



Press release on 2009 consolidated financial statements (unaudited)
"ORCO in shift towards profitability"

Consolidated key figures 2009

- **16% decrease of revenues to EUR 251 mln**
 - Stable revenues from Group assets in H2 compared to H1; 13% decrease YoY
 - Sharp decrease YoY in development revenues, hospitality revenues and Endurance Fund management fees
 - 437 residential units sold vs 764 units in 2008. Backlog of 1,139 units vs 1,832 units
- **Ongoing costs reduction plan : operational expenses decrease by 21% YoY**
 - Headcount decrease 27%
 - Effective containment plan for hospitality assets with costs decreasing by 33%
- **Adjusted EBITDA increases to EUR 30 mln (+34% YoY)**
 - Most EBITDA growth on H2 (EUR 18.5 mln vs 11.5 mln H1)
 - Decrease in revenues more than compensated by cost reduction plan
- **Assets sold for EUR 66.6 mln in 2009, just EUR 0.6 mln below valuation**
 - EUR 46.6 mln in Germany FY
 - EUR 40,3 mln in H1 vs 26,3 mln in H2
- **Operating result improvement (incl valuation adjustments)**
 - Net operating gain of EUR 6 mln in H2 vs Net loss of 260 mln in H1
 - Net operating loss of EUR 254 mln FY 2009 with valuation adjustments of 250 mln
 - Limited impact from real estate valuation adjustments in H2
- **Net loss of EUR 250,6 mln in 2009**
 - Net loss of EUR 51 mln in H2
 - Net financial result of EUR -52 mln in H2 incl -18 mln of bonds interests
- **Real estate portfolio values stable in H2 at EUR 1.81 bn**
 - Values down by EUR 232 mln, - 12% YoY
 - Over the last 2 years, an overall decrease of values of more than 30%...
 - ...and a valuation decrease of 40% of Investment Properties excl Berlin GSG despite an increase of rental income
 - Commercial Investment Properties sharply down in H1, rental properties up at same perimeter in H2 but mostly offset by decreases on hotels
 - Developments sharply down in H1, recovering partly in H2
 - Reversionary potential is estimated at 27%

ORCO Property Group

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- **NAV decreases in H2 to 8.2 EUR per share (without re-evaluation of debt at fair value)**
 - NAV decreases by EUR 6.8 p.s. compared to End June (EUR 15 p.s.) mostly due to negative financial result over H2
 - NAV does not include any discount on bonds debt
 - NAV of Orco Germany S.A. increases from EUR 1.61 to 1.73 p.s. while OPG is set to convert its EUR 17.6 mln shareholder loan at EUR 1.6 p.s.

Key events 2009 – early 2010

- 'Procédure de sauvegarde' opened in March 2009 and extended until 25 June 2010
- The draft 'plan de sauvegarde' including a rescheduling of OPG SA debts was circularized to creditors on 30th March 2010
- More than EUR 350 mln of loans and credit lines renegotiated in 2009
- Completion and opening of key projects : Sky Office, H2 Office, Paris Department Store, 3 healthcare assets in Germany, Mokotowska, and Peugeot show room in Warsaw, etc.
- Resuming of works of Vaci in Budapest and Klonowa Aleja in Warsaw
- New developments green-lighted : Americka 11 and Mostecka in Prague
- Sales initiated in Q4 2009 closed in Q1 2010 : Helberger, WasserStr and Geness str. (part of GSG) in Germany
- Bubny: LOI for sale of 2has of land was signed, conditional to modification of urban master plan which is ongoing
- Zlota : Appeal court cleared the zoning permit. Decision on Building Permit - which remains suspended - expected by mid 2010. Construction pre-tender launched

Outlook for 2010

- General Assembly to be held by end of April
- Scheduled increase of stake in Orco Germany to 65% by end of May
- Judgment on the plan de sauvegarde to take place by June end
- 2nd phase of restructuring program (Orco Germany, new business lines, cost saving plan) to be implemented by June end, leading to further increase of operational performance
- Slow but continuing improvement of outlook in most market in which the Company operates
- Accelerated asset sales, particularly in Germany

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Consolidated balance sheet

Assets			
	Note	31 December 2009	31 December 2008
NON-CURRENT ASSETS		1,392,979	1,710,798
Intangible assets	7	48,903	57,074
Investment property	8	1,072,304	1,211,718
Property, plant and equipment		235,677	363,973
Hotels and own-occupied buildings	9	215,393	245,273
Fixtures and fittings and other equipments	11	20,284	19,027
Properties under development	12	-	99,673
Financial assets at fair value through profit or loss	13	32,353	70,681
Deferred tax assets	26	3,742	7,352
CURRENT ASSETS		630,554	753,312
Inventories	14	482,605	529,827
Trade receivables		31,379	36,962
Other current assets	16	56,347	95,436
Derivative instruments	19	2,695	5,098
Current financial assets		488	2,190
Cash and cash equivalents	17	57,040	83,799
ASSETS HELD FOR SALE	8, 9, 10	48,930	-
TOTAL		2,072,463	2,464,110
Equity and liabilities			
		31 December 2009	31 December 2008
EQUITY		104,730	420,874
Equity attributable to owners of the Company		56,577	304,633
Non controlling interests	18	48,153	116,241 (1)
LIABILITIES		1,967,733	2,043,236
Non-current liabilities		1,021,463	1,468,366
Bonds	19	409,397	429,437
Financial debts	19	484,634	826,483
Provisions & other long term liabilities	20	16,918	29,625
Derivative instruments	19	9,289	14,917
Deferred tax liabilities	26	101,225	167,904
Current liabilities		894,819	574,870
Current bonds	19, 21	59,219	11,075
Financial debts	19, 21	595,776	298,761
Trade payables	21	33,480	59,577
Advance payments	21	53,212	61,120
Derivative instruments	19	44,380	38,382
Other current liabilities	21	108,752	105,955 (1)
Liabilities held for sale	10, 21	51,451	-
TOTAL		2,072,463	2,464,110

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Year ended 31			
	Note	Dec 2009	Dec 2008
Revenue	5	251,531	299,926
Net loss from fair value adjustments			
on investment property	5, 8	-177,598	-216,951
Other operating income		3,150	6,195
Net loss on disposal of assets	5, 8	-631	-1,060
Cost of goods sold	14	-115,726	-127,762
Employee benefits	22	-49,286	-59,342
Amortisation, impairments and provisions	5, 9, 14	-89,354	-188,517
Other operating expenses	23	-76,303	-99,260
Operating result		-254,217	-386,771
Interest expenses	19	-86,850	-74,719
Interest income	19	8,707	10,110
Foreign exchange result	24	4,686	-21,194
Other net financial results	25	-36,700	-41,839
Financial result		-110,157	-127,642
Loss before income taxes		-364,374	-514,413
Income taxes	26	48,858	50,595
Net loss for the year		-315,516	-463,818
Total loss attributable to:			
non controlling interests	18	-64,952	-73,258
owners of the Company		-250,564	-390,560
Adjusted Ebitda	5	29,855	22,330
Basic earnings per share (in EUR)	27	-23.35	-36.94
Diluted earnings per share (in EUR)	27	-23.35	-36.94

Real estate portfolio valuation

In Euro 000'	Portfolio valuation December 2008	Transfers	Sales	Investments	Re-evaluation	Portfolio valuation December 2009
Commercial investment properties	1,115	54	(63)	19	(90)	1,035
Development	943	(54)	(120)	148	(137)	780
Total	2,059	-	(184)	167	(227)	1,815

Net asset value

	December 2009	June 2009	December 2008
Consolidated equity	56,578	97,618	304,633
Fair value adjustments on investment portfolio	0	0	784
Fair value adjustments on hotels and own occupied buildings	10,562	15,457	46,242
Fair value adjustments on properties under development	0	0	-18,631
Fair value adjustments on inventories	-13,657	10,516	15,615
Deferred taxes on revaluations	58,438	64,539	141,356
Goodwills	-22,748	-24,759	-29,305
Own equity instruments	82	649	4,190
Net asset value	89,255	164,020	464,884
Net asset value per share	8.16	14.99	42.48
Existing shares	10,944	10,944	10,944

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