Press Release

Paris, 12 May, 2011

FIRST PAYMENT MADE UNDER THE SAUVEGARDE PLAN

On 30 April 2011, Orco Property Group S.A. ("OPG") made its first payment to bondholders under the sauvegarde plan. The following amounts were paid to each category of bonds and distributed on a pro rata basis among the outstanding bonds of each category:

Bonds registered under ISIN FR0010249599: €1,104,620
Bonds registered under ISIN CZ0000000195: €327,375
Bonds registered under ISIN XS0223586420: €772,702
Bonds registered under ISIN FR0010333302: €2,909,999
Bonds registered under ISIN XS0291838992 & XS0291840626: €3,770,181

OPG confirms that according to the sauvegarde plan, this first payment was comprised entirely of interest for each category of bonds, except for the convertible bonds registered under ISIN FR0010333302 for which the first payment represents a redemption of part of its principal.

OPG CONSIDERING THE ISSUANCE OF AN OPG BOND TO ORCO GERMANY BONDHOLDERS

OPG is considering the issuance of a new bond convertible into OPG shares and reserved for the bondholders of its 58% subsidiary Orco Germany S.A. ("OG"). The new convertible bond would (i) be subscribed to by a contribution of OG bonds - ISIN XS0302623953; (ii) have a maturity of 6 years; and (iii) be issued with a conversion price close to or at the money.

The new convertible bond would also include a "soft call" provision for OPG at a market standard level of 130% of the conversion price, allowing OPG to redeem the bond if the bondholders are not exercising their conversion rights.

An appropriate acceptance threshold could be introduced for the issuance if and when it is launched.

This new convertible bond would deleverage OG and address the approaching maturity of OG's € 100 million unsecured bond in May 2012. In addition, it would allow current OG bondholders to benefit from the potential upside of the OPG share price.

OPG would then consider equitizing the OG bonds into OG shares. The shareholders of OPG and OG would then benefit from deleveraging and lowering of the risk profile of OG, the largest subsidiary of OPG.

OPG is therefore seeking constructive discussions with the OG bondholders, to be scheduled through its advisor Rothschild during the month of May 2011.

DELEVERAGING ORCO GERMANY

While OPG is confident that OG's assets have significant potential over the next few years, OG must deal with its high LTV (79% at the end of 2010) and upcoming debt maturities. By April 2012, OG must refinance the € 300 million loan over its GSG Berlin portfolio which is currently valued at € 449 million[1], an LTV of 67%. Moreover, on 30 May 2012, the € 100 million unsecured bond of OG will mature. Any refinancing of OG debt could prove difficult as all of OG's material assets are pledged to creditors.

OG's expected net cash flows for the next 12 months largely correspond to the expected estimated net proceeds from the initiated sale of Sky Office, an office tower in Dusseldorf which is 71% leased and is valued by DTZ at € 138 million as at the end of 2010. The net cash inflow from the sale[2] could be between € 30 and 40 million by Q1 of 2012. The sale of smaller OG assets has been initiated, with an expected net cash inflow between € 3 and 5 million over the next 12 months. Additional proceeds from the sale of Leipziger Platz (as per the press release of 1 February 2011) are not planned to be cashed within the next 36 months.

"We are building a momentum to strengthen the group's equity and align all stakeholders. The OG bondholders could benefit from a broader diversification of assets at the OPG level and also participate in the equity upside at the OPG level. This in turn would allow us to accelerate the value creation process within our portfolio", declares Jean-François Ott.

[1] The details of individual asset valuations as of the end of 2010 are now available on www.orcogroup.com/investors
[2] Net of debts, fit out capex and other transaction costs.