Press Release

31 August 2010

First half 2010 financial information
Towards the implementation of its Safeguard plan

Semester financial highlights:

- The Gross Asset Value as at June 2010 stands at EUR 1,734 Million compared to EUR 1,815 Million as at December 2009, mainly due to asset and development sales for EUR 117 Million partially compensated by a positive net change in value of EUR 24 Million.
- Revenues of EUR 163 Million in H1. Increase of 23% YoY mainly as a result of sales of large commercial developments in Germany.
- Rental revenues from commercial properties remained stable overall while residential sales in CE remained sluggish with prices declining in the Czech Republic and Slovakia.
- Adjusted EBITDA increased to EUR 21 Million compared to EUR 11 Million in June 2009 mainly resulting from the margin on commercial developments sold, and continuous decrease of operating expenses. Operating result stands at EUR 38 Million.
- EUR 27 Million of revaluation profit recognized in income statement on investment properties.
- After approval of the Safeguard plan, the balance of the existing bonds' amortized value and accrued interests amounting to EUR 406 Million as at 19 May 2010 was replaced by the market value of the new termed out liability of EUR 136 Million, with the difference of EUR 270 Million being recognized as a gain.
- Net result (group share) stands at EUR 238 Million taking into account this gain on the bonds rescheduling.
- NAV jumps to EUR 25.3 per share, compared to EUR 8.2 end of 2009, mostly due to bonds revaluation more than compensating the dilution resulting from the April capital increases.
- Loan to value dropped to 69% compared to 84% at the end of 2009, mainly through bonds revaluation. OPG bond liability will however increase each year by 23.1% minus actual repayments, through the effective interest recognized in P&L. Loan to value before bonds stands at 56% compared to 58% excluding bonds.

Key semester events:

- Unlike in 2009, liquidity on commercial investment market increased over 2010 and the Group sold EUR 100 Million of assets and commercial developments freeing EUR 31 Million of cash. Signed or closed sales since 30 June 2010 amount to a further EUR 43 Million.
- On 19 May 2010, the Paris Commercial Court approved the Company's Safeguard plan and the term out of the Company's bonds and other liabilities. First annuity payment is planned 30 April 2011. The calculation of the annuities is challenged by some bondholders.
- In April 2010, the Company conducted 3 Capital increases for a total of 3.1 million new shares (EUR 16.2 million). The listing of 2 million shares is pending until the CSSF approves the prospectus. Those capital increases are challenged at court by minority shareholders led by Millenius Investments.
- The General Assembly held on 26 April 2010 renewed the mandate of the current Board of Directors for another two years.
- Zlota: The Supreme Court did not reconfirm the building permit which was sent back to the Voivod administration. A positive decision is anticipated in Q3 2010, to be followed by the resumption of construction works.
- Hvar: the shareholders' agreement with the CPF (Croatian Privatization Fund) expired in July 2010 without the initial objectives of property ownership dispute resolution being met by the CPF. The 2010 summer season should see substantial revenue and profitability growth compared to 2009.

Outlook:

- As investor activity has resumed across the region, together with access to financing, yields started growing mildly. The Group's capacity to implement its sales of non core assets is hence reinforced, together with its gross assets' value.
- Residential sales have remained sluggish throughout the first half of 2010. Although the market may have bottomed out, gross margins remain under strain and the Group's inventory remains high.
- Commercial rentals should remain very challenging in Budapest, while stabilizing in Prague and slightly improving in Berlin.
- The Group expects to achieve between EUR 280 and 300 million of revenues in 2010 depending on the timing of the sale of commercial developments and the delivery of residential developments.

Documents available on http://www.orcogroup.com/:

- Management report as at 30 June 2010
- Condensed Consolidated Interim Financial Information as at 30 June 2010
- PricewaterhouseCoopers Review Report of Condensed Consolidated Interim Financial Information as at 30 June 2010

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