

30th March 2006



A year of exceptional value creation

Appendices to press release to the Press Release of March 30st 2006
Consolidated financial statements for the year ended December 31, 2005

1. Consolidated Profit and Loss and balance sheet 31.12.2005

	December	December
	2005	2004
Revenue	50 348	70 671
Net gain from fair value adjustment on investment property	78 975	25 411
Other operating income	2 219	3 209
Cost of sale	-17 795	-43 819
Employee benefit	-13 259	-7 463
Amortization and impairments	-2 093	-4 853
Result from activities held for sale	2 365	0
Other operating expenses	-23 872	-11 962
Operating result	76 888	31 194
Financial result	-4 551	-4 195
Profit before income taxes	72 337	26 999
Income taxes	-16 065	-8 210
Net profit	56 272	18 789
Attributable to minority interests	-1 749	-89
Attributable to the Group	54 523	18 700

Assets			Equity and liabilities				
	Note	December 2 005	December 2 004		Note	December 2 005	December 2 004
NON-CURRENT ASSETS		538 357	208 728	EQUITY		293 799	108 855
Intangible assets		718	1 250	Shareholders' equity		246 073	106 751
Investment property	7	361 193	134 503	Minority interests		47 726	2 104
Property, plant and equipment		158 295	66 354				
Hotels and own-occupied buildings	8	126 034	48 398	LIABILITIES		398 337	189 816
Fixtures and fittings	9	7 397	5 802	Non-current liabilities		311 628	101 612
Properties under development	10	24 864	12 154	Bonds	16	84 364	30 829
Financial assets	11	13 121	2 286	Financial debts	16	183 060	56 655
Deferred tax assets	17	5 030	4 335	Provisions		1 001	762
				Deferred tax liabilities		43 203	13 366
CURRENT ASSETS		153 779	80 176	Current liabilities		86 709	88 204
Inventories	13	55 637	31 778	Financial debt	16	35 700	29 340
Trade receivables	14	5 553	22 145	Trade payables		20 787	18 116
Other current assets		43 500	10 511	Advance payments		19 210	26 939
Cash and cash equivalents		49 089	15 742	Other current liabilities		11 012	13 809
Held for sale activities	12	0	20 054	Held for sale activities	12	0	10 287
TOTAL		692 136	308 958	TOTAL		692 136	308 958

2. Highlights 2005

2.1. Acquisitions and disposals

3.1.1. Acquisitions

Renting segment was reinforced in all countries both in residential and offices but also in a new activity for Orco; the retail.

In the Czech Republic the group acquired Na Porici Office building, 30.000 sqm valued at 35 000 KEUR and a shopping center in Brno of 4959 sqm valued 4 250 KEUR.

In Hungary the group acquired 34 122 sqm offices including the Budapest Bank HQ and the Budapest Stock Exchange to be turned in a shopping center valued in total 65 720 KEUR. A 54 rooms extended stay hotel operated by a third party and valued 3 600 KEUR. Finally a 12.000 sqm parking valued 6500 KEUR.

In Poland the group acquired 1834 sqm offices part of the Diana residence valued 7 100 KEUR.

In Germany the group acquired four buildings in total 6 979 sqm of residential space valued 6 700 KEUR.

Development and sites was reinforced to secure the future sales capacities.

In the Czech Republic the group acquired 284 988 sqm valued 9 479 KEUR of land bank and one residential development of 3 999 sqm valued 3 300 KEUR.

In Hungary one residential development on the Andrassy Avenue, 6600 sqm valued 7 000 KEUR.

In Slovakia the group acquired one residential development of 9 153 sqm valued 6 000 KEUR.

In Germany, acquisition of one building turned into residential development of luxury lofts of 23 800 sqm valued 12 000 KEUR.

Hospitality was one of the biggest contributors in the investments with Suncani Hvar a chain of 10 hotels and 1172 rooms to be redeveloped. The value the portfolio attributable to Orco is 34 831

KEUR. One investment for MaMaison Residences was finalised with the Diana Residence in Poland, 46 rooms valued 9 000 KEUR.

3.1.2. Disposals

The group sold to the Endurance Fund the shares of the subsidiary owning Orco Business Park, the share deal amounted to 12 475 KEUR and turned into a non taxable net profit for Orco Property Group S.A. of 2 365 KEUR.

2.2. Equity and financing

2.2.1. Equity

To finance its strategy the group issued several financial instruments in the past leading to the issue of new shares. In the total, capital plus share premium increased by 73 619 KEUR corresponding to the issue of 2 169 754 shares. The issued shares corresponded mainly to a 300 000 shares private placement, 834 060 shares of the PACEO program, 620 120 of the exercise of the share subscription rights, 290 613 of the conversion of the convertible bond and 51 000 of the stock options.

2.2.2. Financing

Orco Property Group S.A. issued two bonds:

- an exchangeable bond of 24 169 KEUR represented by 928 513 bonds, 5.5 % interest, issue price 26.03 EUR exchangeable in Suncani Hvar shares (1 bond/1share), maturity 30/06/12.
- a bond with repayable subscription warrants of 50 273 KEUR, represented by 73 273 bonds, issued at 99.46, 4.5 % interest. Each bond received 15 subscription rights attached giving the right to subscribe to one Orco share at 68.61 EUR until 18/11/12

Subsidiaries set up direct bank financings as well for a total amount of 125 281 KEUR.

The total debt including bonds and bank financing and deducted by the cash position on 31.12.05 of 49 089 KEUR amounts to 254 035 KEUR.

2.3. Portfolio valuation.

The portfolio was valued by DTZ on 31.12.2005 except for Suncani Hvar for which the Group kept the valuation validated at the acquisition on June 2005.

The total value attributable to the Orco Shareholders amounts to 599 428 KEUR

	2005 KEUR	2004 KEUR	variation
Investment properties (offices & retail)	153 813	68 302	+ 125 %
Investment properties (residential)	31 010	23 281	+ 33.20 %
Development & sites	257 838	56 057	+ 359.96 %
Hospitality	156 767	102 348	+ 53.17 %
	599 428	249 988	+ 139.78 %

3. Business and earnings by segment

	Renting	Development	Hospitality	Other services	Total before inter – activity elimination	Intersegment activities	Total Net
Revenues	7 575	21 933	21534	3086	54129	-3782	50 347
Revaluation	12 953	44 103	21 919				78 975
EBIT	11 769	42 768	17 961	4766	77 264	- 376	76 888

3.1. Renting

Renting revenues include the rents of offices, residential and retail, they are in line with the projections and benefit from the increase of the rents, the average occupancy rate for the portfolio was at 92 % excluding Zlota, 82 % including Zlota knowing that this building will have to be empty by the end of the year when the construction of the tower will start and cannot be offered properly to tenants right now.

Per country the contribution is the following:

Czech Republic 92 % on 13 435 sqm
 Poland, 63 % occupancy on a portfolio of 10 249 sqm
 Hungary, 78 % occupancy on 2350 sqm
 Germany, 98 % occupancy on 6982 sqm

The level of renting will be increased in 2006 with the acquisitions done in 2005 as in Budapest for example with the Budapest Stock Exchange (17 500 sqm), Szervita Parking (11 699 sqm), Main Buda Bank (16 604 sqm), Budapest Small Bank Building (1 722 sqm) and Starlight Hotel with 54 suites. In the Czech Republic we will have the delivery of the Luxemburg Plaza office building with 20950 sqm office and retail

3.2. Development

The development activities were lower than in 2004 because of the level of flats available for sale. 191 units were transferred compared to 671 last year. Around 680 flats are to be delivered in 2006. The backlog on 31/12/2005 included already 633 Future Purchase contracts or reservation contracts.

3.3. Hospitality

The hospitality revenues are slightly better than in 2004 with an improvement of the Rev Par and the ADR; Orco Hotel Collection (Imperial, Riverside, Le Regina and Andrassy) showed an ADR of 93 EUR, up 6 EUR and a Rev Par of 51 EUR up 7 EUR; MaMaison Residences (including Pachtuv Palac still in launching period) showed an ADR of 99 EUR up 10 EUR and a Rev Par of 47 EUR down 12

EUR. Suncani Hvar for whole year had an Occupancy rate of 32.8 % (gross rate not retreated for seasonal effect), an ADR of 30.62 EUR and a Rev Par of 10.05 EUR. The effect of Orco management will show its effects only in 2006.

3.4. Other services

Services rendered to third parties relates to the management of Endurance Fund by Orco with an amount of 2 033 KEUR relating to the placement fee and the set up fees. Starting 2006 will start the invoicing of acquisition fees and fund management fees

4. Consolidated Cash flow

(Audit still under progress)

December
2 005

Operating Profit (EBIT)	76 888
Net value from fair value adjustments	-78 975
Amortization & impairments	4 013
Impairment on operating assets	-1 167
Provisions	-753
Gain and losses on disposal of investments	-2 777
Non cash transactions	1 393
Adjusted operating profit	-1 378
Financial result	2 821
Income tax paid	-4 331
Total finance expenses and income taxes	-1 510
Total changes in operating assets and liabilities	25 288
NET CASH FROM OPERATING ACTIVITIES	22 400
Acquisition of subsidiaries, net of cash acquired	3 563
Purchase of investment properties and PPE	-169 218
Proceeds from sales of PPE and other investments	3 085
Purchase of intangible assets	-157
Purchase of available for sale financial assets	-10 680
Proceeds from sale of held for sale activities	12 430
Net interest paid	-6 136
NET CASH USED IN INVESTING ACTIVITIES	-167 113
Issue of equity instruments from shareholders	81 265
Issue of equity instruments from minority	-298
Proceeds from borrowings	125 281
Repayments of borrowings	-25 560
Dividend paid to company's shareholders	-3 498
NET CASH FROM FINANCING ACTIVITIES	177 190
NET INCREASE IN CASH	32 477
Cash and bank at the beginning of the period	15 650
Exchange difference on cash	962
CASH AT THE END OF THE PERIOD	49 089
Control	0

5. Net Asset Value

The Net Asset Value is based on the consolidated net equity as at 31/12/2005 increased by:

The revaluation profit not taken into account in the net equity i.e. on the assets valued at the end of the year by an external appraisal but kept at cost level in the accounts due to its classification (IAS 16 or IAS2). This corresponds to the hotels and the development activities

The market value of the financial instruments the group owns but unrecognized in the accounts on 31/12/2005. This corresponds to the market value of 2000000 warrants on Suncani Hvar at 100 Kn.

The deferred taxes counted for on the revaluation of the buildings, the land bank and the developments.

	KEUR
Consolidated equity	246 073
Fair value adjustment	42 196
Deferred taxes	42 263
Unrecognized warrants	6 875
Net asset value attributable to the group	337 407
Number of shares issued on 31/12/05	6 792 578
Net Asset value per share	49,67

More detailed information will be given on April 6 2006 and full audited accounts with notes will be available on April 13 2006.