

**RECENT NEWS**

Orco Property Group recently announced the acquisition of Viterra Development, a property development company based in Essen, Germany. Viterra Development, previously owned by Deutsche Annington, has been acquired by Orco Property Group's German subsidiary, ORCO Germany. Total value of the transaction, including the assumption of debt and the takeover of a number of properties, is approximately EUR 100 million and will be completed subject to Polish merger approval.

Orco Property Group and British-Canadian-Hungarian company TriGránit Development Corporation are cooperating in a joint venture on the tender for the Karolina project; a project consisting of the redevelopment of an Ostrava-based former coal factory. In this project, Orco and TriGránit continue fruitful co-operation that has proven to be successful in the form of Luxembourg Plaza, located in Prague city centre near the Flora metro station.

Orco Property Group has signed a 956 sqm lease deal at its prestigious Luxembourg Plaza office building with the Becherovka company. The seven year lease deal is expected to commence from 1st September 2006. Over 80% of the total project space is currently pre-leased at Luxembourg Plaza. New tenants include leading international companies such as Exxonmobil, Burda, GTS Novera and the Hotel Marriott.

Orco Property Group announced that Société Générale Corporate & Investment Banking (SG CIB) is to arrange a second Step-up Equity Financing (PACEO) for up to 1 million new shares, or 11,82% of the company's post-operation capital. The PACEO will allow Orco to issue a maximum of 1 million new shares on demand in one or more tranches, raising up to EUR 25 million of equity finance with each share issue. The total amount of capital raised will depend on the actual financing needs over the lifetime of the PACEO and will reflect the share's market performance and volumes exchanged. All subscriptions for shares by Société Générale Corporate & Investment will be at an issue price of at least 96% of the share price at the time of execution.

Orco Property Group participated in, and was one of the partners of, the annual international real estate conference CEDES 2006 held in Bratislava, Slovakia. Nearly 250 people attended the two day event at the Radisson Carlton Hotel to witness a series of six panel discussions on commercial, residential and industrial real estate. Human resources and the state of reforms in Slovakia were also discussed by speakers drawn from government ministries, academia and the private sector.

**During president Vaclav Klaus' official visit to the Ostrava region, he stayed at Orco's Hotel Imperial.**



On April 5, 2006 – Orco Property Group held a founding-stone ceremony for its luxury residential project, Avenue Gardens, located on the Hungarian Capital's Andrassy Avenue. Andrassy's enviable address and prime location are on par with the prestige of New York's 5th Avenue. Avenue Gardens will consist of 77 apartments ranging from 48 sqm to 185 sqm, a swimming pool, jacuzzi, fitness centre, sauna, a spectacular hedged garden with a waterfall and fountain, underground parking, and 24-hour concierge. In keeping with Andrassy Avenue's status of being on the UNESCO world heritage list, the facade of the main building (previously a school) will be restored to its original elegant character. A new Avenue Gardens sales point was opened as well.



**On April 6th, 2006 – Orco Property Group presented its consolidated and statutory accounts for the year 2005 presented from now on under IFRS.**

In thousand Euros	December 31, 2005	December 31, 2004	% Change
Revenues	50 348	70 670	- 28.7 %
Revaluation profits	78 975	25 411	+ 210.79 %
Net profit	54 523	18 789	+ 190.19 %
In Euros per share			
Revalued Net Assets	49.67	34.30	+ 44.81 %
Dividend	0.80	0.60	+ 33 %

**UPCOMING ORCO EVENTS**

- May 11<sup>th</sup> – 12<sup>th</sup> CEPIF 2006, Warsaw
- May 22<sup>nd</sup>, publishing of results and consolidated balance sheet of 1st quarter 2006
- May 25<sup>th</sup> – 28<sup>th</sup>, FIVB Orco Challenger 2006 in Brno, Czech Republic
- May 31<sup>st</sup>, Luxembourg Plaza grand opening, Prague, Czech Republic

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Orco Property Group is a leading investor, developer and asset manager in the Central European real estate and hospitality market, currently managing assets of approximately EUR 737 million. Operating in Central Europe since 1991, Orco Property Group is a public company, based in Luxembourg, and listed on both the Euronext and Prague Stock Exchange. Orco Property Group's portfolio includes, IPB Real, MaMaison Residences, Orco Hotel Collection, Orco Real Estate, and other retail properties. Orco Property Group operates in a number of countries including, mainly, the Czech Republic, Hungary, Poland, Russia, Croatia, Germany and Slovakia. Orco Property Group is continually analysing investment into new territories. Orco Property Group is also sponsor and manager of the Endurance fund, a Luxembourg-regulated, closed-end fund focused on Central European real estate assets and dedicated to institutional investors controlling assets of EUR 110 million.