

PRESS RELEASE

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**First Half Year Results 2008 (non-audited)**

**26.8 Million EUR profit**

**9% EBIT increase to 48.8 Million EUR**

**Operating result of renting portfolio increased to 72.8 Million EUR**

**60.9 Million EUR of revaluation profit**

ORCO Germany S.A.'s Board of Directors has approved on the 28<sup>th</sup> of August 2008 the condensed consolidated financial information as of June 30<sup>th</sup>, 2008.

**I. Profit & Loss**

|  | P & L         |               |
|--|---------------|---------------|
|  | June 2008     | June 2007     |
| Revenue  | 39,936        | 32,786        |
| Net gain from fair value adjustments<br>on investment property | 60,953        | 46,329        |
| Other operating income   | 1,898         | 0             |
| Cost goods sold  | -9,636        | -16,514       |
| Employee benefits  | -5,396        | -2,822        |
| Amortisation, impairments and provisions                       | -18,445       | -62           |
| Other operating expenses                                       | -20,563       | -15,051       |
| <b>Operating result</b>  | <b>48,747</b> | <b>44,666</b> |
| Interest expenses  | -18,681       | -4,531        |
| Interest income  | 1,948         | 1,595         |
| Other net financial results                                    | 8,601         | -3,103        |
| <b>Financial result</b>  | <b>-8,132</b> | <b>-6,039</b> |
| <b>Profit before income taxes</b>                              | <b>40,615</b> | <b>38,627</b> |
| Income taxes   | -13,864       | -17,961       |
| <b>Net profit</b>  | <b>26,751</b> | <b>20,666</b> |
| Attributable to minority interests                             | -12           | -1,054        |
| <b>Attributable to the Group</b>                               | <b>26,763</b> | <b>21,720</b> |
| Basic earnings in EUR per share                                | 0.55          | 0.61          |
| Diluted earnings in EUR per share                              | 0.55          | 0.60          |

## A. Revenues

### Renting Revenues

ORCO Germany's investment portfolio generated 28.6 Million EUR of rental income (compared to 1.9 Million EUR in June 2007). Driven by the increased marketing activities ORCO-GSG's contribution in the first six months amounted to 23.1 Million EUR and exceeded all expectations.

During the first half of 2008, the occupancy rate of ORCO-GSG improved to 74.4%. The net take up increased by 160% YoY (from 12,539 sqm to 32,544 sqm) and the gross lettings increased by 60.31% YoY (from 39,362 sqm to 63,104 sqm). New renting request were recorded across almost all business sectors and related to space ranging from 100 sqm to more than 10,000 sqm. A very positive development was observed within the assets in the Eastern parts of Berlin. Among the five top-performing assets, three are located in Eastern Berlin. Also rents show a positive trend – rent levels for new lettings are in average around 13% above average rents for existing leases. ORCO-GSG as a result already shows a positive net cash flow (including financing costs) in the first half of 2008.

ORCO Germany's investment portfolio comprises a total of 934,540 sqm of lettable area, compared to 69,618 sqm in June 2007. The rental income from commercial holdings represents 86% of all rental revenues.

### Residential Development

The turnover amounts to 3.2 Million EUR, for a total of 10 delivered units and is therefore on budget. During the first three months Forward Purchase Contracts for a total of 11 units were signed.

## B. Revaluation Profit

The revaluation profit amounts to 60.95 Million EUR vs. 46.3 Million EUR in the first half of 2007. This revaluation profit only includes the revaluation of investment properties and land bank. Ongoing developments and properties under construction (both valued at cost less depreciation and impairment) are excluded from this calculation.

The main contributors to this revaluation profit are:

- i. ORCO-GSG with 60.3 Million EUR, (Wolfenerstraße 32-36: 9.8 Million EUR; Reuchlinstraße: 8.0 Million EUR; Geneststraße 7.2 Million EUR; Gustav-Meyer-Allee: 4.6 Million EUR; Plauenerstraße: 4.4 Million EUR and Helmholtzstraße 3.7 Million EUR).
- ii. Land bank Leipziger Platz with 9.4 Million EUR to 108 Million EUR.

The fair value on project Cumberland decreased by 8.8 Million EUR to 53.0 Million EUR.

### C. Adjusted EBITDA

The adjusted EBITDA for the first six months amounts to 7.01 Million EUR for 39.94 Million EUR of turnover (versus -2.41 Million EUR in June 2007 for 32.79 Million EUR). The growth of the EBITDA has been much stronger than the one of the turnover, showing a significant improvement of the operating profitability.

The EBITDA of the development activity was -5.91 Million EUR in June 2008 compared to -2.20 Million EUR in June 2007. In these first six months of 2008 less development projects were finished than in the same period 2007, which explains how development revenues could not reach the same level as in previous year

The EBITDA of the renting portfolio amounts to 12.92 Million EUR compared to -0.21 Million EUR for the same period in 2007.

| June 2008  | Development    | Leasing       | TOTAL         |
|--|----------------|---------------|---------------|
| <b>Operating Result</b>                                      | <b>-24,023</b> | <b>72,770</b> | <b>48,747</b> |
| Net result from fair value adjustment on investment property | -608           | -60,345       | -60,953       |
| Amortization, impairments and provisions                     | 18,584         | -139          | 18,445        |
| Correction of cost of goods and assets sold                  | 137            | 632           | 769           |
| <b>ADJUSTED EBITDA</b>                                       | <b>-5,910</b>  | <b>12,918</b> | <b>7,008</b>  |

### D. Operating Result

The first half 2008 closes with a positive operating result of 48.75 Million EUR vs. 44.67 Million EUR in the first half of 2007. The results includes surplus on revaluation on assets.

The operating result is including impairments related to the revaluations performed by DTZ for the assets Fehrbelliner Höfe (-10.3 Million) and Helberger (-7.0 Million).

The contribution of ORCO Germany's two business lines:

The operating result of the development activity was -24.02 Million EUR in first half of 2008 compared to 21.2 Million EUR in 2007.

The operating result of the renting portfolio amounts to 72.77 Million EUR compared to 23.46 Million EUR for the same period in 2007. This result is composed of increased renting revenue and in relation to that decreased operating expenses and a gain from fair value adjustments in the renting segment.

## E. Financial Result

The net financial result in the first half year of 2008 amounts to -8.13 Million EUR compared to -6.04 Million EUR for the first half year of 2007. The interest expense of -18.68 Million EUR vs. -4.53 Million EUR corresponds to the Group global financial charges. The cash interest rate of the global debt (before hedging) amounts to 5.31%. The effective interest rate for the bonds is 7.90%. Bank borrowings show an interest rate after hedging of 5.24%.

Interest Income amounts to 1.95 Million EUR vs. 1.60 Million EUR in the first half year of 2007. The other financial results amounting to 8.60 Million EUR are mainly composed of gains from revaluation of derivative instruments.

## II. NAV calculation

The method of the net asset value calculation is based on portfolio valuation and gives the real estate approach of the net asset value.

The NAV per share amounted to 7.81 EUR at the end of first half year of 2008 compared to an NAV per share of 6.70 EUR for the pre year figure. This represents a growth of 4.0 %.

| Net Asset Value (in TEUR)                        |                |
|--|----------------|
| Consolidated equity                              | 297,940        |
| Fair value adjustments on invest. Portfolio      | 710            |
| Fair value adjustments on resid. Pipeline        | 1,279          |
| Fair value adjustments on com. & office Pipeline | 3,703          |
| Deferred taxes on revaluations                   | 122,028        |
| Goodwills  | -44,557        |
| Own equity instruments                           | 0              |
| <b>Net asset value</b>                           | <b>381,103</b> |
| Net asset value per share                        | 7.81 €         |
| No of shares                                     | 48,771,333     |

## III. Loan to Value

ORCO Germany's net financial debt amounts to 524.6 Million EUR (bank indebtedness and bonds issued) as compared to 489.53 Million EUR in the same period 2007. Cash and cash equivalents amount to 37.4 Million EUR vs. 92.8 Million EUR in the first half year of 2007.

The loan to value ratio reaches 58.5%.

| Loan to Value (in TEUR)                      |                  |                |
|--|------------------|----------------|
|  | June 2008        | June 2007      |
| <b>Non-current liabilities</b>               |                  |                |
| Bonds  | 85,105           | 83,432         |
| Financial debt                               | 439,494          | 482,307        |
| <b>Current liabilities</b>                   |                  |                |
| Financial debt                               | 105,714          | 74,347         |
| <b>Current assets</b>                        |                  |                |
| Current financial assets                     | -1,021           | -861           |
| Cash & cash equivalents                      | -37,348          | -94,821        |
| <b>Net debt</b>                              | <b>591,944</b>   | <b>544,404</b> |
| Investment property                          | 846,530          | 782,319        |
| Owned-occupied buildings                     | 13,134           | 13,096         |
| Properties under development                 | 324              | 408            |
| Financial assets                             | 1,550            | 2,124          |
| Inventories                                  | 144,341          | 112,508        |
| Revaluation gains on projects and properties | 5,692            | 21,300         |
| <b>Fair value on portfolio</b>               | <b>1,011,571</b> | <b>931,755</b> |
| <b>LTV</b>                                   | <b>58.5%</b>     | <b>58.4%</b>   |

#### IV. Outlook

Important strategic objectives for the second half of 2008 include (i) the continuing increase of occupancy of Orco-GSG and further improvement of operational efficiency; (ii) continuation of the divestment program of non-strategic assets, (iii) focus on progress of ORCO Germany's large scale development projects such as Leipziger Platz, Haus Cumberland and SkyOffice.

## V. Condensed consolidated interim balance sheet

| Assets                               |           |               |
|--------------------------------------|-----------|---------------|
|                                      | June 2008 | December 2007 |
| <b>Non-Current Assets</b>            | 924,104   | 859,362       |
| Intangible assets                    | 51,981    | 51,930        |
| Investment property                  | 846,530   | 782,319       |
| <b>Property, plant and equipment</b> | 16,879    | 16,286        |
| Own-occupied buildings               | 13,134    | 13,096        |
| Fixtures and fittings                | 3,421     | 2,782         |
| Properties under development         | 324       | 408           |
| Financial assets                     | 1,550     | 2,124         |
| Deferred Tax assets                  | 7,164     | 6,703         |
| <b>Current Assets</b>                | 230,722   | 261,019       |
| Inventories                          | 144,341   | 112,508       |
| Trade receivables                    | 15,904    | 33,745        |
| Other receivables                    | 19,441    | 18,397        |
| Other current assets                 | 1,021     | 861           |
| Derivate Instrument                  | 12,667    | 687           |
| Cash and cash equivalents            | 37,348    | 94,821        |
| <b>Total</b>                         | 1,154,826 | 1,120,381     |

| Equity and liabilities         |           |               |
|--------------------------------|-----------|---------------|
|                                | June 2008 | December 2007 |
| <b>Equity</b>                  | 298,257   | 271,507       |
| Shareholders' equity           | 297,940   | 271,179       |
| Minority interests             | 317       | 328           |
| <b>Liabilities</b>             | 856,568   | 848,874       |
| <b>Non-current liabilities</b> | 673,335   | 696,154       |
| Bonds                          | 85,105    | 83,432        |
| Financial debts                | 439,494   | 482,307       |
| Provisions                     | 11,363    | 10,336        |
| Derivative instruments         | 11,742    | 8,458         |
| Deferred tax liabilities       | 125,632   | 111,621       |
| <b>Current liabilities</b>     | 183,233   | 152,720       |
| Financial debt                 | 105,714   | 74,347        |
| Trade payables                 | 14,351    | 11,397        |
| Advance payments               | 29,692    | 28,217        |
| Provisions                     | -         | -             |
| Derivative instruments         | -         | 748           |
| Other current liabilities      | 33,476    | 38,011        |
| <b>Total</b>                   | 1,154,826 | 1,120,381     |

## VI. Cash Flow Statement

| Cash Flow Statement                                      |                |                 |
|--|----------------|-----------------|
|  | June 2008      | June 2007       |
| <b>Operating result</b>                                  | <b>48,747</b>  | <b>44,666</b>   |
| Net gain from fair value adjustments                     | -60,953        | -46,329         |
| Amortization, impairments & provisions                   | 18,445         | 62              |
| Gain and losses on disposal of investments               | -259           | -               |
| <b>Adjusted operating profit</b>                         | <b>5,980</b>   | <b>-1,601</b>   |
| Financial result   | -1,186         | -               |
| Income tax paid  | -431           | -373            |
| <b>Financial result and income taxes paid</b>            | <b>-1,617</b>  | <b>-373</b>     |
| <b>Changes in operating assets and liabilities</b>       | <b>4,602</b>   | <b>-8,963</b>   |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                | <b>8,965</b>   | <b>-10,937</b>  |
| Acquisition of subsidiaries, net of cash acquired        | -              | -262,140        |
| Capital expenditures                                     | -32,479        | -125,466        |
| Proceeds from sales of non current tangible assets       | 1,500          | -               |
| Purchase of intangible assets                            | -96            | -30             |
| Purchase of financial assets                             | -              | -               |
| Net interest paid  | -21,061        | -3,451          |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>             | <b>-52,136</b> | <b>-391,087</b> |
| Issue of equity instruments                              | -              | 48,733          |
| Proceeds from borrowings                                 | 23,656         | 421,600         |
| Repayments of borrowings                                 | -37,962        | -21,424         |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                | <b>-14,306</b> | <b>448,909</b>  |
| <b>NET INCREASE IN CASH</b>                              | <b>-57,477</b> | <b>46,885</b>   |
| Cash and cash equivalents at the beginning of the period | 94,821         | 45,948          |
| Exchange difference on cash                              | 4              | 9               |
| <b>CASH AND CASH EQUIVALENTS (END OF THE PERIOD)</b>     | <b>37,348</b>  | <b>92,842</b>   |

ORCO Germany S.A. is a real estate company that has its registered seat in Luxembourg and that is listed in the Prime Standard on the Regulated Market of 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 221 members of staff.

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 German core markets of Berlin, Dusseldorf, Frankfurt, Hamburg and Munich. ORCO Germany expanded its portfolio of properties in Berlin in June of 2007 by taking over Gewerbesiedlungs-Gesellschaft (GSG); the company now manages approximately 1 Million square meters of developed and undeveloped areas. GSG was established in 1965 and is the largest owner of commercial space in Berlin with about 825,000 square meters of office and multifunctional space. ORCO-GSG owns 45 so-called commercial courtyards and centres, as well as 235 residential units. Most of the properties are located in the city centre 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 2.7 billion (as evaluated on June 30th, 2008). 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.

ORCO Germany was listed on the Open Market from 2006 until November 2007, when it transferred to the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange.

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