30 August 2012 Press release

First half 2012 Financial Information

Key events: first half 2012 and post-closing key events

- Progress in the process of refinancing Berlin's GSG

  At the end of August, GSG has obtained a term sheet for financing from a club of 4 German banks in the amount of approximately EUR 270 Million. In light of such progress, the Company[1] expects to obtain a further extension of the standstill agreement on the existing EUR 286 Million financing beyond 31 August 2012.

- Progress in deleveraging through execution of the bonds restructuring and operational deleverage

  Approximately 85% of the OG[2] bonds have been acquired by OPG against notes convertible in two steps into approximately 26 Million new OPG shares and the remaining OG bonds can be exchanged for a maximum of EUR 20 Million of newly issued OPG notes (the 'New Notes'). The first step of conversion into 18 Million new shares took place in May, bringing the total number of OPG shares issued to 35 Million. Approximately 90% of the OPG bonds will be converted into approximately 65 Million new OPG shares and the remaining OPG bonds can be exchanged for a maximum of EUR 55 Million of New Notes.

  On 29 August, the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg approved two OPG prospectuses, which were the final conditions for implementation of the OG and OPG bonds' restructuring. One prospectus is for the admission to trading of 65 million new ordinary shares to be issued by OPG in a mandatory exchange for 89.9% of its bonds, in the first step of the OPG bond restructuring. A second prospectus is for the offer and admission to trading of up to EUR 75.2 million of new notes to be issued by OPG (the "New Notes") in a voluntary exchange offer for the remaining bonds issued by OPG and its subsidiary Orco Germany S.A. ("OG").

- Sale of Radio Free Europe office building

  The Prague Radio Free Europe office building was sold in May for an overall transaction value of USD 94 Million. The transaction resulted in a marginal loss of EUR 0.6 Million compared to the December 2011 DTZ valuation. In addition, the parties have entered into a Strategic Alliance for the development and construction of a broad based building platform for the U.S. Department of State.

- Bubny land development master plan change

  In May the Prague city council unanimously approved the initiation of the Bubny Master Plan change. This decision is a major step towards obtaining a new master plan for the whole Bubny development area by the end of 2013. The Unibail Rodamco transaction is expected to be closed by year end.

- Successful launch of the residential development Mezihori in Prague

  In Q1 2012 the Company launched Mezihori, a new residential project of EUR 18.5 Million in expected revenue. As of today, pre-sales reached approximately 33% and a bank financing has been secured guaranteeing both a self-financing of the project without fresh cash injection by OPG. Upon pre-sales or pre-leases, a number of new projects could be launched in Berlin (conversion and new projects), Prague, Warsaw or Budapest within 18 months..

Half year financial highlights

- Gross Asset Value as at June 2012 stands at EUR 1,513 Million (EUR 1,600 Million as at December 2011). The decrease is mainly due to disposals such as Radio Free Europe and the sale of residential inventories.

- Net Asset Value per share decreases from EUR 22.40 as of December 2011 down to EUR 10.43, as the number of shares for the NAV calculation has increased from 17 Million to 43 Million after accounting for the issuance of equity instruments against 85% of the OG bonds acquired by OPG. After accounting for full conversion into share capital, the NAV per share is estimated to reach EUR 5.58 with a number of shares increased to 108 Million.

- Loan To Value (LTV) before bonds decreased from 52% as of December 2011 to 50% as of June 2012 while Global LTV including OPG bonds to be restructured, but after accounting for the issuance of equity instruments against 85% of the OG bonds decreased from 70% to 65%.

[1] The Company or OPG : Orco Property Group SA
[2] OG : Orco Germany SA a listed subsidiary of the Company

Global LTV is expected to decrease to 55% after taking into account the OPG bonds' restructuring and the issuance of New Notes, and still further after the GSG refinancing and the Sky sale.

- Short term financial loans are decreasing from EUR 757 Million to EUR 567 Million over H1 and is expected to dramatically decrease with the GSG refinancing (-EUR 286 Million) and the Sky sale (-EUR 95 Million), thereby easing the financial pressure on the Company.

Revenue of EUR 70 Million in H1 2012 represented a decrease of 6% in comparison with H1 2011 mainly because of a downsizing of the Development business' revenue which amounted to EUR 17 Million as of June 2012 (EUR 23 Million as of June 2011), reflecting the Group reduction of development's risks exposure. In parallel, the revenue of the Property Investments business increased up to EUR 53 Million (EUR 50 Million as of June 2011).

- Operating expenses decreased by 11% year on year to EUR 40 Million as of June 2012 mainly because of a decrease of EUR 5 Million in headquarter operating expenses as a result of cost control measures.

- Non-core assets were sold for a total consideration of EUR 96 Million slightly above last DTZ valuation as at December 2011 generating a consolidated net gain of EUR 1 Million.

- Operating loss of EUR 9 Million due to major non cash Real estate valuation differences and impairments for a total of EUR 25 Million (EUR 7 Million as at June 2011).

- Adjusted EBITDA, reflecting operational profitability, increased significantly up to EUR 21 Million as of June 2012 (EUR 12 Million over H1 2011) mainly because of EUR 8 Million increase in the Property Investments business.

- Financial results stand at EUR 3 Million (EUR -21 Million as of June 2011) including a one off positive gain of EUR 33 Million on the acquisition of 85% of the OG debt by OPG within the bonds' restructuring. Apart from bank interest paid in cash, this one off gain is partially compensated by accrued interest on bonds for EUR 21 Million (EUR 18 Million over the same period in 2011).

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- Net loss over H1 2012 amounts to EUR 7 Million at the same level as at June 2011.

Quote

Jean-François OTT, President and CEO of ORCO declares :

"We have achieved strong deleveraging both at the operational and corporate level while making key progress on easing the financial pressure on GSG and other key subsidiaries. We will continue improving the profitability of both our Property Investments and our Development divisions through selective and cash scarce investment programs."

For a full version of the management message, please refer to the H1 2012 Management Report, chapter 1.

Documents will be available tonight on :

http://www.orcogroup.com/investors/financial-documentation/half-year-documents:

- Management report
- Condensed interim financial information 30 June 2012