



**ORCO PROPERTY GROUP TO STUDY CAPITAL INCREASE AND LISTING IN
WARSAW AND BUDAPEST
Luxembourg, 8 February, 2007**

Orco Property Group ("ORCO"), one of the leading real property developers and investors in Central and Eastern Europe, announced today that it is studying a possible capital increase and listing of its ordinary shares on the Warsaw and Budapest stock exchanges (in addition to its existing Paris and Prague listings).

ORCO is currently considering a capital increase of approximately EUR 100 million, although the amount of any transaction will depend on market conditions. It expects to use the proceeds to finance the continuing expansion of its property portfolio in Central and Eastern Europe.

The Warsaw and Budapest listings will be intended to attract Polish and Hungarian institutional investors. The transaction is also likely to include an international institutional offering.

ORCO currently is targeting an offering during the second quarter of 2007, although any offering will be subject to market conditions and to regulatory approvals.

Citigroup Global Markets Limited ("Citigroup") and Wood & Co have been appointed as ORCO's financial advisors in connection with this transaction.

If the transaction takes place, ORCO will be the only foreign company listed in Budapest. Based on its anticipated market capitalization, ORCO expects that it could be eligible for inclusion in the BUX index in Hungary and the WIG index in Poland.

ORCO will remain listed in Paris and Prague and, assuming completion of the transaction, will be the only company to be listed on three of the main Central European stock exchanges (Prague, Warsaw and Budapest), the markets in which ORCO's property portfolio is heavily invested.

Editor's note

ORCO is a leading investor, developer and asset manager in the Central European real estate and hospitality market, currently managing assets of approximately EUR 1.3 billion as estimated at 31/12/2006. Operating in Central Europe since 1991, ORCO is a public company, based in Luxembourg, and listed on both Eurolist by Euronext Paris and Prague Stock Exchange. Orco Property Group's portfolio includes, IPB Real, MaMaison Hotels & Apartments, Orco Real Estate, and other retail properties. ORCO operates in a number of countries including, mainly, the Czech Republic, Hungary, Poland, Russia, Croatia, Germany and Slovakia. ORCO is continually analyzing investment into new territories. ORCO is also sponsor and manager of the Endurance Real Estate Fund for Central Europe, a Luxembourg-regulated, closed-end umbrella fund whose total subscribed capital represents EUR 141.6 million, and which currently manages assets of approx. EUR 160 million. The estimated total

value of the Fund's portfolio after investment of fully subscribed capital is ca. EUR 500 million. The Endurance Fund is dedicated to institutional investors and focuses on acquisitions in Central European real estate markets.

For further information, please contact:

Luxembourg

Luc Leroi

Tel : + 352 26 47 67 1
lleroi@orcogroup.com

Paris

Séverine Farjon

Tél : +33 1 40 67 67 00
sfarjon@orcogroup.com

Prague

Alès Vobruba

Tél +42 02 21 416 311
av@orco.cz

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN
PART TO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN**

This document does not constitute an invitation to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws.

The information contained herein is not for publication or distribution to persons in the United States of America. This information may not be sent in or into the United States of America. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), as amended, and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom.

This document is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Shares mentioned herein have not been, and will not be, registered under the Securities Act.

The securities may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

This document is only directed at persons outside the United Kingdom or person within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) for the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")) or other persons to whom it may lawfully be communicated in accordance with the Order. In the case of investment professionals, this document is directed at persons having professional experience in matters relating to investments and the investments and investment activity to which it relates will be engaged in only with such persons; persons who do not have professional experience in matters relating to investments should not rely on it.

This document is an advertisement for the purposes of the applicable measures implementing the Prospectus Directive 2003/71/EC (together with any applicable implementing measures in

any European Economic Member State, the “Prospectus Directive”). A prospectus prepared pursuant to the Prospectus Directive is intended to be published, which, if published, can be obtained in accordance with applicable rules. Investors should not subscribe for any transferable securities referred to in this announcement except on the basis of information in the prospectus.

This communication is directed only at persons in member states of the European Economic Area who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (“Qualified Investors”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, Qualified Investors. Any person who is not a Qualified Investor should not act or rely on this communication or any of its contents.

These materials are only directed at persons within Luxembourg falling within the definition of qualified investors (“*Investisseurs Qualifiés*”) (as defined in Article 2 of the Law on Prospectuses for Securities of July 10, 2005 (the “Law”)) and at persons within the Czech Republic falling within the definition of qualified investors (as defined in Section 34(2) d) of Act No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the “Czech CMA”) or other persons to whom it may lawfully be communicated in accordance with the Law and/or the Czech CMA.

A prospectus in the English language will be prepared for approval by the *Commission de Surveillance du Secteur Financier* in Luxembourg (the “CSSF”). The approved prospectus will be published in accordance with applicable legal regulations, in particular on the ORCO’s website (www.orcogroup.com). Such prospectus will include a section describing certain risk factors relating to ORCO and the Offer. The approved prospectus will be the sole legally binding document containing information about ORCO, the Offer and the Listings. For the needs of the Offer and the Listings as well the listings of Shares in Paris and Prague the CSSF will notify the respective supervisory authorities in each country pursuant to applicable legal regulations.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of ORCO. You can identify forward-looking statements by terms such as “expect”, “believe”, “anticipate”, “estimate”, “intend”, “will”, “could”, “may” or “might” or other similar expressions. ORCO wishes to caution you that these statements are only predictions and those actual events or results may differ materially. ORCO does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of ORCO, including risks specifically related to ORCO and its operations.

This does not constitute a recommendation concerning the Offer. The value of shares can go down as well as up. Past performance is not a guide to future performance. Potential investors should consult a professional advisor as to the suitability of any offering for the individual concerned.