



Press release: February 5, 2007

1st acquisition of Endurance Residential sub-fund

The Endurance Residential sub-fund, a part of the Endurance umbrella fund, is pleased to announce its first acquisition in Germany: a residential portfolio of 5 buildings in Hamburg. The properties were acquired for EUR 10 million, comprising 105 residential units and 10 retail units. Further acquisitions in Czech Republic and in Germany are planned shortly.

The Endurance Residential sub-fund, with an expected equity of EUR 100 million, is focused on the acquisition, development, management and disposition of middle class and luxury residential properties located across the CEE region and in Germany. The Residential sub-fund is backed up by prime institutional investors who have already committed EUR 57 million of capital in the beginning of the subscription period. Other investors' subscriptions are in progress.

Last year, Orco closed its highly successful Office sub-fund focused on offices and retail, targeting 17.5% internal rate of return. The subscribed equity amounted to EUR 150 million. The Office sub-fund has already closed 9 acquisitions for a gross market value of EUR 190 million.

Both Residential and Office sub-funds are structured in a tax-efficient way and operated under strict governance rules with a pre-defined rigorous investment process. The Endurance Fund is managed by an experienced team of real estate professionals drawn from ORCO's own resources.