



March 8, 2007

**Bonds with Warrants 175 MEUR 2.5 % 2007-2014**

Orco announces that Lehman Brothers International (Europe) subscribed to €175m of Bond with Warrants that will be issued by Orco Property Group S.A. Lehman Brothers International (Europe) privately placed some of these securities exclusively with qualified investors (in sense of Directive 2001/34/EC) on the 7<sup>th</sup> of March 2007. Lehman Brothers acted as sole bookrunner on this transaction. The Bonds have a maturity of 7 years, a coupon of 2.5% and will be redeemed at 117.5% of the principal amount. The 7 year Warrants can be redeemed at €0.01 after 5 years if the Parity Value exceeds €190.31 (130% of the initial Exercise Price of €146.39). The Warrants will give right to issue 1.793.160 new shares until the maturity date.

The Bonds and Warrants were not offered to the public in France within the meaning of Article L.411-1 of the French Code monétaire et financier.

A prospectus has been filed with the CSSF for approval.

The bonds and warrants will be listed on Euronext in Paris in April 2007.

Orco used Central Europe Offering as Advisor for this issue.

***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 additional information please visit [www.orcogroup.com](http://www.orcogroup.com) or contact:**

Luxembourg

Luc Leroi

Tel : + 352 26 47 67 1  
lloeroi@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