



Paris, 6 September 2012

### **Orco Property Group – notice of commencement of voluntary exchange offer**

Orco Property Group - Further to its press releases of 29 August 2012 and 4 September 2012 on the mandatory exchange of approximately 89.9% of its bonds into 64,577,483 new ordinary shares, Orco Property Group ("**OPG**") announces the commencement of the voluntary exchange offer (the "**Exchange**") for bonds issued by OPG and Orco Germany ("**OG**").

On 4 October 2012, OPG will issue up to EUR 75,200,000 of bonds (the "**New Notes**") in the Exchange for those bonds issued by OPG and OG that remain outstanding following the mandatory conversion on 3 September 2012 of approximately 89.9% of bonds issued by OPG and on 9 May 2012 of approximately 84.5% of bonds issued by OG.

The prospectus for the New Notes approved by the *Commission de Surveillance du Secteur Financier* in Luxembourg (the "**CSSF**") is comprised of a securities note and summary dated 28 August 2012 and a registration document dated 18 July 2012.

The following bonds may be exchanged in the Exchange:

- (i) OBSAR 1 bonds issued by OPG on 18 November 2005, ISIN code FR0010249599 (the "**2010 OPG Bonds**");
- (ii) Czech bonds issued by OPG on 3 February 2006, ISIN code CZ0000000195 (the "**2011 OPG Bonds**");
- (iii) Bonds exchangeable for Sunčani Hvar shares issued by OPG on 30 June 2005, ISIN code XS0223586420 (the "**2012 OPG Bonds**");
- (iv) Convertible bonds issued by OPG on 1 June 2006, ISIN code FR0010333302 (the "**2013 OPG Bonds**"); and
- (v) OBSAR 2 bonds issued by OPG on 28 March 2007, ISIN code XS0291838992 / XS0291840626, (the "**2014 OPG Bonds**", and together with the 2010 OPG Bonds, the 2011 OPG Bonds, the 2012 OPG Bonds and the 2013 OPG Bonds, the "**OPG Bonds**"); and
- (vi) Bonds issued by Orco Germany on 24 May 2007, ISIN code XS0302623953 (the "**OG Bonds**").

OPG Bonds and OG Bonds that are not offered for exchange by holders pursuant to the Exchange will remain outstanding. OPG Bonds will entitle holders to payments until 2020 pursuant to OPG's Safeguard plan. OG Bonds will entitle holders to payments according to their terms, as amended by the general meetings of the holders of the OG Bonds held on 7 May 2012 and 29 May 2012. The OG Bonds as amended will mature on 31 December 2050 with an annual interest rate of 0.5% and the interest payment originally scheduled for 30 May 2012 is due 31 December 2050, effective as of the date of issuance of the New Notes.

New Notes will be issued in exchange for OPG Bonds at a ratio of 1 EUR in principal amount of New Notes for 1 EUR in claim amount for the OPG Bonds under the Safeguard plan, subject to rounding. New Notes will be issued in exchange for OG Bonds at a ratio of 1 EUR in principal amount of New Notes for 1 EUR in repayment amount for the OG Bonds (100% principal amount plus 4% interest accrued as of 31 May 2012 plus 25% redemption premium), subject to rounding. In terms of nominal amount, 1 EUR of OPG Bonds or OG Bonds will be exchanged for a nominal amount of New Notes ranging from approximately 1.2 EUR to 1.4 EUR, depending on the OPG Bond or OG Bond exchanged. Further details are available in the prospectus.

The New Notes mature on 28 February 2018 and will bear an annual interest consisting of a combination of cash interest (decreasing from 5% to 4% upon repayment of at least 50% of the principal) and payment-in kind interest (decreasing in steps from 5% to 3% upon repayment of 50% and 75% of the principal). 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, which will correspondingly reduce the subsequent annual repayment.

In order to participate in the Exchange, holders must deliver a valid exchange instruction that is received by the relevant Depository and/or Exchange Agent before the Instruction Deadline. The Instruction Deadline is the final deadline for holders to participate in the Exchange. Instructions received by the Exchange Agent after the Instruction Deadline will not be accepted. Exchange Instructions may be revoked by holders at any time until the Revocation Deadline. By submitting an Exchange Instruction, a holder and any direct participant submitting such Exchange Instruction on such holder's behalf shall be deemed make certain representations to OPG and the Exchange Agent. The procedures for submitting Exchange Instructions will be made available through the clearing systems and the Exchange Agent.

Below is an estimated timetable for the Exchange. All times are in Central European Summer Time (CEST).

29 August 2012:	Approval of the prospectus by the CSSF
6 September 2012:	Commencement of the Exchange
5pm, 24 September 2012:	Revocation Deadline
5pm, 27 September 2012:	Instruction Deadline
1 October 2012:	Announcement of Exchange results
4 October 2012:	Issue Date / Listing on the Luxembourg Stock Exchange

For terms and conditions of the New Notes and the Exchange please refer to the prospectus.

Copies of the prospectus are available in printed form, free of charge, any weekdays (excluding public holidays) during normal business hours:

- at the registered office of OPG:

Orco Property Group S.A.,  
42 rue de la Vallée, L-2661 Luxembourg  
Telephone number: 00 352 26 47 671  
Email: [luxembourg@orcogroup.com](mailto:luxembourg@orcogroup.com);

Vinohrady SARL,

25, rue Balzac, 75 406 Paris Cedex 08, France  
Telephone number: 00 33 1 40 67 67 00  
Email: [france@orcogroup.com](mailto:france@orcogroup.com); and

- at the registered office of the Exchange Agent, Paying Agent and Depositary :

BNP Paribas Securities Services, Luxembourg Branch  
33, Rue de Gasperich, Hesperange L-5826, Luxembourg  
Telephone number: 00 352 26 96 20 00  
Email: [lux\\_ost\\_domiciliees@bnpparibas.com](mailto:lux_ost_domiciliees@bnpparibas.com), and

BNP Paribas Securities Services  
9, rue du Débarcadère, 93500 Pantin France  
Tel: 00 33 155 776 160  
Email: [paris.bp2s.ost.ope.tcinbox@bnpparibas.com](mailto:paris.bp2s.ost.ope.tcinbox@bnpparibas.com)

The prospectus is also available on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)) and OPG's website ([www.orcogroup.com](http://www.orcogroup.com)).