

Press release

November 29th, 2007

Excellent 9 months results

**Revenue increase of 270% to €213 Million
Compared to first semester 2007, the adjusted EBITA almost
doubled at €29.6 Million,**

Orco Property Group's Board of directors approved today the company's unaudited consolidated accounts for the first 9 months 2007 (established in respect of the annual consolidated financial statement's accounting principles).

Key figures

P&L (in €million)	9M 2007	9M 2006	FY 2006
Revenues	213.334	79.640	172.908
Net gain from fair value adjustments	96.288	41.415	145.901
Other operating income	1.356	2.079	2.786
Cost of sales	-118.439	-43.065	-119.224
Employee benefit	-34.176	-23.660	-30.141
Amortization, impairments and provisions	-12.213	-0.283	-4.076
Result from activities held for sale	0	0	0
Other operating expenses	-36.806	-22.850	-33.906
Operating Result	109.344	33.276	134.248
Net interest expenses	-31.782	-11.496	-15.740
Other financial results	-3.018	5.507	4.416
Financial Result	-34.800	-5.989	-11.324
Profit before income taxes	74.544	27.287	122.924
Income taxes	5.375	-2.406	-25.069
Net Profit	79.919	24.881	97.855
Attributable to minority interests	-11.490	-1.965	-1.156
Net Profit attributable to the group	68.429	22.916	96.699

According to the accounting policy, there has been no new valuation performed on the portfolio since the June interim financial report and the net gain from fair value adjustment as at September 2007 amounts to €96.3 Million (vs €41.4 Million 9 months for 2006).

Sharp increase in revenues on a quarter basis

Segment revenues (in € Mn)	9M 2007	9M 2006	FY 2006
Development	140,173	41,7	124,3
Hotels & Residences	32,206	24,432	30,8
Renting	39,556	13,422	19,8
Management services	12,537	4,088	8,7
Inter-segment transactions	-11,138	-4,002	-10,7
Total revenues	213,334	79,64	172,9

Total revenues amounted to €213.3 Million for the first 9 months of 2007. The strong organic and external growth of Orco Property Group in one year accounts for the sharp increase when compared to 9 months 2006 figures (€79.6 Million). The June revised sales target of €250 Million for full year 2007 will largely be fulfilled.

Development

Revenues from the development activities amounted to €140.7 Million for the first 9 months of 2007 compared to €41.7 Million for the same period in 2006. The group has very significantly increased the volume of its development activities with the delivery of 1328 units for the first 9 months 2007. In the Czech Republic, 968 units were delivered and 700 future purchase contracts were signed. The main contributors are Kosik (€22.6 Million) and Repy (€17.7 Million). In Poland, 223 units were delivered, and 143 future purchase contracts were signed. Finally, in Germany, 137 units were delivered and 37 future purchase contracts were signed. The main contributor is the project Westhafen in Frankfurt for €24.0 Million. In addition Hungary and Slovakia registered 46 future purchase contracts as at September 30th.

The high level of future purchase contracts gives Orco Property Group's management good confidence in meeting its full year target of €164 Million in revenues from development activities and also to realize improved sales figures in 2008.

Renting

Revenues from renting amount to €39.6 Million vs €13.4 Million for the first 9 months of 2006. There are two new significant contributors in this division in 2007: Molcom with 6 months of revenues (€11.1 Million) purchased in April and GSG with one quarter of revenues (€9.3 Million) acquired end of June. Furthermore, it is worth mentioning Bubenska (€2.4 Million) purchased in September 2006, the Luxembourg Plaza now fully rented and which 50% ownership contributes to the group revenues for an amount of €1.3 Million.

The average occupancy rate without GSG remains at the very high level of 92% on a global basis. Segment per segment, the occupancy rate amounts to 87% for office space, to 85% for residential property and to 89% for retail space. The drop in the occupancy rate of the offices division is solely explained by the consolidation of GSG (30% vacancy). Including GSG, the occupancy rate of the office portfolio comes to 76%.

Hotels and Residences

Revenues from the hospitality segment amounts to €32.2 Million for the first 9 months of 2007 vs €24.4 Million for the first nine months of 2006. Revenues generated by the Pachtuv Palace reached almost €1.8 Million against €1,2 Million for the same period in 2006. In Croatia, the opening of Adriana on June 6th generated as expected a positive impact on revenues. Although the Amphora only opened at the end of July (because of partial refurbishment works), the total sales amounted to €11.2 Million compared to €9.6 million in 2006 for the same period.

Excluding Croatia, the ADR of the whole hospitality portfolio amounts to €97.9 and the Revpar to €62.2.

As the sale of hospitality portfolio (excluding Pachtuv, Diana and Belgicka) to Endurance Hospitality Fund and the JV with AIG enters in force on November 30th, the 9 months revenues still take into account the whole portfolio. The results of the sale will be booked during the 4th quarter.

Management Services

The fees generated by the Endurance Funds family amounted to €6,3 Million. The lower lever of fees is explained by the delay of the hospitality transaction. This delay is largely compensated by the positive contribution of the hospitality division in the first 9 months results.

€29,6 Million of adjusted EBITA, almost doubled when compared to first half 2007

Orco Property Group's operating activities generated a positive adjusted EBITA of €29.6 Million during the first 9 months of 2007 vs €15,9 Million in the first half of 2007. This excellent figure is explained by an improvement of the profitability of every segment and notwithstanding the fact that the hospitality business, currently affected by the renovation works in Croatia, has not yet reached a satisfactory level of profitability.

The group believes that this ratio, by adjusting non cash positive and negative contributions, provides a view of the performance of the underlying business.

This ratio is calculated on the basis of the operating result from which is deducted the profit on revaluation (€96.3 Million for Q1 2007), and to which is added the costs regarding stock-based compensation (€1.5 Million), the cost of goods sold corrections i.e. capital gains realized on disposed assets previously recognized through the income statement (€2.8 Million) and the depreciations and provisions (€12.2 Million).

A positive impact of the decrease in tax rates

In Czech Republic, the income tax decreased from 24% to 21%. In Germany, from 39% to 31%. This modification affects the accounts of the company on two levels : first, the income tax that will effectively be paid from January 2008 on. And second, the calculation of the deferred taxes that will lead to the recognition of a non cash gain in 2007 amounting to €36.6 Million.

A net profit of €68,4 Million

The net profit amounts to €68,4 Million vs €22.9 Million for the first 9 months of 2006.

Balance Sheet : in thousand euros

Assets			Equity and liabilities		
	September 2007	December 2006		September 2007	December 2006
NON-CURRENT ASSETS	1 926 479	992 605	EQUITY	879 492	518 425
Intangible assets	57 582	1 545	Shareholders' equity	726 146	454 232
Investment property	1 410 961	749 438	Minority interests	153 346	64 193
Property, plant and equipment	400 473	213 860	LIABILITIES		
Hotels and own-occupied buildings	275 117	165 502	Non-current liabilities	1 493 479	673 075
Fixtures and fittings	16 644	15 036	Bonds	459 518	240 854
Properties under development	108 712	33 322	Financial debts	792 703	331 651
Financial assets	35 694	21 196	Provisions	14 839	11 822
Deferred tax assets	21 769	6 566	Deferred tax liabilities	226 419	88 748
CURRENT ASSETS	834 341	487 749	Current liabilities	387 849	288 854
Inventories	259 308	248 884	Financial debt	155 906	95 370
Trade receivables	52 005	52 602	Trade payables	52 422	55 526
Other current assets	135 549	85 643	Advance payments	80 207	63 377
Cash and cash equivalents	245 189	98 339	Provisions	27 949	18 992
Held for sale activities	142 290	2 281	Other current liabilities	22 569	54 116
			Held for sale activities	48 796	1 473
TOTAL	2 760 820	1 480 354	TOTAL	2 760 820	1 480 354

A message from Jean-François OTT, chairman and CEO of Orco Property Group

“Although the financial markets are challenging today, we reiterate our confidence in our expansion strategy based on qualitative products in offices, residential, logistics and retail with qualitative clients. There is no sign today of any negative effect which could affect the growth of the Central European markets in which Orco is active: yields stands stable and rents are still increasing. Our property and development pipelines will undeniably allow us to remain among the leaders in Central Europe.”

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