



PRESS RELEASE

Paris, APRIL 22, 2010

Capital increases confirmed by the Luxemburg Court

Orco Property Group welcomes the decision delivered today by the Luxemburg Court (« *Tribunal d'arrondissement* ») that rejects the claims brought by the minority shareholders Millenius Investissements, Clannathone Stern and Bugle Investments acting in concert. The rejected claims contested the validity and effectiveness of the recent capital increases implemented by Orco Property Group. The Vice-President of the Tribunal acting as the "*Juge des Référés*" underlined that « the increases of capital were undertaken in the interest of the Company ».

This decision shall put an end to the attempts of these isolated shareholders to unhinge the group and its management during a critical period. Moreover, it validates the on-going efforts of the management team over the last 18 months. These efforts were mainly focused on strengthening the balance sheet through the injection of fresh capital by new investors. As of today, and in spite of challenging market conditions, Orco Property Group raised EUR 16,200,000 of new equity that will be used to fund its operations and to strengthen its balance sheet. These capital increases prove the resiliency and strength of the group, some critical factors in light of the upcoming hearing at the Paris Commercial Court that will assess the validity of the Safeguard Plan.

The entry of new investors has been completed and is divided into three successive tranches:

A first reserved capital increase tranche created 1,090,000 new shares for the benefit of Neptune Invest S.à.r.l (340,000 shares) and Axa Investments Managers (750,000 shares) for a total of EUR 6,100,000 (EUR 5.61 per share). This capital increase was presented to the notary in Luxemburg on April 13, 2010, was approved and the Company's Articles of Association were amended. The new shares, immediately assimilated with the existing ordinary shares, have been listed on the Euronext Paris since April 16, 2010.

A second reserved capital increase tranche created 1,420,000 new shares for the benefit of Alandia Investissements (20,000 shares), Neptune Invest S.à.r.l (400,000 shares) and Lansdowne Capital - an affiliate of SPQR Capital (1,000,000 shares) for a total of EUR 7,100,000 (EUR 5 per share). This capital increase was presented to the notary in Luxemburg on April 16, 2010, was approved and the Company's Articles of Association were amended.

A third reserved capital increase tranche created 600,000 new shares for the benefit of Hillgrove Investments Group Limited (300,000 shares) and FINPLAT SA (300,000 shares) for a total of EUR 3,000,000 (EUR 5 per share). This capital increase was presented to the notary in Luxemburg on April 19, 2010, was approved and the Company's Articles of Association were amended.

The 2,020,000 new shares created in the second and third capital increases have been recorded on the nominee account („*compte nominatif pur*“) in the register of the Company held by CACEIS Corporate Trust and will remain recorded until (i) a prospectus is approved by the Luxemburg regulatory authorities (“*Commission de Surveillance du Secteur Financier, CSSF*) and (ii) these shares are listed for trading on Euronext Paris as well as on the Prague, Warsaw and Budapest Stock Exchanges. Orco Property Group is currently using its best efforts to submit for approval a prospectus to the CSSF in the upcoming weeks. Although these newly created 2,020,000 shares from the second and third capital increases have not yet been accepted for trading on the above mentioned stock exchanges, they carry the same financial and voting rights as the existing shares, ISIN LU0122624777.

The Company indicates that, except for the minority shareholders acting in concert referred to above, it is not aware of any other shareholders acting in concert or any entity holding shares in trust.

▪ **Summary table of existing and newly created shares by tranches**

Existing Shares	10,943,866
<u>Capital increase n°1</u>	
Newly created shares :	1,090,000
<i>out of which Axa Investment Managers</i>	<i>750,000</i>
<i>out of which Neptune Invest S.à.r.l</i>	<i>340,000</i>
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Total number of shares after tranche 1	12,033,866
<u>Capital increase n°2</u>	
Newly created shares :	1,420,000
<i>out of which Alandia Investments</i>	<i>20,000</i>
<i>out of which Neptune Invest S.à.r.l</i>	<i>400,000</i>
<i>out of which Lansdowne Capital</i>	<i>1,000,000</i>
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Total number of shares after tranche 2	13,453,866
<u>Capital increase n°3</u>	
Newly created shares :	600,000
<i>out of which Hillgrove Investments Group Limited</i>	<i>300,000</i>
<i>out of which FINPLAT SA</i>	<i>300,000</i>
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Total number of shares after tranche 3	14,053,866

▪ **Summary table of major shareholders’ voting rights after the successive capital increases***

	Number of shares	% of voting rights
Millenius Investment	847,600	
Clannathone Stern	227,000	
Bugle Investments	30,000	
Total "concert"	1,104,600	7.86%
Lansdowne Capital SA	1,000,000	7.12%
Axa Investment Managers	874,835	6.22%
Neptune Invest S.à.r.l	740,000	5.27%
Ilgrove Investments Group Limited	300,000	2.13%
FINPLAT SA	300,000	2.13%
Ott&Co S.A	176,343	1.25%

(* the amounts are in accordance with the latest received shareholders' notifications, duly reported to Orco Property Group. Please note that each shareholder has the full ability to either buy or sell shares without having to notify its operation provided the amounts at stake do not exceed legal thresholds)

- **Next steps**

The hearing at the Paris Commercial Court dedicated to assessing and examining the safeguard plan has been scheduled for 12 May 2010. Should the safeguard plan be accepted, Orco Property Group would then exit the observation period of the safeguard procedure ("*Période d'observation*") and the plan will therefore be enforceable.

Orco Property Group confirms that it remains fully committed to continuing its efforts at finding suitable capital partners who would further strengthen its balance sheet. In the meantime, the group is working on obtaining as soon as possible the authorization from the CSSF on the prospectus that would enable the listing for trading of the 2,020,000 newly created shares on Euronext Paris as well as on the Prague, Warsaw and Budapest Stock Exchanges.

For more information, please, visit: www.orcogroup.com