



## Press Release

22 September 2011

### **MSREI transactions now closed, MSREI now Orco Property Group's largest shareholder with a 19.2% stake. Orco solidifies positions in Orco Germany and Endurance Sub-Funds**

Further to its press release of 18 August, 2011, Orco Property Group ("Orco") has today issued 3 million ordinary new shares without nominal value ("New Shares") to funds advised by Morgan Stanley Real Estate Investing ("MSREI"). The New Shares, issued under Orco's authorized capital, were fully paid to Orco by the contribution in kind of MSREI's 14,100,000 shares in Orco Germany (ISIN LU0251710041), 1,500,000 units in the Office I Sub-Fund of the Endurance Real Estate Fund, and 1,404,276.226 units in the Residential Sub-Fund of the Endurance Real Estate Fund. The New Shares will be immediately assimilated with the existing ordinary shares of Orco (ISIN: LU0122624777) and listed on the regulated market of NYSE Euronext in Paris on 22 September 2011. The procedure for admission to trading of the New Shares on the regulated markets of the Prague, Budapest and Warsaw stock exchanges is pending.

With this transaction, Orco's share capital has increased to EUR 69,920,850.60 represented by 17,053,866 shares and MSREI has become Orco's largest shareholder with a 19.2% holding (including a 2% stake in Orco held before the transaction). In turn, Orco has increased its stake in Orco Germany from 58.4% to 87.3% (or 91.2% after eliminating the treasury shares owned by Orco Germany), and in the Office I Sub-Fund from 16.2% to 27%, and in the Residential Sub-Fund from 5.8% to 14.8%.

MSREI's support for the existing board of directors and the top management of Orco is reflected in the Relationship Agreement entered into in connection with this transaction. The fundamental terms of this Relationship Agreement are contained in sections 4 and 5 of Orco's prospectus as approved by the *Commission de Surveillance du Secteur Financier* on 13 September 2011.

"MSREI is pleased to become a significant shareholder in Orco and we look forward to working with the board and senior management team as they execute on Orco's strategy," commented Olivier de Poulpiquet, global co-head of MSREI.

"MSREI's commitment to Orco and its management, as well as Orco solidifying its control over Orco Germany, greatly stabilises the shareholding of the Group. Orco can now accelerate deleveraging, while focusing on higher value added assets in our core strategic cities of Prague, Berlin, Budapest and Warsaw," emphasised Jean-François Ott.

About ORCO Property Group.

ORCO Property Group is one of the leading Central European property companies. The company established in 1991 is based in Luxembourg and has listings on NYSE Euronext Paris, Prague, Budapest and Warsaw stock exchanges.

For more information, visit our shareholder corner on [www.orcogroup.com](http://www.orcogroup.com), or contact: Nicolas Tommasini +331 40 67 67 23 or at [investors@orcogroup.com](mailto:investors@orcogroup.com)