



Press release

Orco Property Group and Colony Capital extend their agreement on a capital increase

Paris, June 22, 2009

After two months of review and work, Orco Property Group SA (OPG) and Colony Capital concluded that it was necessary for the management of OPG to implement and finalize the restructuring of the bond debt. In order to preserve the rights of all existing shareholders, OPG and Colony Capital accordingly modified the terms of the agreement signed on April 29th 2009.

Based on the terms of the amendment signed today and for a period up to November 30th, CoLOG, a company controlled by funds advised by Colony Capital, will be granted warrants. These warrants will be subject to the approval of the Extraordinary Shareholder Meeting, and will allow CoLOG to subscribe to an issue of Orco Property Group shares at €7 per share amounting to about €80 million. CoLOG's equity stake in OPG should not exceed 30%. All OPG shareholders will also be offered a share capital increase at €7 per share and with a ratio of one new share for one existing share.

The exercise of the CoLOG warrants is subject to the success of the bond restructuring undertaken as part of the Procédure de Sauvegarde (court protection from creditors).

The deal will be also subject to a shareholders vote in an extraordinary general meeting and a prospectus filed with the relevant financial market authorities.

Under this agreement, all current and future OPG shareholders would enjoy the same subscription conditions for the share issue.

After the required debt restructuring, this transaction will bolster the group's equity while providing funds for growth and for implementation of its operational restructuring plan.

OPG will report progress made under its restructuring plan during its ordinary general meeting to be held on July 8, 2009.

Jean-François Ott, president and CEO of OPG will host a telephone conference with journalists at 11am and with analysts/investors at 2pm.

Press contacts

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