



Orco Property Group

February 2nd 2009

Annual Turnover reaches € 299,3 Million

- i) The non-audited annual turnover for 2008 is estimated at € 299,3 Million vs € 270.8 Million achieved in 2007.

	Development	Management services	Hospitality	Renting	Inter-segment eliminations	Total
Czech Republic	60,5	4,6	8,4	24,5	-6,6	91,4
Germany	27,5			53,5	-4,5	76,5
Poland	40,0		5,0			45,0
Croatia	0,2		16,0		-0,1	16,1
Hungary	25,4		1,8	6,2	-0,1	33,3
Slovakia	5,1		0,5			5,6
Russia	0,2		3,4	24,0		27,7
Luxembourg		12,6		2,0	-0,5	14,1
Inter-geographical area eliminations	-0,4	-0,9	-0,1	-0,2	-8,8	-10,4
TOTAL	158,5	16,3	35,1	110,0	-20,6	299,3

Residential Development

The turnover was € 158,5 Million vs € 172,4 Million in 2007. 764 units have been delivered in 2008 vs 1503 units in 2007 (Kosik at 50%). The group delivered 260 units since September as the teams managed to obtain the occupancy permits for Kosik, Novy Medlanky III as predicted in June.

396 units have been booked in the accounts for the Czech Republic, the biggest contributors were 123 units for Hradec Kralove and 113 for Nove Medlanky (Brno). In Poland, 315 units have been recognized in revenues out of which 271 on Szafirowa Aleja. In Germany 45 units have been delivered (12 on Ottensen, Hamburg and 25 on Taunusside, Frankfurt).

The backlog (total Forward Purchase Contracts) amounts to 724 units out of which 409 in Czech Republic and 261 in Poland.

Rental Income

Rental revenues amounted to € 110 Million in 2008 compared to € 51,5 Million in 2007.

GSG - Orco's biggest income producing portfolio with 49 buildings - performed well with an occupancy rate increasing to 74,6 % compared to 70% as of December 2007. GSG's contribution to the group's total lease revenues amounts to € 45.3 million (vs a 6 months contribution to the group revenues with € 19.7 million in 2007). The second biggest contributor is Molcom in Moscow with revenues amounting to € 24.0 million for 12 months in 2008 compared to € 17.0 million for 9 months in 2007.

Excluding GSG, the occupancy rates of the leasing portfolio reached 83% for office, 76% for residential, 85% for retail and 100% for industrial/logistics. The comparatively lower level of the residential portfolio's occupancy rate is solely because these buildings are sold on a unit per unit basis.

Hospitality

Hospitality revenues were € 35,1 Million in 2008 (vs € 36.1 Million in 2007). Suncani Hvar contributed to € 16 Million vs € 12.5 Million in 2007. 50% of the Central European portfolio has been sold to AIG at the end of 2007 and therefore is only integrated at 50%. This is partially compensated by the opening of Pokrovka in Moscow and the full contribution of Adriana and Amfora in Hvar.

Management services

The turnover amounts to €16,3 Million, much below our estimate. The fund raising market has severely slowed down and as a result the teams have had only very limited success in raising cash for the past year.

The residential fund still has € 120 Million equity to invest out of the €220 Million committed.

Turnover for FY 2009: the group reiterates targets announced in November 2008

The group forecasts a minimum annual turnover of € 277 Million secured by rents for €110 Million, contracted residential development sales for € 118 Million, hospitality turnover for € 41 Million and management commissions for € 8,5 Million.

Unsecured sales of on- going developments, at the date of this press release, can positively drive this target to € 391 Million: i) uncontracted residential developments for € 52 Million, half of which in Poland linked to sales of mid range projects and ii) commercial & office development sales for € 62 Million.

ii) Asset disposals for 2008 amount to € 186 Million

OPG sold for € 186 Million of assets in 2008. During the fourth quarter, the group completed the sale of the Vinohrady portfolio and Brno Centrum. The cash net proceeds of the disposal program amount to € 100 Million for the whole year.

In 2009, the group will continue its active disposal program.

III) Next communication : 2008 full year results to be published on March 17th 2009

Trading conditions in our key markets remain challenging. However, the group is working on a number of strategic initiatives to improve its long term profitability. To this end, OPG has retained UBS Investment Bank as its exclusive financial advisor to review all strategic and financial options in response to the changed market circumstances.

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Orco Property Group is a leading investor, developer and asset manager in the Central European real estate and hospitality market, currently managing assets of approximately EUR 2, 5 billion. Operating in Central Europe since 1991, Orco Property Group is a public company, based in Luxembourg, and listed on the NYSE Euronext, Prague, Warsaw and Budapest Stock Exchanges. Orco Property Group operates in a number of countries including, mainly, the Czech Republic, Hungary, Poland, Russia, Croatia, Germany and Slovakia. Orco Property Group is continually analysing investment into new territories.

Orco Property Group is also sponsor of The Endurance Real Estate Fund, a Luxembourg-regulated closed-end mutual fund (*fonds commun de placement - fonds d'investissement spécialisé*) organised as an umbrella fund with six sub-funds focused on real estate acquisitions on office and retail, residential, industrial & logistic, and Health Care markets.