Half Year 2012

ORCO PROPERTY GROUP

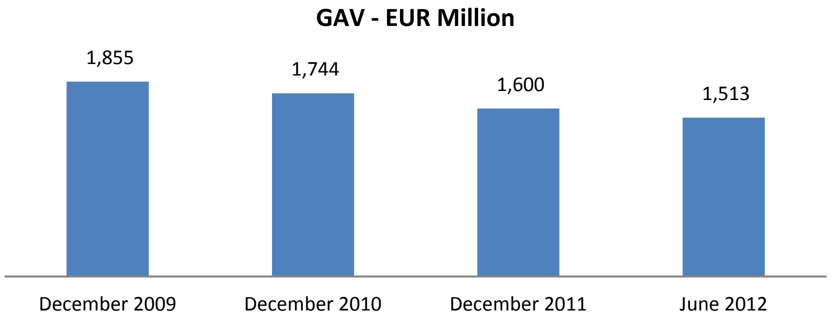
30 August 2012

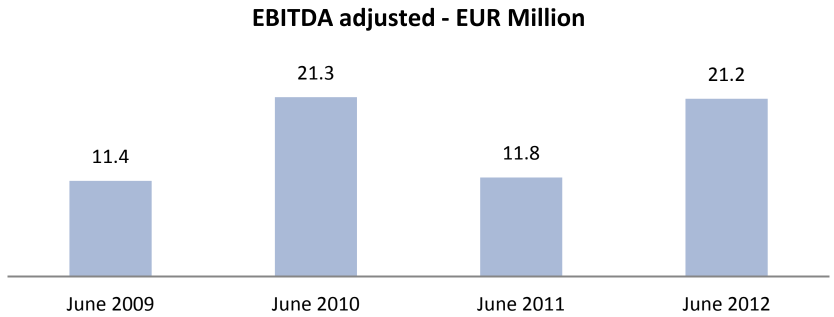
Summary

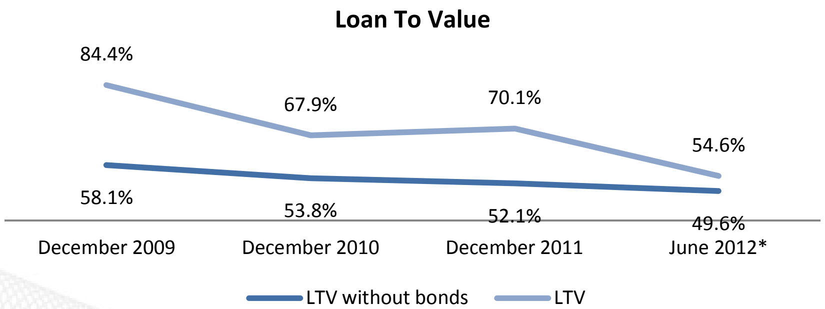
Key Events & Figures

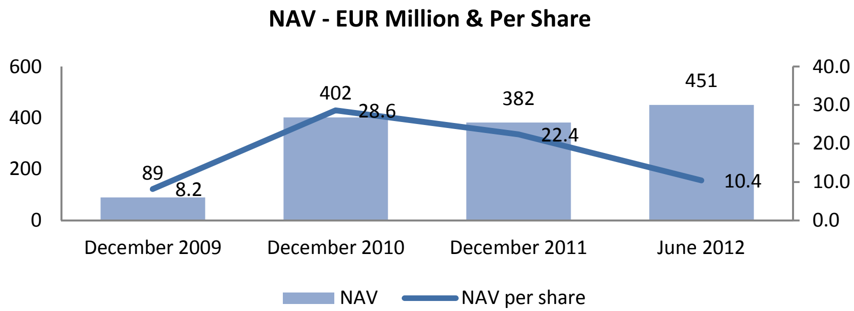
ORCO PROPERTY GROUP

Key figures









*LTV post restructuring

Key events 1/2

Successful bonds' restructuring - Completion of equitization expected in Q3 2012

Current status of the restructuring

Timeline	Step completed & expected
18 July 2012	CSSF approval of prospectus for admission to trading of 18,4 Million of shares issued on May 14, 2012
29 August 2012	CSSF approval of the listing of 64.5 Million of Shares and EUR 75.2 Million of New notes
28 September 2012	28 September 2012 : expected timeline for the CSSF approval for the 7.8 Million of Shares

Timeline	29 August approval next steps
3 September 2012	Issuance of New Shares and commencement of listing procedures on the regulated markets of NYSE Euronext in Paris, Prague Stock Exchange and Warsaw Stock Exchange
6 September 2012	Commencement of the exchange offer for New Notes
24 September at 5 pm	Revocation deadline for the exchange offer
27 September at 5 pm	Instruction deadline for the exchange offer
1 October 2012	Announcement of exchange offer results
4 October 2012	Issuance of New Notes and listing on the Luxembourg Stock Exchange

Debt Equity Swap

The "New Orco", post equitization

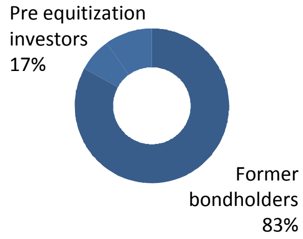
Summary of the equitization terms

€678 Million of corporate debt → 91m shares at €6.6 → €75 Million of corporate bond 108 Million shares

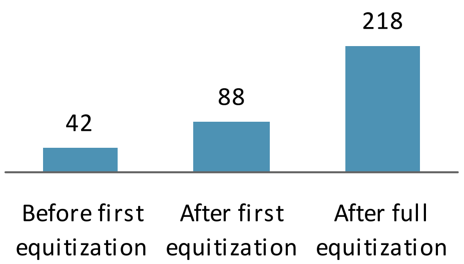
Enlarged shareholder base

- Bondholders set to own 83% of the shares outstanding
- LTV reduced from 70% to 55%
- NAV/share post equitization: €5.58 (€2 current share price)
- New appointments to the Board of Directors to further strengthen corporate governance

Shareholding after full equitization



Market Cap. at €2.02/share (in €m)



Key events 2/2

Portfolio evolution

Progress in the process of refinancing GSG : unbinding term sheet signed for approximately EUR 270 Million.
Identification of plots and buildings for (re)development

Bubny : approbation by the city council of the master plan change procedure May 2012

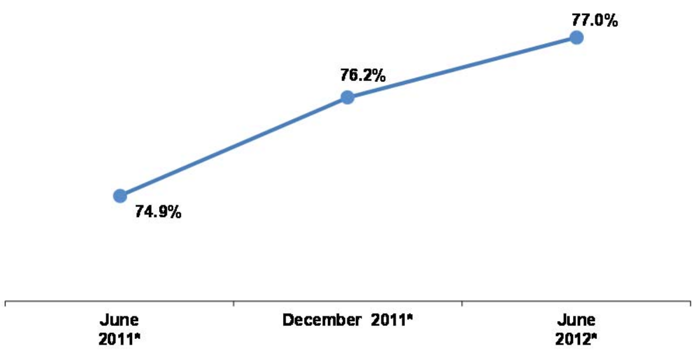
Disposal of Radio Free Europe :
- Value realization on mature asset
- Cash generation
- Strategic alliance with buyer

Mezihori : opportunistic development well located in Prague. No new cash out flow. Equity through contractor barter. 33% pre sales. Bank financing termsheet signed.

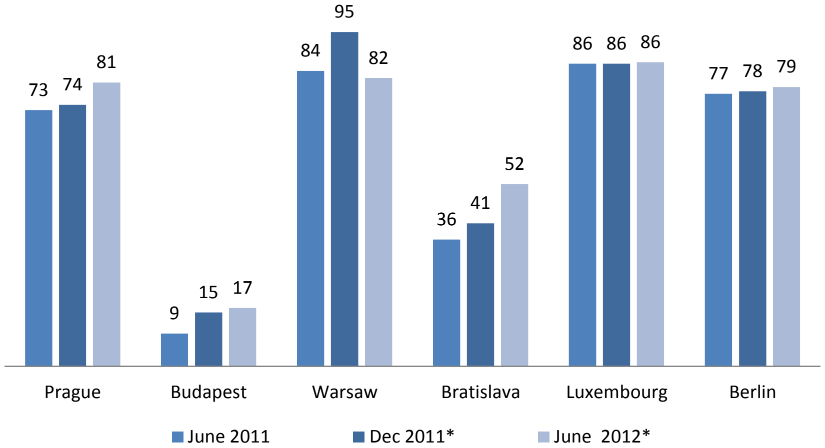
Operational Performance

Property Investments– occupancy rate

Occupancy rate evolution (%)



Occupancy rate by country (%)



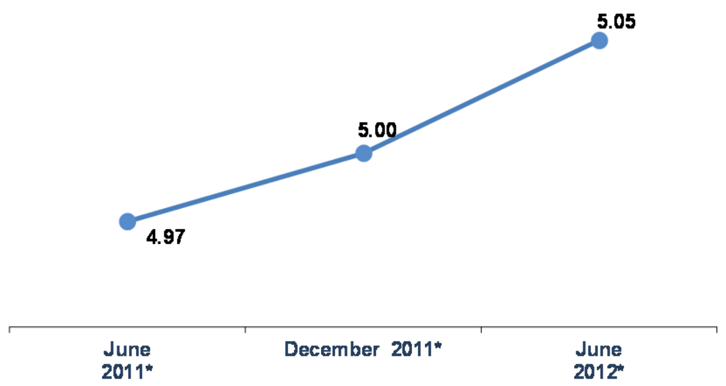
Orco achieved an increase of occupancy rate from 75% in December 2010 up to 77% as of June 2012.

- **Berlin**: persistent improvement of occupancy rate reaching 79% as of June 2012
- **Bratislava**: increase from 36% to 52% with positive lease performance on Dunaj
- **Prague:** significant improvement of occupancy rate from 75% in June 2011 to 81% in June 2012 mainly driven by Na Porici, Hradcanska and Bubenska.
- **Budapest**: occupancy remains very low as Vaci 188 remains fully vacant and Vaci 1 partially opened end of 2011
- **Warsaw**: occupancy rate decreased to 82% due to the departure of a significant low rent paying tenant of the logistic platform of Marki

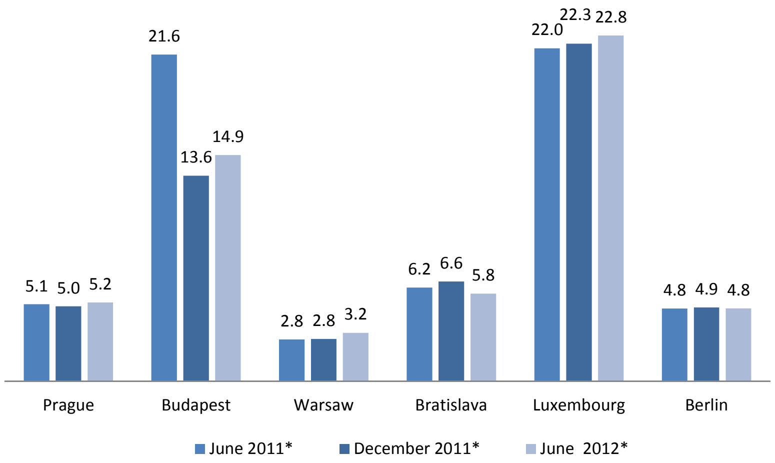
* After audit, the current estimated leasable area of Bubenska got reduced to 17,575 sqm meanwhile potential GLA of the asset is increased to 30,549 sqm. Starting December 2011, ratio and per sqm figures are calculated on the basis of 17,575 sqm .

Property Investments– average rent

Average rent evolution (EUR/SQM)



Average rent by county (EUR/SQM)



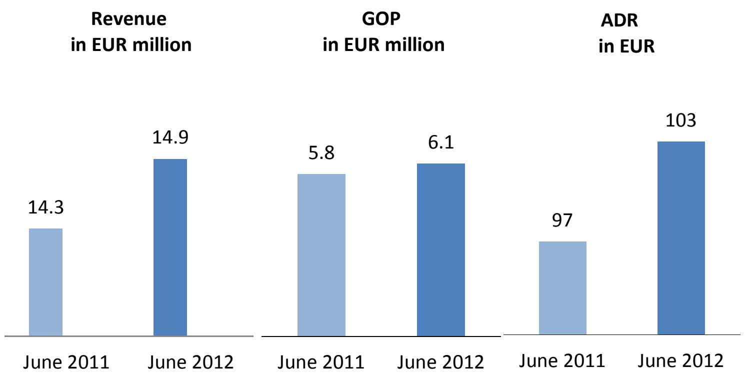
Pro forma of the disposal of Radio Free Europe, ORCO recorded an increase of average rent from 4.97 EUR/SQM as of June 2011 up to 5.05 EUR/sqm as of June 2012

- **Berlin**: stable rent at level of 4.8 EUR/SQM as of June 2012
- **Prague**: on a like for like basis, slight increase from EUR 5.17 as of March 2012 up to EUR 5.21/ SQM.
- **Bratislava & Budapest** : decrease of the average rent y-o-y due to increase of occupancy rate as the leased area is extended to non prime locations. In Budapest, increase of rent over 2012 thanks to the good performance of the first tenants of Vaci I

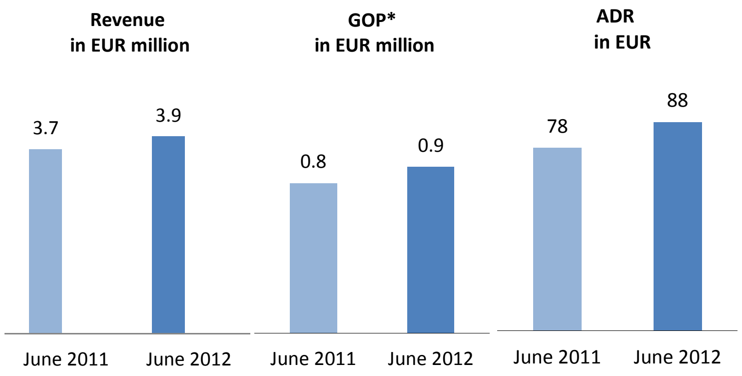
* After audit, the current estimated leasable area of Bubenska got reduced to 17,575 sqm meanwhile potential GLA of the asset is increased to 30,549 sqm. Starting December 2011, ratio and per sqm figures are calculated on the basis of 17,575 sqm.

Property investments – hospitality portfolio

CEE Hotels



Suncani Hvar Hotels



CEE Hotels

- Total revenue reached EUR 14.9 Million in H1 2012 or an increase of 4.3% y-o-y
- GOP reached EUR 6.1 Million in H1 2012 or an increase of 6.4% y-o-y due to successful restructuring and effective cost control
- ADR increased from EUR 97.2 as of H1 2011 to EUR 102.8 as of H1 2012

Suncani Hvar Hotels

- Total revenue reached EUR 3.9 Million in H1 2012 or an increase of 7% y-o-y. Positive outlook for the summer season as the revenue of July, beginning of the peak season, increased by approximately 14% compared to 2011
- GOP excluding non operational hotels reached EUR 0.9 Million or an increase of 11% y-o-y
- ADR increased from EUR 77.6 as of H1 2011 to EUR 88.5 as of H1 2012

*GOP excluding non operational hotels and Obonjan Island

Development

Increase of 22% of contract signed in unit and 35% in revenue due to :

- In Prague, successful start of Mezihori in H1 2012 (project 33% pre sold as of the date of presentation, 138 units in total)
- Stable level of sales in Warsaw with 31 units in H1 2012 (34 units in H2 2011) while increase of revenue by 38% due to the impact of the sales of Zlota 44
- In Bratislava, slow down of the sales -29% of unit contracted during H1 2011 in comparison with H2 2012. The Group aims at completing the commercialization of the project for summer 2013 as 36% of the undelivered unit as of December 2011 have been sold in H1 2012

Project progress

Agreements & Execution

Mezihori in Prague
- Successful pre-sales of 33% of the project
- Financing secured with disposal of Pivovar Vrchlabi to contractor
- Opportunistic arbitrage to develop with minimal equity need high value inventory in Prague in exchange of non strategic project

Zlota 44 in Warsaw
- 66% of the façade finished
- Completion of the construction scheduled for H1 2013
- Strong exposition during EURO 2012
- 30% of the unit contracted

Bubny in Prague
- Initiation of Master Plan Change passed by Prague City Council in May 2012, outcome expected end of 2013
- Sale of a plot of 3.7 ha to a joint venture between ORCO and Unibail-Rodamco
- Closing expected in December 2012.

Vaci I in Budapest
- Transfer to Property Investments Business line

Permitting

Praga in Prague
- Change of master plan effective since Q4 2011

Szervita in Budapest
- New permit submitted for the refurbishment of the office building

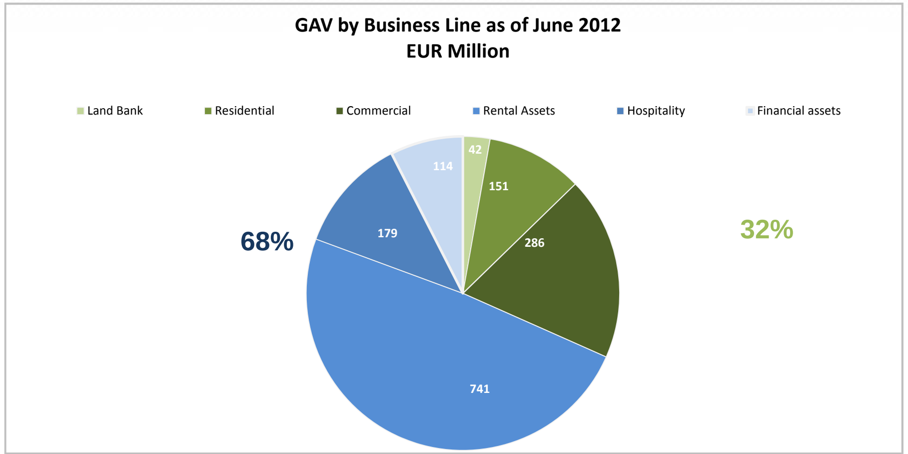
Rental portfolio Berlin – GSG, Gebauer Hofe
- Review of residential conversion for Kreuzberg assets
- 44,000 SQM of extension potential under review

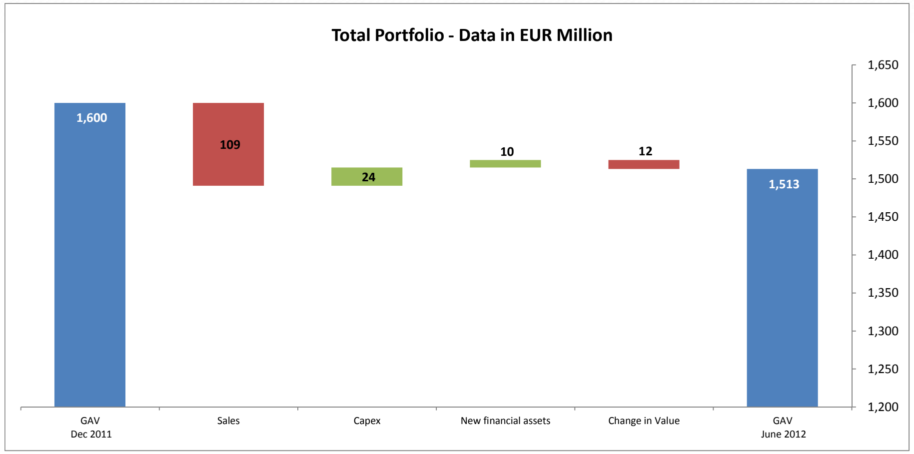
Kosic 3B, in Prague
- General contractor tender process to be started in H2 2012

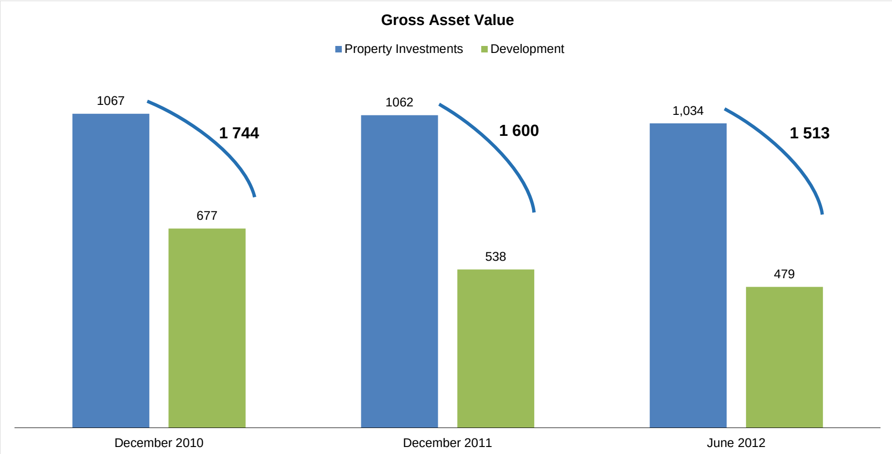
U Hranic in Prague
- Design contract for building permit signed
- Application for building permit expected in H2 2012

GAV to NAV

Gross Asset Value as of June 2012





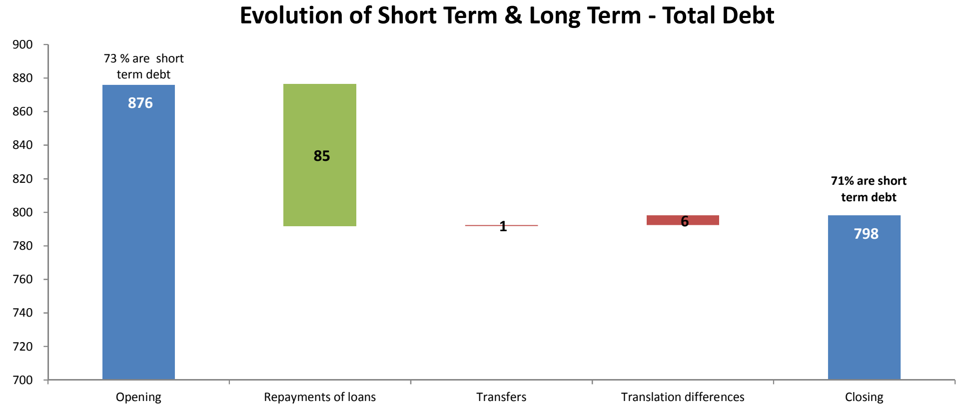


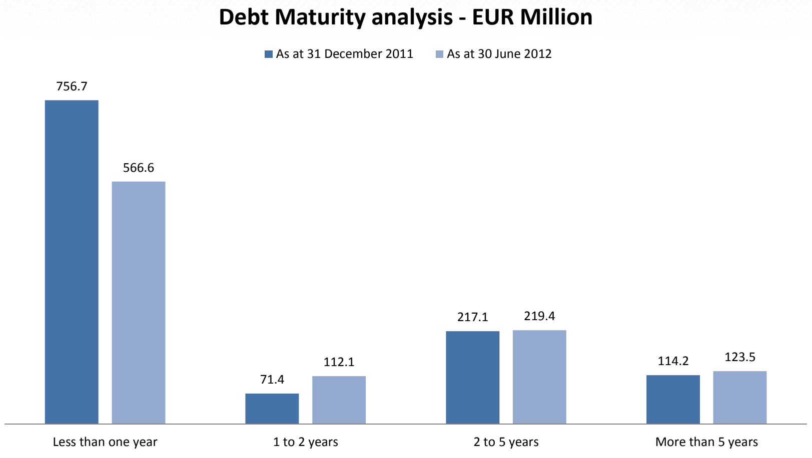
Over H1 2012 the Gross Asset Value of the portfolio decreased by EUR 87 Million mainly driven by :

- Sales of Radio Free Europe (-EUR 68 Million with financial asset generated from deferred payment of EUR 10 Million) and completed residential inventories (–EUR 12 Million)
- EUR 24 Million of capex are mainly on Zlota44, Sky Office, Mezihori and Bubny.
- On a like-for-like basis and expressed in Euros, the valuation of assets decreased by EUR 12 Million. Main contributors to this decrease in value are Sky Office (EUR 10 Million), the Hungarian and Slovakian rental assets (EUR 2 Million) and the completed inventories (EUR 4 Million). This decrease is partially compensated by the German rental portfolio.

Bank financing

Easing of short term debt pressure





Main contributors to loan repayment :

- Property Investments: disposal of Radio Free Europe (EUR 39 Million), anticipated repayments on GSG (EUR 15 Million) and sale of Ku-Damm 102 (EUR 6 Million)
- Development : Sky Office (EUR 1 Million), Mostecka (EUR 1 Million), Koliba (EUR 3 Million), Benice (EUR 2 Million), land plots in Berlin (EUR 1 Million), Przy Parku (EUR 5 Million), Huettenstrasse (EUR 4 Million)
- Hospitality assets (EUR 1 Million)

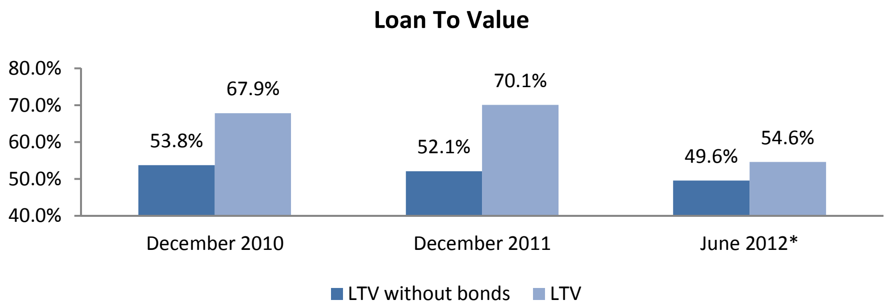
Positive outlook for key loans in current debts :

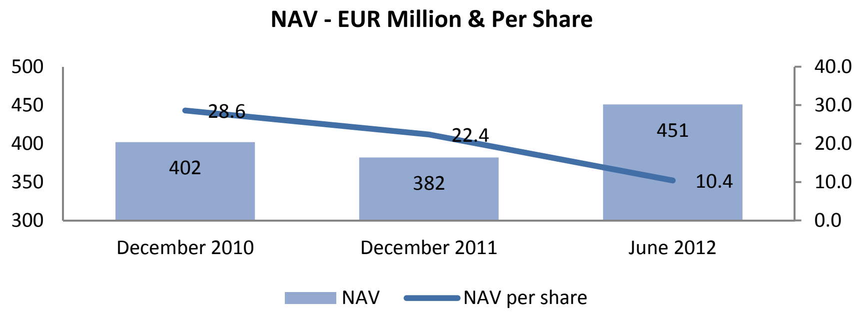
- GSG for EUR 286 Million: signed term sheet with 4 Banks for approximately EUR 270 Million
- Sky Office for EUR 95 Million: on-going sale process
- SHH for EUR 56 Million: standstill agreement signed solving covenants’ breaches

ORCO PROPERTY GROUP

Improving NAV and consolidating NAV

A stronger Balance sheet with a clear deleveraging trend





Clear deleveraging of the Group through :

- Equity swap restructuring with conversion of EUR 223 Million of Bond value (Book value) into EUR 75 Million of ''New notes'' and the issue of 65 million new shares
- Repayment of principal through disposal (Radio Free Europe) and straight repayment (GSG)

LTV in range of Peer comparison

Consolidated Net Asset Value:

- As of June 2012, NAV increased by EUR 69 Million. The main drivers of this increase are the OG bonds restructuring for EUR 73.7 Million net, the loss of the period for EUR 7.0 Million and the foreign exchange gains in CTA for EUR 4.4 Million.

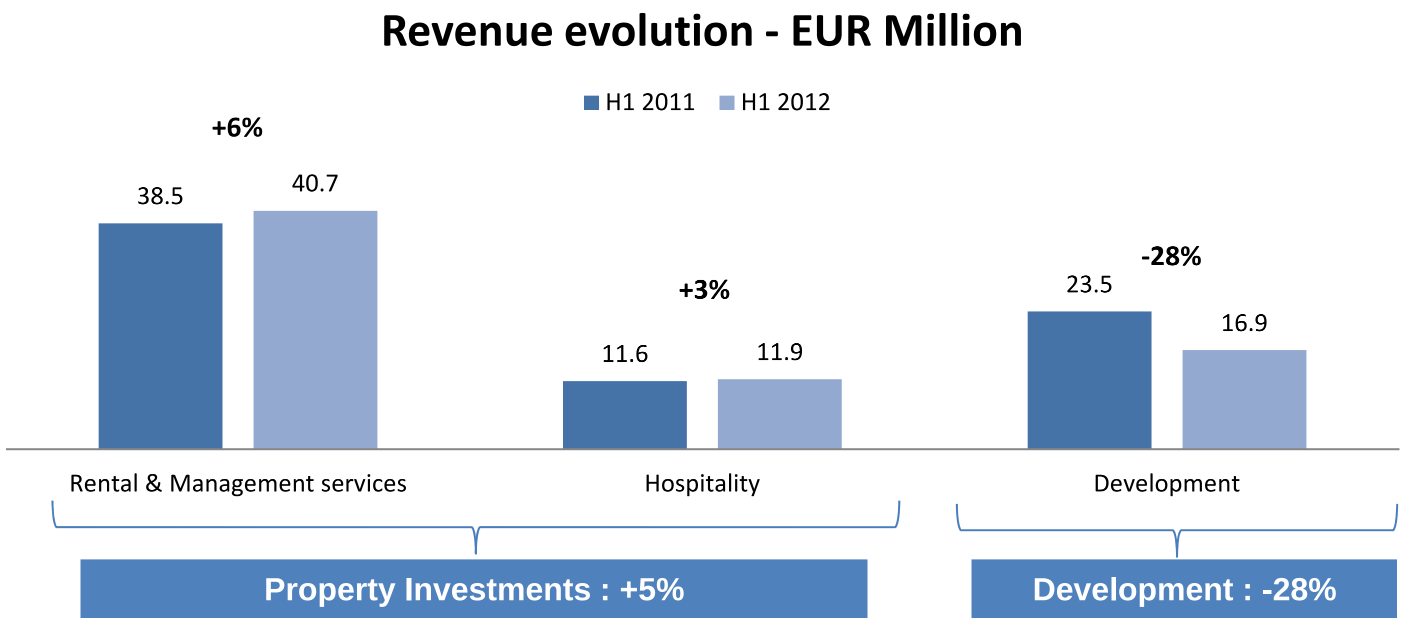
The NAV after full bonds' restructuring is estimated at EUR 5,58 per share.

*LTV post restructuring

Financial Results H1 2012

Revenues

Good performance of the Property Investments and rescaling of Development

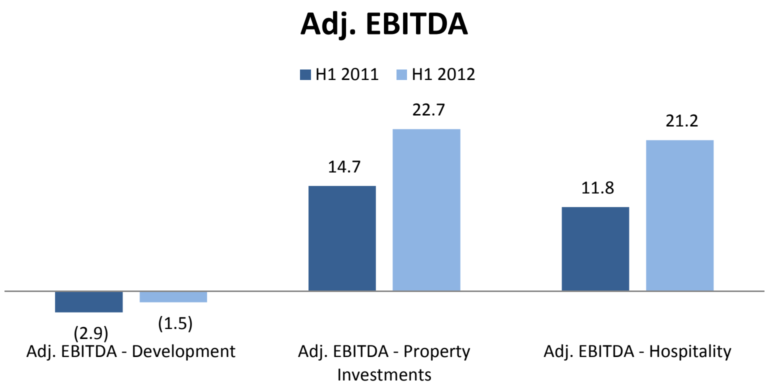


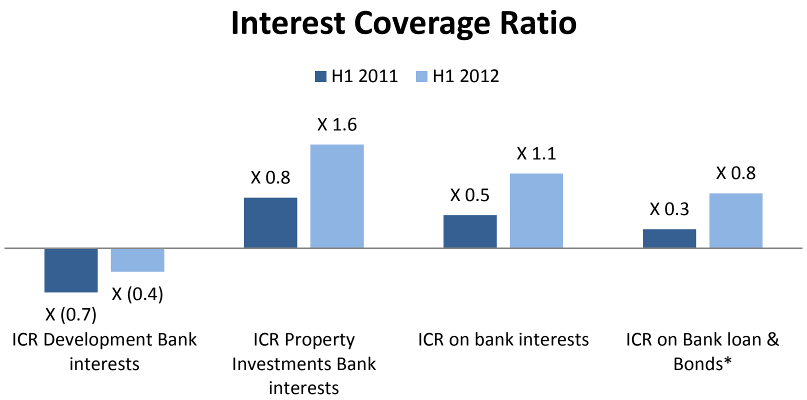
Strengthening of the Property Investments business line :
- Increase of the Berlin portfolio EUR 0.6 Million, addition of Vaci I (EUR 0.6 Million), EUR 0.5 Million Endurance Fund partially compensated by disposal of assets in Berlin (EUR - 0.5 Million)
- Year on year increase on portfolio SHH (EUR 0.2 Million) and Mamaison (EUR 0.1 Million)

Scale down of the Development business line:
- Reduced revenue from residential activity completed inventories are close to full delivery (EUR - 5.4 Million)
- First deliveries from Zlota 44 in Warsaw and Mezihori in Prague (404 units altogether) expected end of 2013
- Stable Commercial development in the absence of the sale of Sky office

Adjusted EBITDA & Interest Coverage Ratio

Improvement of Interest Coverage





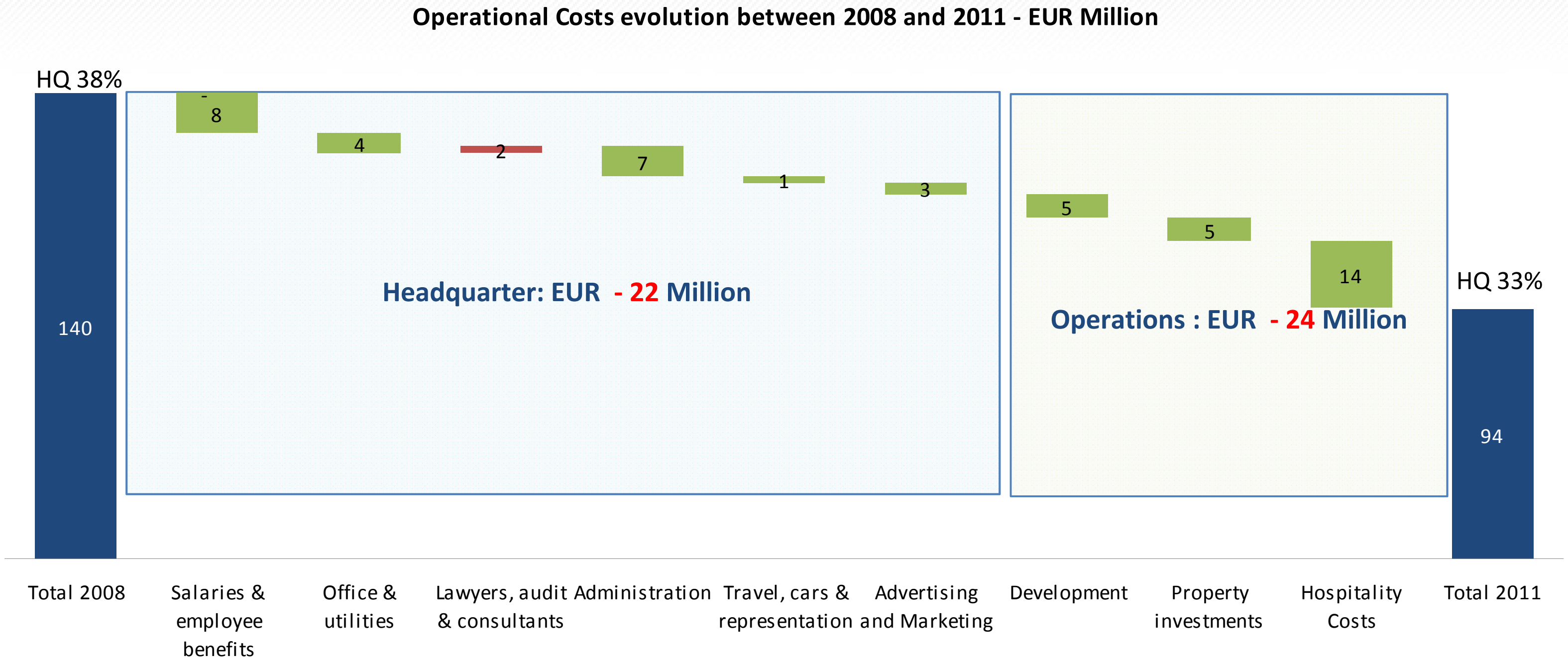
Property Investments drives the improvement of the ICR with an Adj. EBITDA increase of EUR 8 Million

- Improved operational performance of GSG together with decrease bank loan
- Endurance Fund transaction fees on asset sales
- Hospitality cost reduction improves Adjusted EBITDA by EUR 0.5 Million

Slight improvement of Development activities but still negative

- Still a high proportion of non generating income assets
- Clear management focus on permitting activities in order to initiate(co-) development process

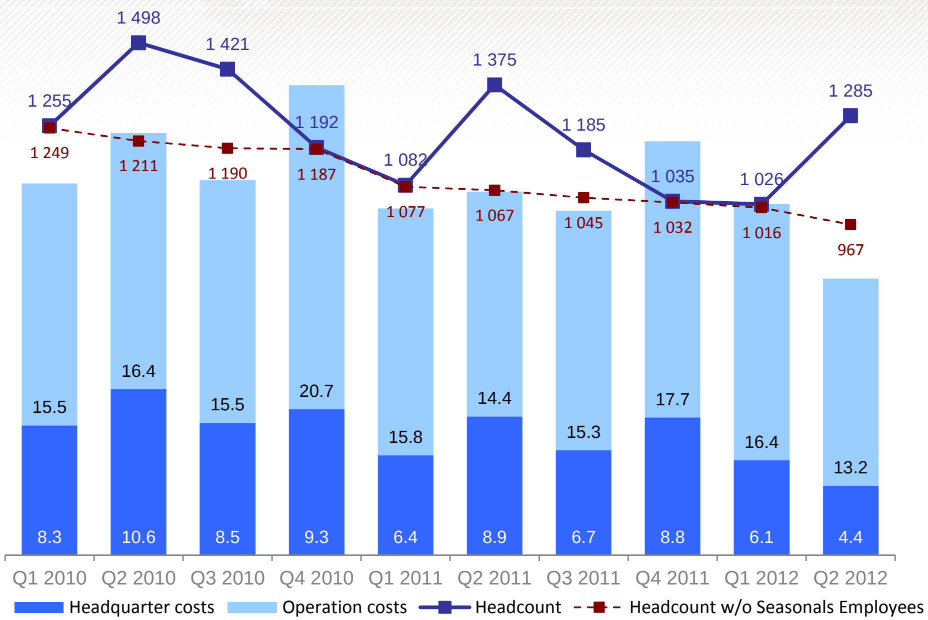
Operating expenses evolution FY 2008 - FY 2011



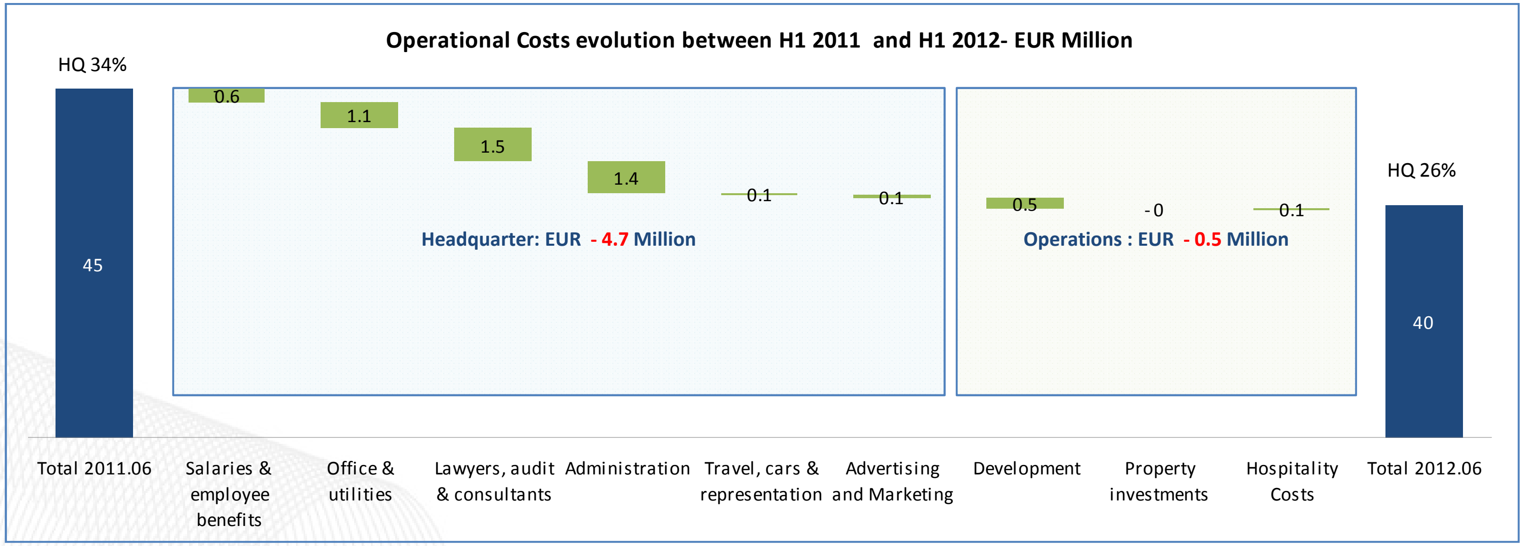
From 2008 to 2011 operating expenses of the Group decreased by 33% from EUR 140 Million to EUR 94 Million.

- Germany : decrease of EUR - 14.1 Million or 26%
- Central Europe : decrease of EUR - 14.4 Million or 36%
- Hospitality : decrease of EUR - 17.2 Million or 43%
- Headquarter in Luxembourg & France : decrease of EUR – 2.2 Million or 46% (excluding lawyers costs which increased by EUR EUR 1.5 Million due to implementation of Safeguard plan)

Operating expenses H1 2012 vs. H1 2011



- In H1 2012 operating expenses of the Group **decreased by 11% y-o-y** from EUR 45.3 Million to EUR 40.1 Million, the lowest level since March 2010 .
- Headquarter costs (including OG run down activities) **decreased by 31%** or EUR -4.7 Million, which are expected to further reduce over the coming quarters as the Company continues its cost cutting plan across the board.
- As of June 2012 the total Group headcounts reached 1,285 employees compared to 1,375 in June 2011. Excluding the seasonal employees in Hvar, the total Group's headcount decreased to 967 .



Focus on Financial result

Exceptional impact of restructuring

Financial Resuls - EUR Million	H1 2012	H1 2011	Var
Interest on bonds	(20.9)	(18.0)	(2.9)
Interest on bank loans	(18.7)	(23.6)	4.9
Interest income	1.7	2.4	(0.7)
Net interests expenses	(37.9)	(39.2)	1.3
			-
Foreign exchange result	9.9	12.7	(2.7)
			-
Change in carrying value of liabilities at amortised cost	32.8	-	32.8
Change in fair value and realised result on derivative instruments	1.4	3.8	(2.4)
Change in fair value and realised result on other financial assets	(1.9)	1.7	(3.6)
Other net finance gains or losses	(1.3)	0.0	(1.3)
Other financial results	31.0	5.6	25.4
Total	**3.1**	**(20.9)**	**24.0**

As of June 2012 financial results stands at EUR 3.1 Million (vs EUR - 20.9 Million as of June 2011), evolution is explained by :

- Increase of accrued interests on bonds : EUR - 2.9 Million
- Decrease of interest on bank loans: EUR + 4.9 Million
- EUR 32.8 Million positive impact value due to the OG bonds restructuring (difference between the nominal value of the OCA and the market value as at 09.05.2012 after deduction of the OG bond debt restructuring costs)
- Change in fair value and realized result on derivative instruments for EUR 1.4 Million mainly composed of: Gains on derivatives for EUR 3.8 Million (EUR 4.6 Million of gain related to the expiration of the swap contract as for GSG and EUR 0.8 Million of losses on market to market actualization) and losses on embedded derivatives on bonds for EUR - 2.2 Million related to the adjustment of the redemption premium at nominal value before conversion of the OG bonds
- Change in fair value and realized result on other financial assets are related to: Endurance fund (EUR - 0.6 Million) and PPL (EUR - 1.3 Million)
- Other finance charges are mainly composed of bank expenses as bank loan and credit card commissions

P&L

	6 months 2012	6 months 2011	Changes
Revenue	**69,455**	**73,571**	**(4,116)**
Sale of goods	*14,002*	*19,599*	(5,597)
Rent	*35,096*	*34,214*	882
Hotels, Extended Stay & Restaurants	*10,749*	*10,595*	154
Services	*9,608*	*9,163*	445
Net gain / (loss) from fair value adjustments on investment property	(5,309)	(351)	(4,958)
Other operating income	5,522	370	5,152
Net result on disposal of assets	886	11,052	(10,166)
Cost of goods sold	(13,610)	(16,899)	3,289
Employee benefits	(13,593)	(14,058)	465
Amortisation, impairments and provisions	(25,806)	(3,585)	(22,221)
Other operating expenses	(26,557)	(31,196)	4,639
Operating result	**(9,012)**	**18,904**	**(27,916)**
Interest expenses	(39,610)	(41,600)	1,990
Interest income	1,746	2,419	(673)
Foreign exchange result	9,926	12,664	(2,738)
Other net financial results	30,992	5,572	25,420
Financial result	**3,053**	**(20,945)**	**23,998**
Profit/(loss) before income taxes	**(5,958)**	**(2,041)**	**(3,917)**
Income taxes	(3,839)	(443)	(3,396)
Profit from continuing operations	**(9,798)**	**(2,484)**	**(7,314)**
Profit / (loss) after tax from discountinued operations	-	(3,342)	3,342
Net profit / (loss) for the period	**(9,798)**	**(5,826)**	**(3,972)**
Total profit/(loss) attributable to:			
Non controlling interests	(2,796)	1,677	(4,473)
Owners of the Company	**(7,002)**	**(7,503)**	**501**

- Decrease of EUR 4.1 Million of revenues mainly is due to the lower level of residential sales
- Operating expenses decreased by EUR 4.6 Million
- Impairment on Sky Office (EUR 13.6 Million) and provision on Leipziger Platz Sale (EUR 4.6 Million)
- Financial result is strongly impacted by the equitization of the German bonds. Excluding the net impact of the equitization of the OG bonds the net loss amounts to EUR 39.6 Million
- Income taxes mainly relate to GSG out of which two third are deferred income taxes

Q&A