



## **Orco Property Group and Colony Capital enter into exclusive negotiations on a reserved share capital increase**

29 April 2009 – Orco Property Group SA (OPG), a major property company focused on Central Europe, announced that its Board of Directors has entered into exclusive negotiations with Colony Capital with a view to proceeding with a share capital increase reserved for CoLOG, a company controlled by funds advised by Colony Capital.

CoLOG is considering, in partnership with Jean-François Ott, founder and CEO of Orco Property Group, to reinforce OPG's equity by €25 million by the end of the second quarter 2009 and by an additional amount of up to €140 million at the end of the Safeguard Procedure (*Procédure de Sauvegarde*) opened by the Paris Commercial Court (*Tribunal de Commerce*) on March 25, 2009.

These negotiations are being undertaken in the context of the management's financial and operational restructuring plan and also aim at allowing the company to continue, under the best conditions, certain property developments adapted to such plan.

After a due diligence period, CoLOG would be entitled to subscribe, at the latest on June 22, 2009, to a reserved €25 million share capital increase. Orco Property Group would issue 5 million shares with share warrants, at a subscription price per share of €5. Four share warrants would be attached to each new share allowing CoLOG to acquire 20,000,000 new shares at a subscription price of €7 per share. These share warrants would be exercisable at the end of the Safeguard Procedure.

Furthermore, the Board of Directors of Orco Property Group has proposed that all OPG shareholders be granted one free share warrant for two OPG shares, entitling shareholders to subscribe to one new share at the same subscription price as the share warrants issued to CoLOG.

Mr. Le Guerneve, the court administrator appointed by Paris Commercial Court on March 25, 2009, has been informed of this negotiation.

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