate approach of the net asset value.

The NAV per share amounted to 7.81 EUR at the end of first half year of 2008 compared to an NAV per share of 6.70 EUR for the pre year figure. This represents a growth of 4.0 %.

Net Asset Value (in TEUR)	
Consolidated equity	297,940
Fair value adjustments on invest. Portfolio	710
Fair value adjustments on resid. Pipeline	1,279
Fair value adjustments on com. & office Pipeline	3,703
Deferred taxes on revaluations	122,028
Goodwills	-44,557
Own equity instruments	0
Net asset value	381,103
Net asset value per share	7.81 €
No of shares	48,771,333

III. Loan to Value

ORCO Germany's net financial debt amounts to 524.6 Million EUR (bank indebtedness and bonds issued) as compared to 489.53 Million EUR in the same period 2007. Cash and cash equivalents amount to 37.4 Million EUR vs. 92.8 Million EUR in the first half year of 2007.

The loan to value ratio reaches 58.5%.

Loan to Value (in TEUR)		
	June 2008	June 2007
Non-current liabilities		
Bonds	85,105	83,432
Financial debt	439,494	482,307
Current liabilities		
Financial debt	105,714	74,347
Current assets		
Current financial assets	-1,021	-861
Cash & cash equivalents	-37,348	-94,821
Net debt	591,944	544,404
Investment property	846,530	782,319
Owned-occupied buildings	13,134	13,096
Properties under development	324	408
Financial assets	1,550	2,124
Inventories	144,341	112,508
Revaluation gains on projects and properties	5,692	21,300
Fair value on portfolio	1,011,571	931,755
LTV	58.5%	58.4%

IV. Outlook

Important strategic objectives for the second half of 2008 include (i) the continuing increase of occupancy of Orco-GSG and further improvement of operational efficiency; (ii) continuation of the divestment program of non-strategic assets, (iii) focus on progress of ORCO Germany's large scale development projects such as Leipziger Platz, Haus Cumberland and SkyOffice.

V. Condensed consolidated interim balance sheet

Assets		
	June 2008	December 2007
Non-Current Assets	924,104	859,362
Intangible assets	51,981	51,930
Investment property	846,530	782,319
Property, plant and equipment	16,879	16,286
Own-occupied buildings	13,134	13,096
Fixtures and fittings	3,421	2,782
Properties under development	324	408
Financial assets	1,550	2,124
Deferred Tax assets	7,164	6,703
Current Assets	230,722	261,019
Inventories	144,341	112,508
Trade receivables	15,904	33,745
Other receivables	19,441	18,397
Other current assets	1,021	861
Derivate Instrument	12,667	687
Cash and cash equivalents	37,348	94,821
Total	1,154,826	1,120,381

Equity and liabilities		
	June 2008	December 2007
Equity	298,257	271,507
Shareholders' equity	297,940	271,179
Minority interests	317	328
Liabilities	856,568	848,874
Non-current liabilities	673,335	696,154
Bonds	85,105	83,432
Financial debts	439,494	482,307
Provisions	11,363	10,336
Derivative instruments	11,742	8,458
Deferred tax liabilities	125,632	111,621
Current liabilities	183,233	152,720
Financial debt	105,714	74,347
Trade payables	14,351	11,397
Advance payments	29,692	28,217
Provisions	-	-
Derivative instruments	-	748
Other current liabilities	33,476	38,011
Total	1,154,826	1,120,381

VI. Cash Flow Statement

Cash Flow Statement		
	June 2008	June 2007
Operating result	48,747	44,666
Net gain from fair value adjustments	-60,953	-46,329
Amortization, impairments & provisions	18,445	62
Gain and losses on disposal of investments	-259	-
Adjusted operating profit	5,980	-1,601
Financial result	-1,186	-
Income tax paid	-431	-373
Financial result and income taxes paid	-1,617	-373
Changes in operating assets and liabilities	4,602	-8,963
NET CASH FROM OPERATING ACTIVITIES	8,965	-10,937
Acquisition of subsidiaries, net of cash acquired	-	-262,140
Capital expenditures	-32,479	-125,466
Proceeds from sales of non current tangible assets	1,500	-
Purchase of intangible assets	-96	-30
Purchase of financial assets	-	-
Net interest paid	-21,061	-3,451
NET CASH USED IN INVESTING ACTIVITIES	-52,136	-391,087
Issue of equity instruments	-	48,733
Proceeds from borrowings	23,656	421,600
Repayments of borrowings	-37,962	-21,424
NET CASH FROM FINANCING ACTIVITIES	-14,306	448,909
NET INCREASE IN CASH	-57,477	46,885
Cash and cash equivalents at the beginning of the period	94,821	45,948
Exchange difference on cash	4	9
CASH AND CASH EQUIVALENTS (END OF THE PERIOD)	37,348	92,842

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 residential and commercial properties as well as on asset management and project development. ORCO Germany currently employs about 221 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, Dusseldorf, 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, one of the leading Central European real estate firms holding a portfolio worth EUR 2.7 billion (as evaluated on June 30th, 2008). 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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