



Orco Property Group

A public limited liability company (*société anonyme*) with an issued share capital of €42,957,778.70

Registered Office: 48, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg

Luxembourg trade and companies registered number B.44.996

SECURITIES NOTE AND SUMMARY DATED OCTOBER 22, 2007

Exchange offer by Orco Property Group S.A. for all issued and outstanding Warrants ORCBR 2012 (listed on the Eurolist Market by Euronext Paris since November 22, 2005 under ISIN code: LU0234878881, issued by Orco Property Group S.A. under the bonds with redeemable warrants attached issue on November 18, 2005 pursuant to a prospectus approved by the CSSF on November 15, 2005), each holder of Warrants ORCBR 2012 being entitled to elect to receive, in lieu of 3 Warrants ORCBR 2012, 1 New Share and 3 New Warrants ORCOW 2014 (the “Offer”);

As a result of the Offer, issue of up to 1,099,095 New Warrants ORCOW 2014 (fungible with the Existing Warrants ORCOW 2014 listed on the Eurolist Market by Euronext Brussels since April 10, 2007 under ISIN code : XS0290764728 and issued by Orco Property Group S.A. under the bonds with redeemable warrants attached issue on March 28, 2007 pursuant to a prospectus approved by the CSSF on March 22, 2007) and up to 366,365 New Shares (to be listed on the Eurolist Market by Euronext Paris, on the main market of the Prague Stock Exchange, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange under ISIN code: LU0122624777) (the “Issue”);

Admission to trading of the New Warrants ORCOW 2014 to be issued as a result of the Offer on the Eurolist Market by Euronext Brussels, admission to trading of the Existing and New Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris, admission to trading of the New Shares to be issued as a result of the Offer on the Eurolist Market by Euronext Paris, on the main market of the Prague Stock Exchange, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange.

CentralEuropeOffering

Advisor to the Company

This document comprises a securities note (the “**Securities Note**”) and a summary (the “**Summary**”) relating to the exchange offer by Orco Property Group S.A. for all issued and outstanding Warrants ORCBR 2012 (ISIN code: LU0234878881). The Securities Note, the Summary and the registration document relating to the Issuer dated October 22, 2007 (the “**Registration Document**”) together constitute a prospectus (the “**Prospectus**”) for the purpose of article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the “**Prospectus Directive**”) and article 8.3 of the Luxembourg act dated 10 July 2005 on prospectuses for securities (the “**Prospectus Act 2005**”). This Prospectus has been prepared in accordance with Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended.

An application for approval of the Prospectus has been made to the Luxembourg competent authority, the Commission de surveillance du secteur financier (the “**CSSF**”), in its capacity as the competent authority in Luxembourg under the Prospectus Act 2005 and the Prospectus Directive. Pursuant to article 2(1)(a) of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (the “**Takeover**”

Directive”), the Offer shall not be considered as a takeover bid or a bid for the following reasons: (i) the Offer is made by the offeree company itself and (ii) the objective of the Offer is not to acquire or get the control of the offeree company in accordance with Luxembourg law.

In submitting the Prospectus to the CSSF, the Company requests the CSSF to provide:

- the French competent authority (the *Autorité des Marchés Financiers*, the “**AMF**”), on October 25, 2007, with a certificate of approval certifying that the Prospectus has been drawn up in accordance with the Prospectus Act 2005 and the Prospectus Directive. The Offer is being made exclusively in France and in Luxembourg, therefore the Company requests the CSSF to provide the AMF with the above mentioned certificate of approval for the purposes of (a) the Offer, (b) the Issue, (c) the admission to trading of the Existing and New Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris and (d) the admission to trading of the New Shares to be issued as a result of the Offer on the Eurolist Market by Euronext Paris;
- the Belgian competent authority (the *Banking, Finance and Insurance Commission of Belgium*, the “**BFICB**”), on November 23, 2007, with a certificate of approval certifying that the Prospectus has been drawn up in accordance with the Prospectus Act 2005 and the Prospectus Directive. The Company requests the CSSF to provide the BFICB with the above mentioned certificate of approval for the purposes of the admission to trading of the New Warrants ORCOW 2014 to be issued as a result of the Offer on the Eurolist Market by Euronext Brussels;
- the Czech competent authority (the *Czech National Bank*, the “**CNB**”), the Polish competent authority (the *Polish Financial Supervision Commission*, the “**PFSC**”) and the Hungarian competent authority (the *Hungarian Financial Supervisory Authority*, the “**HFSA**”), on November 23, 2007, with a certificate of approval certifying that the Prospectus has been drawn up in accordance with the Prospectus Act 2005 and the Prospectus Directive. The Company requests the CSSF to provide the CNB, the PFSC and the HFSA with the above mentioned certificates of approval for the purposes of the admission to trading of the New Shares to be issued as a result of the Offer on the main market of the Prague Stock Exchange, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange. If necessary, the notification made by the CSSF to the aforementioned competent authorities shall be accompanied by the translation respectively in Czech, Polish and Hungarian of the summary produced under the Company’s responsibility.

The Eurolist Market by Euronext Brussels, the Eurolist Market by Euronext Paris, the main market of the Prague Stock Exchange, the main market of the Warsaw Stock Exchange and the regulated market of the Budapest Stock Exchange are regulated markets pursuant to the provisions of the Prospectus Directive (as defined below) which refers to the definition of the regulated markets contained in the Investment Services Directive (93/22/EEC).

In accordance with article 16 of the Prospectus Act 2005, copies of the Securities Note, the Summary and the Registration Document will be available in printed form, free of charge:

- at the registered office of the Company:
Orco Property Group S.A., 48, boulevard Grande-Duchesse Charlotte L-1330, Luxembourg
Telephone number: 00 352 26 47 671
Email: lleroi@orcogroup.com;
Email: bfritsch@orcogroup.com;
- at: Vinohrady SARL, 25, rue Balzac, 75 406 Paris Cedex 08, France
Telephone number: 00 33 1 40 67 67 00
Email: abricout@orcogroup.com;
Email: sfarjon@orcogroup.com;
- at the registered office of the coordinator of the Offer and the initial share agent :
Natixis, having its registered office at 45 rue Saint Dominique, 75007 Paris, France; and
- at the registered office of the initial warrant agent :
Bank of New York, Brussels Branch, having its branch office at Avenue des Arts 35 Kunstlaan, B-1040 Brussels, Belgium.

The Securities Note, the Summary and the Registration Document can also be viewed on the Luxembourg Stock Exchange website (www.bourse.lu) and on the Company’s website (www.orcogroup.com). From December 5, 2007, the Securities Note and the Summary can also be viewed on Central Europe Offering’s website (www.centraleo.eu). The prospectus approved by the CSSF on November 15, 2005 and the prospectus approved by the CSSF on March 22, 2007 can also be viewed on the Company’s website (www.orcogroup.com).

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No person is or has been authorised to give any information or make any representations other than those contained or incorporated in this Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by Orco Property Group S.A. Neither the delivery of this Prospectus nor any offering or sale made under it shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the Group (all as defined below) since the date of this document or that the information in or incorporated in this Prospectus is correct as of any subsequent time.

This Prospectus does not constitute or form part of an offer to sell, or solicitation of an offer to subscribe for Shares and/or Warrants ORCOW 2014 (all as defined below) to any person in the United States or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The distribution of this Prospectus and the offer of the New Shares and/or the New Warrants ORCOW 2014 (all as defined below) in certain jurisdictions may be restricted by law.

The contents of this Prospectus should not be construed as legal, business or tax advice. Each prospective investor should consult his or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

SUMMARY OF THE PROSPECTUS

The following information is in summary form and should be read as an introduction to this Prospectus and does not purport to be complete and is taken from, and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in or incorporated in this Prospectus. Prospective investors should read, and any decision to invest in the New Shares and/or the New Warrants ORCOW 2014 (all as defined below) and/or any decision to tender its Warrants ORCOW 2012 (as defined below) into the Offer should be based on consideration of, this entire document including the section 2. "Risk Factors", which discusses certain risk factors which might affect the holding of the New Shares and/or the New Warrants ORCOW 2014 (all as defined below), and not on the following summary information.

Where a claim relating to the information contained in or incorporated in this Prospectus is brought before a court in a member state of the European Economic Area, the claimant may, under the national legislation of that member state where the claim is brought, be required to bear the costs of translating this Prospectus or documents incorporated in this Prospectus before legal proceedings are initiated.

The Company takes responsibility for and accepts liability in respect of this Summary, including the summary description of the Company, the summary of the Offer and of the Issue (all as defined below), the summary of risk factors and the summary financial information included herein, but only accepts liability if it is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus.

Nota 1: For the purpose of the Summary of the Prospectus and the Securities Note, « **Company** », « **Orco Property Group** », « **Orco** » or the « **Issuer** » means Orco Property Group S.A., a public limited liability company (*société anonyme*) with an issued share capital of € 42,957,778.70 divided into 10,477,507 ordinary Shares (as defined below), having its registered office at 48, boulevard Grande-duchesse Charlotte, L-1330, Luxembourg and registered with the Luxembourg companies and trade register under number B.44.996.

Nota 2: Each term defined in the Summary of the Prospectus is also applicable to the Securities Note.

A. MAIN CHARACTERISTICS OF THE OFFER AND OF THE ISSUE OF NEW SHARES AND NEW WARRANTS ORCOW 2014 AND PROVISIONAL TIMETABLE

Main characteristics of the Offer and of the Issue of the New Shares and the New Warrants ORCOW 2014

Issuer	Orco Property Group, <i>société anonyme</i> , having its registered office at 48, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg and registered with the Luxembourg companies and trade register under number B.44.996.
Share capital	Issued share capital €42,957,778.70 divided into 10,477,507 ordinary Shares (as defined below). Authorised share capital €100,000,000.
Legal form	A public limited liability company (<i>société anonyme</i>), incorporated under the laws of Luxembourg.
FTSE activity segment	862 - Real Estate Holding and Development.
ISIN – Mnemonic code of the Shares	LU0122624777 – ORC.
Issue Date	The New Shares and the New Warrants ORCOW 2014 (all as defined below) will be issued on November 30, 2007 (the " Issue Date ").

Warrants ORCBR 2012	<p>“Warrants ORCBR 2012” means the warrants which have been issued under the bonds with redeemable warrants attached issue on November 18, 2005 pursuant to a prospectus approved by the CSSF on November 15, 2005 with an expiry date on November 18, 2012, under ISIN code: LU0234878881 and under Mnemonic : ORCBR.</p>
Warrants ORCOW 2014	<p>“Existing Warrants ORCOW 2014” means the warrants which have been issued under the bonds with redeemable warrants attached issue on March 28, 2007 pursuant to a prospectus approved by the CSSF on March 22, 2007 with an expiry date on March 28, 2014, under ISIN code: XS0290764728 and under Mnemonic : ORCOW;</p> <p>“New Warrants ORCOW 2014” means the warrants to be issued as a result of the Offer under the same ISIN code: XS0290764728 and under the same Mnemonic : ORCOW as the Existing Warrants ORCOW 2014; the New Warrants ORCOW 2014 will be fungible with the Existing Warrants ORCOW 2014 from their Issue Date; together the “Warrants ORCOW 2014”.</p>
Warrantholders ORCOW 2014	<p>“Holders of the Existing Warrants ORCOW 2014” means the holders of Existing Warrants ORCOW 2014;</p> <p>“Holders of the New Warrants ORCOW 2014” means the holders of New Warrants ORCOW 2014;</p> <p>together the “Warrantholders ORCOW 2014”.</p>
Shares	<p>“Shares” means all ordinary shares issued by the Company including the:</p> <p>“Existing Shares” meaning the ordinary shares of the Company existing before the Issue Date under ISIN code: LU0122624777; and</p> <p>“New Shares” meaning the ordinary shares of the Company to be issued as a result of the Offer under the same ISIN code as the Existing Shares.</p>
Shareholders	<p>“Shareholders” means the holders of the Shares.</p>
Securities to be tendered into the Offer	<p>All outstanding Warrants ORCBR 2012, meaning 1,099,095 Warrants ORCBR 2012.</p>
Offer conditions	<p>Each holder of Warrants ORCBR 2012 (each a “Warrantholder ORCBR 2012”, together the “Warrantholders ORCBR 2012”) will be entitled to elect to receive, in lieu of 3 Warrants ORCBR 2012, 1 New Share and 3 New Warrants ORCOW 2014. Refer to section 5.1.1. of the Securities Note.</p> <p>As a result of the Offer, up to 366,365 New Shares and up to 1,099,095 New Warrants ORCOW 2014 would be issued if all the Warrants ORCBR 2012 are tendered into the Offer.</p>
Admission to trading of the New Shares	<p>Application will be made to admit the New Shares to trading on the Eurolist Market by Euronext Paris S.A. (the “Eurolist Market by Euronext Paris”), on the main market of the Warsaw Stock Exchange (the “WSE”) and on the regulated market of the Budapest Stock Exchange (the “BSE”). The anticipated listing date of the New Shares is December 5, 2007 on the Eurolist Market by Euronext Paris and on the main market of the Prague Stock Exchange and is December 21 on the main market of the WSE and on the regulated market of the BSE under ISIN code: LU0122624777. The entire authorized share capital of the Company is already admitted to trading on the main market of the Prague Stock Exchange (the “PSE”) under the same ISIN code: LU0122624777.</p>
Maximum number of New Shares to be issued	<p>366,365 New Shares (in the event that all the Warrants ORCBR 2012 are tendered into the Offer).</p>
Record date (<i>date de jouissance</i>) of the New Shares (as far as the right to dividends is concerned)	<p>January 1st, 2007 (meaning the first day of the financial year during which the New Shares will be issued).</p>

Intention of the main Warrantholders ORCBR 2012	To the extent known to the Issuer, Orco Holding S.A., a public limited liability company (<i>société anonyme</i>), incorporated under the laws of Luxembourg, having its registered office at 48, boulevard Grande-Duchesse, L-1330 Luxembourg and registered with the Luxembourg companies and trade register number B.46.918 (“ Orco Holding ”), which is a member of the board of directors of the Company and one of the principal Shareholders, intends to tender all its Warrants ORCBR 2012 into the Offer. Orco Holding is owned by Mr. Jean-François Ott who is the chairman and chief executive officer of the Company. As at September 30, 2007, Orco Holding owns 645,015 Warrants ORCBR 2012.
Acceptance Period	From October 29, 2007 (the « Acceptance Opening Date ») until November 16, 2007 (the « Acceptance Closing Date »), (the « Acceptance Period »).
Number of outstanding Warrants ORCBR 2012 as at October 17, 2007	1,099,095 Warrants ORCBR 2012.
Form of the New Warrants ORCOW 2014	The New Warrants ORCOW 2014 will be in registered form.
Number of Warrants ORCOW 2014	1,793,160 Existing Warrants ORCOW 2014 are in circulation as at October 17, 2007. 1,099,095 New Warrants ORCOW 2014 to be issued (in the event that all the Warrants ORCBR 2012 are tendered into the Offer).
Fungibility of the New Warrants ORCOW 2014 with the Existing Warrants ORCOW 2014	From the Issue Date, the New Warrants ORCOW 2014 will be fungible with the Existing Warrants ORCOW 2014.
Exercise Ratio of the New Warrants ORCOW 2014	As at October 22, 2007, each New Warrant ORCOW 2014 entitles its holder to acquire one existing Share and/or subscribe to one new Share (the “ Exercise Ratio ”) at the prevailing Exercise Price (as defined below). The Exercise Ratio is subject to adjustments as described in section 4.2.2.4. and will be adjusted as a result of this Issue as described in section 4.2.1.7.1.
Number of Shares to be delivered as a result of the exercise of the New Warrants ORCOW 2014	1,132,068 Shares (in the event that all the Warrants ORCBR 2012 are tendered into the Offer and that only new Shares are delivered to Holders of the New Warrants ORCOW 2014 exercising their New Warrants ORCOW 2014)
Exercise Price of the New Warrants ORCOW 2014	€146.39 to be paid in cash (the “ Exercise Price ”). However for every 10 New Warrants ORCOW 2014 exercised, the Holders of the New Warrants ORCOW 2014 may pay for the amount of their subscription or acquisition of €1,463.90 (10 x €146.39) by the sale to the Company of 1 Bond (as defined in section 4.2.1.7.1.) with a €1,463.90 principal amount made due and payable to this effect at a price of €1,463.90.
Exercise Period of the New Warrants ORCOW 2014	The New Warrants ORCOW 2014 may be exercised at any time from and including the Issue Date up to March 28, 2014 included (the “ Exercise Period ”).
Transferability of the New Warrants ORCOW 2014	The New Warrants ORCOW 2014 may be transferred and traded from the Issue Date.
Expiry of the New Warrants ORCOW 2014	The expiry date of the New Warrants ORCOW 2014 will be March 28, 2014 (the “ Maturity Date ”).
Redemption of the New Warrants ORCOW 2014 at the Issuer’s option	On giving notice (which notice shall be irrevocable) to the Holders of the New Warrants ORCOW 2014, the Issuer may at any time on or after March 28, 2012 up to the end of the Exercise Period redeem all of the outstanding New Warrants ORCOW 2014 at a price of €0.01 per New Warrant ORCOW 2014, provided that the Parity Value (as defined in section 4.2.1.11.2.) of not less than 20 Dealing Days during the period of 30 consecutive Dealing Days ending not earlier than the 14th Dealing Day prior to the date on which the relevant notice of redemption is given to Holders of the New Warrants ORCOW 2014 exceeds €90.31. The “ Relevant Stock Exchange ” means, in relation to the Shares, the Eurolist Market by Euronext Paris or the most liquid market on which the Shares are listed and admitted to trading if for any reason the Shares

	<p>are not any longer listed and admitted to trading on the Eurolist Market by Euronext Paris, and means, in relation to the Warrants ORCOW 2014, the Eurolist Market by Euronext Brussels S.A. (the “Eurolist Market by Euronext Brussels”) or the most liquid market on which the Warrants ORCOW 2014 are listed and admitted to trading if for any reason the Warrants ORCOW 2014 are not any longer listed and admitted to trading on the Eurolist Market by Euronext Brussels.</p> <p>A “Dealing Day” is a day (other than a Saturday or Sunday) on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to, or does, close prior to its regular weekday closing time) and Euroclear France S.A. (“Euroclear France”), Clearstream Banking, <i>société anonyme</i> (“Clearstream, Luxembourg” or “Clearstream”) and Euroclear Bank S.A./N.V. (“Euroclear” or “Euroclear Bank”) operate.</p>
Admission to trading of the Warrants ORCOW 2014	<p>Application will be made to admit the New Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Brussels and the Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Paris. The anticipated listing date of the New Warrants ORCOW 2014 on the Eurolist Market by Euronext Brussels and of the Warrants ORCOW 2014 on the Euronext Market by Euronext Paris is December 5, 2007 under ISIN code: XS0290764728 and common code: 029076472.</p> <p>The Existing Warrants ORCOW 2014 are already admitted to trading on the Eurolist Market by Euronext Brussels.</p>
Record date (<i>date de jouissance</i>) of the Shares delivered as a result of the exercise of New Warrants ORCOW 2014 (as far as the right to dividends is concerned)	<p>First day of the financial year during which the exercise request and the payment of the Exercise Price of the New Warrants ORCOW 2014 occur.</p>
Warrant ORCOW 2012 Agent	<p>The Issuer has appointed Natixis, <i>société anonyme</i> with an issued share capital of €1,948,292,400, having its registered office at 45 rue Saint Dominique – 75007 Paris, registered with the <i>Registre du Commerce et des Sociétés</i> of Paris under number 542 044 524 (“Natixis”), as the warrant agent which is in charge of the securities service of the Warrants ORCOW 2012 (the “Warrant ORCOW 2012 Agent”).</p>
Share and distribution Agent	<p>The Issuer has appointed Natixis, as the share agent in charge of the securities (<i>service des titres</i>) and financial services (<i>service financier</i>) in respect of Shares held through Euroclear France (the “Share Agent”) and as the distribution agent in charge of delivering Shares upon exercise of Warrants ORCOW 2012 and Warrants ORCOW 2014 (the “Distribution Agent”).</p>
Warrant ORCOW 2014 Agents	<p>The Issuer has appointed Bank of New York as the warrant agent which is in charge of the securities service of the Warrants ORCOW 2014 (the “Warrant ORCOW 2014 Agent”). The Issuer has also appointed Natixis to centralize the exercise requests in respect of Warrants ORCOW 2014 held through Euroclear France.</p>
Coordinator of the Offer	<p>The Issuer has appointed Natixis as the coordinator of the Offer which will centralize of the exchange requests sent by the Warrant holders ORCOW 2012 through their financial intermediaries and will deliver New Shares and New Warrants ORCOW 2014 accordingly (the “Coordinator”).</p>

Provisional Timetable

October 22, 2007	Approval of the Prospectus by the CSSF
October 25, 2007	Notification of certificate of approval by the CSSF to the AMF
October 29, 2007	Acceptance Opening Date from 9.00 am Central European Time (“ CET ”)
November 16, 2007	Acceptance Closing Date until 5.00 pm CET
November 23, 2007	Publication of the results of the Offer by a notice from the CSSF Notifications of certificate of approval by the CSSF to the BFICB, the CNB, the PFSC and the HFSA

November 30, 2007	Settlement date of the New Shares and the New Warrants ORCOW 2014 (the “ Settlement Date ”)
December 5, 2007	Admission to trading of the New Warrants ORCOW 2014 on the Eurolist Market by Euronext Brussels, of the Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris and of the New Shares on the Eurolist Market by Euronext Paris and on the main market of the PSE.
December 21, 2007	Admission to trading of the New Shares on the main market of the WSE and on the regulated market of the BSE.

B. TERMS OF THE ISSUE OF NEW SHARES AND NEW WARRANTS ORCOW 2014

Restrictions

There are no restrictions on the free transfer of the New Shares and there are no restrictions on the free transfer of the New Warrants ORCOW 2014.

Dilution

The table below summarizes the consequences of the exercise of the New Warrants ORCOW 2014 for a Shareholder owning 1% of the share capital of the Company prior to the Issue of the New Shares and the New Warrants ORCOW 2014 resulting from the Offer, calculated on the basis of the number of Shares existing on the date of the last capital statement and assuming only new Shares are delivered to the Holders of the New Warrants ORCOW 2014 at the time of the exercise of their New Warrants ORCOW 2014:

	Shareholder's stake
Before the Offer	1%
After the Offer (in the event that all the Warrants ORCOW 2014 are tendered into the Offer, considering that 366,365 New Shares are issued as a result of the Offer)	0.97%
After the Offer (in the event that all the Warrants ORCOW 2014 are tendered into the Offer, considering that 366,365 New Shares are issued as a result of the Offer) and after the issue of 1,132,068 new Shares as a result of the exercise of 1,099,095 New Warrants ORCOW 2014	0.87%

C. BASIC INFORMATION CONCERNING ORCO AND ITS FINANCIAL STATEMENTS

Basic Information

The Company and its subsidiaries (the “**Group**”) are engaged in real estate development, investment and asset management in Central and Eastern Europe. In addition, the Company owned, managed and operated a portfolio of small hotels and extended stay residences across Central and Eastern Europe under the MaMaison Hotels and Apartments brand. In April 2007, the Group agreed to sell all of its hotels and extended stay residences (other than the Pachtuv Palace Hotel in Prague and its interest in Suncani Hvar d.d. (“**Suncani Hvar**”) in Croatia) (the “**Hospitality Business**”) to a company, which is currently 100 per cent. owned by the Endurance Hospitality Sub-Fund. The total value of the Hospitality Business (as determined by DTZ Debenham Tie Leung (“**DTZ**”) is €174.3 million. The Company’s activities are focused on the markets in the Czech Republic, Germany, Hungary, Poland, Croatia, Slovakia and Russia. The Company is one of the major real estate developers and investors in the Czech Republic and Germany, and it is a leader in the development of residential real estate in Prague under its *IPB Real* brand.

The Company’s development portfolio consists of residential projects focusing on the middle and uppermiddle segment of the residential housing market. The Company also develops luxury apartments in landmark buildings. For the first six months of 2007, the Company had invested in a number of land banks in various countries, valued by DTZ at €294.2 million as of 30 June 2007.

The Company’s investment portfolio is based on the acquisition or development of prime properties in major Central and Eastern European capitals, focusing on commercial and residential buildings and more recently, on retail premises. As of 30 June 2007, the Company’s investment portfolio was valued by DTZ at €1.01 billion.

The Company sponsors and manages The Endurance Real Estate Fund for Central Europe (the “**Endurance Fund**”), a Luxembourg mutual investment umbrella fund (*fonds commun de placement — fonds d’investissement spécialisé*), which has four sub-funds as of the date of this Prospectus. The Endurance Fund invests in prime real estate in Central and Eastern Europe. As of 30 June 2007, the Endurance Fund owned and managed €322.9 million (appraised value) of real estate assets in the residential, office, retail and hospitality segments.

The Group was created in 1991 by Mr. Jean-François Ott. Since its foundation, the Group has grown both organically and through acquisitions of other real estate companies (such as IPB Real based in the Czech Republic in 2003, Viterra Development Group based in Germany in 2006 or GSG based in Berlin in 2007).

The Company is currently listed on Eurolist by Euronext Paris, on the main market of the Prague Stock Exchange, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange.

Summary financial information

The summary financial information provided below as of and for the half year ended 30 June 2007 and for the years ended 31 December 2006, 31 December 2005 and 31 December 2004, respectively, has been derived from the Group’s unaudited condensed consolidated interim financial information as of and for the half year ended 30 June 2007 and from the Group’s audited consolidated financial statements as of and for the years ended 31 December 2006 (which include the comparative audited restated figures as of and for the year ended 31 December 2005) and 31 December 2005 (which include the comparative audited restated figures as of and for the year ended 31 December 2004), respectively, prepared in accordance with IFRS.

The comparative figures as of and for the year ended 31 December 2005, included in the audited consolidated financial statements as of and for the year ended 31 December 2006, have been restated to reflect the derecognition of a deferred tax asset, which resulted in a decrease of deferred tax assets by €2.8 million and a decrease of other reserves in the shareholders’ equity by €2.8 million. The audited consolidated financial statements as of and for the year ended 31 December 2005 (which include the comparative figures as of and for the year ended 31 December 2004), included in this Prospectus, have not been restated but all references in this Prospectus to the Group consolidated balance sheet as of 31 December 2005 and 31 December 2004 have been restated to reflect the derecognition of this deferred tax asset.

In 2005, the Company adopted IFRS and produced audited consolidated financial statements as of and for the year ended 31 December 2005 in accordance with IFRS. The Company did not prepare IFRS consolidated financial statements as of and for the year ended 31 December 2004. However, it prepared audited consolidated financial statements as of and for the year ended 31 December 2004 according to Luxembourg GAAP. The comparative figures in respect of 2004 in the IFRS audited consolidated financial statements as of and for the year ended 31 December 2005 were restated to reflect the adjustments to IFRS and have been audited. All references in this Prospectus to the Company’s financial information as of and

for the year ended 31 December 2004 are to the IFRS restated comparative figures included in the Company's IFRS audited consolidated financial statements as of and for the year ended 31 December 2005. The following data should be read in conjunction with the Group's consolidated financial statements and notes thereto included in the Registration Document.

Income Statement	June 2007	2006	2005	2004
	(€thousands except for Share data)			
Revenues	124,764	172,908	50,348	70,670
Net gain from fair value adjustment on investment property	96,810	145,901	78,975	25,408
Operating result	99,618	134,248	76,888	30,829
Net interest expenses	(16,123)	(15,740)	(6,962)	(5,515)
Net profit attributable to the Group	55,090	96,699	54,523	18,700
Basic earnings in €per Share (1)	6.34	12.58	9.25	4.46
Diluted earnings in €per Share(2)	5.39	10.11	7.83	3.22

Notes:

(1) Basic earnings per Share is calculated by dividing the profit attributable to the Group by the weighted average number of ordinary Shares in issue during the period (4,197,074 Shares, 5,893,582 Shares, 7,685,668 Shares and 8,688,622 Shares, respectively, in 2004, 2005, 2006 and June 2007), excluding ordinary Shares purchased by the Group and held as treasury Shares.

(2) Diluted earnings per Share is calculated by adjusting the weighted average number of ordinary Shares outstanding to assume conversion of all dilutive potential ordinary Shares (for a total of 6,210,825, 7,193,204, 9,632,168 and 10,968,933 diluted Shares, respectively, in 2004, 2005, 2006 and June 2007).

Balance Sheet	June 2007	2006	2005⁽¹⁾ (restated)	2004⁽²⁾ (restated)
	(€thousands)			
Investment property	1,409,579	749,438	361,193	134,503
Other non-current assets	390,961	243,167	175,603	71,349
Total current assets	774,905	485,468	153,779	80,176
Cash and cash equivalents	341,345	98,339	49,089	15,742
Held for sale activities	142,290	2,281		20,054
Total assets	2,717,735	1,480,354	690,575	306,082
Total equity	854,232	518,425	290,923	105,979
Total non-current liabilities	1,397,893	673,075	312,943	101,612
Bonds	457,800	240,854	84,364	30,829
Financial debts	677,169	331,651	183,060	56,655
Provisions	15,429	11,822	1,001	762
Deferred tax liabilities	247,495	88,748	44,518	13,366
Total current liabilities	416,814	287,381	86,709	88,204
Bonds and financial debts	178,253	95,370	35,700	29,340
Trade payables	69,462	55,526	20,787	18,116
Advance payments	95,077	63,377	19,210	26,939
Other current liabilities	74,022	73,108	11,012	13,809
Held for sale activities	48,796	1,473		10,287
Total equity and liabilities	2,717,735	1,480,354	690,575	306,082

Notes:

(1) The figures as of 31 December 2005 have been restated to reflect the derecognition of a deferred tax asset, which resulted in a decrease of deferred tax assets by €2.8 million.

(2) The figures as of 31 December 2004 have been restated to reflect the derecognition of a deferred tax asset.

(€ thousands)	Development				Renting			
	June 2007	2006	2005	2004	June 2007	2006	2005	2004
Revenues	90,394	124,298	21,925	60,554	17,587	19,856	7,584	6,558
Net gain from fair value adjustment on investment property	46,815	57,394	36,436	17,044	47,773	79,942	20,178	5,320
Other operating result	(89,735)	(137,436)	(23,268)	(54,321)	(14,128)	(17,008)	(8,761)	(6,514)
Operating result	47,474	44,256	35,093	23,277	51,232	82,790	19,001	5,364

(€ thousands)	Hotels and Residences ⁽¹⁾				Management Services ⁽²⁾			
	June 2007	2006	2005	2004	June 2007	2006	2005	2004
Revenues	15,959	30,753	21,534	10,605	7,783	8,690	3,087	
Net gain from fair value adjustment on investment property	2,222	8,565	22,361	3,044				
Other operating result	(21,902)	(36,572)	(25,493)	(11,460)	(502)	(799)	1,681	
Operating result	(3,721)	2,746	18,402	2,189	7,281	7,891	4,768	

Notes:

(1) In April 2007, the Group agreed to sell the Hospitality Business to a company, which is currently 100 per cent. owned by the Endurance Hospitality Sub-Fund. The total appraised value of the Hospitality Business (as determined by DTZ) is €174.30 million. The sale of the Hospitality Business is not yet complete and the Group is currently negotiating with the banks providing loans to the Hospitality Business regarding the transfer of these loans to the company acquiring the Hospitality Business. The Endurance Hospitality Sub-Fund and the company that has agreed to acquire the Hospitality Business have entered into a non-binding term sheet with an institutional investor for the sale of a 50 per cent. interest in the company that has agreed to acquire the Hospitality Business. The Company currently owns 100 per cent. of the shares of the Endurance Hospitality Sub-Fund, and intends to reduce its interest to less than 20 per cent.

(2) Management services consist of property management, management services to Group companies and asset management services to the Endurance Fund.

Cash Flow Statement	June 2007	2006	2005	2004
	(€ thousands)			
Net cash from (used in) operating activities	44,028	12,633	(50,242)	(7,210)
Net cash used in investing activities	(610,901)	(433,943)	(169,225)	(26,038)
Net cash from financing activities	810,217	469,206	251,852	31,481
Net increase in cash	243,344	47,896	32,385	(1,767)
Cash and cash equivalents ⁽¹⁾ at the beginning of the period	98,344	49,089	15,742	16,232
Cash and cash equivalents ⁽¹⁾ at the end of the period	341,345	98,344	49,089	15,742

Note:

(1) Cash and cash equivalents include cash in hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts.

Other Financial Data			
(€thousands except for loan to value and average cost of debt data)	June 2007	2006	2005
Adjusted EBITDA ⁽¹⁾	15,886	5,562 ⁽²⁾	1,399
Of which:			
<i>Development</i>	7,941	(3,911)	(2,303)
<i>Hotels and residences</i>	(3,048)	(272)	179
<i>Renting</i>	4,615	4,890	(956)
<i>Management services</i>	9,025	8,289	4,852
<i>Intersegment activities</i>	(2,648)	(3,434)	(373)
Net Debt ⁽³⁾	951,775	543,035	241,439
Loan to value ratio ⁽⁴⁾	42.29%	40.3%	42.34%

Notes:

(1) Adjusted EBITDA is calculated as operating result for the period after deduction of net gain from fair value adjustment on investment property and after adding back costs relating to (i) amortisation, impairments and provisions, (ii) stock-based compensation and (iii) cost of goods sold corrections linked to the revaluation of properties. Adjusted EBITDA is not a measure of financial performance under IFRS. Prospective investors should not consider it an alternative to operating result or net profit attributable to the Group as a measure of operating performance or to cash flow from operating activities as a measure of liquidity. Adjusted EBITDA does not necessarily indicate whether cash flow will be sufficient or available for cash requirements. The Group believes that adjusted EBITDA provides useful information to investors because it eliminates variances caused by non-cash items (particularly the net gains from fair value adjustments on investment property) and helps investors evaluate the performance of the Group's underlying business. Adjusted EBITDA may not be indicative of the Group's historical operating results nor is it indicative of potential future results. Other companies may not calculate adjusted EBITDA the way the Group does, and accordingly the presentation of adjusted EBITDA in this Prospectus may not be comparable to a similarly titled measure of other companies.

(2) In 2006, for the first time, adjusted EBITDA excludes the impact of transferring properties to inventory at fair value. The impact on 2006 adjusted EBITDA was €5,567 thousand.

(3) Net debt is calculated as non-current bonds and financial debts and current bonds and financial debts less cash and cash equivalents and current financial assets (which consist primarily of the Company's portfolio of trading securities which are short term unrestricted securities).

(4) Loan to value ratio is calculated as net debt divided by the appraised value of the Group's property portfolio.

Reconciliation of adjusted EBITDA to operating result is as follows for the periods indicated:

(€thousands)	June 2007	2006	2005
Operating result	99,618	134,248	76,888
Net gain from fair value adjustment on investment properties	(96,810)	(145,901)	(78,975)
Amortization, impairments and provisions	10,294	4,076	2,093
Stock-based compensation	1,514	7,572	1,393
Cost of goods sold corrections ⁽¹⁾	1,270	5,567	
Adjusted EBITDA	15,886	5,562	1,399

Note:

(1) This represents the impact on operating results of the fact that land is transferred from investment property to inventory when development projects start at fair value, not historical cost. It is calculated upon sale of investment property as the difference between the historical cost of the investment property and the adjusted fair value of such property, as recorded in inventory determined on a pro rata basis for each unit sold. In 2005, the Group did not record any cost of goods sold corrections because it did not sell any investment properties that were previously revalued.

Reconciliation of net debt to total (current and non-current) bonds and financial debts is as follows for the period indicated:

(€thousands)	June 2007 (unaudited)	2006 (unaudited)	2005 (unaudited)
Total (current and non-current) bonds and financial debts	1,313,222	667,875	303,124
Net derivative instruments	(8,192)	(6,050)	255
Current financial assets	(11,910)	(20,451)	(12,851)
Cash and cash equivalents	(341,345)	(98,339)	(49,089)
Net debt	951,775	543,035	241,439

D. SUMMARY OF THE MAIN RISK FACTORS

Warrant holders ORCBR 2012 and investors are invited to take into consideration the risks described below before deciding to tender their Warrants ORCBR 2012 into the Offer or to invest in the New Shares and/or in the New Warrants ORCOW 2014.

The risks arising from the New Warrants ORCOW 2014 and the New Shares are described in section 2.2. “*Risks associated with the Issue*” and include:

- the possible modification of the conditions applicable to the New Warrants ORCOW 2014,
- the risks related to the secondary market generally,
- in the event of a substantial fall in the market price of the Shares, the New Warrants ORCOW 2014 may lose their value,
- the risk of losing the investment in the New Warrants ORCOW 2014,
- the complexity of the financial instruments issued hereunder,
- the returns on the New Shares may be limited to the capital appreciation of the Share price,
- the market price of the New Shares may prove to be volatile,
- the holders of the New Shares face potential dilution of their shareholdings in the future,
- future sales of Shares may affect their market price,
- the Shareholders could suffer a total loss in the value of their New Shares and/or their New Warrants ORCOW 2014 in the event of the Company’s insolvency,
- legal and tax matters in respect of which advice should be sought,
- deduction at source.

The risks relating to Orco Property Group are described in the Registration Document in section 2.2 “Risk factors” and include:

1. Risks related to the Group’s business

- the Group faces a number of general risks related to the real estate industry;
- the Group will continue to depend on its ability to identify profitable development and investment projects;
- the Group’s properties may be subject to increases in operating and other expenses;
- the Group is exposed to the risk of increases in construction costs;
- the Group may be unable to effectively manage its expansion and the consequences of its rapid growth;
- internal controls may prove difficult to implement, which may adversely impact the Group’s ability to prepare accurate financial information;
- competition in the markets in which the Group operates is high and may intensify in the future;
- the Group may be exposed to oversupply in its key markets;
- the Group is exposed to location risks;
- the Group is exposed to the risk of illiquidity of real estate investments;
- the Group may be exposed to losses and liabilities (including tax liabilities) in respect of its properties as a result of the acts or omissions of vendors or previous owners or occupiers or relating to a prior period of ownership;
- the Group is party to co-investment agreements which may impose obligations and certain restrictions on the Group;
- insurance may not cover all losses relating to the Group’s properties and the Group may suffer material losses in excess of insurance proceeds;
- the Group may not be able to attract and retain sufficiently qualified employees in the countries in which the Group operates;
- the Group may not have title to property or shares in relation to its investment on the Czech Republic, Croatia and Russia;
- the Group’s activities are subject to many regulations, some of which are highly restrictive. In addition, current regulations may become more onerous in the future;
- the Group’s property valuations may not reflect the real value of its portfolio, and the valuation of its assets may fluctuate from one period to the next;
- the Group’s properties are exposed to the risk of destruction and deterioration;
- the Group is exposed to risks of environmental claims;
- the Group is exposed to counterparty credit risk;
- the Group is exposed to financing risk;

- the Group's financing arrangements could give rise to additional risk;
 - a change of control of the Company could result in a substantial payment obligation for the Company;
 - the Endurance Fund may choose to acquire desirable investment properties thus restricting the Group's attractive investment opportunities;
 - the Group is exposed to liquidity risk resulting from negative cash flow;
 - the Group is exposed to interest rate risks;
 - the Group is exposed to currency risks;
 - the Company, as a Luxembourg tax resident company, benefits from a tax regime under which dividends and capital gains are exempt provided certain conditions are met. Should its tax residence be challenged or the tax regime applicable to it change, this could result in a significant increase in its annual tax liabilities and could impact its profitability;
 - the Group is exposed to tax risks;
 - the Group may be exposed to changes in VAT law.
2. Risks related to the Group's real estate development business
 - Unexpected problems and unrecognised risks could arise in the Group's existing and future development projects;
 - the Group may face problems in obtaining vacant possession of its development projects;
 - the Group is exposed to risks associated with its investments in development projects;
 - the Group may not obtain at all or in a timely manner all required permits and consents for the completion of its property development projects;
 - changing residential trends may adversely affect sales of developments.
 3. Risks related to the Group's investment business
 - the Group is subject to increasing pressure on rental yields;
 - the Group is exposed to leasing risks;
 - the Group is exposed to maintenance risks;
 - the Group is subject to risks relating to its office and retail rental business;
 - the Group is exposed to indexation risks.
 4. Risks related to the Group's asset management business
 - the future success of investments by the fund manager is uncertain;
 - the Endurance Fund is reliant on key members of its management;
 - some of the investments of the Endurance Fund may be illiquid.
 5. Risks related to the geographic markets in which the Company operates
 - economic or political developments in the Czech Republic, Germany, Hungary, Poland, Russia, Croatia and Slovakia could have a material adverse effect;
 - the legal systems and procedural safeguards in Central and Eastern Europe are not fully developed;
 - the Group holds assets or receives payments in Croatia and Russia in currencies which may not be readily convertible into foreign currencies.

The risks described above or any one of them, or any other risk, which the Issuer has not currently been able to anticipate or which has not been considered to be material by the Company, might have an adverse effect on:

- the business, the financial situation, the results or the forecasts of the Company, or
- the market price of the New Shares or the New Warrants ORCOW 2014, or
- on the Issue or the Offer.

E. DIRECTORS AND MANAGEMENT

Members of the Board of Directors

- Remy Allemane,
- Arnaud Bricout,
- Pierre Cornet,
- Patrick Ganansia,
- Bernard Gauthier,
- Luc Leroi,
- Silvano Pedretti,
- Nicolas Tommasini,
- Guy Wallier,
- Orco Holding, represented by Mr Luc Leroi,
- Jean-François Ott
- CEREM S.A.

Executive Committee

- Jean-François Ott, CEO & Président
- Steven Davis, Senior Vice President (promotion, construction et property management)
- Aleš Vobruba, Senior Vice President (asset management)
- Arnaud Bricout, Vice President (corporate finance)
- Nicolas Tommasini, Vice President (activités hôtelières)
- Luc Leroi, Vice President and CFO
- Dragan Lazukic, Regional Director for Croatia and SE Europe
- Karen Hartley, European Sales and Marketing Director
- Martin Gebauer, Financial Director for Czech Republic and Slovakia
- Pavel Klimeš, Development Director
- Rainer Bormann, Chief Executive Officer of Orco Germany S.A.

External auditors

- HRT Révision S.à r.l. (réviseur d'entreprises) represented by Mr Dominique Ransquin, external auditor (réviseur d'entreprises), since June 2002, reappointed by the ordinary general meeting of 29 April 2004, expiring at the end of the ordinary general meeting convened to approve the accounts for the financial year ended 31 December 2006.
- PricewaterhouseCoopers S.à r.l. (*réviseur d'entreprises*), represented by Anne Sophie Preud'homme, external auditor (*réviseur d'entreprises*), appointed by the ordinary general meeting of 29 April 2004, expiring at the end of the ordinary general meeting convened to approve the accounts for the financial year ended 31 December 2006.

F. SHARE OWNERSHIP AND VOTING RIGHTS

To the best of the Company's knowledge, the breakdown of capital of the Company as at October 5, 2007 is as follows:

Shareholders	Number of Shares	% of capital	% of voting rights
Orco Holding	1,008,455	9.62%	9.62%
Public	9,469,052	90.38%	90.38%
Total	10,477,507	100.00%	100.00%

G. PERSONS RESPONSIBLE FOR THE SUMMARY OF THE PROSPECTUS

Persons responsible for the Summary of the Prospectus

Mr. Luc Leroi and Mr. Arnaud Bricout, directors of Orco Property Group.

Declaration by the persons responsible for the Summary of the Prospectus

Having taken all reasonable care to ensure that such is the case, we hereby declare that the information contained in this Summary is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Executed in Luxembourg, October 22, 2007

Mr Luc Leroi

Mr Arnaud Bricout

Director

Director

TRADUCTION FRANCAISE DU RÉSUMÉ DU PROSPECTUS

Avertissement au lecteur

Les informations suivantes sont présentées sous forme de résumé et devraient être lues comme une simple introduction à ce Prospectus et ne prétendent ainsi pas être exhaustives, elles sont extraites du Prospectus et devraient être lues conjointement avec des informations détaillées situées dans d'autres documents ou incorporées dans ce Prospectus. Toute décision d'investir dans les Actions Nouvelles (telles que définies ci-dessous) et les Nouveaux BSAAR ORCOW 2014 (tels que définis ci-dessous) et/ou toute décision d'apporter ses BSAR ORCOW 2012 (tels que définis ci-dessous) à l'Offre (telle que définie ci-dessous) devraient être fondées sur un examen exhaustif de l'ensemble de ce Prospectus et ce y compris la section 2. « Facteurs de Risques » qui décrit certains facteurs de risques qui pourraient affecter le titulaire d'Actions Nouvelles et le titulaire de Nouveaux BSAAR ORCOW 2014, et qui ne figurent pas dans le présent Résumé du Prospectus.

Lorsqu'une action concernant l'information contenue ou incorporée par référence dans ce Prospectus est intentée devant un tribunal d'un Etat membre de l'Espace Economique Européen, le plaignant peut, selon la législation nationale d'un tribunal d'un Etat membre de l'Espace Economique Européen auprès duquel l'action est menée, avoir à supporter les frais de traduction du Prospectus ou des documents incorporés par référence avant le début de la procédure judiciaire.

La Société prend la responsabilité du Résumé du Prospectus, incluant la description de la Société, le résumé de l'Offre et de l'Emission (telles que définies ci-dessous), le résumé des facteurs de risque et le résumé des informations financières, mais la Société n'accepte cette responsabilité qu'en cas de résumé trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus.

Nota 1 : Dans la Note d'Opération et le Résumé du Prospectus, la « Société », « Orco Property Group », « Orco » ou l'« Emetteur » désignent Orco Property Group S.A., société anonyme au capital de 42 957 778,70 € divisé en 10 477 507 Actions ordinaires (telles que définies ci-dessous), ayant son siège social au 48, boulevard Grand-duchesse Charlotte, L-1330, Luxembourg et immatriculée sous le numéro B.44.996 auprès du Registre du Commerce et des Sociétés de Luxembourg.

Nota 2 : Tous les termes définis en anglais dans le Résumé du Prospectus (Summary of the Prospectus) sont également applicables à la Note d'Opération (Securities Note).

Nota 3 : Dans le Résumé du Prospectus en français, « BSAR » signifie bon de souscription d'Action(s) remboursable et « BSAAR » signifie bon de souscription et/ou d'acquisition d'Action(s) remboursable.

Nota 4 : Dans le Résumé du Prospectus en français, l'« Offre » signifie l'offre d'échange initiée par Orco portant sur tous les BSAR ORCOW 2012 (tels que définis ci-dessous), en vertu de laquelle chaque porteur de BSAR ORCOW 2012 sera en droit de choisir de recevoir 3 Nouveaux BSAAR ORCOW 2014 et 1 Action Nouvelle en échange de 3 BSAR ORCOW 2012.

Nota 5 : Dans le Résumé du Prospectus en français, l'« Emission » signifie, en conséquence de l'Offre, l'émission d'un nombre maximum de 1 099 095 Nouveaux BSAAR ORCOW 2014 et d'un nombre maximum de 366 365 Actions Nouvelles.

A. ELEMENTS CLES DE L'OFFRE ET DE L'EMISSION DE NOUVELLES ACTIONS ET DE NOUVEAUX BONS DE SOUSCRIPTION ET/OU D'ACQUISITIONS D'ACTIONS REMBOURSABLES ORCOW 2014 ET CALENDRIER PREVISIONNEL

Principales modalités de l'Offre et de l'Emission d'Actions Nouvelles et de Nouveaux BSAAR ORCOW 2014

Emetteur	Orco, société anonyme, ayant son siège social au 48, boulevard Grand-duchesse Charlotte, L-1330, Luxembourg et immatriculée sous le numéro B.44.996 auprès du Registre du Commerce et des Sociétés de Luxembourg.
Capital Social	42 957 778,70 € divisé en 10 477 507 Actions ordinaires. Capital social autorisé 100 000 000 €
Forme juridique	Société anonyme de droit luxembourgeois.
Secteur d'activité FTSE	862 – Participation et promotion immobilières.
Code ISIN, Mnémonique de l'action	LU0122624777 – ORC.
Date d'émission	Les Actions Nouvelles et les Nouveaux BSAAR ORCOW 2014 (tels que définis ci-dessous) seront émis le 30 Novembre 2007 (la « Date d'Emission »).

BSAR ORCBBR 2012	« BSAR ORCBBR 2012 » désigne les BSAR qui ont été émis lors de l'émission d'obligations à bons de souscription d'Action(s) remboursables le 18 novembre 2005 en vertu du prospectus approuvé par la CSSF le 15 Novembre 2005 avec une date d'expiration au 18 novembre 2012, sous le code ISIN: LU0234878881 et le Mnémonique : ORCBBR.
BSAAR ORCOW 2014	« BSAAR ORCOW 2014 Existants » désigne les BSAAR qui ont été émis lors de l'émission d'obligations à bons de souscription et/ou d'acquisition d'Actions remboursables du 28 mars 2007 en vertu du prospectus approuvé par la CSSF le 22 mars 2007 avec une date d'expiration au 28 mars 2014 sous le code ISIN : XS0290764728 et le Mnémonique : ORCOW ; « Nouveaux BSAAR ORCOW 2014 » désigne les BSAAR à émettre dans le cadre de l'Offre sous le même code ISIN : XS0290764728 et le même Mnémonique : ORCOW que les BSAAR ORCOW 2014 Existants ; les Nouveaux BSAAR ORCOW 2014 seront fongibles avec les BSAAR ORCOW 2014 Existants à partir de la Date d'Emission ; ensemble les « BSAAR ORCOW 2014 ».
Porteurs de BSAAR ORCOW 2014	« Porteurs de BSAAR ORCOW 2014 Existants » désigne les porteurs de BSAAR ORCOW 2014 Existants ; « Porteurs de Nouveaux BSAAR ORCOW 2014 » désigne les porteurs de Nouveaux BSAAR ORCOW 2014 ; ensemble les « Porteurs de BSAAR ORCOW 2014 ».
Actions	« Actions » désigne toutes les actions ordinaires émises par la Société incluant les : « Actions Existantes » désigne les actions ordinaires d'Orco Property Group existantes avant la Date d'Emission sous le code ISIN : LU0122624777 ; et « Actions Nouvelles » désigne les actions ordinaires d'Orco Property Group à émettre dans le cadre de l'Offre sous le même code ISIN que les Actions Existantes.
Actionnaires	« Actionnaires » désigne les titulaires d'Actions.
Titres susceptibles d'être apportés à l'Offre	1 099 095 BSAR ORCBBR 2012.
Termes de l'Offre	Chaque porteur de BSAR ORCBBR 2012 (chacun un « Porteur de BSAR ORCBBR 2012 », ensemble les « Porteurs de BSAR ORCBBR 2012 ») aura le droit d'apporter ses BSAR ORCBBR 2012 selon les termes suivants : 3 BSAR ORCBBR 2012 donnent droit à 1 Action Nouvelle et 3 Nouveaux BSAAR ORCOW 2014. Se référer à la section 5.1.1. de la Note d'Opération. En conséquence de l'Offre, un nombre maximum de 366 365 Actions Nouvelles et un nombre maximum de 1 099 095 Nouveaux BSAAR ORCOW 2014 seraient émis si tous les BSAR ORCBBR 2012 étaient apportés à l'Offre.
Cotation des Actions Nouvelles issues de l'Offre	Les Actions Nouvelles feront l'objet d'une demande d'admission aux négociations sur le marché Eurolist d'Euronext Paris S.A. (l'« Eurolist d'Euronext Paris »), sur le <i>main market</i> de la Bourse de Varsovie (le « WSE ») et sur le <i>regulated market</i> de la Bourse de Budapest (le « BSE »). Leur cotation est prévue sur l'Eurolist d'Euronext Paris et sur le <i>main market</i> de la Bourse de Prague le 5 décembre 2007 et sur le <i>main market</i> du WSE et sur le <i>regulated market</i> du BSE le 21 décembre 2007 sous le code ISIN LU0122624777. La totalité du capital social autorisé de l'Emetteur est d'ores et déjà admis aux négociations sur le <i>main market</i> de la Bourse de Prague (le « PSE ») sous le même code ISIN : LU0122624777.
Nombre maximum d'Actions Nouvelles à émettre	366 365 Actions Nouvelles (sur la base d'une Offre suivie à 100% par tous les Porteurs de BSAR ORCBBR 2012).
Date de jouissance des Actions Nouvelles (en ce qui concerne le droit aux dividendes)	1er janvier 2007 (c'est-à-dire le premier jour de l'exercice social au cours duquel les Actions Nouvelles seront émises).

Intention des principaux Porteurs de BSAR ORCIBR 2012	A la connaissance de l'Emetteur, Orco Holding S.A, société anonyme régie par le droit luxembourgeois, ayant son siège social au 48, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg et immatriculée au Registre du Commerce et des Sociétés de Luxembourg sous le numéro B.46.918 (« Orco Holding »), qui est un membre du conseil d'administration de la Société et un des principaux Actionnaires, a l'intention d'apporter tous ses BSAR ORCIBR 2012 à l'Offre. La société Orco Holding est détenue par Mr. Jean-François Ott qui est le président directeur général de la Société. Au 30 Septembre 2007, Orco Holding possède 645 015 BSAR ORCIBR 2012.
Période d'ouverture de l'Offre	Du 29 Octobre 2007 (la « Date d'Ouverture de l'Offre ») au 16 Novembre 2007 (la « Date de Clôture de l'Offre »), (la « Période d'Ouverture de l'Offre »).
Nombre de BSAR ORCIBR 2012 en circulation le 17 Octobre 2007	1 099 095 BSAR ORCIBR 2012.
Forme des Nouveaux BSAAR ORCOW 2014	Les Nouveaux BSAAR ORCOW 2014 revêtiront la forme nominative.
Nombre de BSAAR ORCOW 2014	En date du 17 Octobre 2007, il y a 1 793 160 BSAAR ORCOW 2014 Existants en circulation. 1 099 095 Nouveaux BSAAR ORCOW 2014 seront émis si l'Offre est suivie à 100% par tous les Porteurs de BSAR ORCIBR 2012.
Fongibilité des Nouveaux BSAAR ORCOW 2014 avec les BSAAR ORCOW 2014 Existants	A compter de la Date d'Emission, les Nouveaux BSAAR ORCOW 2014 seront totalement fongibles avec les BSAAR ORCOW 2014 Existants.
Parité d'Exercice des Nouveaux BSAAR ORCOW 2014	Au 22 Octobre 2007, chaque Nouveau BSAAR ORCOW 2014 donne droit à son porteur de souscrire une Action nouvelle ou d'acquérir une Action existante (la « Parité d'Exercice ») au Prix d'Exercice (tel que défini ci-dessous). La Parité d'Exercice pourra être ajustée conformément aux dispositions de la section 4.2.2.4. de la Note d'Opération et sera ajustée à la suite de l'Emission dans les conditions décrites à la section 4.2.1.7.1.
Nombre d'Actions susceptibles d'être émises par exercice des Nouveaux BSAAR ORCOW 2014	1,132,068 Actions (dans l'hypothèse où la totalité des BSAR ORCIBR 2012 est apportée à l'Offre et où seules des Actions nouvelles seront livrées aux Porteurs de Nouveaux BSAAR ORCOW 2014 exerçant leurs Nouveaux BSAAR ORCOW 2014).
Prix d'exercice des Nouveaux BSAAR ORCOW 2014	146,39 € payable en espèces (le « Prix d'Exercice »). Toutefois, pour chaque exercice de 10 Nouveaux BSAAR ORCOW 2014, les Porteurs de Nouveaux BSAAR ORCOW 2014 pourront libérer le montant de leur souscription ou de leur acquisition de 1 463,90 € (10 x 146,39 €) par remise à la Société d'une Obligation (telle que définie à la section 4.2.1.7.1. de la Note d'Opération sous le terme <i>Bond</i>) de valeur nominale de 1 463,90 € rendue liquide et exigible à cet effet au prix de 1 463,90 €
Période d'exercice des Nouveaux BSAAR ORCOW 2014	Les Nouveaux BSAAR ORCOW 2014 pourront être exercés à tout moment à compter de leur Date d'Emission incluse jusqu'au 28 mars 2014 inclus (la « Période d'Exercice »).
Libre cessibilité des Nouveaux BSAAR ORCOW 2014	Les Nouveaux BSAAR ORCOW 2014 seront cessibles dès leur émission.
Expiration des Nouveaux BSAAR ORCOW 2014	La date d'expiration des Nouveaux BSAAR ORCOW 2014 sera le 28 mars 2014 (la « Date de Maturité »)
Remboursement des Nouveaux BSAAR ORCOW 2014 à l'initiative de la Société	Sur notification (qui sera irrévocable) aux Porteurs de Nouveaux BSAAR ORCOW 2014, l'Emetteur pourra procéder à tout moment, à compter du 28 mars 2012 jusqu'à la fin de la Période d'Exercice, au remboursement de tous les Nouveaux BSAAR ORCOW 2014 restant en circulation au prix unitaire de 0,01 € à condition que la Parité Ajustée (telle que définie à la section 4.2.1.11.2.) au cours d'au moins 20 Jours de Bourse pris au cours d'une période de 30 Jours de Bourse consécutifs et se terminant au plus tôt le 14 ^{ème} Jour de Bourse précédant la date à laquelle la notification de remboursement a été communiquée aux Porteurs de Nouveaux BSAAR ORCOW 2014 excède 190,31 €

	<p>La « Bourse Applicable » signifie relativement aux Actions : le marché Eurolist d'Euronext Paris ou le marché le plus liquide sur lequel les Actions sont cotées et admises aux négociations si pour une raison quelconque les Actions ne sont plus cotées et admises aux négociations sur le marché Eurolist d'Euronext Paris, et relativement aux BSAAR ORCOW 2014 : le marché Eurolist d'Euronext Bruxelles S.A. (« l'Eurolist d'Euronext Bruxelles ») ou le marché le plus liquide sur lequel les BSAAR ORCOW 2014 sont cotés et admis aux négociations si pour une raison quelconque les BSAAR ORCOW 2014 ne sont plus cotés et admis aux négociations sur le marché Eurolist d'Euronext Bruxelles.</p> <p>Un « Jour de Bourse » est un jour (autre qu'un samedi ou un dimanche) où la Bourse Applicable ou le marché financier concerné est ouvert (autre qu'un jour où les cotations cessent avant l'heure habituelle) et où Euroclear France S.A. (« Euroclear France »), Clearstream Banking, <i>société anonyme</i> (« Clearstream, Luxembourg ») ou « Clearstream ») et Euroclear Bank S.A./N.V. (« Euroclear » ou « Euroclear Bank ») fonctionnent.</p>
Cotation des BSAAR ORCOW 2014	Les Nouveaux BSAAR ORCOW 2014 feront l'objet d'une demande d'admission aux négociations sur le marché Eurolist d'Euronext Bruxelles et les BSAAR ORCOW 2014 ont fait l'objet d'une demande d'admission aux négociations sur le marché Eurolist d'Euronext Paris. Leur cotation est prévue sur l'Eurolist d'Euronext Paris le 5 Décembre 2007 sous le numéro de code ISIN XS0290764728 et le code commun : 029076472. Les BSAAR ORCOW 2014 Existants sont d'ores et déjà admis aux négociations sur l'Eurolist d'Euronext Bruxelles.
Date de jouissance des actions issues de l'exercice des Nouveaux BSAAR ORCOW 2014 (en ce qui concerne le droit aux dividendes)	Premier jour de l'exercice social au cours duquel la demande d'exercice des Nouveaux BSAAR ORCOW 2014 et le paiement du Prix d'Exercice ont eu lieu.
Agent des BSAR ORCOW 2012	L'Emetteur a désigné Natixis, <i>société anonyme</i> au capital social de 1 948 292 400 € siège social 45 rue Saint Dominique – 75007 Paris, immatriculé au <i>Registre du Commerce et des Sociétés</i> de Paris sous le numéro 542 044 524 (« Natixis »), comme agent des BSAR ORCOW 2012 en charge du service titres des BSAR ORCOW 2012 (l'« Agent des BSAR ORCOW 2012 »)
Agent des Actions et agent de distribution	L'Emetteur a désigné Natixis comme agent en charge du service titres et du service financier des Actions déposées chez Euroclear France (l'« Agent des Actions ») et comme agent en charge de la livraison des Actions remises sur exercice des BSAR ORCOW 2012 et des BSAAR ORCOW 2014 (l'« Agent de Distribution »).
Agent des BSAAR ORCOW 2014	L'Emetteur a désigné Bank of New York comme agent des BSAAR ORCOW 2014 en charge du service titres des BSAAR ORCOW 2014 (l'« Agent des BSAAR ORCOW 2014 »). L'Emetteur a également désigné Natixis pour centraliser les demandes d'exercice des BSAAR ORCOW 2014 détenus au travers d'Euroclear France.
Coordinateur de l'Offre	L'Emetteur a désigné Natixis comme le coordinateur de l'Offre qui assurera la centralisation des demandes d'échange envoyées par les Porteurs de BSAR ORCOW 2012 au travers de leurs intermédiaires financiers et livrera les Actions Nouvelles et les Nouveaux BSAAR ORCOW 2014 respectivement (le « Coordinateur »).

Calendrier indicatif de l'Emission

22 Octobre 2007	Visa de la CSSF sur le Prospectus.
25 Octobre 2007	Envoi d'un certificat d'approbation par la CSSF à l'AMF.
29 Octobre 2007	Ouverture de l'Offre à 9h00 heure des pays d'Europe centrale (« CET »).
16 Novembre 2007	Clôture de l'Offre à 17h00 CET.
23 Novembre 2007	Annonce du résultat de l'Offre par un avis de la CSSF, envoi des certificats d'approbation par la CSSF à la CNB, la PFSC, la HFSA et la CBFIB.
30 Novembre 2007	Livraison des Nouvelles Actions et des Nouveaux BSAAR ORCOW 2014 (la « Date de Livraison »).

- 5 Décembre 2007** Admission aux négociations des Nouveaux BSAAR ORCOW 2014 sur l'Eurolist d'Euronext Bruxelles, des BSAAR ORCOW 2014 sur l'Eurolist d'Euronext Paris et des Actions Nouvelles sur l'Eurolist d'Euronext Paris et sur le *main market* du PSE.
- 21 Décembre 2007** Admission aux négociations des Actions Nouvelles sur le main market du WSE et sur le *regulated market* du BSE.

B. CONDITIONS D'EMISSION DES ACTIONS NOUVELLES ET DES NOUVEAUX BSAAR ORCOW 2014

Restrictions

Il n'y a pas de restriction imposée à la libre cessibilité des Actions Nouvelles.

Il n'y a pas de restriction imposée à la libre cessibilité des Nouveaux BSAAR ORCOW 2014.

Dilution

Le tableau présenté ci-dessous résume les incidences de l'exercice des Nouveaux BSAAR ORCOW 2014 sur la participation d'un Actionnaire détenant 1% du capital de la Société préalablement à l'Emission des Actions Nouvelles et des Nouveaux BSAAR ORCOW 2014 issus de l'Offre, calcul effectué sur la base du nombre d'Actions composant le capital à la date du dernier recensement du capital et dans l'hypothèse où les Actions remises aux Porteurs de Nouveaux BSAAR ORCOW 2014 lors de l'exercice de Nouveaux BSAAR ORCOW 2014 seraient exclusivement des Actions nouvelles :

	Participation de l'Actionnaire
Avant l'Offre	1%
Après l'Offre (sur la base d'une Offre suivie à 100%, considérant que 366 365 Actions Nouvelles sont à émettre)	0,97%
Après l'Offre (sur la base d'une Offre suivie à 100%, considérant que 366 365 Actions Nouvelles sont à émettre) et après émission de 1,132,068 nouvelles Actions issues de l'exercice des Nouveaux BSAAR ORCOW 2014	0,87%

C. INFORMATIONS DE BASE CONCERNANT ORCO ET SES ETATS FINANCIERS

Information de base

La Société et ses filiales (le “**Groupe**”) sont actives en matière d’investissement de promotion, de gestion d’actifs sur les marchés immobiliers d’Europe Centrale et Orientale. De plus, la Société possède, gère et fait fonctionner un portefeuille de petits hôtels et de résidences de séjours prolongés en Europe Centrale et Orientale sous la marque *MaMaison Hotels and Apartments*. En avril 2007, le Groupe a vendu tous ses hôtels et résidences de séjours prolongés (à part le Pachtuv Palace à Prague et ses parts dans Suncani Hvar d.d. (“**Suncani Hvar**”), en Croatie) (la branche hôtelière) à une société détenue à 100% par le compartiment *Endurance Hospitality Sub-Fund*. La valeur totale du portefeuille hôtelier (comme déterminé par DTZ Debenham Tie Leung (“**DTZ**)) est de 174,3€ millions. L’activité de la Société est ciblée sur les marchés tchèques, allemands, hongrois, polonais, croates, slovaques et russes. La Société est l’un des principaux développeurs et investisseurs en République Tchèque et en Allemagne, elle est également un leader dans le développement de résidences immobilières à Prague sous le marque *IPB Real*.

Le portefeuille de développement de la Société est axé sur des projets dans le secteur résidentiel de type milieu ou milieu-haut de gamme de logement de résidence. La Société développe aussi des appartements de luxe au sein d’immeubles à l’architecture innovante. Au cours des six premiers mois de l’année 2007, la Société a investi dans de nombreuses réserves foncières dans différents pays, évalué par le rapport de DTZ au 30 juin 2007 à 294,2€ millions.

Le portefeuille d’investissement de la Société est focalisé sur des acquisitions ou développements de biens immobiliers de qualité dans les principales capitales d’Europe Centrale et Orientale, visant des immeubles commerciaux et résidentiels et plus récemment des logements individuels. Au 30 juin 2007, le portefeuille d’investissement de la Société était évalué par DTZ à 1,01€ milliards.

La Société est promoteur du fonds immobilier “*The Endurance Real Estate Fund for Central Europe*” (le “**Fonds Endurance**”), un fonds commun de placement — fonds d’investissement compartimenté, en quatre sous-fonds à la date du prospectus. Le Fonds Endurance investit dans l’immobilier de qualité en Europe Centrale et Orientale. Au 30 juin 2007, le Fonds Endurance possédait et gérait 322,9€ millions (valeur estimée) de biens immobiliers dans les segments du résidentiel, bureau, logement individuel et hôtelier.

Le Groupe a été créé en 1991 par M. Jean-François Ott. Depuis sa création, le Groupe grandi à la fois intrinsèquement et également au travers d’acquisitions d’autres sociétés dans le secteur immobilier (comme *IPB Real* basée en République Tchèque en 2003, *Viterra Development Group* basée en Allemagne en 2006 ou *GSG* basée à Berlin en 2007).

La Société est cotée sur l’Eurolist d’Euronext Paris, sur le marché principal de la Bourse de Prague, sur le marché principal de la Bourse de Varsovie et sur le marché réglementé de la Bourse de Budapest.

Résumé des informations financières

Le résumé des informations financières ci-dessous pour le semestre clôturé le 30 juin 2007 et pour les années clôturées le 31 décembre 2006, 31 décembre 2005 et 31 décembre 2004, respectivement, est issu du rapport intermédiaire consolidé condensé et non audité des informations financières du Groupe pour le semestre clôturant le 30 juin 2007 et pour les années clôturant le 31 décembre 2006, 31 décembre 2005 et 31 décembre 2004 (ce qui inclus les chiffres comparatifs audités retraités pour l’année finissant le 31 décembre 2004), respectivement, préparé en conformité avec les normes IFRS.

Les chiffres comparatifs pour l’année clôturant le 31 décembre 2005, incluent dans le rapport financier consolidé et audité pour l’année clôturant le 31 décembre 2006, ont été retraités afin de retranscrire la non-comptabilisation des impôts différés actifs, qui résultent d’une baisse des impôts différés de 2,8€ million et d’une baisse d’autres réserves dans les capitaux propres de 2,8€ millions. Le rapport consolidé audité d’informations financières pour l’année clôturant le 31 décembre 2005 (ce qui inclus les chiffres comparatifs pour l’année clôturant le 31 décembre 2004), inclus dans ce prospectus, n’ont pas été retraités mais toutes référence dans ce prospectus au bilan consolidé du Groupe au 31 décembre 2005 et 31 décembre 2004 ont été retraités pour traduire la non-comptabilisation des impôts différés actifs.

En 2005 la Société a adopté les normes IFRS et a produit des rapports consolidés audité d’information financière pour l’année clôturant le 31 décembre 2005 en accord avec les normes IFRS. La Société n’a pas préparé de rapport financier consolidé et audité pour l’année clôturant le 31 décembre 2004. Cependant, elle a préparé des rapports financiers consolidés audités pour l’année clôturant le 31 décembre 2004 selon les normes « *Luxembourg GAAP* ». Les chiffres comparatifs concernant 2004 dans le rapport IFRS consolidé audité pour l’année clôturant le 31 décembre 2005 furent retraités pour traduire les ajustements IFRS et ont été également audités. Toute référence dans ce prospectus aux informations financières de la Société pour l’année clôturant le 31 décembre 2004 sont issus des chiffres comparatifs retraités IFRS mentionnés dans le rapport financier consolidé audité pour l’année clôturant le 31 décembre 2005.

Les données ci-dessous doivent être lues en conjonction avec le rapport financier consolidé du Groupe ainsi qu'avec les notes du document d'enregistrement.

Compte de résultat				
	juin 2007	2006	2005	2004
	(en milliers d'euros, excepté pour les Actions)			
Produits	124 764	172 908	50 348	70 670
Gain net sur réévaluation des immeubles de placement	96 810	145 901	78 975	25 408
Résultat opérationnel	99 618	134 248	76 888	30 829
Charge nette d'intérêt	(16 123)	(15 740)	(6 962)	(5 515)
Résultat net, part du Groupe	55 090	96 699	54 523	18 700
Résultat par action, en €par action (1)	6,34	12,58	9,25	4,46
Résultat dilué par action, en €par action (2)	5,39	10,11	7,83	3,22

Notes:

(1) Le résultat par action est calculé en divisant le résultat attribué au Groupe par la moyenne pondérée du nombre d'actions ordinaires en circulation durant la période (4 197 074 actions, 5 893 582 actions, 7 685 668 actions et 8 688 622 actions, respectivement en 2004, 2005, 2006 et Juin 2007), exclu les actions ordinaires achetées par le Groupe et détenues comme actions détenues en propre.

(2) Le résultat dilué par action est calculé par l'ajustement de la moyenne pondérée du nombre d'action ordinaire en circulation exceptionnel pour prévenir la conversion de toute dilution potentiel d'action ordinaire (pour un total de 6 210 825, 7 193 204, 9 632 168 et 10 968 933 actions diluées, respectivement en 2004, 2005, 2006 et juin 2007).

Bilan				
	juin 2007	2006	2005 ⁽¹⁾ (retraité)	2004 ⁽²⁾ (retraité)
	(en milliers d'euros)			
Immeubles de placement	1 409 579	749 438	361 193	134 503
Autres actifs non-courants	390 961	243 167	175 603	71 349
Total actifs courants	774 905	485 468	153 779	80 176
Trésorerie et équivalent de trésorerie	341 345	98 339	49 089	15 742
Actifs non courants destinés à la vente	142 290	2 281		20 054
Total actif	2 717 735	1 480 354	690 575	306 082
Total capitaux propres	854 232	518 425	290 923	105 979
Total non-current liabilities	1 397 893	673 075	312 943	101 612
Emprunts obligataires	457 800	240 854	84 364	30 829
Dettes financières	677 169	331 651	183 060	56 655
Provisions	15 429	11 822	1 001	762
Impôts différés passifs	247 495	88 748	44 518	13 366
Total passif courant	416 814	287 381	86 709	88 204
Dettes financières et obligataires	178 253	95 370	35 700	29 340
Dettes fournisseurs et comptes rattachés	69 462	55 526	20 787	18 116
Produits constatés d'avance	95 077	63 377	19 210	26 939
Autres passifs courants	74 022	73 108	11 012	13 809
Actifs non courants destinés à la vente	48,796	1,473		10 287
Total passif	2 717 735	1 480 354	690 575	306 082

Notes:

(1) Les chiffres au 31 décembre 2005 ont été retraités pour traduire la non-comptabilisation des impôts différés actifs (pour 2,8€millions).

(2) Les chiffres au 31 décembre 2004 ont été retraités pour traduire la non-comptabilisation des impôts différés actifs.

(en milliers d'euros)	Développement				Location			
	juin 2007	2006	2005	2004	juin 2007	2006	2005	2004
Produits	90 394	124 298	21 925	60 554	17 587	19 856	7 584	6 558
Gain net sur réévaluation des immeubles de placement	46 815	57 394	36 436	17 044	47 773	79 942	20 178	5 320
Autres produits	(89 735)	(137 436)	(23 268)	(54 321)	(14 128)	(17 008)	(8 761)	(6 514)
Résultat opérationnel	47 474	44 256	35 093	23 277	51 232	82 790	19 001	5 364

(en milliers d'euros)	Hôtels et Résidences ⁽¹⁾				Consultance ⁽²⁾			
	Juin 2007	2006	2005	2004	juin 2007	2006	2005	2004
Produits	15 959	30 753	21 534	10 605	7 783	8 690	3 087	
Gain net sur réévaluation des immeubles de placement	2 222	8 565	22 361	3 044				
Autres produits	(21 902)	(36 572)	(25 493)	(11 460)	(502)	(799)	1 681	
Résultat opérationnel	(3 721)	2 746	18 402	2 189	7 281	7 891	4 768	

Notes:

(1) En avril 2007, le Groupe a cédé ses actifs hôteliers à une entreprise détenue à 100% par le compartiment Endurance Hospitality. La valeur de marché de ces actifs est estimée (selon DTZ) à 174,3€ millions. La vente des actifs hôteliers n'est pas encore totalement finalisée, le Groupe négociant actuellement avec les banques prêteuses pour le transfert des emprunts relatifs à l'acquisition de ces actifs à l'acquéreur. Le compartiment Endurance Hospitality et l'acquéreur ont conclu une lettre d'intention non-contraignante avec un investisseur institutionnel pour la vente de 50% de parts de la société qui a racheté les actifs immobiliers hôteliers. La Société détenait actuellement 100% des parts du compartiment Endurance Hospitality, mais elle a l'intention de réduire sa participation à moins de 20%.

(2) Le terme "Consultance" comprend la gestion des biens immobiliers, la consultance pour les sociétés du Groupe, ainsi que la gestion des actifs du Fonds Endurance.

Tableau de flux de trésorerie				
	juin 2007	2006	2005	2004
	(en milliers d'euros)			
Flux net de trésorerie provenant des activités opérationnelles	44 028	12 633	(50 242)	(7 210)
Flux net de trésorerie provenant des activités d'investissement	(610 901)	(433 943)	(169 225)	(26 038)
Flux net de trésorerie provenant des activités d'investissement	810 217	469 206	251 852	31 481
Augmentation (diminution) nette de trésorerie et équivalents de trésorerie	243 344	47 896	32 385	(1 767)
Trésorerie et équivalent de trésorerie ⁽¹⁾ à l'ouverture de l'exercice	98 344	49 089	15 742	16 232
Trésorerie et équivalent de trésorerie ⁽¹⁾ à la clôture de l'exercice	341 345	98 344	49 089	15 742

Note:

(1) Le terme « trésorerie et équivalent de trésorerie » comprend les liquidités, les dépôts à terme, ainsi que tout actif financier liquide ayant une maturité de trois mois ou moins, net des découverts bancaires.

Autres données financières			
(en milliers d'euros, excepté pour le ratio « dette nette/valeur totale des actifs »)	juin 2007	2006	2005
EBITDA ajusté ⁽¹⁾	15 886	5 562 ⁽²⁾	1 399
Détail:			
<i>Développement</i>	7 941	(3 911)	(2 303)
<i>Hôtels et résidences</i>	(3 048)	(272)	179
<i>Location</i>	4 615	4 890	(956)
<i>Consultance</i>	9 025	8 289	4 852
<i>Activités transversals</i>	(2 648)	(3 434)	(373)
Dette nette ⁽³⁾	951 775	543 035	241 439
Ratio « Dette nette/valeur total des actifs » ⁽⁴⁾	42,29%	40,3%	42,34%

Notes:

(1) L'EBITDA est le résultat opérationnel de la période déduit du gain net sur réévaluation des immeubles de placement et après charges liées (i) aux amortissements, corrections de valeur et provisions, (ii) aux plans de stock-options et (iii) aux coûts des ventes ajustés liés aux réévaluations des actifs. L'EBITDA ajusté n'est pas un indicateur de performance reconnu par les normes IFRS. Les investisseurs potentiels ne doivent pas considérer cet indicateur au même titre que le résultat opérationnel ou le résultat net part du groupe comme un indicateur de la performance opérationnelle ou le flux net de trésorerie provenant des activités opérationnelles comme indicateur de liquidité. L'EBITDA ajusté n'indique pas forcément si les besoins de trésorerie seront assurés pour le développement du Groupe. Le Groupe considère que l'EBITDA ajusté fournit une information utile aux investisseurs dans la mesure où sont éliminés les flux qui ne sont pas liés à la trésorerie (essentiellement les gains nets sur réévaluation des immeubles de placement), et aide les investisseurs à évaluer la performance des activités opérationnelles du Groupe. L'EBITDA ajusté n'évalue pas les résultats opérationnels antérieurs du Groupe ni ceux à venir. Le calcul de l'EBITDA peut différer selon les groupes, et par conséquent la présentation de l'EBITDA ajusté dans ce Prospectus peut ne pas être comparable avec l'EBITDA ajusté présenté par d'autres groupes.

(2) En 2006, pour la première fois, l'EBITDA ajusté exclut les actifs transférés des stocks et évalués en valeur de marché. L'impact pour 2006 était de 5 567€K.

(3) La dette nette représente les emprunts obligataires à long terme, les dettes financières à long terme, ainsi que les dettes financières et obligataires à moins d'un an, diminués de la trésorerie (et équivalent de trésorerie) et des actifs financiers à moins d'un an (qui comprend notamment les valeurs mobilières de placement détenues par le Groupe, considérées comme très liquides)

(4) Le ratio "dette nette/valeur totale des actifs" représente la dette nette totale divisée par la valeur totale estimée du portefeuille d'immeubles de placement détenu par le Groupe.

L'EBITDA ajusté se calcule comme suit (pour chaque période considérée) :

(en milliers d'euros)	juin 2007	2006	2005
Résultat opérationnel	99 618	134 248	76 888
Gain net sur réévaluation des immeubles de placement	(96 810)	(145 901)	(78 975)
Amortissements, dépréciations et provisions	10 294	4 076	2 093
Plans de stock-options	1 514	7 572	1 393
Coût des ventes corrigé ⁽¹⁾	1 270	5 567	
EBITDA ajusté	15 886	5 562	1 399

Note:

(1) Le coût des ventes corrigé représente l'impact sur le résultat opérationnel du transfert de certains terrains des immeubles de placement vers les stocks lorsque les projets de développement ont été initialement évalués à la juste valeur, et non au coût historique. Il est calculé sur la vente de l'immeuble de placement comme la différence entre le coût historique de l'immeuble de placement et la valeur ajustée de cet immeuble, et déterminé au pro rata pour chaque unité vendue. En 2005, le Groupe n'a comptabilisé aucun coût des ventes ajusté car aucun immeuble de placement vendu n'avait été précédemment réévalué.

La dette nette se calcule comme suit (pour chaque période considérée):

(en milliers d'euros)	juin 2007 (non audité)	2006 (non audité)	2005 (non audité)
Total emprunts obligataires et dettes bacaires (courants et non courants)	1 313 222	667 875	303 124
Instruments dérivés nets	(8 192)	(6 050)	255
Actifs financiers courants	(11 910)	(20 451)	(12 851)
Trésorerie et équivalent de trésorerie	(341 345)	(98 339)	(49 089)
Dette nette	951 775	543 035	241 439

D. RESUME DES PRINCIPAUX FACTEURS DE RISQUE

Les Porteurs de BSAR ORCIBR 2012 et les investisseurs sont invités à prendre en considération les risques ci-dessous avant de prendre leur décision d'apporter leurs BSAR ORCIBR 2012 à la présente Offre ou d'investir dans les Actions Nouvelles et/ou les Nouveaux BSAAR ORCOW 2014.

Les risques liés aux Actions Nouvelles et aux Nouveaux BSAAR ORCOW 2014 sont détaillés à la section 2.2 « *Risques relatifs à l'Emission* » et sont notamment les suivants :

- la possible modification des modalités des Nouveaux BSAAR ORCOW 2014,
- l'absence de marché pour les Nouveaux BSAAR ORCOW 2014,
- dans le cas d'une chute substantielle du prix de marché des Actions, les Nouveaux BSAAR ORCOW 2014 pourraient perdre toute valeur,
- le risque de perte de l'investissement en Nouveaux BSAAR ORCOW 2014,
- la complexité des instruments financiers émis,
- le rendement des Actions Nouvelles pourrait se limiter à l'appréciation de leur valeur de marché,
- le prix de marché des Actions Nouvelles pourrait être volatil,
- les porteurs d'Actions Nouvelles pourraient voir leur participation diluée dans le futur,
- des ventes futures d'Actions pourraient affecter le cours de l'Action,
- les Actionnaires de la Société pourraient subir la perte totale de la valeur des Actions Nouvelles et/ou des Nouveaux BSAAR ORCOW 2014 dans le cas de l'insolvabilité de la Société,
- les questions d'ordre juridique et fiscales soulevées par la présente Emission pour lesquelles un conseil est requis,
- retenue à la source.

Les risques liés à Orco Property Group sont décrits à la section 2.2 « *Facteurs de Risque* » dans le Document d'Enregistrement (*the Registration Document*) et sont notamment les suivants :

1. Risques relatifs à l'activité du Groupe

- le Groupe est confronté à divers risques d'ordre général lié au secteur de l'immobilier ;
- l'avenir du Groupe est étroitement lié à sa capacité à identifier des développements rentables et des projets d'investissement ;
- le patrimoine immobilier du Groupe peut être soumis à des augmentations des dépenses d'exploitation et autres dépenses ;
- le Groupe est exposé au risque d'augmentations des coûts de construction ;
- le Groupe peut ne pas être en mesure de gérer de façon efficace son expansion et les conséquences de sa rapide croissance ;
- les contrôles sur le plan interne peuvent s'avérer difficiles à mettre en oeuvre, ce qui peut nuire à la capacité du Groupe relative à la préparation d'informations financières exactes ;
- la concurrence sur les marchés dans lesquels opère le Groupe est forte et peut s'intensifier à l'avenir ;
- le Groupe peut se trouver confronté à une demande trop forte sur ses principaux marchés ;
- le Groupe est exposé à des risques inhérents à l'emplacement ;
- le Groupe est exposé au risque d'absence de liquidité des placements immobiliers ;
- le Groupe peut devoir assumer des pertes, dettes et obligations (incluant les obligations fiscales) afférentes aux biens immobiliers du fait des actes ou omissions des vendeurs ou propriétaires ou occupants précédents ou relatives à une période de propriété antérieure ;
- le Groupe conclut des accords de co-investissement pouvant imposer des obligations et certaines restrictions au Groupe ;
- l'assurance peut ne pas couvrir toutes les pertes afférentes aux biens immobiliers du Groupe et ce dernier peut subir des pertes importantes supérieures au montant des indemnités d'assurance,
- le Groupe peut ne pas attirer et retenir des salariés suffisamment qualifiés dans les pays dans lesquels opère le Groupe ;
- le Groupe peut ne pas être en mesure d'obtenir de titres de propriété ou d'actions se rapportant à ses placements en République Tchèque, Croatie et Russie ;
- les activités du Groupe sont soumises à de nombreuses réglementations dont certaines sont très restrictives. En outre, les règlements en vigueur peuvent imposer des dépenses plus importantes à l'avenir ;
- l'évaluation des biens immobiliers du Groupe peut ne pas refléter la valeur réelle de son portefeuille, et l'évaluation de ses actifs peut varier selon les périodes ;
- les biens immobiliers du Groupe sont exposés à des risques de destruction et de détérioration ;
- le Groupe est exposé à des risques liés aux revendications d'ordre environnemental ;
- le Groupe est exposé aux risques liés au crédit de ses contreparties ;

- le Groupe est exposé au risque lié au financement ;
 - les accords de financement du Groupe pourraient faire surgir des risques supplémentaires ;
 - un changement dans le contrôle de la Société pourrait donner lieu à une obligation substantielle de paiement à la charge de la Société ;
 - le Fonds Endurance peut choisir d'acquérir des biens de placement, restreignant ainsi les intéressantes opportunités d'investissement du Groupe ;
 - le Groupe est exposé aux risques de liquidité résultant d'un cash flow négatif ;
 - le Groupe est exposé aux risques liés aux taux d'intérêts ;
 - le Groupe est exposé aux risques de change ;
 - la Société en tant que société domiciliée fiscalement au Luxembourg, bénéficie d'un régime fiscal en vertu duquel les dividendes et plus-values sont exonérés d'impôts sous réserve du respect de certaines conditions. Le fait que la résidence fiscale soit contestée ou que le régime fiscal qui lui est applicable, change, pourrait entraîner une augmentation importante des obligations fiscales annuelles et nuire à la rentabilité ;
 - le Groupe est exposé à des risques fiscaux ;
 - le Groupe peut être exposé à des modifications des dispositions législatives relatives à la TVA la TVA.
2. Risques liés à l'activité de développement immobilier du Groupe
- des problèmes inattendus et des risques non anticipés pourraient surgir dans les projets de développement actuels et futurs du Groupe ;
 - le Groupe peut rencontrer des problèmes pour obtenir la libre possession des projets de développement ;
 - le Groupe est exposé à des risques liés à ses investissements dans des projets de développement ;
 - le Groupe peut ne pas obtenir dans les temps voulus l'intégralité des permis et consentements requis pour la réalisation des projets de développement immobilier ;
 - le changement des tendances résidentielles peut compromettre les ventes des programmes immobiliers.
3. Risques liés à l'activité de placement du Groupe
- le Groupe est soumis à une pression accrue sur les rendements locatifs ;
 - le Groupe est exposé aux risques liés à la location ;
 - le Groupe est exposé aux risques liés à l'entretien ;
 - le Groupe est sujet aux risques relatifs à son activité de location de bureaux et de commerces de détail ;
 - le Groupe est exposé aux risques liés à l'indexation.
4. Risques liés à l'activité de gestion des actifs du Groupe
- le succès futur des placements opérés par le gestionnaire de fonds est incertain ;
 - le Fonds Endurance s'appuie sur les principaux membres de son équipe de gestion ;
 - certains placements du Fonds Endurance peuvent ne pas être liquides.
5. Risques liés à la localisation géographique des marchés sur lesquels la Société opère
- des développements économiques ou politiques en République Tchèque, en Allemagne, en Hongrie, en Pologne, en Russie, en Croatie et en Slovaquie pourraient avoir des conséquences défavorables ;
 - le système juridique et les garanties procédurales dans les pays de l'Europe de l'Est et Centrale ne sont pas pleinement développés ;
 - le Groupe détient des actifs ou reçoit des paiements en Croatie et en Russie dans des devises qui ne sont pas facilement convertibles en monnaie étrangère.

Les risques décrits ci-dessus, ou n'importe lequel d'entre eux, ou n'importe quel autre risque, que l'Emetteur n'a pas actuellement pu prévoir ou qui n'a pas été considéré comme notable par la Société, pourraient avoir un effet négatif sur :

- la marche des affaires, la situation financière, les résultats ou les prévisions de la Société, ou
- le prix du marché des Actions Nouvelles ou des Nouveaux BSAAR ORCOW 2014, ou
- sur l'Emission et sur l'Offre.

E. ADMINISTRATEURS ET MEMBRES DE LA DIRECTION

Composition du Conseil d'administration

- M. Remy Allemane
- M. Arnaud Bricout
- M. Pierre Cornet
- M. Patrick Ganansia
- M. Bernard Gauthier
- M. Luc Leroi
- M. Silvano Pedretti
- M. Nicolas Tommasini
- M. Guy Wallier
- Orco Holding, représentée par M. Luc Leroi
- M. Jean-François Ott
- CEREM S.A.

Comité exécutif

- Président Directeur Général : M. Jean-François Ott
- Vice-président sénior (promotion, construction et *property management*) : M. Steven Davis
- Vice-président sénior (gestion d'actifs): M. Ales Vobruba
- Vice-président (activités hôtelières): M. Nicolas Tommasini
- Vice-président (finance): M. Arnaud Bricout
- Vice-président et directeur financier groupe : M. Luc Leroi
- Directeur du Développement en Croatie : M. Dragan Lazukic
- Directeur des Ventes (résidentiel) Europe : Mme Karen Hartley
- Directeur Financier République Tchèque et Slovaquie : M. Martin Gebauer
- Directeur Allemagne : Rainer Bormann,,et
- Directeur du Développement : Pavel Klimès.

Commissaires aux comptes titulaires

- HRT Révision S.a.r.l. (*réviseur d'entreprises*) représentée par Monsieur Dominique Ransquin, réviseur d'entreprises depuis juin 2002, mandat renouvelé dans ses fonctions par l'assemblée générale ordinaire des actionnaires du 29 avril 2004 venant à expirer à la suite de l'assemblée générale ordinaire des actionnaires devant approuver les comptes de l'exercice clos au 31 décembre 2006.
- PricewaterhouseCoopers S.à.r.l. (*réviseur d'entreprises*), représentée par Anne Sophie Prud'homme, réviseur d'entreprises désigné par l'assemblée générale ordinaire des actionnaires du 29 avril 2004 venant à expirer à la suite de l'assemblée générale ordinaire des actionnaires devant approuver les comptes de l'exercice clos au 31 décembre 2006.

F. REPARTITION DU CAPITAL ET DES DROITS DE VOTE

Au 5 Octobre 2007 et à la connaissance de la Société la répartition du capital était la suivante:

Actionnaires	Nombre d'Actions	% du capital	% des droits de votes
Orco Holding	1 008 455	9,62%	9,62%
Public	9 469 052	90,38%	90,38%
Total	10 477 507	100,00%	100,00%

G. PERSONNES RESPONSABLES DU RESUME DU PROSPECTUS

Personnes responsables du Résumé du Prospectus

M. Luc Leroi et M. Arnaud Bricout, directeurs d'Orco Property Group.

Déclaration des personnes responsables du Résumé du Prospectus

Nous attestons, après avoir pris toute mesure raisonnable à cet effet, que les informations contenues dans ce Résumé du Prospectus sont, à notre connaissance, conformes à la réalité et ne comportent pas d'omissions de nature à en altérer la portée.

À Luxembourg, le 22 Octobre 2007

M. Luc Leroi
Directeur

M. Arnaud Bricout
Directeur

THE SECURITIES NOTE

1. PERSONS RESPONSIBLE FOR THE SECURITIES NOTE

1.1 Persons responsible for the Securities Note

Mr. Luc Leroi and Mr. Arnaud Bricout, directors of Orco Property Group.

1.2 Declaration by the persons responsible for the Securities Note

Having taken all reasonable care to ensure that such is the case, we hereby declare that the information contained in this Securities Note is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. We accept responsibility accordingly.

Executed in Luxembourg, October 22, 2007

Mr Luc Leroi

Mr Arnaud Bricout

Director

Director

1.3 Persons responsible for the financial information

Mr. Arnaud Bricout
Mr. Luc Leroi
Mr. Bruno Fritsch
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lloeroi@orcogroup.com
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2. RISK FACTORS

Before making any investment or tender decision, prospective investors and/or Warrantheolders ORCBBR 2012 are invited to read the detailed information set out elsewhere in this Securities Note. This section presents the main risk factors but is not intended to be exhaustive and Warrantheolders ORCBBR 2012 intending to tender their Warrants ORCBBR 2012 into the Offer and/or prospective investors are required to reach their own views prior to making any investment or tender decision. Most of the factors set out below are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

2.1 Risks associated with the Issuer

The information concerning this section is supplied in the Registration Document approved by the CSSF (see in particular section 2.2 of the Registration Document).

2.2 Risks associated with the Issue

2.2.1 Possible modification of the conditions applicable to the New Warrants ORCOW 2014

The terms and conditions of the New Warrants ORCOW 2014 contain provisions for calling meetings of Holders of the New Warrants ORCOW 2014 to consider matters affecting their interest. These provisions permit defined majorities to bind all Holders of the New Warrants ORCOW 2014 including Holders of the New Warrants ORCOW 2014 who did not attend and vote at the relevant meeting and Holders of the New Warrants ORCOW 2014 who voted in a manner contrary to the majority.

2.2.2 Risks related to the secondary market generally

Although application will be made to admit (i) the New Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Brussels, and (ii) the Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Paris, and the Warrants ORCOW 2014 have been accepted for clearing and settlement by Euroclear Bank and Clearstream, Warrants ORCOW 2014 have no established trading market on the Eurolist Market by Euronext Paris, and one may never develop. Existing Warrants ORCOW 2014 are already admitted to trading on the Eurolist Market by Euronext Brussels but their liquidity is still very low.

If a market does develop for the Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris and on the Eurolist Market by Euronext Brussels, it may not be very liquid. Therefore, investors may not be able to sell their Warrants ORCOW 2014 easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

There is no obligation to create a secondary market for the Warrants ORCOW 2014.

The Warrants ORCOW 2014 could be subject to a higher degree of volatility than the Shares.

2.2.3 In the event of a substantial fall in the market price of the Shares, the New Warrants ORCOW 2014 may lose their value

The market price of the New Warrants ORCOW 2014 will depend on the market price of the Shares. A fall in the market price of the Shares could have an adverse effect on the value of the New Warrants ORCOW 2014.

2.2.4 Risk of losing the investment in the New Warrants ORCOW 2014

The Holders of the New Warrants ORCOW 2014 who do not exercise their rights before the expiry of the Exercise Period shall lose their investment in the New Warrants ORCOW 2014.

In addition if the Parity Value (as defined in section 4.2.1.11.2.) on the Relevant Stock Exchange exceeds 190.31€ the Issuer may decide from March 28, 2012 to redeem all or part of the New Warrants ORCOW 2014 in circulation at the unit price of €0.01 unless their holders exercise them in accordance with the terms of this Securities Note.

2.2.5 The complexity of the New Warrants ORCOW 2014 and the New Shares

The New Warrants ORCOW 2014 and the New Shares are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to an overall portfolio. A Warrantheolder ORCBBR 2012 should not tender his Warrants ORCBBR 2012 into the Offer and invest in the New Warrants ORCOW 2014 and the New Shares and a potential investor should not invest in the New Warrants ORCOW 2014 and/or the New Shares unless it has the expertise (either alone or with the help of a financial adviser) to evaluate: (i) how they will perform under changing conditions, (ii) the resulting effects on the value of such New Warrants ORCOW 2014 and/or New Shares and (iii) the impact this investment will have on the potential investor's overall investment portfolios.

An investor in the New Warrants ORCOW 2014 will not be a Shareholder of the Company. No Holder of the New Warrants ORCOW 2014 will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any Shares until such time, if any, as it exercises any New Warrant ORCOW 2014 and becomes a Shareholder.

2.2.6 Returns on the New Shares may be limited to capital appreciation of the Share Price.

Although the Company has paid dividends for every year since 2004, the payment of dividends is subject to the discretion of the board of directors of the Company (the “**Board of Directors**”). If the Board of Directors decides not to declare and pay dividends, then returns on investments in the New Shares in the foreseeable future will be limited to capital appreciation, if any, and the ability of Shareholders to realise any such returns may be limited by perennial illiquidity in the trading market for the Shares.

2.2.7 The market price of the New Shares could prove to be volatile.

The market price of the New Shares depends to a large extent on the value of the Company’s real estate portfolio. After the Issue, the price of the New Shares may be subject to volatility due in particular to variations in the Company’s actual or forecasted operating results, changes in profit forecasts or a failure to meet the profit expectations of securities analysts, a decrease in the market value of the Company’s portfolio, general economic conditions and other factors. The general volatility of share prices, in particular within the real estate sector, may also lead to price pressure on the New Shares without there necessarily being a reason for this in the business or the earnings outlook of the Company.

Other than Germany, the Company invests in properties in markets that are generally considered to be less mature than Western European property markets and the price of the New Shares may be more volatile than the price of shares of other publicly traded real estate companies that concentrate their investments in Western European markets. Significant decreases in the price of the New Shares could result from political or economic developments in the region where the Company invests, rather than any change in the Company’s property or business per se.

2.2.8 The holders of the New Shares face potential dilution of their shareholdings in the future.

As at October 22, 2007, the Company has the following convertible bonds and warrants outstanding:

- 1,086,956 convertible bonds due 31 May 2013, with each bond convertible into one Share of the Company;
- 1,099,095 Warrants ORCOW 2012 expiring on November 18, 2012, each Warrant ORCOW 2012 entitling its holder to subscribe to one Share of the Company; and
- 1,793,160 Existing Warrants ORCOW 2014 expiring on March 28, 2014, each Existing Warrant ORCOW 2014 entitling its holder to acquire or subscribe to one Share of the Company.

The conversion of the bonds and the exercise of the warrants is subject to certain conditions, however, they will dilute the holding of the Shareholder if converted or exercised. For more information on the outstanding convertible bonds and warrants of the Company, see the prospectuses approved by the CSSF and dated March 22, 2007; May 17, 2006 and November 14, 2005.

In addition, the Company arranged on 12 April 2006 a step-up equity subscription programme (Programme d’Augmentation de Capital par Exercice d’Options (PACEO)) with Société Générale Corporate & Investment Banking (“**SG**”) (the “**PACEO Programme**”) that allows the Company to issue a maximum of 1 million new Shares subscribed by SG on demand by the Company. As at the date of this Prospectus, the Company had exercised 450,000 options under the PACEO Programme and had the right to issue a further 550,000 new Shares to be subscribed on demand by SG. If the Company issues further new Shares under the PACEO Programme, the Shareholders will be subject to further dilution of their holdings.

2.2.9 Future sales of Shares may affect their market price.

Sales or the possibility of sales, of substantial numbers of Shares in the public markets, including sales by the Company’s principal Shareholders, following the Issue could have a material adverse effect on the market price of the Shares or could affect the Company’s ability to obtain further capital through an offering of equity securities. Subsequent equity offerings may reduce the ownership percentage of the Company’s existing Shareholders.

2.2.10 The Shareholders could suffer a total loss in the value of their New Shares and/or their New Warrants ORCOW 2014 in the event of the Company’s insolvency.

In the event of insolvency of the Company, its financial and trade creditors will be entitled to receive payment from the Company’s assets before any assets are distributed to its Shareholders. Most of the

Company's properties have been pledged as collateral for debt financing and are encumbered with mortgages. If the Company were to be declared bankrupt, there is a high likelihood that all or substantially all of the Company's assets would be used to satisfy claims of its creditors and investors in New Shares and/or in New Warrants ORCOW 2014 would suffer a partial or complete loss of their investment.

2.2.11 Legal and tax matters in respect of which advice should be sought

Warrant holders ORCOW 2014 intending to tender their Warrants ORCOW 2014 into the Offer and potential investors are invited to consult their own advisors regarding the legal, tax, accounting and related aspects of investing in the New Warrants ORCOW 2014 and the New Shares.

2.2.12 Deduction at source

Dividends with respect to the New Shares will generally be subject to Luxembourg withholding tax at a rate of currently 15% of the gross dividends. This withholding tax may be reduced or eliminated pursuant to an applicable tax treaty or pursuant to Luxembourg domestic tax rules.

All payments in respect of the New Warrants ORCOW 2014 and the New Shares by the Company will be made without withholding or deduction for taxation at source, unless such withholding or deduction is required to be made by law. Further details are available in sections 4.1.11 and 4.2.1.15. of the Securities Note.

3. BASIC INFORMATION

3.1 Working capital statement

The Company is of the opinion that the working capital available for the Company is sufficient for its present requirements, for at least a period of 12 months from the date of the publication of this Securities Note.

3.2 Capitalization and indebtedness

There have been no material changes to the information set out below since June 30, 2007.

(€thousands)	As of 30 June 2007
	Actual (unaudited)
Total current debt	178,253
Guaranteed	-
Secured (1)	177,874
Unguaranteed/Unsecured (2)	379
Total non-current debt	1,118,432
Guaranteed	-
Secured (1)	658,254
Unguaranteed/Unsecured (2)	460,178
Shareholders' equity	711,839
Share Capital	42,691
Share Premium	391,114
Other reserves	278,034
Minority Interests	142,393
Total	2,150,917

Notes:

- (1) Secured debt consists of bank loans, which are entered into by subsidiaries of the Company and are secured by mortgages on properties or pledges on shares of the relevant subsidiaries.
- (2) Unguaranteed/unsecured debt consists of bonds issued by the Company.

Net Indebtedness

The following unaudited table shows the net indebtedness of the Group as of 30 June 2007.

(€thousands)	As of 30 June 2007
	Actual (unaudited)
Cash	183,912
Cash equivalents	157,433
Current financial assets	36,640
Net derivative instruments	8,192
Total liquidity	386,177
Current bank debt	177,874
Current portion of non-current debt	-
Other current financial debt	379
Current financial debt	178,253
Net current financial indebtedness	(207,924)
Non-current bank debt	658,254
Bonds issued	457,800
Other non-current financial debt	2,378
Non-current financial indebtedness	1,118,432
Net financial indebtedness	910,508

3.3 *Interests of persons involved in the Offer*

Refer to section 5.2.2. «*Intention of major Shareholders or members of the Issuer's management, supervisory or administrative bodies to tender their Warrants ORCBR 2012 into the Offer*»

3.4 *Consequences of the Offer on the exercise ratios and on the capitalization, reasons for the Offer and intentions of the Issuer*

3.4.1 Consequences of the Offer on the exercise ratios

As a consequence of the Issue, the exercise ratio of the Warrants ORCBR 2012 will be adjusted according to the provisions of section 4.2.2.4.1.2. of the prospectus approved by the CSSF and dated November 14, 2005 (the “**Prospectus Dated November 14, 2005**”). In the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer, the exercise ratio would be adjusted to 1.02 (each Warrant ORCBR 2012 would entitle its holder to subscribe to 1.02 new Shares at the prevailing exercise price of €68.61 to be paid in cash, simultaneously to the exercise of the Warrants ORCBR 2012).

As a consequence of the Issue, the Exercise Ratio of the Existing and New Warrants ORCOW 2014 will be adjusted according to the provisions of section 4.2.2.4.1.2. of the prospectus approved by the CSSF and dated March 22, 2007 (the “**Prospectus Dated March 22, 2007**”). In the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer, the Exercise Ratio would be adjusted to 1.02 (each Warrant ORCOW 2014 would entitle its holder to acquire and/or subscribe to 1.02 Shares at the Exercise Price of €146.39 to be paid in cash, simultaneously to the exercise of the Warrants ORCOW 2014). In the event that all the Warrants ORCBR 2012 are tendered into the Offer, the Exercise Ratio would be adjusted to 1.03 (each Warrant ORCOW 2014 would entitle its holder to acquire and/or subscribe to 1.03 Shares at the Exercise Price of €146.39 to be paid in cash, simultaneously to the exercise of the Warrants ORCOW 2014).

3.4.2 Consequences of the Offer on the capitalization

Apart from the potential exercise of the New Warrants ORCOW 2014 that are to be issued as a result from the Offer, the Offer does not have any impact on the capitalization of the Issuer.

In the event that no Warrant ORCBR 2012 is tendered into the Offer, the exercise of the Warrants ORCBR 2012 would result in a potential capital increase of a maximum amount of €75,408,907.95 (corresponding to the exercise of 1,099,095 Warrants ORCBR 2012 at an exercise price of €68.61).

In the event that all the Warrants ORCBR 2012 are tendered into the Offer, the exercise of the New Warrants ORCOW 2014 would result in a potential capital increase of a maximum amount of €160,896,517.05 (exercise of 1,099,095 New Warrants ORCOW 2014 at an exercise price of €146.39 assuming that only new Shares would be remitted by the Company upon exercise of the New Warrants ORCOW 2014).

3.4.3 Reasons for the Offer and intentions of the Issuer

The Offer aims at reaching four objectives:

- ✓ For the Company: the Offer aims at optimizing its future financial structure;
- ✓ For the Shareholders: the Offer aims at reducing the Shareholders' potential dilution;
- ✓ For the Warranholders ORCBR 2012: the Offer aims at creating a new leverage;
- ✓ For the Holders of the Existing Warrants ORCOW 2014: the Offer aims at increasing the liquidity on the market of the Warrants ORCOW 2014.

There are two categories of warrants with the following characteristics:

- ✓ The Warrants ORCBR 2012 issued through the bonds with redeemable warrants attached issue on November 18, 2005. The main characteristics of the Warrants ORCBR 2012 are: an exercise price of €68.61 and a maturity date on November 18, 2012.
- ✓ The Existing Warrants ORCOW 2014 issued through the bonds with redeemable warrants attached issue on March 28, 2007. The New Warrants ORCOW 2014 will be fungible with the Existing Warrants ORCOW 2014. The main characteristics of the Warrants ORCOW 2014 are: an exercise price of €146.39 and a maturity date on March 28, 2014.

On the basis of the Share closing price on October 17, 2007, the potential dilution, calculated according to IFRS, i.e. considering that the proceeds from the exercise of the Warrants ORCBR 2012 are used to buy back Shares at their current market price, is 3.86%. This normative dilution is calculated as follows: net creation of 420,652 Shares (i.e. exercise of 1,099,095 Warrants ORCBR 2012 entitling to 1,099,095 Shares minus the buyback of 678,443 Shares paid by the proceeds from the exercise of 1,099,095 Warrants ORCBR 2012), divided by the total number of Shares before the exercise of the Warrants ORCBR 2012.

Should all the Warrants ORCBR 2012 be tendered into the Offer, the following securities would be created:

- ✓ 366,365 New Shares without any cash contribution, meaning a reduction of 12.91% of the dilution resulting from the Warrants ORCBR 2012,
- ✓ 1,099,095 New Warrants ORCOW 2014 fungible with the Existing Warrants ORCOW 2014 with an exercise price of €146.39, non dilutive at the current Share market price.

Optimization of the future financial structure of the Company

The Company simplifies its financial structure by withdrawing financial instruments whose exercise price has become significantly lower than the current Share market price due to the strong increase of the Share market price since November 18, 2005, when the Warrants ORCBBR 2012 were issued.

Reduction of the Shareholders' dilution

The reduction of 12.91% (in the event that all the Warrants ORCBBR 2012 are tendered into the Offer) of the immediate dilution, as a result of the Offer, is obtained by the creation of a new time value which may generate further dilution but at a price which will be more than twice higher than the exercise price of the Warrants ORCBBR 2012.

Unless the Share market price reaches €14 (calculated on the assumption that all the Warrants ORCBBR 2012 are tendered into the Offer), the Offer has a positive impact on the Shareholders' stake on a diluted basis.

Creation of a new leverage for the Warranholders ORCBBR 2012

Since the bonds with warrants issue on November 2005, the Share market price increased by 89.03%. This increase has progressively destroyed the leverage on the Warrants ORCBBR 2012 which value is currently around half of the Share market price. The Warrant ORCBBR 2012 is more and more similar to a Share without dividends and voting rights and with a lower liquidity. The Warrant ORCBBR 2012 has lost its complementarity to the Share which was to accompany the potential creation of value of the Company.

The New Warrant ORCOW 2014 issued pursuant to the Offer has a value of around 25 % of the Share market price.

This Offer intends to give to the Warranholders ORCBBR 2012, who will tender their Warrants ORCBBR 2012 into the Offer, a new leverage through the New Warrants ORCOW 2014 that they would receive in exchange for their Warrants ORCBBR 2012.

Increase in the liquidity on the markets of the Existing Warrants ORCOW 2014

In exchange for its Warrants ORCBBR 2012, the Warranholder ORCBBR 2012 tendering its Warrants ORCBBR 2012 into the Offer will be entitled to receive New Warrants ORCOW 2014 which will be fungible with the Existing Warrants ORCOW 2014 and will be admitted to trading on the same line under the same ISIN code. The increase of the number of Warrants ORCOW 2014 in circulation should increase the liquidity of the Existing Warrant ORCOW 2014 on the markets.

4. INFORMATION CONCERNING THE NEW SHARES AND THE NEW WARRANTS ORCOW 2014 TO BE ISSUED

4.1 Terms and conditions of the New Shares to be issued

4.1.1 Type, category and ranking date of the New Shares

The New Shares have the same accounting par value and are of the same category as the Existing Shares. The New Shares will be either in the form of registered shares or in the form of bearer shares, at the option of the Shareholder, except to the extent otherwise provided by law. The Shareholder can sell or transfer the New Shares subject to the relevant statutory limitations. The New Shares are indivisible and the Company only recognizes one holder per New Share. If there are several owners per New Share, the Company will be entitled to suspend the exercise of all rights attached until the appointment of a unique person as owner of the New Shares. It will be the same in the case of conflict between the usufructuary and the bare owner or between a debtor and the creditor.

Application will be made to admit the New Shares resulting from the Offer to trading on the Eurolist Market by Euronext Paris, on the main market of the WSE and on the regulated market of BSE. The anticipated listing date of the New Shares is December 5, 2007 on the Eurolist Market by Euronext Paris and on the main market of the PSE and is December 21, 2007 on the main market of the WSE and on the regulated market of the BSE under ISIN code: LU0122624777. The entire authorized share capital of the Company is already admitted to trading on the main market of the PSE under the same ISIN code: LU0122624777. The New Shares are classified under sector 86: “Real Estate” and sub-sector 862: “Real Estate Holding and Development” in the FTSE.

The Eurolist Market by Euronext Paris, the main market of the Prague Stock Exchange, the main market of the Warsaw Stock Exchange and the regulated market of the Budapest Stock Exchange are regulated markets pursuant to the provisions of the Prospectus Directive which refers to the definition of the regulated markets contained in the Investment Services Directive (93/22/EEC).

The Existing Shares are already listed on the Eurolist Market by Euronext Paris, on the main market of the PSE, on the main market of the WSE and on the regulated market of BSE.

The New Shares will be subject to the provisions of the articles of association of the Company and will carry beneficial rights from the first day of the financial year in which they are issued, i.e. January 1st, 2007 (*date de jouissance*). They shall carry the right in respect of the financial year in which they are issued and subsequent financial years, to the same dividend (equal by reference to their accounting par value) as that which may be paid in relation to the other Shares carrying the same beneficial rights.

4.1.2 Jurisdiction and applicable law

4.1.2.1 Applicable law

The terms and conditions of the New Shares are governed by Luxembourg law.

4.1.2.2 Competent courts

The competent courts in the event of disputes shall be the ones under whose jurisdiction the registered office of the Company falls without prejudice to the latter’s right to take action before any other competent court under Luxembourg law.

4.1.3 Form and method of delivery of the New Shares

Settlement of trades in New Shares listed on Euronext Paris, the Prague Stock Exchange, the Warsaw Stock Exchange and the Budapest Stock Exchange

The New Shares will initially be issued in bearer form and will be initially represented by interests in a global certificate (the “**Global Certificate**”) which will be deposited with Euroclear France, the French central depository system through which all securities listed and traded on the Eurolist Market by Euronext Paris are held.

Euroclear France will hold the New Shares on behalf of persons holding securities accounts with the financial intermediaries (*intermédiaires financiers habilités*) and authorised to maintain accounts therein. New Shares will be held and transferred through book-entry in accounts opened with one or more financial intermediaries with Euroclear France.

The persons shown in securities accounts of a financial intermediary authorised to maintain accounts with Euroclear France as the holders of the New Shares will not be entitled to receive physical delivery of definitive certificates evidencing interests in the New Shares, will not be considered owners or holders thereof and will only be able to transfer their interests in accordance with the rules and procedures of Euroclear France and other relevant additional clearing systems.

Shareholders may also hold New Shares by being directly recorded in the Shareholders register kept in Luxembourg by or on behalf of the Company or by directly holding a bearer share, thus taking their New Shares out of the Euroclear France clearing system.

Transfer of New Shares and settlement (delivery and payment) of transactions on the main market of the Prague Stock Exchange, on the Eurolist Market by Euronext Paris, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange will, however, only be effected through a settlement system recognised by the main market of the Prague Stock Exchange, the Eurolist Market by Euronext Paris, the main market of the Warsaw Stock Exchange and the regulated market of the Budapest Stock Exchange, as the case may be.

Only New Shares in bearer form held directly or indirectly through Euroclear France can be traded on the Eurolist Market by Euronext Paris. Shareholders directly recorded in the Company's Shareholder register or holding definitive bearer shares must therefore, in order to be able to trade their New Shares on Euroclear France, deposit them first with Euroclear France.

Settlement of the transactions executed on the Eurolist Market by Euronext Paris will be cleared through Clearnet S.A. and will be recorded in book-entry form on securities accounts of a financial intermediary authorised to maintain accounts with Euroclear France.

UNIVYC, a wholly owned subsidiary of the Prague Stock Exchange, is licensed by the Czech National Bank primarily to settle trades on the main market of the Prague Stock Exchange.

The settlement of the transactions concluded on the main market of the Warsaw Stock Exchange takes place outside the Warsaw Stock Exchange through the KDPW.

KELER, the Hungarian Central Depository and Settlement House, performs the tasks of the central background institution of the Hungarian capital market with an unchanging ownership structure, as a private joint-stock company.

UNIVYC, KDPW and KELER (the "**Clearing Houses**") are accountholders with Clearstream which in turn holds an account with Euroclear France.

The Clearing Houses will record interests of clients of the Clearing Houses' accountholders in the New Shares in book-entry form in accordance with the relevant local regulations of book-entry securities.

Transfers of the interests in the New Shares between the Clearing Houses' accountholders will be effected in accordance with the rules and operating procedures of the Clearing Houses, Clearstream and Euroclear France.

Trading in the New Shares on the main market of the Prague Stock Exchange, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange will be settled only through the relevant clearing systems and will be recorded in book-entry form.

Investors should take note that trades involving the transfer of New Shares between different stock exchanges may result in delays, which may be more significant than trades executed on the same exchange. Investors should obtain information from the relevant exchanges and the relevant Clearing Houses about the exact procedures and delays associated with such cross-exchange trades.

Trades in the New Shares concluded on the main market of the Prague Stock Exchange, on the Eurolist Market by Euronext Paris, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange will not result in any change in the holder of the Global Certificate.

Payments on the New Shares through the clearing system

The Clearing Houses' accountholders or any persons holding their New Shares through a securities settlement system must look solely to Euroclear France, Clearstream and the respective Clearing House for its share of each payment made by the Company in relation to all the rights arising under the Global Certificate, subject to and in accordance with the rules and procedures of Euroclear France, Clearstream and the respective Clearing House.

Such accountholders shall have no claim directly against the Company in respect of payments due on the New Shares for so long as the New Shares are represented by the Global Certificate and such obligations of the Company will be discharged by payment to Natixis, which is in charge of the securities (*service des titres*) and financial services (*service financier*) in respect of New Shares held through Euroclear France.

Those who hold interests in the Global Certificate through Euroclear France, Clearstream and the Clearing Houses will receive payments subject to and in accordance with the rules and procedures of the relevant clearing system.

Distribution of dividends and other payments with respect to the book-entry interests in the New Shares held through Euroclear France will be credited, to the extent received by Natixis, to the cash accounts of Euroclear France accountholders in accordance with the Euroclear France system rules and procedures.

Distribution of dividends and other payments with respect to the book-entry interests in the New Shares held through the Clearing Houses will be credited, to the extent received by the Clearing Houses, to the cash accounts of the Clearing Houses' members in accordance with the Clearing Houses' system rules and procedures for further distribution to the Clearing Houses' accountholders.

4.1.4 Issue currency

The New Shares are issued in euros.

4.1.5 Rights and restrictions attached to the New Shares

4.1.5.1 Rights attached to the New Shares

Each New Share entitles a Shareholder to the benefits and the corporate assets of the Company equal to a proportionate amount of the share capital that such New Share represents. Each New Share also confers the right to vote at a general meeting of Shareholders in conformity with legal and statutory conditions.

The Company is a limited liability corporation and Shareholders may be held liable only up to the amount that they hold in the share capital, whether the New Shares are in registered form or in bearer form.

The rights attached to the New Shares follow the holder of the New Shares.

The ownership, in any form whatsoever, of a New Share implies that the Shareholder consents to and is bound by the articles of incorporation of the Company and decisions properly adopted at the general meeting of Shareholders.

Pursuant to the current articles of incorporation, the main rights attached to the New Shares are described below.

Dividend rights – Rights to share in the profits of the Issuer and in any liquidation surplus

The New Shares shall be issued at par.

Dividends expire according to the legal term of limitation, i.e. 10 years.

By law and subject to any preference shares that may be issued in future, the holders of ordinary New Shares are entitled to receive dividends in proportion to the amount of capital that they represent. Each New Share carries entitlement to ownership of the corporate assets, the sharing of profits and the liquidation surplus in a proportion equal to the portion of share capital it represents, taking into consideration, where applicable, any amortised and non-amortised, paid-up and non paid-up capital, of the nominal amount of the Shares and of the right of the shares of different categories.

Dividends are distributed to the Shareholders at the general meeting of the Shareholders as proposed by the Board of Directors by deduction from the distributable sums in accordance with applicable legal stipulations.

Shareholders only incur the losses of the Company in amounts equal to their contributions.

Voting rights

In accordance with the Companies Act 1915, each New Share carries entitlement to one vote at the general meetings of Shareholders.

Convening of Shareholders who hold their New Shares with Euroclear France

The annual general meeting of the Shareholders meets in Luxembourg, at the registered office of the Company or at any other location indicated in the convening notice on the last Thursday of April at 2:00 pm, Luxembourg time. If that day is a legal holiday, the meeting shall be held on the next following business day in Luxembourg. Extraordinary general meetings of the Shareholders are convened in accordance with Luxembourg law and the articles of association of the Company.

The Company shall send the information pertaining to Shareholders, among other things information relating to the general meetings, including the agenda of said meetings and, for extraordinary general meetings of the Shareholders, the place and time of such meetings, directly to Euroclear France (and to Natixis which is responsible for the servicing of the Shares). The latter shall promptly notify the authorised financial intermediaries affiliated to Euroclear France requesting such information, and publish the convening notices to attend the general meetings in the French national financial newspaper (which is expected to be *La Tribune* or *Les Echos*) in addition to the convening notices published by the Company in Luxembourg in accordance with its articles of association.

Exercise of the voting rights of Shareholders who hold their New Shares with Euroclear France

In order to exercise their voting rights, Shareholders who hold their New Shares through Euroclear France shall:

- give their voting instructions in the form of a proxy to their authorised financial intermediary at least 20 days ahead of a general meeting of the Shareholders, which shall send them to Natixis which is responsible for servicing the Shares, which in turn shall send these voting instructions to the representative appointed in the proxy who shall exercise them in accordance with the instructions given. It is however specified that Natixis may be appointed as representative;
- prove their status as Shareholder. This proof must be in the form of a certificate drawn up free of charge by the authorised financial intermediary which is the account holder of the Shareholder, indicating the number of Shares registered in its account. The certificate shall be sent by the authorised financial intermediary to Natixis, which in turn shall send it, as appropriate, to the representative named in the proxy.

Preferential subscription rights

In accordance with the Companies Act 1915, Shareholders are entitled to a preferential right of subscription to new Shares, which may be limited or cancelled by the general meeting of the Shareholders or by the Board of Directors, if authorised by the former.

4.1.6 Resolutions and authorisations by virtue of which the New Shares will be issued as a result of the Offer and the new Shares as result of the exercise of the New Warrants ORCOW 2014

4.1.6.1 Resolution of the extraordinary general meeting of Shareholders

The extraordinary general meeting of the Company of 18 May 2000 granted the Board of Directors, pursuant to article 32-3 (5) of the Companies Act 1915, for a period of five years, all powers to carry out capital increases within the limit of the authorised capital, being a sum of €50 million, under the conditions and terms that it shall set, with the option of removing or limiting the Shareholders' preferential subscription rights to the issue of new Shares from the authorised capital.

The Board of Directors is authorised and mandated to carry out capital increases, on one occasion or in successive tranches, by the issue of new Shares to be paid up in cash, contributions in kind, conversion of debt, conversion of Bonds convertible into Shares and, at the approval of the annual general meeting of the Shareholders, by the incorporation of profits or reserves into the capital as well as to set the date and place for the issue or successive issues, the issue price, the conditions and terms of subscription and the methods payment for the new Shares. This authorisation is valid for a period of five years with effect from the date of publication of the minutes of the general meeting of the Shareholders of 18 May 2000.

In addition at the extraordinary general meeting of the Shareholders of 14 June 2006, the Shareholders voted in favour of reiterating an authorised capital in favour of the Board of Directors in an amount of €100 million for a further period of 5 years ending 14 June 2011.

In order to extend the 5-year period in relation to the authorized share capital in favour of the Board of Directors, an extraordinary general meeting of the Shareholders would need to approve such extension by June 2011. This period would then last until June 2016.

4.1.6.2 Decision of the Board of Directors

In its meeting on October 19, 2007, the Board of Directors voted in favour of the Offer and approved the Issue of a maximum number of 366,365 New Shares and 1,099,095 New Warrants ORCOW 2014 under the terms and conditions stated in this Securities Note.

4.1.7 Expected Issue Date of the New Shares

The New Shares to be issued as a result of the Offer will be issued 10 Business Days after the Acceptance Closing Date, on the Issue Date, i.e. November 30, 2007.

A “**Business Day**” shall mean any day (other than a Saturday or Sunday) on which banks are open for general business in Luxembourg and on which the Trans-European Automated Real-time Gross settlement Express Transfer system (“**TARGET**”) or any other successor system operates.

4.1.8 Restriction on the free trading of the New Shares

The New Shares are not subject to any transfer restrictions.

4.1.9 Applicable legislation on public offerings

Pursuant to article 2(1)(a) of the Takeover Directive, the Offer shall not be considered as a takeover bid or a bid for the following reasons:

- (i) the Offer is made by the offeree company itself and
- (ii) the objective of the Offer is not to acquire or get the control of the offeree company in accordance with Luxembourg law.

Pursuant to article 4(2)(b) of the Takeover Directive providing for the rules applicable to takeover bids on companies which securities are not admitted to trading on a regulated market in the member state of the European Union in which they have their registered office and since the securities of the Company were first admitted to trading in France:

(i) matters relating to the consideration offered in the context of a takeover bid, in particular the price, and matters relating to the takeover bid procedure, in particular the information on the offeror's decision to make a bid, the contents of the offer document and the disclosure of the bid, shall be dealt with in accordance with French rules, in particular with the general regulation of the AMF, and supervised by the AMF; and

(ii) matters relating to the information to be provided to the employees of the Company and to company law (in particular relating to the percentage of voting rights which confers control over the Company, any derogation from the obligation to launch an offer or the conditions under which the board of the Company may undertake any action which might result in the frustration of the bid) shall be dealt with in accordance with Luxembourg rules, in particular with the Loi du 19 mai 2006 portant transposition de la directive 2004/25/EC du Parlement européen et du Conseil du 21 avril 2004 concernant les offres publiques d'acquisition (the "**Luxembourg Takeover Law**") and supervised by the Luxembourg regulator, the CSSF.

4.1.9.1 Mandatory Bid

Obligation to file a takeover bid

Pursuant to Luxembourg law, should a person hold securities of the Company which, added to any existing holdings of those securities of his/her and the holdings of those securities of persons acting in concert with him/her, directly or indirectly give him/her control of the Company, such a person will be required to make, as soon as possible and at an equitable price, a bid to all the other holders of those securities for their entire holdings of such securities. Under Luxembourg law, a controlling stake is deemed to be acquired, if a voting power of 33 1/3 per cent. is reached (non voting shares not being considered to this effect).

A mandatory bid would not have to be launched under Luxembourg law, should the acquisition of the control over the Company be the result of a voluntary takeover bid on all the shares of the Company.

Principles applicable to the price with respect to a mandatory takeover bid

Pursuant to French rules, except in specific cases, the minimum price shall be at least equivalent to the highest price paid by the offeror, acting alone or in concert, over the last 12 months prior to the filing of the offer.

In addition, a cash alternative would be required should the offeror, or any persons acting in concert with him, have previously purchased, for cash, securities representing more than 5 per cent. of the share capital or voting rights in the Company, over the last 12 months prior to the filing of the offer.

Furthermore, in the event of a full cash offer and under certain circumstances, should the offeror purchase, between the date of the filing of the offer and five trading days before the closing of the offer, any shares on the market at a price which is above the offer price, the offer price shall be automatically increased to the higher of such price and 102 per cent. of the original offer price.

4.1.9.2 Right of squeeze-out

Pursuant to Luxembourg law, should any offeror hold the Company's securities representing not less than 95 per cent. of the capital carrying voting rights and 95 per cent. of the voting rights of the Company as a result of a takeover bid, such offeror would be entitled to squeeze-out minority Shareholders.

In accordance with French rules, such offeror may exercise such right of squeeze-out within three months following the end of the initial takeover bid.

Except in specific cases, the AMF will review the consideration offered in the context of such squeeze-out. In this respect, the offeror shall provide the AMF with a valuation of the Shares, appropriately taking into account the valuation derived from the value of the assets, the profits, the stock market value, the existence of subsidiaries and the future prospects of the Company.

4.1.9.3 Sell-out

Pursuant to Luxembourg law, should a bidder hold securities representing more than 90 per cent. of the Company's capital carrying voting rights following a bid made to all the holders of the Company's securities for all of their securities, a minority Shareholder would be entitled to require the offeror to buy his/her securities from him/her at a fair price.

The AMF will review the consideration offered in the context of such sell-out. In this respect, the offeror shall provide the AMF with a valuation of the Shares, appropriately taking into account the valuation derived from the value of the assets, the profits, the stock market value, the existence of subsidiaries and the future prospects of the Company.

Board opinion

The Board of Directors of the Company shall publish a document setting out its opinion on the takeover bid and the reasons on which it is based, including the bid's impact on the Company's interests, and analyzing, in particular, the bid's impact on employment and the bidder's proposed strategy for the Company.

4.1.9.4 Employees' information

The Luxembourg Takeover Law involves employees' representatives in the takeover process by providing for the duty of the Company's board to inform the employees of the Company about the takeover bid.

4.1.9.5 Breakthrough rules

The Shareholders of the Company may elect, by special Shareholders' vote to be notified to the CSSF and to the supervisory authorities of member states in which the Shares are admitted to trading on regulated markets or where such admission has been requested, to apply the breakthrough rules. If such breakthrough rules apply, (i) any share transfer restrictions contained in certain Shareholders' agreements shall not be binding on the offeror and (ii) at the general meeting of the Shareholders which decides on any defensive measures any restrictions on voting rights provided for in the articles of association of the target company or in certain Shareholders' agreements shall not have effect.

4.1.9.6 Defensive measures

The Shareholders of the Company may elect, by special Shareholders' vote to be notified to the CSSF and to the supervisory authorities of member states in which the Shares are admitted to trading on regulated markets or where such admission has been requested, to prohibit its management from taking defensive measures, other than seeking a competing bid, during a takeover bid, without being authorized to do so by a separate resolution passed at a Shareholders' meeting.

4.1.9.7 Disclosure obligations

The law of 4 December 1992 (as amended), relating to the information to be published when a major holding in a listed company is acquired or disposed of, implements EC Directive 88/627 (OJ 1988 L 348/62). It provides that if a natural person or legal entity acquires or disposes of a holding in a listed company and if, as a consequence of this acquisition or disposal, the percentage of the voting rights held by that person reaches or exceeds 10 per cent., 20 per cent., 33.33 per cent., 50 per cent. or 66.66 per cent. of the total voting rights existing at the time the situation giving rise to the declaration occurs, or falls below said thresholds, such person must notify the CSSF and the company whose shares or securities representing such shares are listed on stock exchanges situated or operating within one or more EU member states, of the proportion of such person's or legal entity's voting rights following that acquisition or disposal.

In Luxembourg, this declaration has to be notified in the French, German or English language to such listed company and to the CSSF within seven calendar days from the date the natural person or legal entity learned or, in view of the circumstances, should have learned of its acquisition or disposal of such a major holding.

The listed company which has received the above declaration must in turn disclose it to the public in each of the member states in which its shares are officially listed on a stock exchange no later than nine calendar days after the receipt of such declaration.

For the purposes of determining whether a natural person or legal entity shall be regarded as holding a certain percentage of voting rights, the voting rights held by third parties which are controlled by that person or entity, or for which that person or entity has entered into a written agreement which obliges them to adopt by concerted exercise of the voting rights they hold a lasting common policy towards the management of the listed company, are also taken into consideration. In case of a group of undertakings, the required disclosure may under certain circumstances be made by the parent undertaking on behalf of the group member actually acquiring or disposing of the shares.

The disclosure requirements do not apply to the acquisition or disposal of a major holding by a professional dealer in securities insofar as the acquisition or disposal is effected in his capacity as a professional dealer in securities and insofar as the acquisition is not used by the dealer to intervene in the management of the company concerned.

According to Article 26 of the articles of incorporation of the Company, any Shareholder exceeding, either up or down, the thresholds of 2.5 per cent., 5 per cent., 10 per cent., 15 per cent., 20 per cent., 33 per cent., 50 per cent. and 66 per cent. of total voting rights shall be bound to inform the Company regarding that fact, and the Company shall in turn be bound to inform its supervisory authorities within eight days of the event. No sanction is provided by the articles of incorporation for failure of the Shareholder to do so, although there may be other sanctions and penalties imposed by law, including fines and/or the suspension of voting rights.

4.1.10 Recent takeover bids

No takeover bid was launched with respect to the capital of Orco during the last financial year or the current financial year.

4.1.11 Taxation - Withholding tax

The statements herein regarding taxation in Luxembourg are based on the laws in force in Luxembourg as of the date of this Securities Note and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Shares. Each prospective holder or beneficial owner of Shares should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Shares.

Non Gross Up

Dividend payments in respect of the Shares will be made by the Company without withholding or deduction for taxation at source unless the withholding or deduction is required to be made by law. In such event, no additional of further amounts will be paid to the Shareholders in respect of such withholding or deduction.

Luxembourg withholding tax

Under Luxembourg tax laws currently in force, dividends distributed by the Company to a Shareholder are in principle subject to a withholding tax in Luxembourg at the rate of currently 15 per cent. of the gross dividend amount.

However, if a double tax treaty between Luxembourg and the country of residence of the Shareholder applies, an exemption or a reduction (in most cases between 15 per cent. and 5 per cent.) of the Luxembourg withholding tax may be available pursuant to the relevant provisions of such double tax treaty.

In addition, pursuant to current Luxembourg tax laws, an exemption from Luxembourg withholding tax on dividends may apply to the Shareholder under the following conditions:

- the Shareholder receiving the dividends is either (a) a Luxembourg resident limited company fully subject to Luxembourg corporation taxes or (b) a corporate entity referred to under Article 2 of the Council Directive of 23 July 1990 concerning the common fiscal regime applicable to parent and subsidiary companies of different member States (90/435/EEC) as amended by the Council Directive of 22 December 2003 (2003/123/EEC), or (c) the Luxembourg permanent establishment of a corporate entity referred to above under (a) or (b) or, (d) the Luxembourg permanent establishment of a limited company resident of a country with which Luxembourg has entered into a double tax treaty or finally, (e) a Swiss resident limited company fully subject to Swiss corporation taxes; and
- at the date of the dividend payment, the Shareholder holds or commits to hold directly (or even indirectly under certain conditions) for an uninterrupted period of at least twelve months, a minimum participation of 10% in the share capital of the Company or a participation whose acquisition value amounts to at least € 1,200,000 (or an equivalent amount in a foreign currency at the date of acquisition).

Finally, under Luxembourg tax laws currently in force, no Luxembourg withholding tax is due on the payment of a liquidation surplus.

French withholding tax

The dividends paid by the Company are not subject to withholding tax in France.

Polish withholding tax

The dividends paid by the Company are not subject to withholding tax in Poland.

Czech withholding tax

The dividends paid by the Company are not subject to withholding tax in the Czech Republic.

Hungarian withholding tax

The dividends paid by the Company are not subject to withholding tax in Hungary.

4.2 TERMS AND CONDITIONS OF THE NEW WARRANTS ORCOW 2014

4.2.1 Information on the New Warrants ORCOW 2014

4.2.1.1 Type and category of the New Warrants ORCOW 2014 and fungibility of the New Warrants ORCOW 2014 with the Existing Warrants ORCOW 2014

The New Warrants ORCOW 2014 are securities issued by the Company carrying entitlement to subscribe to new Shares and/or to acquire existing Shares. Upon exercise of the New Warrants ORCOW 2014, the Company will remit, existing or new Shares, or both, as the case may be.

From their Issue Date, the New Warrants ORCOW 2014 will be fungible with the Existing Warrants ORCOW 2014. All the Warrants ORCOW 2014 will be traded on the same line under the same ISIN code and will be treated together with respect to their conditions from the Issue Date.

1,099,095 New Warrants ORCOW 2014 should be issued in the event that all the Warrants ORCOW 2012 are tendered into the Offer.

769,367 New Warrants ORCOW 2014 should be issued in the event that 70% of the Warrants ORCOW 2012 are tendered into the Offer.

Application will be made to admit the New Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Brussels and to admit the Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Paris. The anticipated listing date of the New Warrants ORCOW 2014 on the Eurolist Market by Euronext Brussels and of the Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris is December 5, 2007 under ISIN code: XS0290764728 and common code: 029076472. The Existing Warrants ORCOW 2014 are already admitted to trading on the Eurolist Market by Euronext Brussels.

The Eurolist Market by Euronext Brussels and the Eurolist Market by Euronext Paris are regulated markets pursuant to the provisions of the Prospectus Directive which refers to the definition of the regulated markets contained in the Investment Services Directive (93/22/EEC).

4.2.1.2 Valuation of the New Warrants ORCOW 2014

4.2.1.2.1 Theoretical Valuation of the New Warrants ORCOW 2014

Refer to section 5.3.1.4 of this Securities Note.

4.2.1.2.2 Market Value

Refer to section 5.3.1.5 of this Securities Note.

4.2.1.3 Governing law and jurisdiction

4.2.1.3.1 Governing law

The terms and conditions of the New Warrants ORCOW 2014 are governed by Luxembourg law.

4.2.1.3.2 Jurisdiction

The competent courts in the event of disputes shall be the ones under whose jurisdiction the registered office of the Company falls without prejudice to the latter's right to take action before any other competent court under Luxembourg law.

4.2.1.4 Form, title and method of registration of the New Warrants ORCOW 2014 under an account

The New Warrants ORCOW 2014 are issued in registered form only and may, under no circumstances, be converted into New Warrants ORCOW 2014 in bearer form. The New Warrants ORCOW 2014, which are to be held in book-entry form through Euroclear or Clearstream, Luxembourg, are initially represented by a global certificate (the "**Global Certificate for the Warrants ORCOW 2014**") which will be deposited with a common depository acting in the name and on behalf of Euroclear or Clearstream, Luxembourg. Such common depository, acting in the name and on behalf of Euroclear or Clearstream, Luxembourg, will be registered in the register held by or on behalf of the Company (the "**Warrant ORCOW 2014 Register**") at its registered office in accordance with article 84 of the Companies Act 1915.

Trading in the New Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris will be settled only through Euroclear France and will be recorded in book-entry form. Euroclear and Clearstream, Luxembourg, as clearing systems, settle transactions through electronic book-entry changes in the accounts of their respective participants. Each of these clearing systems thereby ensures that, ultimately, sellers receive cash when delivering New Warrants ORCOW 2014 and that buyers receive corresponding New Warrants ORCOW 2014 when making payment into the systems, which eliminates the need for physical delivery of New Warrants ORCOW 2014. Non-participants of such system may transfer New Warrants ORCOW 2014 in book-entry form through an account held either

directly or through one or more participants or sub-participants of Euroclear or Clearstream, Luxembourg or Euroclear France, respectively.

The persons shown in the records of Euroclear or Clearstream, Luxembourg or Euroclear France as the holders of the New Warrants ORCOW 2014 (each a “**Warrant ORCOW 2014 Accountholder**”) will, in principle not have the New Warrants ORCOW 2014 registered in their names and will not receive or be entitled to receive physical delivery of definitive certificates evidencing interests in the New Warrants ORCOW 2014 and will not be considered registered owners or holders thereof.

Holders of the New Warrants ORCOW 2014 may also hold their New Warrants ORCOW 2014 directly, in which case they will be entered into the Warrant ORCOW 2014 Register.

Ownership in respect of the New Warrants ORCOW 2014 is established exclusively by the registration (*inscription*) in the Warrant ORCOW 2014 Register kept by the Company at its registered office. Certificates representing the New Warrants ORCOW 2014 (the “**Warrant ORCOW 2014 Certificates**”) may be issued but are not proof of ownership. Title to the New Warrants ORCOW 2014 shall pass by registration in the Warrant ORCOW 2014 Register.

Except as ordered by a court of competent jurisdiction or a public authority or as required by law, the Company may deem and treat the person registered in the Warrant ORCOW 2014 Register as holder of the New Warrants ORCOW 2014 as the absolute owner of the New Warrants ORCOW 2014 for all purposes and no person will be liable for so treating such holder.

The settlement delivery transactions in relation to the New Warrants ORCOW 2014 shall be handled in the Euroclear or Clearstream, Luxembourg or Euroclear France, under ISIN code: XS0290764728 and common code: 029076472.

Investors should take note that trades involving the transfer of New Warrants ORCOW 2014 between different exchanges may result in delays, which may be more significant than trades executed on the same exchange. Investors should obtain information from the relevant exchanges about the exact procedure and delays associated with such cross-exchange trades.

4.2.1.5 Currency

The New Warrants ORCOW 2014 are issued in euros.

4.2.1.6 Status of the New Warrants ORCOW 2014

Not applicable.

4.2.1.7 Rights and limitations attached to the New Warrants ORCOW 2014

4.2.1.7.1 Exercise Price and Exercise Ratio

As at October 22, 2007, each New Warrant ORCOW 2014 entitles the holder to acquire and/or subscribe to 1 Share at the prevailing Exercise Price of €146.39 to be paid in cash, simultaneously to the exercise of the New Warrants ORCOW 2014. The Exercise Ratio is subject to subsequent adjustments as provided in section 4.2.2.4 “*Adjustment rules applicable in the occurrence of an event having a consequence on the underlying instrument*”.

The Exercise Ratio will be adjusted immediately after the Issue according to the number of New Shares to be issued as a result of the Offer. In the event that all the Warrants ORCOW 2012 are tendered into the Offer, the Exercise Ratio would be adjusted to 1.03 (each New Warrant ORCOW 2014 would entitle the holder to acquire and/or subscribe to 1.03 Shares at the prevailing Exercise Price of €146.39 to be paid in cash, simultaneously to the exercise of the New Warrants ORCOW 2014). In the event that 70% of the Warrants ORCOW 2012 are tendered into the Offer, the Exercise Ratio would be adjusted to 1.02 (each New Warrant ORCOW 2014 would entitle the holder to acquire and/or subscribe to 1.02 Shares at the prevailing Exercise Price of €146.39 to be paid in cash, simultaneously to the exercise of the New Warrants ORCOW 2014).

The Company will, as the case may be, have the choice to remit new Shares to be issued and/or existing Shares, or both. Holders of the New Warrants ORCOW 2014 exercising New Warrants ORCOW 2014 at a same Exercise Date (as defined in section 4.2.1.7.3) shall receive the same proportion of existing and/or new Shares.

However, for every 10 New Warrants ORCOW 2014 exercised, Holders of the New Warrants ORCOW 2014 may pay for the amount of their subscription or acquisition of €1,463.90 (10 x €146.39) by the sale to the Company of 1 bond issued by Orco on March 28, 2007 under ISIN code: XS0291838992 (the “**Bond**”) with a nominal value of €1,463.90 made due and payable to this effect at a price of €1,463.90.

In the event that all the Warrants ORCOW 2012 are tendered into the Offer and if all New Warrants ORCOW 2014 were to be exercised and the Company were to deliver new Shares only upon such exercise, the Company would issue 1,132,068 new Shares representing 9.45% of the share capital of the Company.

4.2.1.7.2 Exercise Period of the New Warrants ORCOW 2014

The New Warrants ORCOW 2014 may be exercised at any time from and including the Issue Date up to the close of business on March 28, 2014 included (the Maturity Date).

4.2.1.7.3 Conditions of exercise of the New Warrants ORCOW 2014 - Delivery of Shares

To exercise their New Warrants ORCOW 2014, their holders should make their request to the intermediary with whom their securities are registered and pay up the amount of their subscription or acquisition as stated in Sections 4.2.1.7.1 “*Exercise price and Exercise Ratio*” and 4.2.1.7.2 “*Exercise Period of the New Warrants ORCOW 2014*”. Bank of New York (Warrant ORCOW 2014 Agent) shall be responsible for centralising these transactions and Natixis (Distribution Agent) shall be responsible for (i) centralizing the exercise requests in respect of Warrants ORCOW 2014 held through Euroclear France, and (ii) delivering Shares upon exercise of Warrants ORCOW 2014.

The date of exercise of a New Warrant ORCOW 2014 will be the date of receipt by the Warrant ORCOW 2014 Agent or by Natixis (acting as centralizer of the exercise requests in respect of Warrants ORCOW 2014 held through Euroclear France) of the exercise request (the “**Exercise Date**”) and delivery of the Shares will take place on or before the twentieth Business Day following the Exercise Date.

As soon as practicable, and in any event no later than 20 Business Days after the relevant Exercise Date, Orco will, as the case may be, (i) deliver existing Shares in registered form on exercise of a New Warrant ORCOW 2014, and register (or cause to be registered) the person named in the relevant exercise request in the Shareholder register of Orco or, if the request notice so specifies, effect delivery (or cause delivery to be effected) through the relevant clearing system or (ii) deliver newly issued Shares in registered form on exercise of a New Warrant ORCOW 2014, and comply with the respective requirements set out in (i) and, additionally authorise the issue of such Shares in accordance with Luxembourg law no later than 20 Business Days following the relevant exercise request reception by the Warrants ORCOW 2014 Agent or Natixis.

The Issuer has created an authorised capital allowing the Board of Directors to issue relevant new Shares upon exercise of the New Warrants ORCOW 2014 until 14 June 2011.

4.2.1.7.4 Benefit and rights attached to the Shares delivered as a result of the exercise of the New Warrants ORCOW 2014

The rights attached to the Shares delivered as a result of the exercise of the New Warrants ORCOW 2014 are defined in Section 10.1.

4.2.1.7.5 Suspension of the exercise of the New Warrants ORCOW 2014

In the event of an increase in the share capital of the Company (except by exercise of any of the New Warrants ORCOW 2014) or an issue of securities conferring rights to receive Shares, or in case of a merger (*fusion*), division (*scission*), or other financial transaction conferring preferential subscription rights in favour of Shareholders or allowing a priority subscription period in favour of the Shareholders, the Company may decide to suspend the exercise of the New Warrants ORCOW 2014 for a period which may not exceed three months, but such decision will not under any circumstances mean that the Holders of the New Warrants ORCOW 2014 will lose their rights to exercise their New Warrants ORCOW 2014.

The Company’s decision to suspend the exercise of the New Warrants ORCOW 2014 will be set out in a notice given to the Holders of the New Warrants ORCOW 2014 in a Luxembourg newspaper with wide distribution, in a Belgian newspaper with wide distribution, in a French newspaper with wide distribution, in a Euronext Brussels announcement and in a Euronext Paris announcement. This notice will be published at least ten Dealing Days prior to the date from which the right to exercise the New Warrants ORCOW 2014 will be suspended and will specify the date on which the suspension comes into force and the date on which it will end.

4.2.1.8 Resolution and decision by virtue of which the New Warrants ORCOW 2014 are issued

Refer to the resolution and decision described in Section 4.1.6 of this Securities Note.

4.2.1.9 Scheduled issue date of the New Warrants ORCOW 2014

As the New Shares, the New Warrants ORCOW 2014 will be issued on November 30, 2007.

4.2.1.10 Restrictions on the free transfer of the New Warrants ORCOW 2014

There are no restrictions on the free transfer of the New Warrants ORCOW 2014.

4.2.1.11 Cancellation, Repurchase and Redemption of the Warrants ORCOW 2014

4.2.1.11.1 Cancellation of the New Warrants ORCOW 2014

The New Warrants ORCOW 2014 which will not have been exercised by the close of the Relevant Stock Exchange on the Maturity Date may no longer be exercised and shall be cancelled at the close of the Relevant Stock Exchange on March 28, 2014.

4.2.1.11.2 Redemption of the New Warrants ORCOW 2014 at the Company's option

On giving notice (which notice shall be irrevocable) to the Holders of the New Warrants ORCOW 2014, the Issuer may at any time on or after March 28, 2012 up to the end of the Exercise Period redeem all of the outstanding New Warrants ORCOW 2014 (together with the outstanding Existing Warrants ORCOW 2014) at a price of €0.01 per New Warrant ORCOW 2014, provided that the Parity Value (as defined below) on each of not less than 20 Dealing Days during the period of 30 consecutive Dealing Days ending not earlier than the 14th Dealing Day prior to the date on which the relevant notice of redemption is given to Holders of the New Warrants ORCOW 2014 exceeds €90.31.

“**Parity Value**” means, in respect of any Dealing Day, the Euro amount calculated as follows:

$$PV = ER \times CP$$

Where

PV = the Parity Value

ER = the relevant Exercise Ratio

CP = The closing price for the Shares as published by or derived from the Relevant Stock Exchange on such Dealing Day, provided that if on any such dealing day the Shares shall have been quoted cum-Dividend or cum-any other entitlement the reference price on such Dealing Day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per ordinary Share as at the date of first public announcement of such Dividend or entitlement.

Any such notice of redemption shall specify the date with effect from which such redemption shall take effect, which shall be not less than 30 nor more than 60 days following the giving of such notice.

Announcement to the Holders of the New Warrants ORCOW 2014 of the redemption of the New Warrants ORCOW 2014 (together with the outstanding Existing Warrants ORCOW 2014)

The Company's decision to redeem all the New Warrants ORCOW 2014 (together with the outstanding Existing Warrants ORCOW 2014) will be published in advance at least one month before the New Warrants ORCOW 2014 redemption date on the Issuer's website (www.orcogroup.com), in a Luxembourg newspaper and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu), in a Belgian newspaper with wide distribution, in a French newspaper with wide distribution, in a Euronext Brussels announcement and in a Euronext Paris announcement (hereinafter, the “**Redemption Announcement**”).

In the event that the Company redeems all the New Warrants ORCOW 2014, Holders of the New Warrants ORCOW 2014 may avoid such redemption by exercising their New Warrants ORCOW 2014 until the date set for the redemption in accordance with Section 4.2.1.7.3. After this date, the New Warrants ORCOW 2014 shall be redeemed by the Company and cancelled.

4.2.1.11.3 Repurchase of the New Warrants ORCOW 2014 at the Company's option

The Company reserves the right at any time, without any price or quantity restrictions, to repurchase the New Warrants ORCOW 2014 on or off the market or through a public purchase or exchange offers of New Warrants ORCOW 2014. The New Warrants ORCOW 2014 so repurchased shall be cancelled.

The Issuer may, at any time, purchase New Warrants ORCOW 2014 in the open market or otherwise at any price. Any purchase by tender shall be made available to all Holders of the New Warrants ORCOW 2014 alike subject to applicable securities laws and subject to the terms of any partial tender. The New Warrants ORCOW 2014 so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meeting of the Warranholders ORCOW 2014 and shall be deemed not to be outstanding for the purposes of calculating quorums at meetings for the Warranholders ORCOW 2014.

4.2.1.12 Settlement and delivery procedure of the New Warrants ORCOW 2014

The settlement-delivery transactions of the New Warrants ORCOW 2014 shall be handled in the Euroclear Bank, Clearstream and Euroclear France systems, under ISIN Code: XS0290764728 and common code: 029076472.

The New Warrants ORCOW 2014 shall be admitted to Euroclear Bank transactions which shall settle the securities between account holders. The New Warrants ORCOW 2014 shall also be admitted to

Clearstream Banking, *société anonyme*, transactions. The Warrants ORCOW 2014 shall also be admitted to Euroclear France transactions.

The New Warrants ORCOW 2014 shall be registered in an account with effect from the Settlement Date.

4.2.1.13 Conditions relating to the product of the New Warrants ORCOW 2014

Not applicable

4.2.1.14 Representation of Warranholders ORCOW 2014

Unless otherwise provided herein, the Warranholders ORCOW 2014 will be represented and the general meetings of Warranholders ORCOW 2014 will be organised in accordance with the rules set out herebelow and, by default, with the provisions of articles 86 to 94-8 of the Companies Act 1915 (as amended).

Since March 28, 2007, the Holders of the Existing Warrants ORCOW 2014 together form a body created *inter alia* for the purposes of representation of the common interests of the Holders of the Existing Warrants ORCOW 2014.

New Warrants ORCOW 2014, issued according to the terms and conditions of the Issue, are deemed fungible with the Existing Warrants ORCOW 2014 issued on March 28, 2007.

As a result of this fungibility, and from the Issue Date, the Holders of the New Warrants ORCOW 2014 form, together with the Holders of the Existing Warrants ORCOW 2014, a single body created *inter alia* for the purposes of representation of the common interests of all Warranholders ORCOW 2014.

The general meeting of the Holders of the Existing Warrants ORCOW 2014 (since March 28, 2007 excluded until the Issue Date included) may appoint one or several representatives of the body of Warranholders ORCOW 2014 and determine their powers. The general meeting of the Warranholders ORCOW 2014 (the Existing Warranholders ORCOW 2014 together with the Holders of the New Warrants ORCOW 2014) (from the Issue Date included until the Maturity Date) may appoint one or several representatives of the body of the Warranholders ORCOW 2014 and determine their powers.

When the representative(s) have been appointed, the Warranholders ORCOW 2014 will respectively no longer be able to exercise individually the rights attaching to their Warrants ORCOW 2014 against the Issuer.

A meeting of the Warranholders ORCOW 2014 may be convened at any time by the representative(s) or by the Board of Directors. The representatives provided they have received an advance on their expenses, or the Board of Directors must convene a meeting of the body of Warranholders ORCOW 2014 if Warranholders ORCOW 2014 respectively representing 5 per cent or more of the total number of outstanding Warrants ORCOW 2014 so request. The meetings of the Warranholders ORCOW 2014 will be held at the venue specified in the convening notice.

Every Warranholder ORCOW 2014 will have the right to attend and vote at meetings of the Warranholders ORCOW 2014 in person or by proxy, except that if the Issuer holds Warrants ORCOW 2014 itself, the Issuer is not entitled to exercise the voting rights attached to these Warrants ORCOW 2014. Evidence of title of a person to one or several Warrants ORCOW 2014 will be established in accordance with the rules and procedures of the depositary with which the Warrants are held or, in its absence, with the Warrant ORCOW 2014 Register. The voting rights attached to the Warrants ORCOW 2014 are proportional to the portion out of the total number of Warrants ORCOW 2014 they represent, each Warrant ORCOW 2014 carrying at least one vote.

A meeting of the Warranholders ORCOW 2014 may be convened (i) in the event of a merger involving the Issuer, (ii) in order to approve certain changes to the Warranholders ORCOW 2014's rights and (iii) generally, in order to determine any measure aimed at defending the Warranholders ORCOW 2014's interests.

Each meeting of the Warranholders ORCOW 2014 shall be convened in the forms and delays according to the provisions of the article 94 of the Companies Act 1915 (as amended).

A meeting of the Warranholders ORCOW 2014 may validly decide, without any quorum requirements and by a simple majority of the votes cast by the Warranholders ORCOW 2014 present or represented at the meeting, upon the appointment and removal of representatives, the removal of special representatives nominated by the Issuer and the approval of any protective measure taken in the general interests of Warranholders ORCOW 2014.

In respect of any other decision the meeting of the Warranholders ORCOW 2014 may validly decide upon a first convening only if the Warranholders ORCOW 2014 present or represented hold at least

50 per cent of the total number of the Warrants ORCOW 2014 outstanding at that time. No quorum is required at a reconvened meeting. The decisions at such meetings will be passed by a majority consisting of not less than 75 % of the votes cast by Warranholders ORCOW 2014 present or represented.

Each Warranholder ORCOW 2014 shall have the right, during the 15 days prior to the general meeting of the Warranholders ORCOW 2014 as a body to consult or take copies, or cause an agent to do so on its behalf, of the text of the proposed resolutions and the reports to be presented to the meeting, at the registered office of the Issuer, and at the offices of the Warrant ORCOW 2014 Agent and, as the case may be, at any other place specified in the convening notice.

4.2.1.15 Taxation - Withholding tax

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Securities Note and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the New Warrants ORCOW 2014. Each prospective holder or beneficial owner of New Warrants ORCOW 2014 should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the New Warrants ORCOW 2014.

Gross Up

All payments in respect of the New Warrants ORCOW 2014 will be made by the Company without withholding or deduction for taxation at source unless the withholding or deduction is required to be made by law. In such event, the Company will pay to the Holders of the New Warrants ORCOW 2014 such additional amounts as shall be necessary in order that the net amounts received by the Holders of the New Warrants ORCOW 2014 after such withholding or deduction shall equal the amounts which would otherwise have been receivable in respect of the New Warrants ORCOW 2014, in the absence of such withholding or deduction.

Luxembourg withholding tax

Under Luxembourg tax laws currently in force, payments with respect to the New Warrants ORCOW 2014 will not be subject to Luxembourg withholding tax.

French withholding tax

Under French tax laws currently in force, payments derived from the New Warrants ORCOW 2014 should not be subject to withholding tax in France.

4.2.2 Information on the underlying instrument

The underlying instrument is the ordinary Share with ISIN code: LU0122624777.

4.2.2.1 Exercise Price of the New Warrants ORCOW 2014 and number of Shares received as a result of the exercise of the New Warrants ORCOW 2014

At the moment of the Issue, each New Warrant ORCOW 2014 entitles its holder to acquire and/or subscribe one Share at the prevailing Exercise Price (see Section 4.2.1.7.1 “*Exercise Price and Exercise Ratio*”) to be paid in cash, simultaneously to the exercise of the New Warrants ORCOW 2014. Immediately after the Issue, the Exercise Ratio will be adjusted as described in section 4.2.1.7.1. according to the provisions of the section 4.2.2.4.

However, for every 10 New Warrants ORCOW 2014 exercised, Holders of the New Warrants ORCOW 2014 may pay for the amount of their subscription or acquisition of €1,463.90 (10 x €146.39) by the sale of 1 Bond with a nominal value of €1,463.90 made due and payable to this effect at a price of €1,463.90.

4.2.2.2 Information on the Shares

Investors can consult the Euronext Paris website for more information on the Shares and their performance: www.euronext.com.

4.2.2.3 Disruption of the market or the settlement and delivery system affecting the Shares

If Euroclear France and/or Euroclear Bank and/or Clearstream were to suspend their activities at the time of exercise of New Warrants ORCOW 2014, the delivery of the Shares following the exercise of New Warrants ORCOW 2014 may be delayed.

4.2.2.4 Adjustment rules applicable in the occurrence of an event having a consequence on the underlying instrument

4.2.2.4.1 Maintenance of the rights of the Holders of the New Warrants ORCOW 2014

4.2.2.4.1.1 Consequences of the Issue

In the event of a transaction including a preferential subscription right reserved for Shareholders, Holders of the New Warrants ORCOW 2014 shall be informed thereof before commencement of the transaction through an announcement in a Belgian newspaper with wide distribution, in a French newspaper, through an announcement made by Euronext Brussels and through an announcement made by Euronext Paris. Holders of the New Warrants ORCOW 2014 will be informed at the same time and together with Holders of the Existing Warrants ORCOW 2014.

The Board of Directors has decided that:

- as long as there are New Warrants ORCOW 2014 in circulation, the Company may not redeem the share capital or modify the allocation of its profit. However the Company may redeem its share capital or issue preference shares provided that the rights of Holders of the New Warrants ORCOW 2014 are maintained in accordance with the provisions of Section 4.2.2.4.1.2 "*In the event of financial transactions*".
- in the event of a capital reduction as a result of losses, the rights of the Holders of the New Warrants ORCOW 2014 exercising their New Warrants ORCOW 2014 shall be reduced accordingly as if said Holders of the New Warrants ORCOW 2014 had been Shareholders from the issue date of the New Warrants ORCOW 2014 regardless of whether the capital reduction is carried out by reducing the par value of the Shares or the number thereof.

4.2.2.4.1.2 In the event of financial transactions

Upon completion of any of the following transactions:

1. issue of securities carrying a preferential subscription right to Shareholders,
2. increase in share capital by capitalization of reserves, profits or share premia, and by distribution of bonus shares, or the subdivision or consolidation of Shares,
3. in the event that a nominal value is assigned to the Shares, an increase in share capital of the Issuer, without issuing Shares, by capitalization of reserves, profits or share premia by increasing the nominal value of the Shares,
4. distribution of reserves in cash or in kind or a share premium,
5. allotment of bonus financial instruments other than Shares,
6. merger by acquisition (*fusion par absorption*), merger (*fusion par création d'une nouvelle société*), spin-off, division (*scission*) of the Issuer,
7. buy-back of own Shares at a price that is higher than the Share price,
8. distribution of dividends,
9. amortisation in share capital of the Issuer,
10. modification of the Issuer's allocation of its profits,
11. change of control, and
12. issue at less than current market price.

which the Issuer may carry out after the Issue Date, the rights of the Holders of the New Warrants ORCOW 2014 will be protected, as long as there are still valid New Warrants ORCOW 2014 in existence, by adjusting the Exercise Ratio in accordance with the following provisions.

In the event of an adjustment carried out in accordance with conditions 1 to 12 below, the new Exercise Ratio will be determined to two decimal places and rounded to the nearest 100th (0.005 being rounded up to the next highest 100th). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded Exercise Ratio. However, the New Warrants ORCOW 2014 can only result in the delivery of a whole number of Shares, the treatment of fractions of Shares being governed by Section 4.2.2.4.1.3 "*Treatment of fractional Shares*".

1. In the event of a financial transaction conferring a preferential subscription right to existing Shareholders, the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Share value ex-subscription right plus the value of the subscription right}}{\text{Share value ex-subscription right}}$$

Share value ex-subscription right

For the purposes of calculating this formula, the values of the Share ex-subscription right and of the subscription right will be determined on the basis of the average of the closing prices of the Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange, or in the absence of listing on the Relevant Stock Exchange, on another regulated or equivalent market on

which the Share and subscription right are both listed) falling in the subscription period during which the Shares and the subscription rights are listed simultaneously;

2. In the event of an increase in share capital of the Company by capitalization of reserves, profits or share premia and by distribution of bonus shares, or by the subdivision or consolidation of Shares, the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Number of Shares after the transaction}}{\text{Number of Shares existing before the transaction}}$$

3. In the event of an increase in share capital of the Company without Shares being issued by means of a capitalization of reserves, profits or share premia performed by increasing the nominal value of the Shares, the nominal value of the Shares which may be delivered to the Holders of the New Warrants ORCOW 2014 exercising their Warrants ORCOW 2014, will be increased accordingly.

4. In the event of the distribution by the Company of reserves in cash or in kind or a share premium, the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect prior to the relevant transaction by the following formula:

$$1 - \frac{\text{Amount of the distribution per Share}}{\text{Value of the Share before distribution}}$$

For the purposes of calculating this formula, the value of the Shares before distribution will be determined on the basis of the weighted average of the prices published by or derived from the Relevant Stock Exchange over the last three Dealing Days before the distribution.

5. In the event of an allotment of bonus financial instruments other than Shares of the Issuer, the new Exercise Ratio will be determined:

- if the right to receive financial instruments is listed on the Relevant Stock Exchange (or a substitute market), the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect prior to the relevant transaction by the following formula:

$$1 + \frac{\text{Price of the right to receive financial instruments}}{\text{Share price ex-right}}$$

For the purposes of calculating this formula, the prices of the Shares ex-right and of the rights to receive financial instruments will be determined on the basis of the weighted average of the prices published or derived from the Relevant Stock Exchange over the first three Dealing Days as from the detachment of the financial instruments.

- if the right to receive financial instruments is not listed on the Relevant Stock Exchange, the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect prior to the relevant transaction by the following formula:

$$1 + \frac{\text{Value of the financial instruments allocated to each Share}}{\text{Share price ex-right}}$$

For the purposes of calculating this formula, the price of the Shares ex-right and the value of the financial instruments will be determined on the basis of the weighted average of the prices published by or derived from the Relevant Stock Exchange over the first three Dealing Days as from the detachment of the financial instruments.

If the financial instruments allocated are not listed on a Euronext Paris regulated market, their value shall be determined in accordance with the rules and regulations applicable to the regulated or equivalent market on which they are listed. Failing this, their value shall be evaluated in an independent expert's certificate. This certificate shall be produced by an expert of international repute appointed by the Issuer, whose opinion shall not be subject to appeal.

6. In the event of merger by acquisition (*fusion par absorption*) of the Issuer by another company or of merger of the Issuer with one or more other companies to create a new company (*fusion par création d'une nouvelle société*), or in the event of a division (scission) or spin-off of the Issuer, the

New Warrants ORCOW 2014 may be exercised into shares of the acquiring or new company or the companies resulting from any division (scission) or spin-off.

The new Exercise Ratio shall be determined by adjusting the Exercise Ratio in effect before such event by the exchange ratio of the Shares against the shares of the acquiring or new company or companies resulting from any division (scission) or spin-off. These companies shall be substituted to the Issuer in order to apply the above adjustment, the purpose being to maintain, where applicable, the rights of the Holders of the New Warrants ORCOW 2014 in the event of financial or securities transactions, and, generally to ensure that the rights of the Holders of the New Warrants ORCOW 2014 are guaranteed under the legal, regulatory and contractual conditions.

7. In the event that the Company makes an offer to the Shareholders to buy-back its own Shares at a price that is higher than the Share price, the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect by the following formula calculated to the nearest 100th of a Share:

$$\frac{\text{Share value} + \text{pc\%} \times (\text{buy-back price} - \text{Share value})}{\text{Share value}}$$

For the purposes of calculating this formula:

The Share value (i) means the average of at least ten consecutive closing prices of the Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) chosen from the twenty consecutive closing prices of the Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) preceding the buy-back (or the buy-back offer).

Pc% means the percentage of the share capital of the Company that has been bought back.

Buy-back price means the effective price of Shares bought-back (which is by definition higher than the Share value).

8. If and whenever the Issuer shall pay or make any Capital Distribution (as defined below) to the Shareholders, the Exercise Ratio shall be adjusted by multiplying the Exercise Ratio in force immediately prior to the relevant Dividend of which such Capital Distribution forms part by the following fraction:

$$A / (A - B)$$

where:

A is the Current Market Price (as defined below) of one Share on the Dealing Day immediately preceding the date of the first public announcement of the relevant Dividend or, in the case of a purchase of Shares, on which such Shares are purchased or, in the case of a Spin-Off, is the mean of the volume weighted average prices of a Share for the five consecutive Dealing Days ending on the Dealing Day immediately preceding the date on which the Shares are traded ex- the relevant Spin-Off; and

B is the portion of the Fair Market Value (as defined below), with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Shares entitled to receive the relevant Dividend of which the Capital Distribution forms part (or, in the case of a purchase of Shares by or on behalf of the Issuer, by the number of Shares in issue immediately prior to such purchase), of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date on which such Capital Distribution is made or, if later, the first date upon which the Fair Market Value of the Capital Distribution is capable of being determined as provided herein.

“**Capital Distribution**” means:

(a) any Dividend means any dividend for any fiscal year of the Issuer (the “**Relevant Dividend**”) if the sum of (i) the Fair Market Value of the Relevant Dividend per Share and (ii) the Fair Market Value per Share of the aggregate of any other Dividend or Dividends in respect of such fiscal year (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of that fiscal year), such sum being the “**Current Year’s Dividends**”, exceeds the Reference Amount, and in such case the amount of the relevant Capital Distribution shall be the amount by which the Current Year’s Dividends exceeds the Reference Amount.

“**Reference Amount**” means €1.15. This amount will be adjusted to reflect any stock-split or stock grouping of any Shares or the issue of Shares by way of capitalization of profits or reserves (or any like or similar event), or any change in the fiscal year of the Issuer.

For the purposes of the above, the Fair Market Value of a Dividend shall (subject as provided in paragraph (a) of the definition of “Dividend” below and in the definition of “Fair Market Value” below) be determined as at the date of the first public announcement of the relevant Dividend.

In making any such calculation, such adjustments (if any) shall be made as an independent investment bank of international repute selected by the Issuer may consider appropriate to reflect any consolidation or subdivision of any Shares or the issue of Shares by way of capitalization of profits or reserves, or any like or similar event.

“**Dividend**” means any dividend or distribution (including a Spin-Off) whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of shares or other securities credited as fully or partly paid up by way of capitalization of profits or reserves)

“**Current Market Price**” means, in respect of a Share at a particular date, the mean of the closing prices published on the Relevant Stock Exchange for one Share for the five consecutive Dealing Days ending on the Dealing Day immediately preceding such date; provided that if at any time during the said five day period the Shares shall have been quoted ex-Dividend (or ex- any other entitlement) and during some other part of that period the Shares shall have been quoted cum-Dividend (or cum- any other entitlement), then:

(a) if the Shares to be issued do not rank for the Dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of first public announcement of such Dividend (or entitlement) (excluding in any case any associated tax credit and less the tax (if any) falling to be deducted on payment thereof); or

(b) if the Shares to be issued do rank for the Dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that if the Shares on each of the said five Dealing Days have been quoted cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or other entitlement) the quotations on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of the first public announcement of such Dividend or entitlement (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof),

and provided further that, if such closing prices are not available on one or more of the said five Dealing Days, then the mean of such closing prices which are available in that five Dealing Day period shall be used (subject to a minimum of two such closing prices) and if only one or no such closing price is available in the relevant period the Current Market Price shall be determined in good faith by an independent investment bank of international repute selected by the Issuer.

“**securities**” includes, without limitation, shares in the share capital of the Issuer and options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer.

References to any issue or offer or grant to Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an independent investment bank of international repute selected by the Issuer, that (i) the Fair Market Value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an independent investment bank of international repute selected by the Issuer), the fair market value of (a) such Spin-Off Securities shall equal the arithmetic mean of the daily volume weighted average prices of such Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five trading days on the relevant market commencing on the first such trading day such Spin-Off

Securities options, warrants or other rights are publicly traded; and (iv) in the case of (i) converted into euros (if declared or paid in a currency other than euros) at the rate of exchange used to determine the amount payable to shareholders who were paid or are to be paid the cash Dividend in euros; and in any other case, converted into euros (if expressed in a currency other than euros) at such rate of exchange as may be determined in good faith by an independent investment bank of international repute selected by the Issuer to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

“**Spin-Off**” means a distribution of Spin-Off Securities by the Issuer to Shareholders.

“**Spin-Off Securities**” means equity securities of an entity other than the Issuer which are, or are intended to be, publicly traded in a market of adequate liquidity (as determined by an independent investment bank of international repute selected by the Issuer).

9. In the event of an amortisation in share capital of the Company, the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect prior to the relevant transaction by the following formula:

$$1 - \frac{1}{\text{Value of the Share before amortization} \times \text{Amount of amortization per Share}}$$

For the purposes of calculating this formula, the value of the Share before the amortisation will be determined on the basis of the weighted average of the Share prices published by or derived from the Relevant Stock Exchange over the last three Dealing Days immediately prior to the date of the amortisation.

10. In the event of the modification by the Issuer of the allocation of its profits as a result of the issue of preference shares, the new Exercise Ratio will be determined by multiplying the Exercise Ratio in effect prior to the preference share issue date by the following formula:

$$1 - \frac{1}{\text{Value of the Share before modification} \times \text{Reduction of the profit right per Share}}$$

For the purposes of calculating this formula, the Share price before the modification of the allocation of profits will be determined on the basis of the weighted average of the prices published or derived from the Relevant Stock Exchange over the last three Dealing Days immediately prior to the date of the modification.

11. If a Change of Control (as defined below) shall occur the Holder of the New Warrants ORCOW 2014 has the option to elect one, but not both, of the following alternatives:

(i) Upon any exercise of exchange rights where the Exercise Date falls during the Change of Control Period, the Exercise Ratio (the “**Change of Control Exercise Ratio**”) shall be determined as set out below, but in each case adjusted, if appropriate, under this condition:

$$\text{COCER} = \text{OER} \times (1 + (\text{EP} \times \text{c}/\text{t}))$$

where:

COCER means the Change of Control Exercise Ratio;

OER means the Exercise Ratio in effect immediately prior to the Change of Control;

EP means 31.00 per cent. (expressed as fraction);

c means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date;

t means the number of days from and including March 28, 2007 to but excluding the Maturity Date.

The Issuer shall give notice to the Holders of the New Warrants ORCOW 2014 (a “**Change of Control Notice**”) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control.

“**Change of Control Period**” means the period commencing on the occurrence of a Change of Control and ending on the latter of (i) 60 days following the occurrence of the Change of Control and

(ii) 60 days following the date upon which a Change of Control Notice shall be given by the Issuer to Holders of the New Warrants ORCOW 2014.

(ii) Orco will pay the Holder of the New Warrants ORCOW 2014 in possession of New Warrants ORCOW 2014 an amount in cash (the “**Change of Control Compensation Amount**”) that shall be determined according to the following formula:

$$\text{COCCA} = \text{IWV} * c/t$$

Where:

COCCA means the Change of Control Compensation Amount;

IWV means €17.81 (i.e. the Initial Warrant Subject to No Restriction unit price as defined in “B. TERMS OF THE ISSUE OF BONDS WITH WARRANTS” in the summary attached to the Prospectus Dated March 22, 2007);

c means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date;

t means the number of days from and including March 28, 2007 to but excluding the Maturity Date.

The Issuer shall give notice to the Holders of the New Warrants ORCOW 2014 (a “**Change of Control Notice**”) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control.

A “**Change of Control**” shall occur if:

- (a) any person or persons, acting together, acquires Control of the Issuer; or
- (b) the Issuer consolidates with or merges into or sells or transfers all or at least 50% (within a period of time of less than one calendar month) of the Issuer’s assets to any other person or persons, acting together.

“**Control**” means in relation to any entity, (a) the acquisition or control of more than 50 *per cent.* of the voting rights of that entity or (b) the right to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that entity, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and “controlled” shall be construed accordingly.

12. If and whenever the Issuer shall issue (otherwise than as mentioned in paragraph 1. above) wholly for cash any Shares (other than Shares issued on exercise of the Warrants or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Shares) or issue or grant (otherwise than as mentioned in paragraph 5. above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Shares (other than the Warrants ORCOW 2014), in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the Dealing Day immediately preceding the date of the first public announcement of the terms of such issue or grant, the Exercise Ratio shall be adjusted by multiplying the Exercise Ratio in force immediately prior to such issue or grant by the following fraction:

$$(A + B) / (A + C)$$

where:

A is the number of Shares in issue immediately before the issue of such Shares or the grant of such options, warrants or rights;

B is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights; and

C is the number of Shares which the aggregate consideration (if any) receivable for the issue of such Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share.

Such adjustment shall become effective on the date of issue of such Shares or, as the case may be, the grant of such options, warrants or rights.

In the event that the Issuer carries out any transaction in respect of which an adjustment would not be made as specified in the present section 4.2.2.4.1.2 and if any future law or regulation should provide for an adjustment, the Issuer will make such adjustment in accordance with the applicable laws and regulations and with the practices used in the Luxembourg market.

The Board of Directors will report on the methods of the calculation and the results of any adjustment in the next annual report.

4.2.2.4.1.3 Treatment of fractional Shares

Any Holder of the New Warrants ORCOW 2014 exercising its rights may subscribe to a number of Shares, which is calculated by multiplying the Exercise Ratio in effect at such time by the number of New Warrants ORCOW 2014 presented.

If the Shares are listed and if the number of Shares calculated in this manner is not a whole number, a Holder of the New Warrants ORCOW 2014 shall receive:

- either the nearest whole number of Shares immediately less than its entitlement and will receive a payment equal to the value of such additional fraction of a Share calculated on the basis of the closing Share price listed on the Eurolist Market by Euronext Paris on the exercise date;
- or the nearest whole number of Shares immediately more than its entitlement and will provide a payment equal to the value of such additional fraction of a Share calculated on the basis of the closing Share price listed on the Eurolist Market by Euronext Paris on the Exercise Date.

4.2.2.5 Taxation - Withholding tax

Refer to section 4.1.11. "*Taxation – Withholding tax*".

5. TERMS AND CONDITIONS OF THE OFFER

5.1 Terms and conditions of the Offer, provisional timetable

5.1.1 Terms and Conditions of the Offer

Each Warrantholder ORCBR 2012 will be entitled to present only one exchange request through its financial intermediary to the Coordinator under the Offer.

Each Warrantholder ORCBR 2012 will be entitled to elect to receive, in lieu of 3 Warrants ORCBR 2012, 1 New Share and 3 New Warrants ORCOW 2014 (the “**Exchange Ratio**”). Neither fractional New Warrants ORCOW 2014 nor fractional New Shares will be issued to persons who validly tender Warrants ORCBR 2012 into the Offer.

If the number of Warrants ORCBR 2012 owned by a Warrantholder ORCBR 2012 is not a multiple of 3, this Warrantholder ORCBR 2012 shall:

- tender a number of Warrants ORCBR 2012 equal to a multiple of 3 and keep the residual number of Warrants ORCBR 2012; or
- tender all or part of its Warrants ORCBR 2012 and receive (i) the nearest whole number of New Shares immediately lower than its entitlement, (ii) the number of New Warrants ORCOW 2014 being equal to 3 times the nearest whole number of New Shares immediately lower than its entitlement and (iii) a payment in cash calculated as follows, rounded to the nearest 100th (0.005 being rounded up to the next highest 100th):

$$(A - (B*3)) * C$$

where:

“**A**” means the number of Warrants ORCBR 2012 tendered into the Offer by this Warrantholder ORCBR 2012;

“**B**” means the nearest whole number of New Shares immediately lower than its entitlement and is calculated as follows:

$$\frac{A}{3} \quad \text{rounded down to the nearest whole number;}$$

“**C**” means the closing price of the Warrants ORCBR 2012 on October 12, 2007, i.e. €60.50.

5.1.2 Securities to be tendered for acceptance under the Offer

5.1.2.1 Main Characteristics of the Warrants ORCBR 2012

The Warrants ORCBR 2012 have the following characteristics:

- ✓ Number of Warrants ORCBR 2012: 1 099 095;
- ✓ Exercise ratio: 1 Warrant ORCBR 2012 entitles its holder to subscribe to 1 new Share; the exercise ratio of the Warrants ORCBR 2012 which will not be tendered into the Offer will be adjusted according to the number of New Shares created as a result of the Offer. For instance, in the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer, the exercise ratio would then be adjusted as follows: 1 Warrant ORCBR 2012 would entitle its holder to subscribe to 1.02 new Shares;
- ✓ Exercise price: €68.61;
- ✓ Exercise period: at any time up to November 18, 2012;
- ✓ Redemption of Warrants ORCBR 2012 at the Issuer’s option: the Issuer may at any time on or after November 19, 2007, redeem all or part of the outstanding Warrants ORCBR 2012 at the price of € 0.01 per Warrant ORCBR 2012, provided that the average, weighted by the volumes of the Share price on the Eurolist Market by Euronext Paris over the last 10 trading sessions preceding the Warrants ORCBR 2012 early redemption announcement, of the products of (1) the closing Share prices on the Eurolist Market by Euronext Paris and (2) the exercise ratio applicable on each relevant trading session, exceeds €6.05;
- ✓ Maximum number of new Shares to be issued as a result of the exercise of all the Warrants ORCBR 2012 (before adjustment of the exercise ratio of the Warrants ORCBR 2012 as a result of the Offer): 1,099,095;
- ✓ Record date of the Shares to be issued as a result of the exercise of the Warrants ORCBR 2012: First day of the financial year during which the exercise request and the payment of the exercise price of the Warrants ORCBR 2012 occur;

✓ Trading: Eurolist Market by Euronext Paris – ISIN code: LU0234878881.
Last market price as at October 12, 2007: €60.50

5.1.2.2 Number of securities to be tendered into the Offer

As at October 17, 2007, there are 1,099,095 Warrants ORCBR 2012 outstanding; all of them can be tendered into the Offer. A maximum number of 1,099,095 New Warrants ORCOW 2014 and 366,365 New Shares may be offered in exchange for all Warrants ORCBR 2012. The exercise of all the Warrants ORCBR 2012 would have entitled their holders to subscribe to 1,099,095 new Shares at par value of €4.10, representing 9.49% of the share capital.

5.1.3 Acceptance Period and Offer procedure

The Acceptance Period will be opened from October 29, 2007 at 9.00 am CET up to November 16, 2007 at 5.00 pm CET, i.e. a period of 19 calendar days. The conditions of the Offer are exclusively offered to the Warrantholders ORCBR 2012 electing to tender their Warrants ORCBR 2012 according to the provisions of section 5.1.1.

5.1.4 Revocation/Suspension of the Offer

Not applicable.

5.1.5 Reduction of the Offer

Only the Warrantholders ORCBR 2012 are entitled to participate to the Offer. Nevertheless, each Warrantholder ORCBR 2012 is free to tender or not all or part of its Warrants ORCBR 2012 into the Offer.

5.1.6 Minimum amount and maximum amount of participation

See section 5.1.1.

5.1.7 Revocation of the orders

The orders are irrevocable. Each Warrantholder ORCBR 2012 will be entitled to present only one exchange request through its financial intermediary to the Coordinator under the Offer.

5.1.8 Method and time limits for paying up and for delivery of the New Shares and the New Warrants ORCOW 2014

To participate to the Offer, each Warrantholder ORCBR 2012 will have to tender 3 Warrants ORCBR 2012 in lieu of 1 New Share and 3 New Warrants ORCOW 2014 according to the provisions of section 5.1.1.

The Acceptance Closing Date is expected on November 16, 2007 at 5.00 pm CET.

The exchange requests will have to be sent by the Warrantholders ORCBR 2012 or their financial intermediaries acting on their behalves and to be received by Natixis (acting as Coordinator of the Offer) before November 16, 2007 at 5.00 pm CET at the following address: Services aux Emetteurs – OST 10 Rue des Roquemonts - 14099 CAEN Cedex 9.

Each exchange request will have to be submitted with the number of Warrants ORCBR 2012 according to the conditions of the Offer.

The exchange requests and the number of Warrants ORCBR 2012 to be tendered will be centralized by Natixis acting as Coordinator.

The Settlement Date of the New Shares and of the New Warrants ORCOW 2014 is expected on November 30, 2007.

5.1.9 Date and terms of publication of the results of the transaction

A notice will be filed with the CSSF on November 23, 2007 in order to announce the result of the Offer.

This notice will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

5.1.10 Preferential subscription right

Not applicable.

5.1.11 Provisional timetable

October 22, 2007	Approval of the Prospectus by the CSSF
October 25, 2007	Notification of certificate of approval by the CSSF to the AMF
October 29, 2007	Acceptance Opening Date from 9.00 am CET
November 16, 2007	Acceptance Closing Date until 5.00 pm CET
November 23, 2007	Publication of the results of the Offer by a notice from the CSSF Notifications of certificate of approval by the CSSF to the BFICB, the CNB, the PFSC and the HFSA
November 30, 2007	Settlement Date
December 5, 2007	Admission to trading of the New Warrants ORCOW 2014 on the Eurolist Market by Euronext Brussels, of the Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris and of the New Shares on the Eurolist Market by Euronext Paris and on the main market of the PSE.

December 21, 2007 Admission to trading of the New Shares on the main market of the WSE and on the regulated market of the BSE.

5.2 *Distribution and allocation of New Shares and New Warrants ORCOW 2014*

5.2.1 Categories of potential investors – Country where the Offer takes place – Restrictions applicable to the Offer

a) Categories of potential investors

Only the Warrantholders ORCBR 2012 will be entitled to tender their securities into the Offer and will have the possibility to elect to receive, in lieu of 3 Warrants ORCBR 2012, 1 New Share and 3 New Warrants ORCOW 2014 according to the provisions of section 5.1.1.

b) Country where the Offer takes place

The Offer is being made exclusively in France and in Luxembourg.

c) Restrictions applicable to the Offer

Other than this Prospectus, no action has been taken by the Company or by the Coordinator that would permit (i.) an offer of New Shares, (ii.) an offer of New Warrants ORCOW 2014, (iii.) an offer to exchange Warrants ORCBR 2012 against New Warrants ORCOW 2014 and New Shares or (iv.) the possession, use, reliance upon and/or distribution of this Prospectus or of any other offering material in any jurisdiction where action for that purpose is required. The distribution of this Prospectus and the offer of New Shares or of New Warrants ORCOW 2014 or the offer to exchange Warrants ORCBR 2012 in certain jurisdictions may be restricted by law, and therefore persons in possession of this Prospectus should immediately seek information and legal advice about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions for which the Company or the Coordinator will not accept any liability.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented Directive 2003/71/EC (the “Prospectus Directive”) (each a “Relevant Member State”), each of the Company and the Coordinator represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), it has not made and will not make an offer to the public in that Relevant Member State prior to the publication of a prospectus concerning the New Shares and New Warrants ORCOW 2014 which has been approved by the competent authority in that Relevant Member State or, as the case may be, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of New Shares and New Warrants ORCOW 2014 to the public in that Relevant Member State at any time:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, an “offer of New Shares and New Warrants ORCOW 2014 to the public” in relation to any New Shares and New Warrants ORCOW 2014 in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms and conditions of the offer and the New Shares and New Warrants ORCOW 2014 to be offered in order to enable an investor to decide whether or not to purchase or subscribe the New Shares and New Warrants ORCOW 2014. The same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Belgium

The exchange offer is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and the Prospectus or any other offering material has not been and will not be approved by, the Belgian Banking, Finance and Insurance Commission (“Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen”).

Accordingly, the exchange offer may not be advertised and each of the Company and the Coordinator has represented, warranted and agreed that it has not extended the exchange offer and will not extend the exchange offer, and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than qualified investors within the meaning of Article 10 of the Law of 16 June 2006 on

public offerings of investment instruments and the admission of investment instruments to trading on a regulated market.

This Prospectus has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the exchange offer. Accordingly, the information contained therein may not be used for any other purpose nor disclosed to any other person in Belgium.

However, in accordance with the European passport mechanism set out in the Prospectus Directive, application has been made for a certificate of approval attesting the Prospectus has been drawn up in accordance with the Prospectus Directive to be provided by the CSSF to the Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen for the purpose of the admission to listing and trading of the New Warrants ORCOW 2014 on Euronext Brussels.

The Czech Republic

No approval of a prospectus has been sought or obtained from the Czech National Bank under Act No. 256/2004 Coll. on Conducting Business in the Capital Market, as amended (the "Capital Market Act") with respect to the New Shares and the New Warrants ORCOW 2014. No action has been taken to passport a prospectus (other than this Prospectus) approved by the competent authority of the home Member State of the issuer into the Czech Republic by delivery of certificate of the competent authority of the home Member State of the issuer to the Czech National Bank attesting that a prospectus approved by the home Member State authority has been drawn up in accordance with law of the European Community.

Save as contemplated in this Prospectus no application has been filed nor has any permission been obtained for listing nor has any other arrangement for trading the New Shares and the New Warrants ORCOW 2014 on any regulated market in the Czech Republic (as defined by the Capital Market Act) been made. Accordingly, each of the the Company and the Coordinator represents, warrants and agrees that it has not and will not offer, sell or otherwise introduce the New Shares and the New Warrants ORCOW 2014 for trading in the Czech Republic in a manner that would require (i) the approval of a prospectus by the Czech National Bank or (ii) passporting of a prospectus (other than this Prospectus) approved by the competent authority of the home Member State of the issuer into the Czech Republic by delivery of certificate of the competent authority of the home Member State of the issuer to the Czech National Bank attesting that a prospectus approved by the home Member State authority has been drawn up in accordance with law of the European Community.

Each of the Issuer and the Coordinator will be required to represent and agree with the Issuer and the Coordinator that it has complied with and will comply with all the requirements of the Capital Market Act and has not taken, and will not take, any action which would result in the New Shares and the New Warrants ORCOW 2014 being deemed to have been issued in the Czech Republic or requiring a permit, registration, filing or notification to the Czech National Bank or other authorities in the Czech Republic in respect of the New Shares and the New Warrants ORCO 2014 in accordance with the Capital Market Act or the practice of the Czech National Bank (other than this Prospectus).

Each of the Issuer and the Coordinator will be required to represent and agree with the Issuer and the Coordinator that it has complied with and will comply with all the laws of the Czech Republic applicable to the conduct of business in the Czech Republic (including the laws applicable to the provision of investment services (within the meaning of the Capital Market Act) in the Czech Republic) in respect of the New Shares and the New Warrants ORCO 2014.

Poland

New Shares and New Warrants ORCOW 2014 may not be publicly offered for sale, purchase or barter and any offering document (prospectus) referring to these securities may not be distributed to the public in Poland, other than in compliance with the Act of 29 July 2005 on Public Offering, Conditions Governing Introduction of Financial Instruments to Organised Trading, and on Public Companies.

Any offering document (prospectus) may not be distributed to the public prior to the completion of the following actions:

- the Polish Financial Supervision Commission is provided by the respective supervisory authority responsible for approving the offering document (prospectus) with a notification document confirming the approval of such offering document (prospectus) and a copy of this offering document (prospectus) along with a Polish translation of its summary;
- the Polish Financial Supervision Commission notifies the Company on obtaining the documents specified above; and
- upon the abovementioned notification of the Polish Financial Supervision Commission the Company publishes the offering document (prospectus) in Poland.

New Shares and New Warrants ORCOW 2014 may not be publicly offered for sale, purchased or bartered in Poland before the completion of the actions specified above.

New Shares and New Warrants ORCOW 2014 may be subject to a promotional campaign, provided that all promotional materials unequivocally state:

- that they are exclusively of an advertising or promotional nature;
- that the offering document (prospectus) for these securities has been or will be published; and
- the location where the offering document (prospectus) is or will be available.

Hungary

This Prospectus may not be distributed to the public and the New Shares and the New Warrants ORCOW 2014 may not be publicly or privately offered for sale, purchase or barter in Hungary, other than in compliance with the Act CXX of 2001 on the Capital Markets, as amended.

The United Kingdom

This Prospectus is being distributed only to, and is directed at (a) persons who have professional experience in matters relating to investments who fall within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (b) those persons to whom it may lawfully be communicated falling within Article 43 of the Order (all such persons together being referred to as “relevant persons”). The New Warrants ORCOW 2014 and New Shares are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be available only to or will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons distributing this Prospectus must satisfy themselves that it is lawful to do so.

Each of the Company and the Coordinator has further represented, warranted and undertaken that:

- (a) Financial promotion: It has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any New Warrants ORCOW 2014 and New Shares in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) General compliance: It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Warrants ORCOW 2014 and New Shares in, from or otherwise involving the United Kingdom.

Switzerland

This Prospectus is communicated in or from Switzerland to a small number of selected investors only and may not be passed on to third parties. The New Shares and the New Warrants ORCOW 2014 are not being offered to the public in or from Switzerland and neither this Prospectus nor any other offering materials relating to the New Shares and the New Warrants ORCOW 2014 may be distributed in or from Switzerland in connection with any such public offering.

The United States

The Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (the “United States”) or to U.S. Persons as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the “Securities Act”) (each, a “U.S. Person”). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of this Prospectus and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded in or into the United States or to any U.S. Person. Any purported offers to exchange Warrants ORCOW 2012 pursuant to the Offer resulting directly or indirectly from a violation of these restrictions will be invalid, and offers to exchange made by a resident of the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. Person will not be accepted.

This Prospectus is not an offer of securities for sale in the United States. The New Shares and the New Warrants ORCOW 2014 may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Shares and the New Warrants ORCOW 2014 have not been and will not be registered under the Securities Act or with any securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States. The New Shares and the New Warrants ORCOW 2014 are only being offered for exchange outside the United States to persons that are not U.S. Persons, pursuant to Regulation S. The purpose of this Prospectus is limited to the Offer and this Prospectus may not be sent or given to a person in the United States. Each holder of Warrants ORCOW 2012 participating in this Offer will represent that it (i) is not located in the United States and is not a U.S. Person, (ii) is not giving an order to participate in the Offer from the United States or on behalf of a U.S. Person and (iii) understands that the New Shares and the New Warrants ORCOW 2014 may not be reoffered, resold or delivered, directly or

indirectly, in the United States or to U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, until the expiration of 40 days after the commencement of the Offer, an offer or sale of New Shares or New Warrants ORCOW 2014 within the United States by a dealer that is not participating in the Offer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

5.2.2 Intention of major Shareholders or members of the Issuer's management, supervisory or administrative bodies to tender their Warrants ORCOW 2012 into the Offer

To the extent known to the Issuer, Orco Holding which is a member of the Board of Directors of the Company and one of the principal Shareholders, intends to tender all of its Warrants ORCOW 2012 into the Offer. Orco Holding is owned by Mr. Jean-François Ott who is chairman and chief executive officer of the Company. As at September 30, 2007, Orco Holding owns 645,015 Warrants ORCOW 2012.

5.2.3 Pre-allotment information

The subscription of the New Shares and of the New Warrants ORCOW 2014 is exclusively dedicated to the Warrantheolders ORCOW 2012 tendering their Warrants ORCOW 2012 into the Offer.

5.2.4 Notification to the subscribers

The Warrantheolders ORCOW 2012 tendering their Warrants ORCOW 2012 into the Offer will receive the exact number of New Shares and of New Warrants ORCOW 2014 according to the terms and conditions of the Offer on the Settlement Date without any other specific notification other than publication of the results of the Offer by a notice to be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on November 23, 2007.

5.2.5 Over-allotment

Not applicable.

5.3 Pricing and financial analysis of the Exchange Ratio

Each Warrantheolder ORCOW 2012 will be entitled to elect to receive, in lieu of 3 Warrants ORCOW 2012, 1 New Share and 3 New Warrants ORCOW 2014 according to the provisions of section 5.1.1.

The Issuer has mandated Constantin & Associés as independent expert in charge of analyzing the Exchange Ratio of the Offer and giving its fairness opinion to the Warrantheolders ORCOW 2012 and the Shareholders of the Company. The sections 5.3.1 to 5.3.3 are extracted from the independent expert report.

5.3.1 Analysis of the values and prices of the Warrants ORCOW 2012, the Shares and the Warrants ORCOW 2014

5.3.1.1 Historical Volatility

The table below summarizes the historical volatility of the Shares as at October 17, 2007:

30 dealing days	60 dealing days	90 dealing days	120 dealing days
25.25%	30.93%	28.38%	27.15%

5.3.1.2 Main characteristics of the Warrants ORCOW 2012

Refer to section 5.1.2.1.

5.3.1.3 Value of the Warrants ORCOW 2012

Considering the volumes of the transactions and the liquidity of the Warrants ORCOW 2012 on the Eurolist Market by Euronext Paris since their listing date, no theoretical valuation has been executed. The market price of the Warrants ORCOW 2012 appears to be the most appropriate in order to analyse the Exchange Ratio, nevertheless the market price has to be adjusted in order to reflect the adjustment of the exercise ratio resulting from the Offer.

The table below summarizes the Warrants ORCOW 2012 price evolution. As at October 17, 2007, 1,099,095 Warrants ORCOW 2012 are in circulation and are listed on the Eurolist Market by Euronext Paris.

	Market price of the Warrants ORCBR 2012	Volume	Volume / number of Warrants ORCBR 2012 in circulation
Closing price on October 17, 2007	€60.50*	0	0.00%
Average over the last 5 trading sessions	€60.60	339	0.03%
Average over the last 10 trading sessions	€59.93	2,489	0.23%
Average over the last 30 trading sessions	€57.81	30,587	2.78%
Average over the last 60 trading sessions	€56.61	69,844	6.35%
Average over the last 120 trading sessions	€62.78	107,840	9.81%

* As at October 17, 2007, there were no transactions on the Eurolist Market by Euronext Paris on the Warrant ORCBR 2012 after October 12, 2007. Therefore, the closing price of the Warrants ORCBR 2012 on October 17, 2007 reflects the closing price observed on October 12, 2007 on the Eurolist Market by Euronext Paris.

Since the issue date of the Warrants ORCBR 2012 on November 18, 2005:

Highest market price of the Warrants ORCBR 2012	€74.00
Lowest market price of the Warrants ORCBR 2012	€10.00

As at October 17, 2007, the Share market price since the issue date of the Warrants ORCBR 2012 has increased by 89.03%. The Warrants ORCBR 2012 market price has followed the Share market price and benefited of its leverage; the market price of the Warrants ORCBR 2012 has increased by 505% over the same period of time.

According to the number of Warrants ORCBR 2012 tendered into the Offer, the exercise ratio of the Warrants ORCBR 2012 will be adjusted according to section 4.2.2.4. of the Prospectus Dated November 14, 2005.

In the event that all the Warrants ORCBR 2012 are tendered into the Offer, the adjusted exercise ratio will be as follows: one Warrant ORCBR 2012 entitles its holder to subscribe to 1.03 new Share.

In the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer, the adjusted exercise ratio will be as follows: one Warrant ORCBR 2012 entitles its holder to subscribe to 1.02 new Share.

According to the adjustment of the exercise ratio of the Warrants ORCBR 2012, the valuation of the Warrants ORCBR 2012 has to be adjusted.

The table below summarizes the valuation of the Warrants ORCBR 2012 after adjustment of the exercise ratio of the Warrants ORCBR 2012.

	Market price of the Warrants ORCBR 2012	Valuation of the Warrants ORCBR 2012 post adjustment (in the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer)	Valuation of the Warrants ORCBR 2012 post adjustment (in the event that all the Warrants ORCBR 2012 are tendered into the Offer)
<i>Closing price on October 17, 2007</i>	60.50 €	62.17 €	63.00 €
<i>Average over the last 5 trading sessions</i>	60.60 €	62.28 €	63.13 €
<i>Average over the last 10 trading sessions</i>	59.93 €	61.59 €	62.43 €
<i>Average over the last 30 trading sessions</i>	57.81 €	59.41 €	60.22 €
<i>Average over the last 60 trading sessions</i>	56.61 €	58.18 €	58.97 €
<i>Average over the last 120 trading sessions</i>	62.78 €	64.49 €	65.35 €

5.3.1.4 Theoretical value of the New Warrants ORCOW 2014

The volumes of the transactions and the liquidity of the Existing Warrants ORCOW 2014 on the Eurolist Market by Euronext Brussels are very low, therefore a theoretical valuation of the New Warrants ORCOW 2014 has been executed and is considered to be the most appropriate. The volume of transactions observed since the first trading date of the Existing Warrants ORCOW 2014 (i.e. over the last 125 trading sessions) on the Eurolist Market by Euronext Brussels as at October 17, 2007, represents 0.98% of the total number of

Existing Warrants ORCOW 2014. The average volume of transactions observed per trading day on the Eurolist Market by Euronext Brussels is 140 representing 0.008% of the total number of Existing Warrants ORCOW 2014.

The theoretical value of the New Warrants ORCOW 2014 is mainly based on:

- i) the specific characteristics of the New Warrants ORCOW 2014: exercise price, exercise period, market price at which the Company is entitled to repay the New Warrants ORCOW 2014 at the unit price of €0,01, and the repayment period of the New Warrants ORCOW 2014 at the Company's option.
- ii) the characteristics of the Shares for which the New Warrants ORCOW 2014 are exercisable and the market conditions:
 - ❖ Share price: the value of the New Warrants ORCOW 2014 increases if the Share price increases and vice versa;
 - ❖ Share volatility: the value of the New Warrants ORCOW 2014 increases if the volatility increases and vice versa;
 - ❖ Forecast of the yield of the Shares: the value of the New Warrants ORCOW 2014 increases if the amount of dividends payable on the Shares decreases and vice versa;
 - ❖ Interest rate without risk: the value of the New Warrants ORCOW 2014 increases if the interest rates increase and vice versa.

The indicative pricing summarized in the table below are valuated on the basis of the below parameters and according to numerical method (binomial tree) based on the works of Cox, Ross and Rubinstein:

- Exercise Ratio: one New Warrant ORCOW 2014 entitles its holder to subscribe and/or acquire one Share;
 - Exercise Price: €146.39;
 - Exercise Period: from the Issue Date at any time up to March 28, 2014;
 - Redemption of New Warrants ORCOW 2014 at the Issuer's option: the Issuer may at any time on or after March 28, 2012 up to the end of the Exercise Period early redeem all of the outstanding New Warrants ORCOW 2014 at a price of €0.01 per New Warrant ORCOW 2014, provided that the Parity Value (as defined in section 4.2.1.11.2.) of not less than 20 Dealing Days during the period of 30 consecutive Dealing Days ending not earlier than the 14th Dealing Day prior to the date on which the relevant notice of redemption is given to Holders of the New Warrants ORCOW 2014 exceeds €190.31.
 - Interest rate without risk: 4.39%;
 - Yield per Share: 0.9%.
- a) The table below summarizes the theoretical value of the New Warrants ORCOW 2014 according to the historical volatility of the Share price and the reference Share price and assuming an exercise ratio as follows: one New Warrant ORCOW 2014 entitles its holder to subscribe to one new Share, according to the Share price and the volatility of the Share price.

	<i>Reference Share Price</i>	<i>Theoretical value of the New Warrants ORCOW 2014</i>	
		<i>Historical Volatility</i>	
		25%	30%
<i>Closing price on October 17, 2007</i>	111.15 €	20.33 €	24.46 €
<i>Average over the last 5 trading sessions</i>	112.06 €	20.78 €	24.93 €
<i>Average over the last 10 trading sessions</i>	111.34 €	20.43 €	24.56 €
<i>Average over the last 30 trading sessions</i>	108.39 €	19.02 €	23.06 €
<i>Average over the last 60 trading sessions</i>	106.68 €	18.22 €	22.22 €
<i>Average over the last 120 trading sessions</i>	112.99 €	21.23 €	25.41 €

- b) If 70% of the Warrants ORCOW 2012 are tendered into the Offer, the exercise ratio of the Warrants ORCOW 2014 would be adjusted according to section 4.2.1.7.1. of this Securities Note. The table below summarizes the theoretical value of the New Warrants ORCOW 2014, assuming an exercise ratio as follows: one New Warrant ORCOW 2014 entitles its holder to subscribe to 1.02 new Share, in

the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer, according to the Share price and the historical volatility of the Share price.

<i>Reference Share Price</i>		<i>Theoretical value of the New Warrants ORCOW 2014</i>	
		<i>Historical Volatility</i>	
		25%	30%
<i>Closing price on October 17, 2007</i>	111.15 €	21.42 €	25.61 €
<i>Average over the last 5 trading sessions</i>	112.06 €	21.89 €	26.11 €
<i>Average over the last 10 trading sessions</i>	111.34 €	21.51 €	25.71 €
<i>Average over the last 30 trading sessions</i>	108.39 €	20.04 €	24.16 €
<i>Average over the last 60 trading sessions</i>	106.68 €	19.22 €	23.27 €
<i>Average over the last 120 trading sessions</i>	112.99 €	22.35 €	26.60 €

- c) In the event that all the Warrants ORCBR 2012 are tendered into the Offer, the exercise ratio of the Warrants ORCOW 2014 would be adjusted according to section 4.2.1.7.1. of this Securities Note. The table below summarizes the theoretical value of the New Warrants ORCOW 2014, assuming an exercise ratio as follows: one New Warrant ORCOW 2014 entitles its holder to subscribe to 1.03 new Share, in the event that all the Warrants ORCBR 2012 are tendered into the Offer, according to the Share price and the historical volatility of the Share price.

<i>Reference Share Price</i>		<i>Theoretical value of the New Warrants ORCOW 2014</i>	
		<i>Historical Volatility</i>	
		25%	30%
<i>Closing price on October 17, 2007</i>	111.15 €	21.97 €	26.20 €
<i>Average over the last 5 trading sessions</i>	112.06 €	22.45 €	26.70 €
<i>Average over the last 10 trading sessions</i>	111.34 €	22.07 €	26.30 €
<i>Average over the last 30 trading sessions</i>	108.39 €	20.57 €	24.71 €
<i>Average over the last 60 trading sessions</i>	106.68 €	19.72 €	23.81 €
<i>Average over the last 120 trading sessions</i>	112.99 €	22.93 €	27.20 €

5.3.1.5 Market prices of the Shares

The table below summarizes the Shares price evolution on the Eurolist Market by Euronext Paris. As at October 17, 2007, 10,477,507 Shares are in circulation and are listed on the Eurolist Market by Euronext Paris, on the main market of the PSE, on the main market of the WSE and on the regulated market of the BSE.

	Reference Share price	Volume	Volume / number of Shares in circulation
<i>Closing price on October 17, 2007</i>	111.15 €	15,796	0.15%
<i>Average over the last 5 trading sessions</i>	112.06 €	120,723	1.15%
<i>Average over the last 10 trading sessions</i>	111.34 €	359,633	3.43%
<i>Average over the last 30 trading sessions</i>	108.39 €	1,372,644	13.10%
<i>Average over the last 60 trading sessions</i>	106.68 €	2,957,057	28.22%
<i>Average over the last 120 trading sessions</i>	112.99 €	5,907,134	56.38%

5.3.2 Appreciation of the fairness of the Offer for the Warrantholders ORCBR 2012 and the Shareholders

5.3.2.1 Appreciation of the fairness of the Offer for the Warrantholders ORCBR 2012

5.3.2.1.1 Implied premiums or discounts on the Exchange Ratio based on the theoretical values of the New Warrants ORCOW 2014 and the value of the Warrants ORCBR 2012 determined on the basis of the market prices post adjustment of the exercise ratio in the event that all the Warrants ORCBR 2012 are tendered into the Offer

In the event that all the Warrants ORCBR 2012 are tendered into the Offer assuming an exercise ratio as follows: one New Warrant ORCOW 2014 entitles its holder to subscribe to 1.03 new Share, and one Warrant ORCBR 2012 entitles its holder to subscribe to 1.03 new Share, the implied premiums on the Exchange Ratio of the values of 3 Warrants ORCBR 2012 determined on the basis of the market prices post adjustment of the exercise ratio in exchange for the market prices of 1 New Share and the theoretical values of 3 New Warrants ORCOW 2014 appears to be comprised between -7.28% and 1.57% depending on the historical volatilities and the Share prices.

The table below summarizes the sensibility of the Offer premium depending on different assumptions relative to the volatilities and the Share prices:

<i>Reference Share Price</i>	Value of the Warrants ORCBR 2012 determined on the basis of the market price post adjustment of the exercise ratio	<i>Premiums / Discounts</i>		
		<i>Historical Volatility</i>		
		25%	30%	
<i>Closing price on October 17, 2007</i>	111.15 €	63.00 €	-6.32%	0.40%
<i>Average over the last 5 trading sessions</i>	112.06 €	63.13 €	-5.27%	1.46%
<i>Average over the last 10 trading sessions</i>	111.34 €	62.43 €	-5.20%	1.57%
<i>Average over the last 30 trading sessions</i>	108.39 €	60.22 €	-5.85%	1.03%
<i>Average over the last 60 trading sessions</i>	106.68 €	58.97 €	-6.26%	0.68%
<i>Average over the last 120 trading sessions</i>	112.99 €	65.35 €	-7.28%	-0.75%

5.3.2.1.2 Implied premiums or discounts on the Exchange Ratio based on the theoretical values of the Warrants ORCOW 2014 and the value of the Warrants ORCBR 2012 determined on the basis of the market price post adjustment of the exercise ratio in the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer

In the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer assuming an exercise ratio as follows: one New Warrant ORCOW 2014 entitles its holder to subscribe to 1.02 new Share, and one Warrant ORCBR 2012 entitles its holder to subscribe to 1.02 new Share, the implied premiums on the Exchange Ratio of the values of 3 Warrants ORCBR 2012 determined on the basis of the market prices post adjustment of the exercise ratio in exchange for the market prices of 1 New Share and the theoretical values of 3 New Warrants ORCOW 2014 appears to be comprised between -6.94% and 2.00% depending on the historical volatilities and the Share prices.

The table below summarizes the sensibility of the Offer premium depending on different assumptions relative to the volatilities and the Share prices:

Reference Share Price	Value of the Warrants ORCBBR 2012 determined on the basis of the market price post adjustment of the exercise ratio		Premiums / Discounts	
			Historical Volatility	
			25%	30%
Closing price on October 17, 2007	111.15 €	62.17 €	-5.95%	0.79%
Average over the last 5 trading sessions	112.06 €	62.28 €	-4.87%	1.90%
Average over the last 10 trading sessions	111.34 €	61.59 €	-4.82%	2.00%
Average over the last 30 trading sessions	108.39 €	59.41 €	-5.46%	1.48%
Average over the last 60 trading sessions	106.68 €	58.18 €	-5.85%	1.12%
Average over the last 120 trading sessions	112.99 €	64.49 €	-6.94%	-0.35%

5.3.2.2 Appreciation of the fairness of the Offer for the Shareholders

5.3.2.2.1 Before the Offer

On the basis of the Share closing price on October 17, 2007, the potential dilution, calculated according to IFRS, i.e. considering that the proceeds from the exercise of the Warrants ORCBBR 2012 are used to buy back Shares at their current market price, is 3.86%. This normative dilution is calculated as follows: net creation of 420,652 Shares (i.e. exercise of 1,099,095 Warrants ORCBBR 2012 entitling to 1,099,095 Shares minus the buyback of 678,443 Shares paid by the proceeds from the exercise of 1,099,095 Warrants ORCBBR 2012), divided by the total number of Shares before the exercise of the Warrants ORCBBR 2012.

On the basis of different reference Share prices, the potential normative dilution is summarized on the below table.

Reference Share Price		Current number of Shares	Net creation of Shares (normative dilution before the Offer)	New number of Shares	Normative Dilution
Closing price on October 17, 2007	111.15 €	10,477,507	420,652	10,898,159	3.86%
Average over the last 5 trading sessions	112.06 €	10,477,507	426,186	10,903,693	3.91%
Average over the last 10 trading sessions	111.34 €	10,477,507	421,798	10,899,305	3.87%
Average over the last 30 trading sessions	108.39 €	10,477,507	403,345	10,880,852	3.71%
Average over the last 60 trading sessions	106.68 €	10,477,507	392,210	10,869,717	3.61%
Average over the last 120 trading sessions	112.99 €	10,477,507	431,672	10,909,179	3.96%

5.3.2.2.2 After the exchange Offer in the event that all the Warrants ORCBBR 2012 are tendered into the Offer

In the event that all the Warrants ORCBBR 2012 are tendered into the Offer and on the basis of different reference Share prices, the potential normative dilution is summarized on the below table.

Reference Share Price		Net creation of Shares (normative dilution before the Offer)	Net creation of Shares after the Offer)	Variation	Reduction of the dilution
<i>Closing price on October 17, 2007</i>	111.15 €	420,652	366,365	54,287	12.91%
<i>Average over the last 5 trading sessions</i>	112.06 €	426,186	366,365	59,821	14.04%
<i>Average over the last 10 trading sessions</i>	111.34 €	421,798	366,365	55,433	13.14%
<i>Average over the last 30 trading sessions</i>	108.39 €	403,345	366,365	36,980	9.17%
<i>Average over the last 60 trading sessions</i>	106.68 €	392,210	366,365	25,845	6.59%
<i>Average over the last 120 trading sessions</i>	112.99 €	431,672	366,365	65,307	15.13%

The reduction (in the event that all the Warrants ORCBR 2012 are tendered into the Offer) of the immediate dilution, as a result from the Offer, is obtained by the creation of a new time value which may generate further dilution but at a price which will be more than twice higher than the exercise price of the Warrants ORCBR 2012.

Unless the Share market price reaches €14 (calculated on the assumption that all the Warrants ORCBR 2012 are tendered into the Offer), the Offer has a positive impact on the Shareholders' stake on a diluted basis.

5.3.2.2.3 After the exchange Offer in the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer

In the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer and on the basis of different reference Share prices, the potential normative dilution is summarized on the below table.

Reference Share Price		Net creation of Shares (normative dilution before the Offer)	Net creation of Shares after the Offer)	Variation	Reduction of the dilution
<i>Closing price on October 17, 2007</i>	111.15 €	420,652	389,246	31,406	7.47%
<i>Average over the last 5 trading sessions</i>	112.06 €	426,186	390,899	35,287	8.28%
<i>Average over the last 10 trading sessions</i>	111.34 €	421,798	389,594	32,204	7.63%
<i>Average over the last 30 trading sessions</i>	108.39 €	403,345	384,064	19,281	4.78%
<i>Average over the last 60 trading sessions</i>	106.68 €	392,210	380,718	11,492	2.93%
<i>Average over the last 120 trading sessions</i>	112.99 €	431,672	392,561	39,111	9.06%

The reduction (in the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer) of the immediate dilution, as a result from the Offer, is obtained by the creation of a new time value which may generate further dilution but at a price which will be more than twice higher than the exercise price of the Warrants ORCBR 2012.

Unless the Share market price reaches €15 (calculated on the assumption that 70% of the Warrants ORCBR 2012 are tendered into the Offer), the Offer has a positive impact on the Shareholders' stake on a diluted basis.

5.3.3 Conclusion on the Exchange Ratio

From the point of view of the Warrantholders ORCBR 2012, assuming different reference Share prices, this Offer allows to preserve a patrimonial situation at least equivalent to the current situation.

From the Shareholder's point of view, assuming different reference Share prices, according to the values of the Warrants ORCBR 2012 determined on the basis of its market prices post adjustment of the exercise ratio, according to the market prices of the Shares and according to the theoretical values of the Warrants ORCOW 2014, this Offer reduces immediate dilution and improves its patrimonial situation. As long as the Share price does not reach €15 (in the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer), or €14 (in the event that 100% of the Warrants ORCBR 2012 are tendered into the Offer), the present Offer has a positive impact on the Shareholders' stake on a diluted basis.

We deem that the Offer, the terms of which are 3 New Warrants ORCOW 2014 to be issued and 1 New Share to be issued for 3 Warrants ORCBR 2012 as described in section 5.1.1 of the Securities Note, is fair for the Shareholders and for the Warranholders ORCBR 2012.

October 18, 2007

The Independent Expert
CONSTANTIN ASSOCIES
Laurent LEVESQUE

5.4 *Placing and underwriting*

The Issuer has appointed Natixis as the warrant agent which is in charge of the security service of the Warrants ORCBR 2012 (the Warrant ORCBR 2012 Agent).

The Issuer has appointed Natixis as the Share Agent in charge of the securities (*service des titres*) and financial services (*service financier*) in respect of Shares held through Euroclear France (the Share Agent) and as the Distribution Agent in charge of delivering Shares upon exercise of Warrants ORCBR 2012 and Warrants ORCOW 2014.

The Issuer has appointed Bank of New York as the warrant agent which will be in charge of the security service of the Warrants ORCOW 2014 (the Warrant ORCOW 2014 Agent). The Issuer has also appointed Natixis to centralize the exercise requests in respect of Warrants ORCOW 2014 held through Euroclear France.

The Issuer has appointed Natixis as the coordinator of the Offer which will centralize of the exchange requests sent by the Warranholders ORCBR 2012 through their financial intermediaries and will deliver New Shares and New Warrants ORCOW 2014 to the Warranholders ORCBR 2012 into the Offer (the Coordinator).

6. ADMISSION TO TRADING AND CONDITIONS OF TRADING

6.1 Admission to trading

Application will be made to admit the New Shares resulting from the Offer to trading on the Eurolist Market by Euronext Paris, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange. The anticipated listing date of the New Shares is December 5, 2007 on the Eurolist Market by Euronext Paris and on the main market of the PSE and is December 21, 2007 on the main market of the WSE and on the regulated market of the BSE under ISIN code: LU0122624777.

Application will be made to admit the New Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Brussels and the Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Paris. The anticipated listing date of the New Warrants ORCOW 2014 on the Eurolist Market by Euronext Brussels and of the Warrants ORCOW 2014 on the Eurolist Market by Euronext Paris is December 5, 2007 under ISIN code: XS0290764728 and common code: 029076472.

6.2 Listing markets

The Existing Shares are already listed and admitted to trading on the Eurolist Market by Euronext Paris, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange under ISIN code: LU0122624777. The entire authorized share capital of the Company is already admitted to trading on the main market of the Prague Stock Exchange under the same ISIN code.

The Existing Warrants ORCOW 2014 are already listed and admitted to trading on the Eurolist Market by Euronext Brussels under ISIN code: XS0290764728.

The Eurolist Market by Euronext Brussels, the Eurolist Market by Euronext Paris, the main market of the Prague Stock Exchange, the main market of the Warsaw Stock Exchange and the regulated market of the Budapest Stock Exchange are regulated markets pursuant to the provisions of the Prospectus Directive which refers to the definition of the regulated markets contained in the Investment Services Directive (93/22/EEC).

6.3 Liquidity agreement

Neither the Shares nor the Warrants ORCOW 2014 are covered by a liquidity agreement.

6.4 Stabilization of the prices of the Shares, of the Warrants ORCOW 2012 and of the Warrants ORCOW 2014

No stabilization manager has been appointed by the Issuer.

7. SELLING SECURITIES HOLDERS

Not applicable. However, the intention of major Shareholders or members of the Issuer's management, supervisory or administrative bodies to tender their Warrants ORCBR 2012 into the Offer is described in section 5.2.2 of this Securities Note.

8. EXPENSES OF THE OFFER

In the event that all the Warrants ORCBR 2012 are tendered into the Offer, the fees due to the advisor, the coordinator, the financial intermediaries and to the sundry publishing and administrative costs shall amount approximately to €800,000.

In the event that 70% of the Warrants ORCBR 2012 are tendered into the Offer, the fees due to the advisor, the coordinator, the financial intermediaries and to the sundry publishing and administrative costs shall amount approximately to €50,000.

9. DILUTION

The table below summarizes the consequences of the exercise of the New Warrants ORCOW 2014 for a Shareholder owning 1% of the share capital of the Company prior to the issue of the New Shares and the New Warrants ORCOW 2014 resulting from the Offer, calculated on the basis of the number of Shares existing on the date of the last capital statement and assuming only new Shares are delivered to the Holders of the New Warrants ORCOW 2014 at the time of the exercise of their New Warrants ORCOW 2014:

	Shareholder's stake
Before the Offer	1%
After the Offer (in the event that all the Warrants ORCOW 2012 are tendered into the Offer, considering that 366,365 New Shares are issued as a result of the Offer)	0.97%
After the Offer (in the event that all the Warrants ORCOW 2012 are tendered into the Offer, considering that 366,365 New Shares are issued as a result of the Offer) and after the issue of 1,132,068 new Shares as a result of the exercise of 1,099,095 New Warrants ORCOW 2014	0.87%

10. TERMS AND CONDITIONS OF THE SHARES

10.1 Description of the Shares to be delivered as a result of exercise of the New Warrants ORCOW 2014

10.1.1 Type, category and settlement date of the Shares

The Shares to be delivered as a result of exercise of New Warrants ORCOW 2014 have the same accounting par value and are of the same category as the other Shares. The Shares will be either in the form of registered shares or in the form of bearer shares, at the option of the Shareholder, except to the extent otherwise provided by law. The Shareholder can sell or transfer the Shares subject to the relevant statutory limitations. The Issuer will deliver existing and/or new Shares upon exercise of New Warrants ORCOW 2014 to the Holders of the New Warrants ORCOW 2014 exercising their New Warrants ORCOW 2014.

Shares delivered following the exercise of the New Warrants ORCOW 2014 will be subject to the provisions of the articles of association of the Company and will carry beneficial rights from the first day of the financial year in which the Exercise Date takes place and payment of the Exercise Price occurs (*date de jouissance*). They shall carry the right in respect of the financial year in which the Exercise Date takes place and payment of the Exercise Price occurs and subsequent financial years, to the same dividend (equal by reference to their accounting par value) as that which may be paid in relation to the other Shares carrying the same beneficial rights.

10.1.2 Jurisdiction and applicable law

10.1.2.1 Applicable law

The terms and conditions of the Shares are governed by Luxembourg law.

10.1.2.2 Competent courts

The competent courts in the event of disputes shall be the ones under whose jurisdiction the registered office of the Company falls without prejudice to the latter's right to take action before any other competent court under Luxembourg law.

10.1.3 Form and method of delivery of the Shares

Settlement of trades in Shares listed on Euronext Paris, the Prague Stock Exchange, the Warsaw Stock Exchange and the Budapest Stock Exchange

The Shares delivered following the exercise of the New Warrants ORCOW 2014 will initially be issued in bearer form and will be initially represented by interests in global certificates which will be deposited with Euroclear France, the French central depository system through which all securities listed and traded on Euronext Paris are held.

Euroclear France will hold the Shares on behalf of persons holding securities accounts with the financial intermediaries (*intermédiaires financiers habilités*) and authorised to maintain accounts therein. Shares will be held and transferred through book-entry in accounts opened with one or more financial intermediaries with Euroclear France.

The persons shown in securities accounts of a financial intermediary authorised to maintain accounts with Euroclear France as the holders of the Shares will not be entitled to receive physical delivery of definitive certificates evidencing interests in the Shares, will not be considered owners or holders thereof and will only be able to transfer their interests in accordance with the rules and procedures of Euroclear France and other relevant additional clearing systems.

Shareholders may also hold Shares by being directly recorded in the Shareholders register kept in Luxembourg by or on behalf of the Company or by directly holding a bearer share, thus taking their shares out of the Euroclear France clearing system.

Transfer of Shares and settlement (delivery and payment) of transactions on the main market of the Prague Stock Exchange, on the Eurolist Market by Euronext Paris, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange will, however, only be effected through a settlement system recognised by the main market of the Prague Stock Exchange, the Eurolist Market by Euronext Paris, the main market of the Warsaw Stock Exchange and the regulated market of the Budapest Stock Exchange, as the case may be.

Only Shares in bearer form held directly or indirectly through Euroclear France can be traded on the Eurolist Market by Euronext Paris. Shareholders directly recorded in the Company's Shareholder register or holding definitive bearer shares must therefore, in order to be able to trade their Shares on Euroclear France, deposit them first with Euroclear France.

Settlement of the transactions executed on the Eurolist Market by Euronext Paris will be cleared through Clearnet S.A. and will be recorded in book-entry form on securities accounts of a financial intermediary authorised to maintain accounts with Euroclear France.

UNIVYC, a wholly owned subsidiary of the Prague Stock Exchange, is licensed by the Czech National Bank primarily to settle trades on the main market of the Prague Stock Exchange.

The settlement of the transactions concluded on the main market of the Warsaw Stock Exchange takes place outside the Warsaw Stock Exchange through the KDPW.

KELER, the Hungarian Central Depository and Settlement House, performs the divergent tasks of the central background institution of the Hungarian capital market with an unchanging ownership structure, as a private joint-stock company.

UNIVYC, KDPW and KELER are accountholders with Clearstream which in turn holds an account with Euroclear France.

The Clearing Houses will record interests of clients of the Clearing Houses' accountholders in the Shares in book-entry form in accordance with the relevant local regulations of book-entry securities.

Transfers of the interests in the Shares between the Clearing Houses' accountholders will be effected in accordance with the rules and operating procedures of the Clearing Houses, Clearstream and Euroclear France.

Trading in the Shares on the main market of the Prague Stock Exchange, on main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange will be settled only through the relevant clearing systems and will be recorded in book-entry form.

Investors should take note that trades involving the transfer of Shares between different exchanges may result in delays, which may be more significant than trades executed on the same exchange. Investors should obtain information from the relevant exchanges and the relevant Clearing Houses about the exact procedures and delays associated with such cross-exchange trades.

Trades in the Shares concluded on the main market of the Prague Stock Exchange, on the Eurolist Market by Euronext Paris, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange will not result in any change in the holder of the Global Certificate.

Payments on the Shares through the clearing system

The Clearing Houses' accountholders or any persons holding their Shares through a securities settlement system must look solely to Euroclear France, Clearstream and the respective Clearing House for its share of each payment made by the Company in relation to all the rights arising under the Global Certificate, subject to and in accordance with the rules and procedures of Euroclear France, Clearstream and the respective Clearing House.

Such accountholders shall have no claim directly against the Company in respect of payments due on the Shares for so long as the Shares are represented by the Global Certificate and such obligations of the Company will be discharged by payment to Natixis, which is in charge of the securities (*service des titres*) and financial services (*service financier*) in respect of Shares held through Euroclear France.

Those who hold interests in the Global Certificate through Euroclear France, Clearstream and the Clearing Houses will receive payments subject to and in accordance with the rules and procedures of the relevant clearing system.

Distribution of dividends and other payments with respect to the book-entry interests in the Shares held through Euroclear France will be credited, to the extent received by Natixis, to the cash accounts of Euroclear France accountholders in accordance with the Euroclear France system rules and procedures.

Distribution of dividends and other payments with respect to the book-entry interests in the Shares held through the Clearing Houses will be credited, to the extent received by the Clearing Houses, to the cash accounts of the Clearing Houses' members in accordance with the Clearing Houses' system rules and procedures for further distribution to the Clearing Houses' accountholders.

10.1.4 Issue currency

The Shares are issued in euros.

10.1.5 Rights and restrictions attached to the Shares

The new Shares delivered following the exercise of the New Warrants ORCOW 2014 will be subject to the provisions of the articles of association of the Company from their issue dates and will carry beneficial rights from the first day of the financial year in which the Exercise Date takes place and payment of the Exercise Price occurs (*date de jouissance*). They shall carry the right in respect of the financial year in which the Exercise Date takes place and payment of the Exercise Price occurs and

subsequent financial years, to the same dividend (equal by reference to their accounting par value) as that which may be paid in relation to the other Shares carrying the same beneficial rights.

Refer to section 4.1.5. “*Rights and restrictions attached to the New Shares*”.

10.1.6 Resolutions and authorisations by virtue of which the new Shares will be issued as a result of the exercise of the New Warrants ORCOW 2014

Refer to resolution and decision described in Section 4.1.6 of this Securities Note.

10.1.7 Conditions for admission of the Shares to trading

10.1.7.1 Listing of new Shares issued as a result of the exercise of the New Warrants ORCOW 2014

Periodic applications will be made to admit the new Shares issued as a result of the exercise of the New Warrants ORCOW 2014 to trading on the Eurolist Market by Euronext Paris, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange.

Periodic information about the new Shares issued as a result of the exercise of the New Warrants ORCOW 2014 will be made to the Prague Stock Exchange which has already admitted the entire authorised share capital of the Company to trading on its main market. As soon as it may become necessary, periodic applications will be made to admit the new Shares issued as a result from the exercise of the New Warrants ORCOW 2014 to trading on the main market of the Prague Stock Exchange.

Depending upon the date from which they will carry beneficial rights (“*date de jouissance*”), they will be traded on the same line as the existing Shares if they are fungible in accordance with section 10.1.1 or traded initially on a second line if they are not fungible to them.

10.1.7.2 Listing of the Existing Shares

Listing market

The Existing Shares are admitted to trading on the Eurolist Market by Euronext Paris.

Other markets and quotations

The Existing Shares are also admitted for trading on the main market of the Prague Stock Exchange, on the main market of the Warsaw Stock Exchange and on the regulated market of the Budapest Stock Exchange.

Volume of transactions and Share price movements

Orco Property Group SA (on the Eurolist Market by Euronext Paris - in EUR)					
	Open	High	Low	Last trade	Px Volume
31/10/2006	98,5	104,1	95,2	98,2	514 468
30/11/2006	95,1	101,0	90,5	95,7	722 057
29/12/2006	93,1	102,5	93,0	93,1	540 646
31/01/2007	98,0	119,0	98,0	96,5	913 472
28/02/2007	115,6	134,0	114,2	115,9	1 033 066
30/03/2007	116,0	128,0	109,1	115,7	1 289 751
30/04/2007	126,2	127,9	115,0	125,5	623 575
31/05/2007	123,0	126,7	113,7	123,0	864 101
29/06/2007	125,4	125,4	116,0	125,0	1 244 003
31/07/2007	117,0	117,9	97,0	117,3	1 415 535
31/08/2007	103,5	115,0	96,0	105,1	1 421 258
28/09/2007	111,5	113,4	101,2	110,8	1 080 707

Orco Property Group SA (on the main market of the Prague Stock Exchange - in CZK)					
	Open	High	Low	Prev Ses Last	Px Volume
31/10/2006	2 793,0	2 935,0	2 600,0	2 802,0	727 546
30/11/2006	2 700,0	2 835,0	2 489,0	2 702,0	1 045 665
29/12/2006	2 609,0	2 863,0	2 603,0	2 614,0	661 306
31/01/2007	2 741,0	3 359,0	2 732,0	2 755,0	935 839
28/02/2007	3 266,0	3 802,0	3 135,0	3 260,0	1 545 596
30/03/2007	3 262,1	3 580,0	3 090,0	3 245,0	1 241 430
30/04/2007	3 535,0	3 575,0	3 420,0	3 540,0	649 882
31/05/2007	3 440,0	3 520,0	3 231,0	3 463,0	562 724
29/06/2007	3 509,0	3 590,0	3 315,0	3 509,0	746 029
31/07/2007	3 382,0	3 423,0	2 696,0	3 389,0	1 119 664
31/08/2007	2 870,0	3 132,0	2 678,0	2 930,0	1 102 495
28/09/2007	3 090,0	3 150,0	2 800,0	3 113,0	712 201

Orco Property Group SA (on the main market of the Warsaw Stock Exchange - in PLN)					
	Open	High	Last Price	Prev Ses La:	Px Volume
29/06/2007	435	490	440	440	30 125
31/07/2007	440	450	396	440	117 895
31/08/2007	391	430	430	396	159 438
29/06/2007	435	490	435	440	30 125

Orco Property Group SA (on the regulated market of the Budapest Stock Exchange - in HUF)					
	Open	High	Low	Prev Ses Last	Px Volume
29/06/2007	31 600	31 900	29 000	29 100	9 133
31/07/2007	29 000	29 500	25 010	29 100	6 102
31/08/2007	25 500	28 345	25 405	26 200	2 715
29/06/2007	31 600	31 900	29 000	29 100	9 133

10.1.8 Restriction on the free trading of the Shares

The Shares are not subject to any transfer restrictions.

10.1.9 Applicable legislation on public offerings

Refer to section 4.1.9. "Applicable legislation on public offerings".

10.1.10 Recent takeover bids

No takeover bid was launched with respect to the capital of Orco during the last financial year or the current financial year.

10.1.11 Effects of the exercise of the New Warrants ORCOW 2014 on the shareholder's position

By way of indication, assuming that all New Warrants ORCOW 2014 are exercised, that only new Shares are delivered to the Holders of the New Warrants ORCOW 2014 and in the event that all the Warrants ORCOW 2012 are tendered into the Offer, the consequences of the issue will be as follows:

1. The table below summarizes the consequence of the Issue and the exercise of the New Warrants ORCOW 2014 for a Shareholder owning 1% of the share capital of the Company prior to the Issue, calculated on the basis of the number of Shares existing on the date of the last capital statement and assuming only new Shares are delivered to the Holders of the New Warrants ORCOW 2014:

	Shareholder's stake
Before the Offer	1.00%
After the Offer (in the event that all the Warrants ORCOW 2012 are tendered into the Offer)	0.97%

After the Offer (in the event that all the Warrants ORCOW 2014 are tendered into the Offer) and after the issue of 1,132,068 new Shares as a result of the exercise of 1,099,095 New Warrants ORCOW 2014	0.87%
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2. The table below summarizes the effect of the Issue and the exercise of the New Warrants ORCOW 2014 on the share of the equity capital for a Shareholder owning one Share in the Company prior to the Issue, calculated on the basis of the consolidated equity capital at June 30, 2007 and the number of Shares comprising the share capital at such date:

	Share of equity capital
Before the Offer	€1.53
After the Offer (in the event that all the Warrants ORCOW 2014 are tendered into the Offer)	€78.78
After the Offer (in the event that all the Warrants ORCOW 2014 are tendered into the Offer) and after the issue of 1,132,068 new Shares as a result of the exercise of 1,099,095 New Warrants ORCOW 2014	€84.76

Based on the terms of the Issue, this transaction should not have a significant effect on the market value of the Share.

3. The table below summarizes the consequence of the exercise of the New Warrants ORCOW 2014 for the key Shareholders, based on their intentions as described in section 5.2.2.:

	Before the Offer	After the Offer (in the event that all the Warrants ORCOW 2014 are tendered into the Offer)	After the Offer (in the event that all the Warrants ORCOW 2014 are tendered into the Offer) and after exercise of New Warrants ORCOW 2014
Orco Holding	9.62%	11.28%	15.76%
Public	90.38%	88.72%	84.24%
Total	100.0%	100.0%	100.0%

4. Below is a summary of the effect of the exercise of all the New Warrants ORCOW 2014 on the market value of the Shares at October 17, 2007

Number of Shares (in the event that all the Warrants ORCOW 2014 are tendered into the Offer): 10,843,872

Average value of the one Share over the twenty last stock exchange sessions: €108.78

Market capitalization of the Company before capital increase resulting from the exercise of the New Warrants ORCOW 2014: €1,164,574,903.05

Total number of New Warrants ORCOW 2014 (in the event that all the Warrants ORCOW 2014 are tendered into the Offer): 1,099,095

Exercise price of the New Warrants ORCOW 2014: €146.39

Amount of capital increase arising from the exercise of all the New Warrants ORCOW 2014: €160,896,517.05

Market value of the Company after capital increase arising from the exercise of all the New Warrants ORCOW 2014: €1,325,471,420.10 corresponding to a value per Share after capital increase arising from the exercise of all the New Warrants ORCOW 2014 of €10.68.

11. OTHER INFORMATION

11.1 Advisor of the Company

Central Europe Offering has acted as advisor to the Company.

11.2 Persons responsible for auditing the account

HRT Révision S.à r.l. (réviseur d'entreprises) represented by Mr Dominique Ransquin, external auditor (réviseur d'entreprises), since June 2002, reappointed by the ordinary general meeting of 29 April 2004, expiring at the end of the ordinary general meeting convened to approve the accounts for the financial year ended 31 December 2006.

PricewaterhouseCoopers S.à r.l. (réviseur d'entreprises), represented by Anne Sophie Preud'homme, external auditor (réviseur d'entreprises), appointed by the ordinary general meeting of 29 April 2004, expiring at the end of the ordinary general meeting convened to approve the accounts for the financial year ended 31 December 2006.

11.3 Expert report

The Issuer has mandated Constantin & Associés as independent expert in charge of analyzing the Exchange Ratio of the Offer and giving its fairness opinion to the Warrantholders ORCBR 2012 and the Shareholders.

A summary of this report is available in section 5.3. of this Securities Note.

11.4 Post-issuance information

Other than the publication of the results of the Offers, the Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations.

ORCO PROPERTY GROUP S.A.

Issuer, société anonyme

48, boulevard de la Grande-Duchesse Charlotte, L-1330 Luxembourg

CENTRAL EUROPE OFFERING

Advisor to the Company

Klimentska 46, 110 02 Prague 1, Czech Republic

BANK OF NEW YORK

Warrant ORCOW 2014 Agent

Avenue des Arts 35 Kunstlaan, B-1040 Brussels, Belgium

NATIXIS

Coordinator, Share Agent, Distribution Agent, Warrant ORCBR 2012 Agent, centralizer of the exercise requests in respect of Warrants ORCOW 2014 held through Euroclear France

10-12 avenue Winston Churchill, 94220 Charenton-le-Pont, France.

HRT Révisions S.à.r.l.

External auditor to the Company (as from the financial year ended December 31, 2002)

23 Val Fleuri, L-1526 Luxembourg

PricewaterhouseCoopers S.à r.l.

External auditor to the Company (as from the financial year ended December 31, 2004)

400 route d'Esch, L-1024 Luxembourg