



Press Release

Paris, 10 April 2012

**OG BOND GENERAL MEETING APPROVED OG BOND EQUITIZATION  
EQUITIZATION TERM SHEET SIGNED WITH OPG BONDS GROUP**

During their general meeting held on 5 April 2012, the Orco Germany S.A. ("**OG**") bondholders voted in favor of substituting the EUR 100.1 million aggregate nominal amount of bonds issued by OG (the "**OG Bonds**") for bonds convertible into shares ("**Obligations Convertibles en Actions**", the "**OCA**") to be issued by Orco Property Group., S.A. ("**OPG**"). Approximately 63% of the total number of the OG Bonds outstanding was present or represented, constituting a valid quorum, and the resolution was unanimous. The financial terms of the voted OG Bonds conversion correspond to the terms announced on 20 December 2011 (please refer to OPG press release of 20 December 2011– "Orco Property Group to reduce debt by equitizing EUR 129 Million of Orco Germany Bonds" available at [www.orcogroup.com](http://www.orcogroup.com)).

Implementation of the conversion of the OG Bonds into the OCA has been suspended until 17 April 2012 given that a binding term sheet has been signed with certain parties holding bonds issued by OPG, for the restructuring of the five tranches of OPG bonds totaling EUR 411 million in principal amount and EUR 549 million in total repayments due under OPG's Safeguard Plan (the "**OPG Bonds**").

The terms of the binding term sheet for the OPG Bonds will be voted by the holders of each of the five tranches of OPG Bonds at general meetings to be convened shortly. Upon approval of the terms by qualified majorities of the general meetings of the tranches, a portion of the OPG Bonds held by each holder will be converted into newly issued OPG shares. The remaining portion of OPG Bonds may be exchanged at the option of each holder into newly issued OPG bonds ("**New Notes**") on the basis of a voluntary exchange offer.

The terms of the binding term sheet provide that if a joint agreement can be reached by 17 April 2012 with the OG bondholders on the equitization of the OG Bonds solely into OPG shares, then approximately 90% of the OPG Bonds will be converted into approximately 65 million OPG shares and the remaining OPG Bonds may be exchanged for EUR 55.2 million nominal amount of New Notes. EUR 20 million of nominal amount of New Notes will also be issued to the holders of the OG Bonds as part of new terms for the conversion of the OG Bonds in addition to 26.2 million OPG shares. The total amount of New Notes will therefore be EUR 75.2 million.

If a joint agreement with the holders of the OG Bonds is not reached by 17 April 2012 but the OPG Conversion Condition (further information on the OPG Conversion Condition can be found in the convening notice for the general meeting of the holders OG Bonds held on 5 April 2012 available at [www.orcogermany.de](http://www.orcogermany.de)) is met as approved by the general meeting of the OG bondholders held on 5 April 2012 with full conversion of the OG Bonds into OPG shares (and no shares of OG), then 73.6% of the OPG Bonds will be converted into approximately 45 million OPG shares and the remaining OPG Bonds may be exchanged for EUR 144.7 million nominal amount of New Notes.

Alternatively, if a joint agreement with the holders of the OG Bonds is not reached and the OPG Conversion Condition is not met, the holders of the OG Bonds will receive in exchange for the second conversion of the OCA, 55% of the share capital of OG. Approximately 86.3% of the OPG Bonds will then be converted into approximately 97.9 million OPG shares and the remaining OPG Bonds may be exchanged for EUR 75.2 million nominal amount of New Notes. In addition, existing shareholders of OPG will receive one free warrant for each OPG share held, each warrant giving the right to one new OPG share at an exercise price of EUR 4.10 per share.

The New Notes to be issued by OPG upon voluntary exchange of the remainder of the OPG bonds will have a maturity in 2018 and will bear annual interest consisting of a combination of cash interest (5%-4%) and payment-in-kind interest (5%-3%), the percentages varying annually depending on the principal amount of the New Notes already reimbursed. The principal will be repaid in four annual payments in 2015, 2016, 2017 and 2018. The New Notes will benefit from a 25% cash sweep from net sale proceeds on selected assets in the event that less than EUR 144.7 million of New Notes are issued and 37.5% otherwise.

The restructuring of the OPG Bonds is subject to approval by the general meetings of the holders of the OPG bonds and of the OPG shareholders, applicable regulatory authorities and the Commercial Court of Paris.

Jean-Francois OTT, President & CEO of OPG stated: "These transactions illustrate the constructive progress made by the company and its bondholders towards a balanced equitization. This deleveraging will reinforce the corporate balance sheet and allow our company to focus more resources on our assets and in our developments so as to create more value in a sustainable manner."

For more information, please write to [investors@orcogroup.com](mailto:investors@orcogroup.com).