



Press Release of 16 August 2011

**OPG PRESS RELEASE REGARDING THE BONDHOLDERS MEETING
CONVENED BY Mr. LUC LEROI ON 26 JULY 2011¹**

1-Pending claims before Luxembourg jurisdictions

**1.1 Request made before Court regarding the removal of Mr. Luc Leroi
as bondholders representative**

Orco Property Group (“Orco” or the “Company”) considers that Mr. Luc Leroi, the representative of the holders of the Company’s 2010 (ISIN FR0010249599), 2013 (ISIN FR0010333302) and 2014 bonds (ISIN XS0291838992 and XS029184062), has infringed upon his contractual obligations and covenants under the agreement signed, when he left Orco in February 2009. Moreover, Orco considers there have been clear conflict of interest and various irregularities and failures while Mr. Leroi has been on duty.

Therefore, Orco requested the Luxembourg *Tribunal d’arrondissement* dealing with commercial matters (the “Court”), under summary judgment (*procédure de référé*), to remove Mr. Luc Leroi as the bondholders representative.

Mr. Luc Leroi challenged Orco’s claim and its line of argument.

On 15 July 2011, the Court rejected, in first instance, Orco’s claim, stating that the claim against Mr. Luc Leroi does not constitute a just cause requested by law.

Orco is considering appealing these decisions.

¹ Orco reminds that it refuses to support the disclosure of the documents or information which are used in the judicial proceedings pending before Court. The Company however systematically releases the content of Court’s decisions as well as the means to lodge an appeal against them.

During the general meetings dated 26 July 2011 for the holders of the Company's 2010 (ISIN FR0010249599), 2013 (ISIN FR0010333302) and 2014 bonds (ISIN XS0291838992 and XS029184062), on the sole item of the agendas to be put on vote, Mr. Leroi has been confirmed by the bondholders present or represented as bondholders representative for the 2010, 2013 and 2014 bonds. For more information please refer to the website of the Company at www.orcogroup.com.

1.2 Bondholders meetings held on 26 April 2011

Mr. Leroi convened in April 2011 general meetings of the bondholders, in order to resolve on the creation of a fund dedicated to the defense of the bondholders, the funding terms of the fund, powers granted to the bondholders representative to manage it and the related remuneration.

The total amount of EUR 750,000 was proposed to be withheld from the Company's 30 April 2011 payment to Bondholders under the Safeguard Plan.

Due to several irregularities considered by Orco, the Company filed a request before the *Tribunal d'arrondissement* to obtain a presidential order (*ordonnance présidentielle unilatérale*) to request that Mr. Leroi cancels the convening of all three bondholders meetings scheduled on 26 April 2011, and forbid him from holding these meetings, with the threat of a penalty payment (*astreinte*).

On 20 April 2011, the Court granted Orco's motion and thereby prohibited the Bondholder meetings from being held on 26 April 2011.

Orco consider that the convening notices were not cancelled by him and the meetings were held on 26 April 2011. As a result of this, Orco requested to proceed with the application of preventive seizure in the light of the penalty payment (*astreinte*).

Mr. Leroi took the position that he had fully respected the content of the Court's order.

Various pleadings were held between the parties regarding, among others, suspension of the meetings' effects, cancellation of the meetings, application of the penalty payment, and pleadings were held during three successive audiences.

On 22 July 2011, the Court, under summary judgment (*procédure de référé*) and in first instance rejected Orco's claims and revoked the presidential order rendered on 20 April 2011.

Orco is considering appealing these decisions.

2-Pending claims before French jurisdictions

At the end of 2008, when Mr. Leroi was still director, employee and CFO of Orco, the financial crisis which had heavy consequences on the real estate and credit sectors led the Company to request the opening of a French safeguard procedure before the Commercial Court of Paris (*Tribunal de Commerce de Paris*), which opened the safeguard procedure on 25 March 2009.

Orco and the parties involved in the safeguard procedure prepared a safeguard plan, which was submitted to the creditors, and on 19 May 2010 adopted by the Commercial Court of Paris.

On 28 May 2010, Mr. Leroi, appointed as bondholder representative for the bonds 2010, 2013 and 2014 in September 2009, filed a third party opposition (*Tierce Opposition*) against the Company's safeguard plan, namely the maximum bond liability to be reimbursed within the Safeguard plan.

The hearings in this matter took place on 22 June, 2010, 20 July 2010, 12 October 2010, 8 February 2011 and 17 May 2011.

On 3 February 2011, Mr. Luc Leroi as bondholders' representative made a petition to the supervisory insolvency judge - *juge commissaire* - that the bond debt of the Company admitted by the *juge commissaire* was not complete. As a result of the above claim of Mr. Leroi the hearing of 8 February 2011 was deferred until 17 May 2011.

The bondholders' representative withdrew his request in omission to rule in front of the *juge commissaire* in the audience of 25 March 2011, before filing again on 12 May 2011 a request in interpretation against these decisions.

On 17 May 2011 the hearing was deferred until 27 September 2011, because of Mr. Leroi's request to the *juge commissaire* whereby he requested an interpretation of the *juge commissaire's* admission of the bond debt.

The requests regarding the interpretation of the *juge commissaire's* admission were pleaded in front of the *juge commissaire* on 21 June 2011. The decision shall be rendered in the course of September 2011.

The pleadings in front of the Commercial Court of Paris on the *Tierce opposition* can only continue validly once the *juge commissaire* decision will be rendered and becomes definitive.

For more information please, email to Bondholders@orcogroup.com or visit www.orcogroup.com