

# ADDITIONAL INFORMATIONS ON THE GROUP AS AT DECEMBER 31, 2005

## INFORMATION RELATING TO THE ISSUER AND CAPITAL

### 1 INFORMATION RELATING TO THE ISSUER

#### Company and registered office

Company name: ORCO PROPERTY GROUP  
Registered office: 8, Boulevard Emmanuel Servais –  
L-2535 Luxembourg

#### Legal form

A limited company for an unlimited term governed by Luxembourg law with a Board of Directors and capital of €27 849 569.80 represented by 6 792 578 shares, without nominal value as at December 31, 2005.

#### Date of company's founding and expiration

The company was incorporated on September 9, 1993.  
The duration of the company is unlimited.

#### Legislation

The company is a limited company for an unlimited term governed by Luxembourg law. It is governed by the law of August 10, 1915 relating to corporate law. French corporate law does not apply to the company.

The company is listed on Euronext on the Paris Stock Exchange and on the Prague Stock Exchange as well. Thus the company has to respect with the rules applicable to foreign companies listed on those two markets as well.

#### Corporate purpose

The Company seeks to acquire directly properties, take capital stakes in other firms and make loans available to companies within the group.

Its activities may include:

- investments in the real-estate sector entailing the purchase, sale, construction, promotion, management and rental of buildings as well as property development on its own or via one of its subsidiaries;
- investments in the hotel business, such as buying, selling, building, developing, managing and putting into operation hotels by the company itself or through its subsidiaries;
- the acquisition of equity interests in any form in any commercial enterprise, whether industrial, financial or other, in Luxembourg or abroad, regardless of whether they are part of the group, the acquisition of securities or rights through equity purchase, capital contribution, subscription, equity interest, via direct purchase or stock options, trading or any other means such as the acquisition of patents or licenses, their management and development, granted to companies in which it holds an equity stake or interest, whether directly or indirectly, any type of

help, loan, advance or guarantee, and any type of activity or operation which may be directly or indirectly related to its purpose. (article 4 of the bylaws)

#### REGISTRATION

Luxembourg B 44 996

#### CONSULTATION OF DOCUMENTS AND INFORMATION RELATING TO THE COMPANY

ORCO PROPERTY GROUP: 8, Boulevard Emmanuel Servais – L-2535 Luxembourg

#### The fiscal period

The fiscal period extends from January 1 to December 31 of the same calendar year.

#### Statutory distribution of profits and conditions of dividend payments

Once a year, at least one twentieth of net profits are put aside to constitute a legal reserve. This amount is no longer required once the reserve funds have reached 10% of the issued capital; however it becomes applicable again if the reserve falls below the level. The General Meeting decides on the allocation and distribution of net profits. The Board of Directors is authorized to pay interim dividends providing the legal conditions stated below are fulfilled:

- a statement of accounts must be established showing that there are sufficient funds available for distribution;
- the amount to be distributed must not exceed the amount of profits earned since the end of the previous financial year for which accounts had been approved, plus retained earnings, as well as withdrawals made from the reserves available to this effect, less losses brought forward and the amounts to be put in reserve in accordance with a legal or statutory obligation;
- the Board of Directors' decision to distribute an interim dividend can only be taken within two months of the closing of the above-mentioned statement of accounts;
- the distribution cannot be decided upon within 6 months following the closure of the previous fiscal year, nor before annual accounts of this period have been certified;
- once an initial dividend payment has been made, the decision to make another distribution cannot be taken within three months following the decision to make the initial distribution;
- in their report to the Board of Directors, the auditor(s) is (are) to verify whether or not the above-mentioned conditions have been fulfilled.



If interim dividends were to exceed the dividend amount decided later by the General Meeting, they would in this case be considered as partial payment for the subsequent dividend (article 24 and 25 of the bylaws).

Payment of dividends related to the company's ordinary shares will be centralized by Natexis Banques Populaires and paid to shareholders with shares held in EUROCLEAR through their authorized financial agent.

### THE GENERAL MEETINGS

The annual General Meeting is empowered to meet at the registered address or at any other place as specified in the meeting notifications. The Board of Directors and auditors are entitled to call the General Meeting. They are obliged to call it and hold it within one month, if shareholders representing one fifth of the share capital have demanded it in writing specifying the agenda. Notifications include the agenda; they are made through announcements placed twice at an interval of at least eight calendar days and eight calendar days before the meeting in the "Luxembourg Memorial", a Luxembourg newspaper as well as a French financial daily newspaper. Registered letters are addressed, eight calendar days before the meeting, to the registered shareholders (article 20 of the bylaws). The company will convey the information regarding the General Meetings directly to Natexis Banques Populaires acting as the institution responsible for the securities and financial department. The latter will have to communicate at their earliest convenience upon receipt of the aforementioned information to the authorized financial agents affiliated to EUROCLEAR who have made the request.

Unless otherwise stipulated, any shareholder has the right to vote directly or by proxy, and can take part in the General Assembly proceedings (article 19 of the bylaws). To exercise their right to vote, shareholders with EUROCLEAR shares will have to give, via a proxy, voting instructions to their authorized financial intermediary which will transmit them to Natexis Banques Populaires acting in its role as custodial service, which can be named representative, and will have to justify their capacity with a voting rights certificate made out by the authorized financial intermediary and holder of the shareholder's account. Shareholders possessing EUROCLEAR shares who wish to attend in the General Meeting must notify the Board of Directors of that intention at least (5) working days before the aforesaid meeting so that their name is put directly on the attendance sheet for the aforesaid meeting. To exercise their right to attend meetings and vote, shareholders will also have to present a voting rights certificate.

Having agreed to the annual accounts, the General Meeting then proceeds to a special vote to discharge the board members (article 22 of the bylaws).

Only the Extraordinary General Assembly can modify the

bylaws. Modifications relating to the purpose or the form of the company must be approved by the Bondholders' General Meeting (article 23 of the bylaws). There is no right to a double vote.

### Equity thresholds

Luxembourg law is applicable. Shareholders, however, modified the bylaws by adopting more restrictive threshold limits. Henceforth, any shareholder, whether an individual or legal entity, is obligated to simultaneously inform the company and Financial Department Control Commission by mail within seven calendar days of exceeding or falling below the threshold limits on voting rights set at 2.5%, 5%, 10%, 15%, 20%, 25%, 33%, 50% and 66% as well as to the percentage of voting rights he/she retains following the transaction.

### Liquidity and promotion contracts

The Company has a liquidity contract with Amsterdams Effectenkantoor B.V, Amsterdam (AEK), The Netherlands. The purpose of this liquidity contract is to ensure better currency- and -share liquidity on the market.

### Status of a Soparfi

Soparfi is a standard commercial enterprise benefiting from article 166 LIR (Luxembourg's income tax law). This article covers tax exemption on income earned from large and stable investment stakes. This article deals with tax exemption on income from important, stable and detained interests. This article deals with tax exemption on income from important, stable and detained interests held by the investor. This includes dividends as well as capital gains on the sale or liquidation of these interests.

Dividends paid by a subsidiary to its Luxembourg parent company, a Soparfi, will be exempted from any taxation as long as the Soparfi holds a minimum of 10% of the subsidiary's capital or if its purchase price is at least €1.2 million. The Soparfi must also hold this subsidiary for an uninterrupted 12-month period or, failing that, must commit to holding it for at least 12 months.

Capital gains realised on the disposal or liquidation of holdings are exempted from any taxation if the Soparfi owns, at least, 10% of the subsidiary's capital or if the acquisition price amounts to a minimum of €6 million. Moreover, the subsidiary must be a resident company that is fully taxable at a rate equivalent to a corresponding corporate income tax (minimum 15), or a company of the European Union covered by the EEC Council directive of July 23. Disposed of equity shares are required to have been held by the Soparfi during an uninterrupted 12-month period. Failing that, the Soparfi must commit to holding a minimum 10% stake for an uninterrupted 12-month period.



**INFORMATION RELATING TO THE BOARD OF DIRECTORS AND MANAGEMENT****1. THE BOARD OF DIRECTORS AND MANAGEMENT****1.1. COMPOSITION OF THE BOARD OF DIRECTORS**

The appointments were approved at the General Meeting of April 28, 2005 and renewed at the General Meeting that approved the accounts for fiscal year 2005. Their terms run until the holding of the General Meeting that will be called to approve the accounts for fiscal year 2005.

The Board of Directors consists of 11 Directors, six of which are outside Directors, i.e. they carry out no operational position within the Company and have no family relation with members of top management that might influence their independent judgment, nor do they supply the Company with services or goods, which according to the Board of Directors, could influence their judgment. The bylaws require that each Director hold at least one Orco Property Group S.A. share.

Directors	First appointment / ratification cooptation	Last appointment	End of term
Jean-François Ott Managing Director	09/09/03	28/04/05	27/04/06
Remy Allemane Director	10/06/02	28/04/05	27/04/06
Arnaud Bricout Director	29/04/04	28/04/05	27/04/06
Pierre Cornet Director	15/03/00	28/04/05	27/04/06
Patrick Ganansia Director	15/03/00	28/04/05	27/04/06
Bernard Gauthier Director	15/03/00	28/04/05	27/04/06
Luc Leroi Director	29/04/04	28/04/05	27/04/06
Silvano Pedretti Director	09/09/03	28/04/05	27/04/06
Nicolas Tommasini Director	29/04/04	28/04/05	27/04/06
Guy Wallier Director	15/03/00	28/04/05	27/04/06
Orco Holding, represented by Mr Luc Leroi / Director	29/04/04	28/04/05	27/04/06

**1.2. OTHER APPOINTMENTS OF DIRECTORS****1.2.1. Independent directors**Remy Allemane, Independent director

Director of AMM Finance

Member of the Supervisory Board of PGO Automobiles

Pierre Cornet, Independent director

Chairman of Cher Initiative

Director of Centre Capital Développement

Patrick Ganansia, Independent director

Chairman of SOFII SA

Chairman of LA BOETIE PATRIMOINE

Director of MALA STRANA (formerly ORCO PARIS SA).

Manager of SARL INITIATIVES FINANCIERES

Manager of SARL INITIATIVES PATRIMONIALES

Manager of SARL NANELLE CREATIONS

Manager of SCI GINVEST

Silvano Pedretti, Independent director

Director of AS 2000 (Czech Republic)

President of EC.s.a (Luxembourg)

Director of Euro-café (Luxembourg)

Director of Euro-franchise (Luxembourg)

Manager of euro-café cz (Czech Republic)

Manager of DB2004 cz (Czech Republic)

President of EC2009 (Czech Republic)

President of Union des Français de l'Etranger (UFE

Czech Republic)

Guy WALLIER, Independent director

Chairman of the Compagnie Française de Participation

Mobilière et Immobilière (CFPMI).

Chairman of "L'action Sociale Immobilière".

**1.2.2. Other appointments of directors**Jean-François Ott, Chairman and CEO of Orco Property Group.

Managing director of ORCO HOLDING S.A.

Managing Director of ORCO HOTEL GROUP S.A.

Director of MaMaison Residences S.A.

Director of Orco Hotel Collection S.A.

Director of The Endurance Management Company S.A.

Manager of Kosic Sàrl

Manager of VINOHRADY (formerly ORCO PARIS SARL).

Outside ORCO PROPERTY GROUP:

Director of MALA STRANA (formerly ORCO PARIS SA).

Manager of SCI LA PRAGUOISE

Manager of SCI OTTAN

Director of MANHATTAN SA



Arnaud Bricout, Vice President  
of Orco Property Group  
Chairman of the Supervisory Board of PGO Automobiles

Luc LEROI, Director of Orco Property Group  
and Secretary of the Board

Director of ORCO HOLDING S.A.  
Director of ORCO HOTEL GROUP S.A.  
Director of MaMaison Residences S.A.  
Director of ORCO HOTEL COLLECTION S.A.  
Director of The Endurance Management Company S.A.  
Manager of Kotic Sàrl

Nicolas Tommasini,, Vice President and CEO  
of Orco Hotel Group

Managing Director of ORCO HOTEL GROUP S.A.  
Managing Director of MaMaison Residences S.A.  
Managing Director of ORCO HOTEL COLLECTION S.A.  
Director of OrcoAparthotel SA  
Director of Orco Project Organization Rt.  
Director of Orco Budapest Rt  
Director of Residence Izabella Rt.  
Director of Orco Hotel Rt.  
Managing Director of Orco Hotel Management Kft  
Director of SIFT SA

Orco Holding, director

Shareholder of Orco Property Group S.A.  
There are no other appointments

### 1.3. CORPORATE GOVERNANCE

In January 2002, ORCO PROPERTY GROUP signed a membership agreement to join the Next Prime Segment of Euronext.

The ORCO PROPERTY GROUP has applied corporate

governance principles in accordance with the recommendations of Euronext since January 2002.

The Company has formed a compensation committee as well as an audit committee.

The remuneration committee provides recommendations to the Board of Directors on remuneration and incentive programs offered to management and members of the Board of Directors. It met once last year.

The audit committee regularly examines the preparation of the company's accounts, internal audits and information communication methods as well as the quality and faithfulness of the company's financial reports. It supervises the independence of the Statutory Auditors and choice of reference standards. The audit committee met twice last year.

### 2. THE STATUTORY AUDITORS

During the Annual General Meeting called to approve the accounts for fiscal year 2003, the appointments of the statutory auditors were approved for a period of three years ending with the Annual General Assembly which will be called to approve the accounts for fiscal year 2006

HRT Révision S.à.r.l represented by Mr. Dominique Ransquin  
23, Val Fleuri, Luxembourg  
Statutory auditors for ORCO PROPERTY GROUP since June 2002.

PricewaterhouseCoopers S.à.r.l, represented by Mr. Amaury EVRARD  
400, route d'Esch, L-1014 Luxembourg.