

PRESS RELEASE
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ORCO Germany S.A. implements refocusing on its commercial real estate business - Residential Property developments are under review

Already representing 90% of ORCO Germany's activities at the end of 2007, the commercial sector gains in importance after the disposal of non strategic residential assets and the review of all development projects in Germany in order to make the company less reliant on capital markets.

Over the last 7 months, the company sold 9 residential buildings located in Berlin for a total of 22 million Euros. The assets were sold for 6% above their IFRS valuation of December 2007. Likewise, equity intensive residential development projects are put on hold and may be disposed of. As a result, the construction of Fehrbelliner, the high end residential project in Berlin, will be deferred. Sky Office, the luxury 23 storey office tower in Düsseldorf is not affected and its construction is on schedule and will be delivered in summer of 2009. Construction start for Cumberland and Leipziger Platz is scheduled for 2Q 2009.

The investment property activity, representing 65% of its assets of the group, continues to perform better than expected, thanks to strong letting performance and better cost and property management. Since the takeover of the 850 000 m² from the Gewerbesiedlungs-Gesellschaft GmbH (GSG) in June 2007 the occupancy rate has exceeded expectations and consistently improved to reach 74.4% at the end of June 2008, up from 72,4 at the end of Q12008. At the same time, lettings are made at a 13% premium compared to the rental agreements signed before ORCO Germany took over the company. The Management is confident that this positive trend will be maintained for the second half of 2008 and new services generating revenues will be introduced.

ORCO Germany S.A. is a real estate company and is registered in Luxembourg and that is listed in the Prime Standard on the Regulated Market of the Frankfurt Stock Exchange. The ORCO Germany group, which operates under the uniform registered trademark ORCO Germany, has been pursuing its activities in Germany since 2004 and concentrates on residential and commercial properties as well as on asset management and project development. ORCO Germany currently employs about 210 members of staff in Germany.

In 2006, ORCO Germany strategically reinforced its project development operations by acquiring Viterra Development. Viterra Development was renamed ORCO Projektentwicklung GmbH at the beginning of 2008 and is one of the leading project developers and investors specializing in commercial and residential properties in the core German markets of Berlin, Düsseldorf, Frankfurt, Hamburg and Munich. ORCO Germany expanded its portfolio of properties in Berlin in June of 2007 by taking over Gewerbesiedlungs-Gesellschaft mbH (GSG); the company now manages more than 1 million square meters of developed and undeveloped areas in the German capital. GSG was established in 1965 and is the largest owner of commercial space in Berlin with about 850,000 square meters of office and multifunctional space. ORCO-GSG owns 45 so-called commercial courtyards and centers, as well as 235 residential units. Most of the properties are located in the city center with excellent connections to the Berlin public transportation network.

Orco Germany S.A. is a subsidiary of Orco Property Group, one of the leading Central European real estate firms holding a portfolio worth EUR 2.4 billion (as evaluated on December 31st, 2007). Established in 1991, the company has its registered seat in Luxembourg and is listed on the Euronext, Prague, Budapest and Warsaw stock exchanges. It operates primarily in the Czech Republic, Hungary, Poland, Russia, Croatia, the Slovak Republic and Germany.

By switching from the Open Market, where ORCO Germany S.A. had been listed since 2006, to the Regulated Market (Prime Standard) in November of 2007, ORCO Germany has demonstrated that it is implementing a capital market strategy consistent with its rapid operating growth of recent years. By meeting the most exacting standards of transparency in place at the German Stock Exchange, ORCO Germany S.A. has improved its accessibility to capital market players even further.

Contact

ORCO Germany
Sabrina Eilers
Head of Marketing & Communications
Kurfürstendamm 103/104
10711 Berlin
T +49. 30. 440 123 190
E seilers@orcogroup.com
www.orcogermany.de