



*A public limited liability company (société anonyme)*

with an issued share capital of €35,496,459.30 and an authorised share capital of €100,000,000.

Registered Office: 48, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg  
Luxembourg trade and companies register number B.44.996

## **SECURITIES NOTE AND SUMMARY DATED 22 MARCH, 2007**

### **Issue of €175,000,461.60 seven year bonds with redeemable warrants attached.**

Orco Property Group, a public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), 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 (“**Orco**”, the “**Company**” or the “**Issuer**”) proposes to issue €175,000,461.60 seven year bonds (the “**Bonds**”) with redeemable warrants attached thereto (the “**Warrants**” and as long as attached to the Bonds, together the “**Bonds with Warrants**”) on March 28, 2007.

The issue will be represented by 119,544 Bonds with 1,793,160 Warrants attached (hereinafter the “**Issue**”).

This document comprises a securities note (the “**Securities Note**”) and a summary (the “**Summary**”) relating to the Bonds with Warrants. The Securities Note, the Summary and the registration document dated January 8, 2007 and relating to the Issuer (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**”).

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.

In submitting the Prospectus to the CSSF, the Company requests the CSSF to provide the Belgian competent authority (the *Banking, Finance and Insurance Commission of Belgium*, the “**BFICB**”) and the French competent authority (the *Autorité des Marchés Financiers*, the “**AMF**”) with a certificate of approval certifying that the Prospectus has been drawn up in accordance with the Prospectus Act 2005 and the Prospectus Directive. If necessary, the notification made by the CSSF to the aforementioned competent authority shall be accompanied by the translation of the summary produced under the Company’s responsibility.

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: [lloeroi@orcogroup.com](mailto:lloeroi@orcogroup.com)  
Email: [bfritsch@orcogroup.com](mailto: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](mailto:abricout@orcogroup.com)  
Email: [sfarjon@orcogroup.com](mailto:sfarjon@orcogroup.com); and
- at the registered office of the Bond Agent, Warrant Agent and Paying Agent (all as defined in the Summary)  
Bank of New York, Brussels Branch, having its branch office at Avenue des Arts 35 Kunstlaan, B-1040 Brussels, Belgium

The documents can also be viewed on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)), the Company’s website ([www.orcogroup.com](http://www.orcogroup.com)) and the [www.obsar.com](http://www.obsar.com) website.

Sole subscriber and sole manager

Advisor to the Company

Co-advisor to the Company

**LEHMAN BROTHERS**

Central Europe Offering

 **LB-P**

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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 Lehman Brothers or Orco. 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 Issuer Group (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, Bonds with Warrants attached, the Bonds and/or Warrants 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 Bonds with Warrants, the Bonds and/or the Warrants in certain jurisdictions may be restricted by law. No action has been or will be taken by Lehman Brothers to a permit or public offering of the Bonds with Warrants, the Bonds and/or the Warrants or to permit the possession or distribution of this Prospectus in any jurisdiction where action for that purpose may be required. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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 Bonds with Warrants attached, the Bonds and/or the Warrants should be based on consideration of, this entire document including the section “Risk Factors”, which discusses certain risk factors which might affect the holding of the Bonds with Warrants attached, the Bonds and/or the Warrants, 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.

### **A. MAIN CHARACTERISTICS OF THE ISSUE OF BONDS WITH WARRANTS AND PROVISIONAL TIMETABLE**

#### *Context*

The Company intends to use the net proceeds of the issue of Bonds with Warrants for general corporate purposes.

#### *Main characteristics of the Bonds with Warrants*

Issue	€175,000,461.60 fixed rate Bonds due 2014 together with 1,793,160 Warrants issued by the Company.
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.
Legal form	A public limited liability company ( <i>société anonyme</i> ), incorporated under the laws of Luxembourg.
Share capital	Issued share capital €35,496,459.30, divided into 8,657,673 ordinary shares (the “ <b>Shares</b> ”) Authorised share capital €100,000,000
FTSE activity segment	862 - Real Estate Holding and Development
Issue Date	The Bonds with Warrants will be issued on March 28, 2007 (“the <b>Issue Date</b> ”).
Maturity of the Bonds and the Warrants	The Bonds and the Warrants will mature on March 28, 2014 (the “ <b>Maturity Date</b> ”).
Aggregate principal amount of the Issue	€175,000,461.60

Redemption Amount of the Bonds	Unless previously redeemed, or repurchased and cancelled, the Bonds will be redeemed on the Maturity Date at 117.5% of their principal amount, €1,720.08 per Bond (the “ <b>Redemption Amount</b> ”).
Form and Denomination of the Bonds	The Bonds are issued in registered form in denominations of €1,463.90 and multiples thereof.
Issue Price of the Bonds with Warrants	The issue price of the Bonds with Warrants (the “ <b>Issue Price</b> ”) is 97.10% of their principal amount (€1,421.45 per Bond). The Bank (as defined below in section B <i>Placement</i> ) subscribed the Bonds together with Warrants attached for a unit price of €1,421.45.
Status of the Bonds	The Bonds constitute direct, unsubordinated and unsecured obligations of Orco and shall rank <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Company, except for obligations given priority by law.
Negative Pledge	The terms and conditions of the Bonds contain a negative pledge provision in respect of the Company relating to certain types of indebtedness, as more fully described in Condition 4.1.5.2.
Interest	Interest will be paid annually in arrear on March 28, in each year (each an “ <b>Interest Payment Date</b> ”), for the first time on March 28, 2008. Interest will be paid at the rate of 2.5 <i>per cent. per annum</i> . Interest will accrue on the principal amount of the Bonds.
Cross Default	The terms and conditions of the Bonds contain a cross default provision in relation to the Company and its Principal Subsidiaries (as defined in Condition 4.1.8.4) in respect of indebtedness for borrowed money exceeding €5,000,000 or its equivalent in any other currency or currencies. (except as indebtedness in respect of the Czech Bond (as defined in Condition 4.1.8.4) is concerned.)
Other Events of Default	The Bonds are subject to certain other customary Events of Default (as defined in Condition 4.1.8.4). If the Bonds become due and payable following an Event of Default, the Bonds will be redeemable at the maximum of their principal amount and their Accreted Principal Amount (as defined below), together with accrued interest.
Early Redemption at the Option of the Issuer	The Company may redeem the Bonds at their Accreted Principal Amount (together with accrued interest) in whole but not in part at any time if, prior to the date of the giving of notice of such redemption, Bonds representing 85 <i>per cent.</i> or more in principal amount of the Bonds originally issued shall have been redeemed, purchased or cancelled as provided in Condition 4.1.8.1.3.
Early Redemption at the Option of Bondholders	Upon a Change of Control (as defined in Condition 4.1.8.1.2.1) in relation to the Company, each Bondholder will have the right to require the Company to redeem its respective Bonds at the Accreted Principal Amount (together with accrued interest).
Accreted Principal Amount	The <b>Accreted Principal Amount</b> in respect of each €1,463.90 principal amount of Bonds shall be the amount that, together with accrued interest from the immediately preceding Interest Payment Date or, if none, the Issue Date, and after taking into account any interest paid in respect of such Bonds in preceding periods, represents for the holder thereof a gross yield to maturity of 7.383 <i>per cent. per annum</i> (calculated on an annual basis).
Bond Agent, Paying Agent	The Issuer has appointed The Bank of New York, Brussels Branch, having its branch office at, Avenue des Arts 35 Kunstlaan, B-1040 Brussels, Belgium, registered with the Registry of Commerce under number 0456.333.827 (“ <b>Bank of New York</b> ”), as the initial bond agent (the “ <b>Bond Agent</b> ”) acting as paying agent (the “ <b>Paying Agent</b> ”).
Form of the Warrants	The Warrants are in registered form.
Exercise Ratio of the Warrants	Each Warrant entitles initially the holder to acquire and/or subscribe to 1 Share (the “ <b>Exercise Ratio</b> ”) at the prevailing Exercise Price (as defined below). The Exercise Ratio is subject to adjustments as described in Condition 4.2.2.4..

Exercise Price of the Warrants	€146.39 to be paid in cash (the “ <b>Exercise Price</b> ”). However for every 10 Warrants exercised, the holders of Warrants (the “ <b>Warrantholders</b> ”) may pay for their subscription of €1,463.90 (10 x €146.39) by the sale to the Company of 1 Bond 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 Warrants	The Warrants may be exercised at any time from and including the Issue Date up to the Maturity Date.
Transferability of the Warrants	The Warrants may be transferred and traded from the Issue Date.
Number of Warrants	15 Warrants are initially attached to each Bond.
Term of the Warrants	7 years as of March 28, 2007.
Redemption of Warrants at the Issuer’s option	<p>On giving notice (which notice shall be irrevocable) to the Warrantholders, 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 Warrants at a price of €0.01 per Warrant, provided that the Parity Value (as defined in section 4.2.1.11.2.1) 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 Warrantholders exceeds €190.31.</p> <p>The “<b>Relevant Stock Exchange</b>” means, in relation to the Shares, the Eurolist market by Euronext Paris S.A. or the most liquid market on which the Shares are listed and admitted to trading if for any reason the Share is not anymore listed and admitted to trading on the Eurolist market by Euronext Paris S.A, and means, in relation to the Bonds and the Warrants, the Eurolist market by Euronext Brussels or the most liquid market on which the Bonds and/or the Warrants are listed and admitted to trading if for any reason the Bonds and/or the Warrants are not anymore listed and admitted to trading on the Eurolist market by Euronext Brussels.</p> <p>A “<b>Dealing Day</b>” 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, Clearstream Banking, <i>société anonyme</i> (“<b>Clearstream, Luxembourg</b>” or “<b>Clearstream</b>”) and Euroclear Bank S.A./N.V. operate.</p>
Record date ( <i>date de jouissance</i> ) of the Shares delivered as a result of the exercise of Warrants (as far as the right to dividends is concerned)	First day of the financial year during which the exercise request and the payment of the Exercise Price of the Warrants occur.
Warrant Agent	The Issuer has appointed Bank of New York as the initial Warrant Agent which will initially assume the security service of the Warrants (the “ <b>Warrant Agent</b> ”).
Distribution Agent	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 (“ <b>Natixis</b> ”), as the initial distribution agent (the “ <b>Distribution Agent</b> ”).

Lock-up	The Company has undertaken that (subject to certain exceptions) for a period of 90 days from and including March 7, 2007 it will not, <i>inter alia</i> , issue or sell any Shares or securities convertible or exercisable into, or exchangeable for, Shares without the prior written consent of the Bank (as defined below) (such consent not to be unreasonably withheld). The Company announced on February 8, 2007 that it is studying a possible capital increase and listing on the Warsaw stock exchange and/or the Budapest stock exchange, the Bank, upon certain conditions, has already authorised the Company to issue Shares on this occasion.
Admission to trading of the Bonds and the Warrants	Application has been made for the Bonds and the Warrants to be admitted to listing and trading on the Relevant Stock Exchange which is a regulated market.
ISIN – Mnemonic code of the Shares	LU0122624777 – ORC
ISIN code – common code of the Bonds	XS0291838992 - 029183899
ISIN code – common code of the Warrants	XS0290764728 - 029076472
ISIN code – common code of the Bonds Cum Warrants (as defined in section 6.1)	XS0291840626 - 029184062

## **B. TERMS OF THE ISSUE OF BONDS WITH WARRANTS**

### *Restrictions*

There are no restrictions to the free transfer of the Bonds.

There are no restrictions to the free transfer of the Warrants. However according to warrant purchase agreements entered into between MaMaison Résidences S.A., a public limited liability company (*société anonyme*), incorporated under the laws of Luxembourg, 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.90.678, an Orco subsidiary (the “**Subsidiary**”) and the Warrant Buyers as described below, 298,860 Warrants will neither be transferable nor exercisable from April 10, 2007 until September 28, 2007 (the “**Warrants Subject to Restrictions A**”) and 597,720 Warrants will neither be transferable nor exercisable from April 10, 2007 until March 28, 2009 (the “**Warrants Subject to Restrictions B**”) (The “**Warrants Subject to Restrictions A**” and the “**Warrants Subject to Restrictions B**” are collectively referred to below as the “**Warrants Subject to Restrictions**” and the Warrants subject to no restrictions are referred to below as the “**Warrants Subject to No Restriction**”, and periods from April 10, 2007 until March 28, 2009 and from April 10, 2007 until September 28, 2007 are referred to as a “**Restriction Period**” and collectively as the “**Restriction Periods**”).

The Warrants Subject to Restrictions cannot be exercised, sold or disposed of by their buyers in any manner whatsoever during the Restriction Period to which they are respectively subject. The buyers of Warrants Subject to Restrictions undertook, pursuant to the Warrants Purchase Agreements (as this term is defined below) to which they are respectively a party, to refrain from exercising, selling or otherwise disposing of the Warrants Subject to Restrictions during the Restriction Period to which these Warrants are subject. Warrants Subject to Restrictions can, however, be transferred or exercised during the Restriction Periods in the event of a Warrantholder’s death or a public offering upon the Shares.

In case a Beneficiary Manager (as this term is defined below) who purchased Warrants from the Subsidiary ceases to be bound to a company of the Issuer’s Group (as defined below) by an employment agreement or is no longer an authorized company representative within the Issuer’s Group during either of the Restriction Periods following the occurrence of any event other than death, disability, or if the company of the Issuer’s Group to which he or she is affiliated through an employment agreement or through performing his or her functions as an authorized company representative leaves the scope of consolidation of the Issuer’s Group, the Subsidiary has, and the Beneficiary Manager hereby irrevocably grants to the Subsidiary, the right and the unconditional option, to repurchase all the Warrants then held by the Beneficiary Manager at a price of €14.79 per Warrant Subject to Restrictions A, €10.80 per Warrant Subject to Restrictions B and €17.81 per Warrant Subject to No Restriction.

Each Beneficiary Manager irrevocably undertakes, upon occurrence of such an event, to sell all his Warrants to the Subsidiary at €14.79 per Warrant Subject to Restrictions A, €10.80 per Warrant Subject to Restrictions B, and €17.81 per Warrant Subject to No Restriction and to sign and remit to the Subsidiary and the Warrant Agent any transfer order and other necessary document and to take all requisite measures to validly transfer ownership of the Warrants Subject to Restrictions to the Subsidiary.

This repurchase of Warrants by the Subsidiary would occur within 10 Business Days following the date of the breach of contract between the concerned Beneficiary Manager and the company of the Issuer's Group to which he or she is affiliated through an employment agreement or, as the case may be, within the 10 Business Days following the termination of the concerned Beneficiary Manager's corporate mandate.

**"Issuer's Group"** means Orco and any company which is controlled by it within the meaning of IAS 27 as defined in the Commission Regulation (EC) No 2238/2004.

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.

### *Placement*

The Bonds with Warrants are subscribed exclusively by Lehman Brothers International (Europe), a company incorporated under the laws of England under number 3950078 with offices at 25 Bank Street, London 314 5LE (the **"Subscriber"** or the **"Bank"**) who has irrevocably undertaken to the Company to subscribe to all the Bonds with Warrants according to a subscription agreement entered into by the Bank and the Company dated March 7, 2007 (the **"Subscription Agreement"**). The issuance of the Bonds with Warrants is not subject to any preferential subscription right of the existing holders of Shares (the **"Shareholders"**) which was cancelled for the purpose of the Issue (as described in Section 4.1.11.1). The Bank, which does not wish to keep all the Warrants which were originally upon issue attached to the Bonds with Warrants so subscribed, has undertaken to subscribe the Bonds with Warrants subject to the repurchase by the Subsidiary of 1,195,440 Warrants which were originally upon issue attached to the Bonds with Warrants thus acquired on the Issue Date.

The Bank will sell 1,195,440 of the Warrants attached to the Bonds so subscribed at an average unit price of €13.55 to the Subsidiary, with the undertaking of the Company to substitute itself to the Subsidiary in case of default of the Subsidiary to perform its obligations towards the Bank.

The Subsidiary will then offer to less than one hundred managers bound to a company of the Issuer's Group by an employment agreement or appointed as authorized company representatives within the Issuer's Group (the **"Beneficiary Managers"**) and business partners (the **"Beneficiary Partners"**) of the Issuer's Group, 298,860 Warrants Subject to No Restriction at a unit price of €17.81, 298,860 Warrants Subject to Restrictions A at a unit price of €14.79, and 597,720 Warrants Subject to Restrictions B at a unit price of €10.80.

Warrant purchase agreements (the **"Warrant Purchase Agreements"**) entered into by the Subsidiary and each Beneficiary Manager and Beneficiary Partner who purchases Warrants so offered by the Subsidiary (collectively the **"Warrants Buyers"**) define the restrictions applicable to 896,580 of these Warrants.

The Warrants Buyers shall:

- Not sell, transfer or otherwise dispose of the Warrants Subject to Restrictions, being moreover understood that the Warrants Buyers are authorised to pledge all or part of their Warrants in order to secure any loan granted to finance their acquisition. For the purpose of enforcement of the pledges, the transfers of the Warrants to the pledgees are authorised,
- Maintain the Warrants Subject to Restrictions in registered form (*"titres nominatifs"*), and
- Not exercise any of the Warrants Subject to Restrictions,

during the Restriction Period respectively applicable to these Warrants .

In the event where all the Warrants initially purchased by the Subsidiary from the Bank are not subscribed by the Beneficiary Managers and/or the Beneficiary Partners, the unsold Warrants will be purchased either by (i) Orco Holding S.A., a public limited liability company (*société anonyme*), incorporated under the laws of Luxembourg, 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.46.918 (**"Orco Holding"**) at a unit price of €17.81 per Warrant Subject to No Restriction, €14.79 per Warrant Subject to Restrictions A or €10.80 per Warrant Subject to Restrictions B, or (ii) the Company at the same respective prices (as those contemplated in (i) above in respect of Warrants Subject to No Restriction, Warrants Subject to Restrictions A and Warrants Subject to Restrictions B) and cancelled immediately thereafter.



## Dilution

The table below summarizes the consequence of the exercise of the Warrants 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 Warrantholders:

	Shareholder's stake
Before issue of the Bonds with Warrants	1.00%
After exercise of 1,793,160 Warrants	0.83%

## C. BASIC INFORMATION CONCERNING ORCO AND ITS FINANCIAL STATEMENTS

### Basic information

Orco is a leading investor, developer and asset manager in the Central European real estate and hospitality market, currently managing assets of approximately €1,3 billion as estimated at 31 December 2006. Operating in Central Europe since 1991, Orco is a public limited liability company, based in Luxembourg, and listed on both the Euronext and Prague Stock Exchange. Orco's portfolio includes IPB Real, MaMaison Hotels & Apartments, Orco Real Estate, and other retail properties. Orco operates in a number of countries including, mainly, the Czech Republic, Hungary, Poland, Russia, Croatia, Germany and Slovakia. Orco is continually analyzing investment into new territories. Orco is also sponsor and investment manager of the Endurance Real Estate Fund for Central Europe (the "**Endurance Fund**"), a Luxembourg-regulated, closed-end umbrella mutual fund (*fonds commun de placement*) whose total subscribed capital represents €41.6 million, and which currently manages assets of approx. €60 million. Estimated total value of the Endurance Fund's portfolio after investment of full subscribed capital is ca. €500 million. The Endurance Fund is dedicated to institutional investors and focuses on acquisitions in Central European real estate markets.

### Selected financial data

The selected financial information below was extracted without material adjustments from the audited consolidated financial statements of the Issuer as at and for the year ended December 31, 2005 and from the unaudited condensed consolidated interim financial information for the period ended and June 30, 2006 prepared in accordance with International Financial Reporting Standards ("**IFRS**"), except for the following restatement:

- the financial information as at and for the years ended December 31, 2004 and December 31, 2005 was restated in the condensed consolidated interim financial information for the period ended June 30, 2006 to reflect the derecognition of a deferred tax asset included in the IFRS transition. The impact on the balance sheets as at December 31, 2004 and December 31, 2005 is a decrease in deferred tax asset and shareholders' equity amounting to EUR 2,876,000.

In thousand €	December 31, 2004	December 31, 2005	June 30, 2006 (unaudited)
Revenues	70,670	50,348	33,728
Operating result	30,829	76,888	38,020
Profit before income taxes	27,000	72,337	32,944
Net profit attributable to the Group	18,700	54,523	26,740
Shareholder's equity	103,875	243,197	317,282
Bonds & financial debts	116,824	303,124	523,333
Cash & cash equivalents	15,742	49,089	120,974
Total Assets	306,082	690,575	1,085,103

## D. SUMMARY OF THE MAIN RISK FACTORS

Investors are invited to take into consideration the risks described below before deciding to invest in the Bonds with Warrants, and/or in the Bonds and/or in the Warrants:

- the risks arising from the Bonds, the Warrants and the Shares are described in paragraph 2.2. "*risks associated with the Issue*" and include:
  - the possible modification of the conditions applicable to the Bonds or the Warrants,
  - the possibility to incur additional debt,

- the risks related to the secondary market generally,
- in the event of a substantial fall in the market price of the Shares, the Warrants may lose their value,
- the risk of losing the investment in the Warrants,
- unsecured obligations,
- complex instruments,
- returns on the Shares may be limited to capital appreciation,
- market price of the Shares may prove to be volatile,
- the Shareholders could suffer a total loss in the value of their Shares in the event of the Company's insolvency,
- legal and tax advice,
- present and future indebtedness of the Company relating to the Czech Bond (as defined below) are not included in the Events of Default provisions under section 4.1.8.4 (c), and
- deduction at source; and
- the risks relating to Orco are described in the Registration Document in paragraph 2.2 "Risk factors".

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 Bonds, Shares or Warrants and on this issue of Bonds with Warrants.

## ***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, and  
 Jean-François Ott.

### *Executive Committee*

Chairman & CEO: Jean-François Ott,  
 Senior Vice President (promotion, construction and property management): Steven Davis,  
 Senior Vice President (asset management): Ales Vobruba,  
 Vice President (hotel business): Nicolas Tommasini,  
 Vice President (finance): Arnaud Bricout,  
 Vice President (Global CFO): Luc Leroi,

Members of the executive committee of the Company:  
 CEO Croatia: Dragan Lazukic,  
 Sales Director: Karen Hartley,  
 CFO Czech Republic and Slovakia: Martin Gebauer, and  
 CEO Germany: Rainer Bormann.

### *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 December 31, 2006 is as follows:

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of capital</b>	<b>% of voting rights</b>
Orco Holding	1,058,234	12.61 %	12.61 %
Bernard Gauthier	469,230	5.59 %	5.59 %
Jardenne Corporation S.à.r.l.	351,064	4.18 %	4.18 %
Public	6,511,118	77.61 %	77.61 %
<b>Total</b>	<b>8,389,646</b>	<b>100.0%</b>	<b>100.0%</b>

#### **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.

Executed in Luxembourg, March 22, 2007

Mr Luc Leroi  
Director

Mr Arnaud Bricout  
Director

## FRENCH TRANSLATION OF THE SUMMARY OF THE PROSPECTUS - RESUME DU PROSPECTUS

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. Les investisseurs potentiels devraient lire et toute décision d'investir dans les Obligations à Bons de Souscription d'Actions Remboursables (les « **OBSAR** »), les Obligations et/ou les Bons de Souscription d'Actions Remboursables (les « **BSAR** ») devrait être fondée sur un examen exhaustif de l'ensemble de ce Prospectus et ce y compris la section « Facteurs de Risques » qui décrit certains facteurs de risques qui pourraient affecter le titulaire d'Obligations à Bons de Souscription d'Actions Remboursables, le titulaire d'Obligations et/ou le titulaire de Bons de Souscription d'Actions Remboursables, et qui ne figurent pas dans le présent résumé.

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 de l'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.

### A. ELEMENTS CLES DE L'EMISSION D'OBLIGATIONS A BONS DE SOUSCRIPTION D' ACTIONS REMBOURSABLES (OBSAR) ET CALENDRIER PREVISIONNEL

#### Contexte

La Société utilisera le produit net d'émission d'OBSAR pour les besoins généraux de la Société.

#### Eléments clés l'émission d'Obligation à Bons de Souscription d'Actions Remboursables

Emission	Obligations à taux fixe de 175 000 461,60 € arrivant à échéance en 2014 auxquelles sont attachés 1 793 160 BSAR émises par la Société.
Emetteur	Orco Property Group, <i>société anonyme</i> , ayant son siège social au 48, boulevard Grande-Duchesse Charlotte, L-1330, Luxembourg et immatriculée sous le numéro B.44.996 auprès du Registre du Commerce et des Sociétés de Luxembourg.
Forme juridique	Société anonyme de droit luxembourgeois.
Capital Social	35 496 459,30 € divisé en 8 657 673 actions ordinaires (les "Actions"). Capital social autorisé de 100 000 000 €
Secteur d'activité FTSE	862 – Participation et promotion immobilières
Date d'émission	Les OBSAR seront émises le 28 Mars 2007 (" <b>Date d'émission</b> ")
Maturité des Obligations et des BSAR	Les Obligations et les BSAR arriveront à échéance le 28 Mars 2014 (la « <b>Date d'Echéance</b> »)
Montant nominal de l'Emission	175 000 461,60 €
Prix de Remboursement des Obligations	A moins qu'elles n'aient été remboursées de manière anticipée, ou rachetées et annulées, les Obligations seront remboursées à la Date d'échéance à 117.5% de leur valeur nominale, soit 1 720,08 € par Obligation (le « <b>Prix de Remboursement</b> »)
Forme et Valeur Nominale des Obligations	Les Obligations sont émises au nominatif avec une valeur nominale de 1 463,90 € et ses multiples.
Prix d'Emission des OBSAR	Le prix d'émission des OBSAR (le « <b>Prix d'Emission</b> ») est de 97,1 % de leur valeur nominale (1 421,45 € par Obligation). La Banque (telle que définie ci-dessous à la Section B <i>Placement</i> ) a souscrit aux Obligations ainsi qu'aux BSAR qui leurs sont attachés pour un prix unitaire de 1 421,45 €
Rang de créance des Obligations	Les Obligations constituent des engagements chirographaires directs, non subordonnés et non assortis de sûretés de la Société, venant au même rang entre eux et au même rang que toutes les autres dettes et garanties chirographaires (sous réserve de celles bénéficiant d'une préférence prévue par la loi), présentes ou futures de la Société.

Maintien de l'emprunt à son rang	Les informations sur les Obligations prévoient une clause afin de maintenir l'emprunt à son rang tel que décrit plus en détails à la section 4.1.5.2.
Intérêts	Les intérêts seront payés annuellement à terme échu le 28 Mars de chaque année (chacune de ces dates étant désignées « <b>Date de Paiement d'Intérêts</b> ») et pour la première fois le 28 Mars 2008. Le taux d'intérêt annuel des Obligations sera de 2,5 %. Les intérêts porteront sur la valeur nominale des Obligations.
Défaut Croisé	Les informations sur les Obligations prévoient une clause de défaut croisé en cas de défaut de paiement d'une dette financière de la Société ou de l'une de ses Filiales (tel que défini à la section 4.1.8.4) pour un montant au moins égal à 5 000 000 € ou un montant équivalent dans une ou plusieurs autre(s) devise(s). Exception faite de la dette financière représentée par les Czech Bonds (tel que défini à la section 4.1.8.4).
Autres Cas de Défaut	Les Obligations sont sujettes à certains cas de défaut (tels que définis à la section 4.1.8.4.). Si les Obligations deviennent exigibles à la suite de la survenance d'un Cas de Défaut, les Obligations seront remboursées au maximum de leur Valeur Nominale et du Prix de Remboursement Anticipé (tel que défini ci-dessous), majoré des intérêts courus.
Remboursement Anticipé à l'initiative de la Société	La Société pourra procéder au remboursement anticipé de toutes, et non pour partie, les Obligations restant en circulation au Prix de Remboursement Anticipé majoré des intérêts courus si, préalablement à la date de notification d'un tel remboursement, les Obligations ayant été remboursées, rachetées ou annulées tel que prévu à la section 4.1.8.1.3. représentent au moins 85% en valeur nominale des Obligations initialement émises.
Remboursement anticipé au gré des porteurs d'Obligations	En cas de Changement de Contrôle (tel que défini à la section 4.1.8.1.2.1.) de la Société, chaque Porteur d'Obligations pourra demander à la Société le remboursement de ses Obligations au Prix de Remboursement Anticipé (majoré des intérêts courus).
Prix de Remboursement Anticipé	Le Prix de Remboursement Anticipé de chacune des Obligations d'une valeur nominale de 1 463,90 € sera égal au montant qui, majoré des intérêts courus depuis la dernière Date de Paiement d'Intérêts ou, le cas échéant, la Date d'Emission, et après avoir pris en compte les intérêts versés les années précédentes, assurera aux Porteurs d'Obligations un taux de rendement actuariel brut (calculé sur une base annuelle) de 7,383% par an (le « <b>Prix de Remboursement Anticipé</b> »).
Agent des Obligations, Agent Payeur	L'Emetteur a désigné The Bank of New York, Succursale de Bruxelles, siège de la Succursale: Avenue des Arts 35 Kunstlaan, B-1040 Brussels, Belgium, immatriculée au <i>Registre de Commerce</i> sous le numéro 0456.333.827 (« <b>Bank of New York</b> »), comme agent initial des Obligations (l'« <b>Agent des Obligations</b> »), comme agent en charge du service financier des Obligations (l'« <b>Agent Payeur</b> »).
Forme des BSAR	Les BSAR revêtissent la forme nominative.
Parité d'Exercice	Chaque BSAR donne initialement droit au porteur de BSAR de souscrire une action nouvelle ou d'acquérir une action existante (la « <b>Parité d'Exercice</b> ») au Prix d'Exercice (tel que défini ci-dessous) en vigueur. La Parité d'Exercice pourra être ajustée conformément aux dispositions du paragraphe 4.2.2.4. de la note d'opération.
Prix d'Exercice des BSAR	146,39 € payable en espèces (le « <b>Prix d'Exercice</b> »). Toutefois, pour chaque exercice de 10 BSAR, les porteurs de BSAR (les « <b>Porteurs de BSAR</b> ») pourront libérer le montant de leur souscription de 1 463,90 € (10 x 146,39 €) par remise à la Société d'une Obligation de valeur nominale de 1 463,90 € rendue liquide et exigible à cet effet au prix de 1 463,90 €
Période d'exercice	Les BSAR pourront être exercés à tout moment à compter du 28 Mars 2007 incluse jusqu'à la Date d'Echéance.
Libre cessibilité des BSAR	Les BSAR pourront être échangés dès leur émission.
Nombre des BSAR	15 BSAR sont initialement attachés à chaque Obligation.

Maturité des BSAR	7 ans à partir du 28 Mars 2007.
Remboursement anticipé des BSAR au gré de la société	<p>Sur notification (qui sera irrévocable) aux porteurs de BSAR, l'Émetteur pourra, à tout moment à compter (et ce y compris) du 28 Mars 2012 jusqu'au terme de la Période d'Exercice, procéder au remboursement anticipé de l'ensemble des BSAR restant en circulation au prix unitaire de 0,01 € à condition que la Parité Ajustée (tel que défini comme la « Parity Value » à la section 4.2.1.11.2.1.) au cours d'au moins vingt Jours de Bourse prises au cours d'une période de 30 Jours de Bourse consécutifs et se terminant au plus tôt le 14<sup>ème</sup> Jour de Bourse précédant la date à laquelle la notification de remboursement a été communiquée aux Porteurs de BSAR excède 190,31 €.</p> <p>La "<b>Bourse Applicable</b>" signifie relativement aux Actions : le marché Eurolist d'Euronext Paris S.A. 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 S.A., et relativement aux Obligations et aux BSAR : le marché Eurolist d'Euronext Bruxelles ou le marché le plus liquide sur lequel les Obligations et/ou les BSAR sont cotés et admis aux négociations si pour une raison quelconque les Obligations et/ou BSAR ne sont plus cotés et admis aux négociations sur le marché Eurolist d'Euronext Bruxelles.</p> <p>Un "<b>Jour de Bourse</b>" est un jour (autre qu'un samedi ou un dimanche) où la Bourse Applicable ou les marchés financiers sont ouverts (autre qu'un jour où les cotations cessent avant l'heure habituelle) et où Euroclear France, Clearstream Banking, <i>société anonyme</i> (« <b>Clearstream, Luxembourg</b> » ou « <b>Clearstream</b> ») et Euroclear Bank S.A./N.V. fonctionnent.</p>
Date de jouissance des actions issues de l'exercice des BSAR (en ce qui concerne le droit aux dividendes)	Premier jour de l'exercice social au cours duquel la demande d'exercice des BSAR et le paiement du Prix d'exercice ont eu lieu.
Agent des BSAR	L'Émetteur a désigné Bank of New York comme agent initial des BSAR en charge initialement du service des titres des BSAR (l'« <b>Agent des BSAR</b> »).
Agent distributeur	L'Émetteur a désigné Natixis, <i>société anonyme</i> au capital social de 1 948 292 400 euros, siège social 45 rue Saint Dominique – 75007 Paris, immatriculée au <i>Registre du Commerce et des Sociétés</i> de Paris sous le numéro 542 044 524 (« <b>Natixis</b> »), comme agent initial en charge de la distribution des actions remises sur exercice de BSAR (l'« <b>Agent de Distribution</b> »).
Lock-up	La Société s'est engagée (cet engagement est sujet à certaines exceptions) pour une période de 90 jours à partir du 28 Mars 2007 (inclus) à ne pas émettre ou vendre d'actions ou titres convertibles ou exerçables, ou échangeables, en actions sans l'accord écrit préalable de la Banque (telle que définie ci-dessous). La Société a annoncé le 8 Février 2007 qu'elle étudiait une possible augmentation de capital et la cotation sur les marchés de Varsovie et/ou de Budapest, la Banque a d'ores et déjà autorisé, sous certaines conditions, la Société à émettre des actions à cette occasion.
Admission aux négociations des Obligations et des BSAR	Les Obligations et les BSAR ont fait l'objet d'une demande d'admission aux négociations sur un marché réglementé de la Bourse Applicable.
Code ISIN et Mnemonic des actions	LU0122624777 – ORC
Code ISIN et code commun des Obligations	XS0291838992 – 029183899
Code ISIN et code commun des BSAR	XS0290764728 – 029076472

Code ISIN et code commun des Obligations Avec BSAR (tel que défini sous le terme « Bond Cum Warrant » en section 6.1)	XS0291840626 – 029184062
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## **B. CONDITIONS D'EMISSION DES OBSAR**

### *Restrictions*

Il n'y a pas de restriction imposée à la libre négociabilité des Obligations.

Il n'y a pas de restriction imposée à la libre négociabilité des BSAR. Toutefois selon les contrats d'acquisitions des BSAR conclus entre MaMaison Résidences S.A., société anonyme, soumise à la législation luxembourgeoise, ayant son siège social au 48, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg et immatriculée au Registre du Commerce et des Sociétés luxembourgeoise sous le numéro B.90.678, une filiale d'Orco Property Group (la "**Filiale**") et les Acquéreurs de BSAR tels que décrits ci-dessous, 298 860 BSAR ne pourront ni être cédés ni exercés du 10 Avril 2007 jusqu'au 28 Septembre 2007 (les « **BSAR soumis aux Restrictions A** ») et 597 720 BSAR ne pourront être ni cédés ni exercés du 10 Avril 2007 jusqu'au 28 Mars 2009 (les « **BSAR soumis aux Restrictions B** »). (Les « **BSAR soumis aux Restrictions A** » et les « **BSAR soumis aux Restrictions B** » étant collectivement désignés par « **les BSAR soumis aux Restrictions** » et les BSAR n'étant soumis à aucune restriction étant définis par les « **BSAR soumis à aucune Restriction** », et les périodes allant du 10 Avril 2007 jusqu'au 28 Mars 2009 et du 10 Avril 2007 jusqu'au 28 Septembre 2007 sont désignées individuellement comme une « **Période de Restriction** » et collectivement par les (« **Périodes de Restrictions** »).

Les BSAR soumis aux Restrictions ne peuvent être exercés, vendus ou cédés par leurs acquéreurs de quelque manière que ce soit pendant la Période de Restriction à laquelle ils sont respectivement soumis. Les acquéreurs de BSAR soumis aux Restrictions se sont engagés conformément aux contrats d'acquisition des BSAR (tels que définis ci-dessous) auxquels ils sont respectivement partis, de s'abstenir d'exercer, de vendre ou autrement de céder les BSAR soumis aux Restrictions pendant la Période de Restriction à laquelle ces BSAR sont soumis. Les BSAR soumis aux Restrictions pourront toutefois être cédés ou exercés pendant les Périodes de Restrictions en cas de décès d'un titulaire de BSAR ou en cas d'offre publique portant sur les actions d'Orco.

Dans le cas où un Cadre Bénéficiaire (tel que défini ci-dessous) qui a acquis les BSAR auprès de la Filiale cesserait d'être lié par un contrat de travail ou un mandat social à une société du Groupe de l'Emetteur (tel que définie ci-dessous) pendant les Périodes de Restrictions à la suite de la survenance de tout événement autre qu'un décès, une invalidité ou la sortie du périmètre de consolidation du Groupe Emetteur de la société à laquelle il est lié par un contrat de travail ou un mandat social, la Filiale a, et le Cadre Bénéficiaire accorde irrévocablement à la Filiale, le droit et l'option inconditionnelle, de racheter tous les BSAR détenus par le Cadre Bénéficiaire au prix unitaire de 14,79 €par BSAR soumis aux Restrictions A, 10,80 €par BSAR soumis aux Restrictions B et 17,81 €par BSAR soumis à aucune Restriction.

Chaque Cadre Bénéficiaire s'engage irrévocablement, suite à la survenance des événements décrits ci-dessus, à céder tous les BSAR qu'il détient à la Filiale au prix de 14,79 €par BSAR soumis aux Restrictions A, au prix de 10,80 €par BSAR soumis aux Restrictions B et au prix de 17,81 €par BSAR soumis à aucune Restriction, à signer et remettre à la Filiale et à l'Agent des BSAR tout ordre de transfert et tout autre document nécessaire à la transaction et s'engage à prendre toutes les mesures nécessaires pour valider le transfert de propriété des BSAR soumis aux Restrictions à la Filiale.

Ce rachat de BSAR par la Filiale interviendrait dans les 10 Jours Ouvrés suivant la date de rupture du contrat de travail entre le Cadre Bénéficiaire concerné et la filiale du Groupe Emetteur à laquelle il est lié par un contrat de travail ou, selon le cas, dans les 10 Jours Ouvrés suivant la cessation du mandat social du Cadre Bénéficiaire concerné.

« **Groupe Emetteur** » signifie Orco et toute société contrôlée par Orco au sens de l'IAS 27 tel que défini par le Règlement CE n° 2238/2004 de la Commission des Communautés Européennes.

Un « **Jour Ouvré** » désignera tout jour (à l'exception du samedi et du dimanche) durant lequel les banques sont ouvertes au Luxembourg et où le Système européen de transfert express automatisé de règlements bruts en temps réel ("**TARGET**"), ou tout système qui lui succéderait, fonctionne.

## Placement

Les OBSAR sont souscrites exclusivement par Lehman Brothers International (Europe), société soumise à la législation anglaise, enregistrée sous le numéro 3950078 et située au 25 Bank Street, London 314 5LE (le « **Souscripteur** » ou la « **Banque** ») qui s'est engagée de manière irrévocable à l'égard de la Société, conformément au contrat d'engagement de souscription conclu entre la Banque et la Société le 7 Mars 2007 (le « **Contrat de Souscription** »), à souscrire la totalité des OBSAR. L'émission d'OBSAR est réalisée sans maintien du droit préférentiel de souscription des actionnaires existants (les « **Actionnaires** »), cette faculté ayant été supprimée dans le cadre de cette Emission (tel que décrit à la section 4.1.11.1). La Banque ne souhaitant pas conserver la totalité des BSAR attachés aux OBSAR ainsi souscrites, a assujéti son engagement de souscription des OBSAR au rachat par la Filiale de 1 793 160 BSAR attachés aux OBSAR ainsi souscrites à la Date d'Emission.

La Banque vendra 1 195 440 des BSAR attachés aux OBSAR ainsi souscrites à un prix moyen de 13,55 €par BSAR à la Filiale, avec l'engagement de la Société envers la Banque de se substituer à sa Filiale en cas de défaut de la Filiale dans le cadre de la réalisation de ses obligations relatives à l'acquisition des BSAR vis-à-vis de la Banque.

La Filiale offrira ensuite à moins de 100 cadres (les « **Cadres Bénéficiaires** ») liés par un contrat de travail ou un mandat social à une société du Groupe Emetteur et à des partenaires du Groupe Emetteur (les « **Partenaires Bénéficiaires** »), 298 860 BSAR soumis à aucune Restriction à un prix unitaire de 17,81 €par BSAR, 298 860 BSAR soumis aux Restrictions A à un prix unitaire de 14,79 € par BSAR, et 597 720 BSAR soumis aux Restrictions B à un prix unitaire de 10,80 €par BSAR.

Les contrats d'acquisition des BSAR (les « **Contrats d'Acquisition des BSAR** ») conclus entre la Filiale et chacun des Cadres Bénéficiaires et Partenaires Bénéficiaires qui se sont engagés à acquérir les BSAR cédés par la Filiale (les Cadres Bénéficiaires et les Partenaires Bénéficiaires étant collectivement désignés les « **Acquéreurs de BSAR** ») décrivent les restrictions applicables à 896 580 de ces BSAR.

Les Acquéreurs de BSAR s'engageront :

- à ne pas vendre, céder ou transférer des BSAR soumis aux Restrictions, étant entendu que les Acquéreurs de BSAR sont autorisés à mettre en gage tout ou partie de leurs BSAR afin de garantir tout emprunt accordé dans le cadre du financement de leurs BSAR. Pour la mise en œuvre de ces gages, les transferts de BSAR vers les constituants du gage sont autorisés.
- à maintenir les BSAR soumis aux Restrictions inscrits en compte nominatif et,
- à ne pas exercer les BSAR soumis aux Restrictions,

pendant la Période de Restriction applicable à chacun de ces BSAR.

Les BSAR, acquis par la Filiale au moment de l'émission auprès de la Banque et proposés aux Cadres Bénéficiaires et aux Partenaires Bénéficiaires, qui n'auraient pas été acquis par les Cadres Bénéficiaires et /ou les Partenaires Bénéficiaires seront rachetés soit (i) par Orco Holding S.A, société anonyme soumise à la législation luxembourgeoise, ayant son siège social au 48, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg et immatriculée au Registre du Commerce et des Sociétés luxembourgeoise sous le numéro B.46.918 (« **Orco Holding** »), à un prix unitaire de 17,81 €par BSAR soumis à aucune Restriction, à un prix unitaire de 14,79 €par BSAR soumis aux Restrictions A, ou à un prix unitaire de 10,80 €par BSAR soumis aux Restrictions B, ou (ii) par la Société aux mêmes prix respectifs (que ceux indiqués au (i)) et seront annulés immédiatement après leur acquisition par la Société.

## Dilution

Le tableau présenté ci-dessous résume les incidences de l'exercice des BSAR sur la participation d'un actionnaire détenant 1% du capital de la Société préalablement à l'Emission, 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 BSAR lors de l'exercice des BSAR seraient exclusivement des actions nouvelles :

	Participation de l'actionnaire
Avant l'émission des OBSAR	1,00 %
Après exercice de 1 793 160 BSAR	0,83 %



## C. INFORMATION DE BASE CONCERNANT ORCO ET SES DONNES FINANCIARES

### Information de base

Orco est un des leaders de l'investissement, de la promotion et de la gestion d'actifs immobiliers et hôteliers en Europe Centrale. L'encours du portefeuille sous gestion était estimé à près d'1,3 milliard d'euros au 31 Décembre 2006. Présent en Europe Centrale depuis 1991, Orco est une société de droit luxembourgeois cotée concomitamment sur Euronext et sur la Bourse de Prague. Le portefeuille d'actifs d'Orco comprend : IPB Real, MaMaison Hotels & Apartments, Orco Real Estate et divers biens d'immobilier. Orco intervient dans de nombreux pays dont notamment la République Tchèque, la Hongrie, la Pologne, la Russie, la Croatie, l'Allemagne et la Slovaquie. Orco est en permanence à l'étude de nouveaux investissements dans de nouveaux territoires. Orco est également le sponsor et le gérant du Endurance Real Estate Fund (l' « **Endurance Fund** »), un fonds commun de placement de droit luxembourgeois dont les fonds levés s'élèvent à 141,6 millions d'euros, et dont les actifs sous gestion sont d'approximativement 160 millions d'euros. La valeur totale estimée du portefeuille de l'Endurance Fund après l'investissement total des fonds levés devrait être de 500 millions d'euros. L'Endurance Fund est réservé aux Institutionnels et concentre son activité sur des acquisitions en Europe Centrale.

### Informations financières sélectionnées

Les informations financières sélectionnées ci-dessous sont extraites, sans ajustements significatifs, des états financiers consolidés audités de la Société au et pour l'exercice clos le 31 Décembre 2005 et des informations financières consolidées intermédiaires condensées non auditées pour la période se terminant au 30 Juin 2006, conformément aux Normes Internationales d'Information Financière (« **IFRS** »), exception faite du retraitement suivant :

- l'information financière au et pour les exercices clos le 31 Décembre 2004 et le 31 Décembre 2005 a été retraitée dans les informations financières intermédiaires condensées pour la période se terminant au 30 Juin 2006 afin de refléter la décomptabilisation d'un impôt différé actif reconnu lors de la transition aux normes IFRS. L'impact sur le bilan au 31 Décembre 2004 et au 31 Décembre 2005 est une réduction de l'impôt différé actif et des capitaux propres pour un montant de 2 876 000 €

En milliers d'euros	31/12/2004	31/12/2005	30/06/2006 (non audité)
Chiffre d'affaires	70,670	50,348	33,728
Résultat d'exploitation	30,829	76,888	38,020
Résultat avant impôts	27,000	72,337	32,944
Résultat attribuable aux actionnaires	18,700	54,523	26,740
Capitaux Propres attribuables aux actionnaires du Groupe	103,875	243,197	317,282
Obligations et dettes financières	116,824	303,124	523,333
Trésorerie et équivalents de trésorerie	15,742	49,089	120,974
Total actif	306,082	690,575	1,085,103

## D. RESUME DES PRINCIPAUX FACTEURS DE RISQUE

Les investisseurs sont invités à prendre en considération les risques ci-dessous avant de prendre leur décision d'investissement en OBSAR et/ou en Obligations et/ou en BSAR :

Les risques liés aux Obligations et aux BSAR sont détaillés au paragraphe 2.2 "risques liés à l'Emission " notamment :

- la possible modification des modalités des Obligations et des BSAR,
- la possibilité de contracter des dettes additionnelles,
- globalement, les risques liés au marché secondaire,
- dans le cas d'une chute substantielle du prix de marché des Actions, les BSAR pourraient perdre toute valeur,
- le risqué de perte de l'investissement en BSAR,
- Obligations sans garantie,
- instruments financiers complexes,
- le rendement des Actions pourrait se limiter à l'appréciation de leur valeur de marché,

- le prix de marché des Actions pourrait être sujet à volatilité,
- les Actionnaires de la Société pourraient subir la perte totale de la valeur des Actions dans le cas de l'insolvabilité de la Société,
- conseils juridiques et fiscaux,
- les dettes financiers existantes et futures constituées par les Obligations Tchèques (tel que défini ci-dessous sous le terme « **Czech Bond** ») ne sont pas incluses dans les Cas de Défaut décrits à la section 4.1.8.4. (c), et
- retenue à la source;

Les risques liés à Orco décrits au paragraphe 2.2 "Facteurs de Risque" dans le Document de Référence. 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 Obligations, des Actions ou des BSAR d'Orco et sur la présente émission d'OBSAR.

## ***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

### *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, et
- Directeur Allemagne : Rainer Bormann.

### *Commissaires aux comptes titulaires*

- HRT Révision S.à 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 Preud'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 31 Décembre 2006 et à la connaissance de la société la répartition du capital était la suivante:

<b>Actionnaires</b>	<b>Nombre d'Actions</b>	<b>Pourcentage du Capital</b>	<b>Pourcentage des Droits de Vote</b>
Orco Holding	1,058,234	12.61 %	12.61 %
Bernard Gauthier	469,230	5.59 %	5.59 %
Jardenne Corporation S.à.r.l.	351,064	4.18 %	4.18 %
Public	6,511,118	77.61 %	77.61 %
<b>Total</b>	<b>8,389,646</b>	<b>100.0%</b>	<b>100.0%</b>

## **G. PERSONNES RESPONSABLES DU RESUME DU PROSPECTUS**

### *Personnes responsables du Résumé du Prospectus*

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

### *Déclaration des personnes responsables du Résumé du Prospectus*

J'atteste, après avoir pris toute mesure raisonnable à cet effet, que les informations continues dans ce Résumé du Prospectus sont, à ma connaissance, conformes à la réalité.

à Luxembourg, le 22 Mars 2007

Mr Luc Leroi  
Directeur

Mr 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.

Executed in Luxembourg, March 22, 2007

Mr Luc Leroi  
Director

Mr Arnaud Bricout  
Director

#### *1.3 Persons responsible for the financial information*

Mr. Arnaud Bricout  
Mr. Luc Leroi  
Mr. Bruno Fritsch  
Orco Property Group  
48, boulevard Grande-Duchesse Charlotte  
L-1330 Luxembourg  
Tel: +352 26 47 67 47  
Fax: +352 26 47 67 67  
Emails: [abricout@orcogroup.com](mailto:abricout@orcogroup.com)  
[lleroi@orcogroup.com](mailto:lleroi@orcogroup.com)  
[bfritsch@orcogroup.com](mailto:bfritsch@orcogroup.com)

## **2. RISK FACTORS**

*Before making any investment decision, prospective investors 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 prospective investors are required to reach their own views prior to making any investment 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 Modification*

The terms and conditions of the Bonds and the Warrants contain provisions for calling meetings of the holders of the Bonds (the “**Bondholders**”) and the holders of the Warrants (the “**Warrantholders**”) to consider matters affecting their interest. These provisions permit defined majorities to bind all Bondholders and Warrantholders including Bondholders and Warrantholders who did not attend and vote at the relevant meeting and Bondholders or Warrantholders who voted in a manner contrary to the majority.

#### *2.2.2 Possibility to incur additional debt*

There are no restrictions concerning the amount of debt that the Issuer can issue or guarantee (and for the avoidance of doubt no tax restrictions). The Issuer and its subsidiaries and affiliated companies may issue other loans or grant guarantees relating to third party debts.

#### *2.2.3 Risks related to the secondary market generally*

Although application has been made to admit the Bonds and the Warrants to trading on the Relevant Stock Exchange and the Bonds and the Warrants have been accepted for clearing and settlement by Euroclear Bank and Clearstream, Bonds and Warrants have no established trading market when issued, and one may never develop.

If a market does develop for the Bonds and the Warrants, it may not be very liquid. Therefore, investors may not be able to sell their Bonds and their Warrants 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 Bonds and the Warrants.

If the Warrants are admitted to trading and a market develops for the Warrants it could be subject to a higher degree of volatility than the Shares.

#### *2.2.4 In the event of a substantial fall in the market price of the Shares, the Warrants may lose their value*

The market price of the Warrants 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 Warrants.

#### *2.2.5 Risk of losing the investment in the Warrants*

The Warrantholders who do not exercise their rights before the expiry of the Exercise Period shall lose their investment in the Warrants.

In addition if the price of the Shares on the Relevant Stock Exchange exceeds 190.31€ the Issuer may decide from March 28, 2012 to redeem all or part of the Warrants in circulation at the unit price of €0.01 unless their holders exercise them in accordance with the terms of this Securities Note.

#### *2.2.6 Unsecured obligations*

The Bonds will be direct, unconditional, unsubordinated and unsecured indebtedness of the Issuer.

#### *2.2.7 Complex instruments*

The Bonds, the Warrants and the 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 potential investor should not invest in the Bonds, the Warrants and/or the Shares unless it

has the expertise (either alone or with the help of a financial adviser) to evaluate how they will perform under changing conditions, resulting effects on the value of such Bonds, Warrants and/or Shares and the impact this investment will have on the potential investor's overall investment portfolios.

An investor in the Bonds and/or the Warrants will not be a Shareholder. No Bondholder or Warrantholder 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 Warrant and becomes the holder of Shares.

#### *2.2.7 Returns on the Shares may be limited to capital appreciation.*

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 (the “**Board of Directors**”). If the Board of Directors decides not to declare and pay dividends, then returns on investments in the 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.

#### *2.2.8 The market price of the Shares could prove to be volatile.*

The market price of the Shares depends to a large extent on the value of the Company's real estate portfolio. After the Issue, the price of the 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 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 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 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.

#### *2.2.9 The Shareholders could suffer a total loss in the value of their Shares 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 Shares would suffer a partial or complete loss of their investment.

#### *2.2.10 Legal and tax advice*

Potential investors are invited to consult their own advisors regarding the legal, tax, accounting and related aspects of investing in the Bonds with Warrants, the Bonds, the Warrants and the Shares.

#### *2.2.11 Deduction at source*

Under the laws of Luxembourg in force at the date of issue of the Bonds with Warrants, payments of principal and interest in respect of the Bonds with Warrants, the Bonds and the Warrants will not be subject to any withholding of or deduction for taxation at source in Luxembourg, with the possible exception of payments made to Luxembourg individuals and to individuals or residual entities in the meaning of the Savings Directive, resident or established in a EU Member State (other than Luxembourg) or in certain EU dependent territories. Dividends with respect to the 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 Bonds with Warrants, the Bonds, the Warrants and the 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. In such event, the Company will not, save in circumstances provided in sections 4.1.14 and 4.2.1.15, be required to pay additional amounts to cover the amounts so deducted.

#### *2.2.12 Czech Bond technical default*

Present and future indebtedness of the Company in relation to the Czech Bonds (as defined in section 4.1.8.4(c)) is not included in the Events of Default provisions under section 4.1.8.4(c). According to the prospectus in

relation to the Czech Bonds, which was approved on 26 January 2006 by the Securities Commission of the Czech Republic (the "**Czech Bond Prospectus**") there were 2 Czech Rating Agencies (the "**CRA**") ratings outstanding at the date of issue of the Czech Bonds, "czP-2" for the long term international CRA rating and "czA-" for the long term local CRA rating. Furthermore the Czech Bond Prospectus states that if CRA withdraws the above-mentioned ratings, Orco shall ask a well-known rating agency in the Czech Republic to issue a rating within 6 months. If CRA or any other rating agency issues a long-term international CRA rating below "investment grade i.e. Baa-" or a long term local CRA rating below "investment grade i.e. czBaa-", any investor in the Czech Bonds may call for the reimbursement of its bonds. The reimbursement would then be due on the last business day of the month following the month of the reimbursement request. On Orco's initiative, Moody's International has issued two ratings: "B2" and "Baa3cz". Since its complete integration within Moody's, CRA cannot issue international ratings any more, but merely local ratings. However, the scale established by CRA in the Czech Bond Prospectus, setting the minimum threshold to "investment grade" for international rating does not fit with the Moody's "investment grade" level. Hence, there is a comparability technical default in relation to the Czech Bonds.

### **3. BASIC INFORMATION**

#### *3.1 Interest of persons involved in the Issue*

The Bonds with Warrants are exclusively subscribed by the Subscriber and the principal Shareholders shall not take part therein. The Beneficiary Managers and the Beneficiary Partners shall have the option to acquire some of the Warrants which have been detached from the Bonds with Warrants initially subscribed by the Subscriber, to which the Shareholders have waived their preferential subscription right and subsequently sold by the Subscriber to the Subsidiary.

Out of a total of 1,793,160 Warrants offered to the Beneficiary Managers and the Beneficiary Partners, 996,177 Warrants shall be offered to four of the Company's corporate officers, including Mr Jean-François Ott, who holds 12.61% of the Shares through Orco Holding and who will buy those Warrants through Orco Holding, and 59,772 Warrants shall be offered to an investment subsidiary of Central Europe Offering.

#### *3.2 Use of proceeds*

##### *3.2.1 Issuance Proceeds*

The proceeds of the Issue will amount to €169,925,818.80 (one hundred and sixty nine million nine hundred and twenty five thousand eight hundred and eighteen euros and eighty cents). The net issuance proceeds, after deduction from the proceeds of the Issue of approximately €5,800,000 corresponding to the fees due to advisors and the financial intermediaries and to the sundry publishing and administrative costs, shall amount to approximately €164,125,818.60 (the “**Net Issuance Proceeds**”).

##### *3.2.2 Use of the Net Issuance Proceeds*

The Company intends to use the net proceeds for general corporate purposes.



## 4. INFORMATION CONCERNING THE BONDS WITH WARRANTS ISSUE

### 4.1 TERMS AND CONDITIONS OF THE BONDS

#### 4.1.1 Nature and category of the bonds to be admitted to trading

The Bonds are securities for which an application has been made for admission to trading on the Eurolist Market by Euronext Brussels. The Bonds are issued on the Issue Date with the Warrants attached thereto. The Warrants will be detached from the Bonds immediately after the issue of the Bonds with Warrants. The Bonds shall be listed separately from and simultaneously to the Warrants. Their anticipated listing date is April 10, 2007 under ISIN code: XS0291838992 and common code: 029183899.

There are no plans to obtain a listing on another market.

#### 4.1.2 Governing law and jurisdiction

The terms and conditions of the Bonds (the “**Bonds Conditions**”) are governed by Luxembourg law. The competent courts in the event of disputes shall be those of the registered office of the Company 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 registration of the Bonds under an account

The Bonds are issued in registered form only and may, under no circumstances, be converted into Bonds in bearer form. The Bonds, which are to be held in book-entry form through Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) or Clearstream, Luxembourg, are initially represented by a global certificate (the “**Global Certificate**”) 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 the Company (the “**Register**”) at its registered office in accordance with article 84 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the “**Companies Act 1915**”).

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 Bonds and that buyers receive corresponding Bonds when making payment into the systems, which eliminates the need for physical delivery of Bonds. Non-participants of such system may transfer Bonds in book-entry form through an account held either directly or through one or more participants or sub-participants of Euroclear or Clearstream, Luxembourg, respectively.

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

Bondholders may also hold their Bonds directly, in which case they will be registered in the Register.

Ownership in respect of the Bonds is established exclusively by the registration (*inscription*) in the Register by the Bondholders kept by the Company at its registered office. Certificates (the “**Certificates**”) representing the Bonds may be issued but are not proof of ownership. Title to the Bonds shall pass by registration in the 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 Register as holder of the Bonds as the absolute owner of the Bonds for all purposes and no person will be liable for so treating such holder.

The settlement delivery transactions in relation to the Bonds shall be handled in the Euroclear or Clearstream, Luxembourg systems, under ISIN code: XS0291838992 and common code: 029183899.

#### 4.1.4 Issue currency, Denomination and Issue Price

##### 4.1.4.1 Issue currency

The Bonds are issued in euro.

##### 4.1.4.2 Denomination

Each Bond is issued with a denomination of €1,463.90 and multiples thereof.

##### 4.1.4.2 Issue Price

The issue price of the Bonds with Warrants (the “**Issue Price**”) is 97.10% of their principal amount (€1,421.45 per Bond).

#### 4.1.5 Status and Negative Pledge

The service of the Bonds in interest, redemption, taxes, fees and ancillary expenses is not covered by any specific form of guarantee.

#### 4.1.5.1 Status

The Bonds constitute unsecured and unsubordinated obligations of the Company. The Bonds are direct and unconditional obligations of the Company and will not be the obligations of, or be guaranteed by, any other person or entity. The Bonds rank *pari passu* without any preference among themselves for all purposes, with all other existing and future unsecured, unsubordinated and unconditional obligations of the Company but, in the event of insolvency (including bankruptcy and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights.

#### 4.1.5.2 Negative pledge

Until the actual redemption of all the Bonds, the Company undertakes not to grant any mortgage (*hypothèque*) over the real property assets and rights it may or may come to possess, nor any pledge over all or part of the assets or revenues it may or may come to possess, in each case for the benefit of holders of other bonds issued by the Company without granting similar security to the Bondholders and ensuring that the Bonds rank similarly. This undertaking is given exclusively in relation to bond indebtedness and does not affect in any way the right of the Company to dispose of its assets or to grant any security in respect of such assets in any other circumstances.

#### 4.1.5.3 Further bonds issues

The Company may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds, and so that the same shall be consolidated and form a single series with such Bonds, and references in these Conditions to Bonds shall be construed accordingly. A notice to the Bondholders reflecting such issue shall be published in a Luxembourg newspaper with wide distribution. In such a case, a prospectus relating to the further issue will have to be approved by the CSSF and published in accordance with article 16 of the Prospectus Act 2005.

#### 4.1.6 Rights attached to the Bonds and limitations of those rights

The Bonds shall bear interest from and including the Issue Date, payable on a yearly basis in arrears in accordance with the provisions of Section 4.1.7 "*Nominal interest rate and provisions relating to interest payment*" and are redeemable on March 28, 2014 at the Accreted Principal Amount in accordance with the provisions of Section 4.1.8.1.1 "*Normal Redemption*".

#### 4.1.7 Nominal interest rate and provisions relating to interest payment

##### 4.1.7.1 Interest Payment Dates

The Bonds bear interest from the Issue Date payable annually in arrear on March 28, in each year (each an "**Interest Payment Date**"). Interest will accrue on the principal amount of the Bonds. The first Interest Payment Date will be March 28, 2008. Interest will be paid at the rate of 2.50 per cent. (the "**Interest Rate**") per annum in respect of all periods ending on or prior to March 28, 2014.

If interest is required to be calculated for a period of less than one year, it shall be calculated on the basis of the number of days in the relevant period from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by the number of days from (and including) the previous Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

##### 4.1.7.2 Interest Payments

(i) Interest shall cease to accrue on each Bond from the date set for its normal or early redemption unless the principal sum is not paid. In case principal is not paid on due date therefore, the Bonds shall continue to bear interest at the Interest Rate from and including the last Interest Payment Date until the date on which such principal is paid.

(ii) The Paying Agent shall calculate the amount of interest payable in respect of each Bond for the respective Interest Period (the "**Interest Amount**") and shall notify this amount as well as the Interest Payment Date to the Company and to the Relevant Stock Exchange no later than the first day of the respective Interest Period. All notifications, announcements, stipulations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this paragraph by the Paying Agent will (in the absence of gross negligence or wilful misconduct) be binding on the Issuer and the Bondholders and (in the absence of gross negligence or wilful misconduct) no liability shall be borne by the Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this paragraph.

(iii) If an Interest Payment Date falls on a date which is not a Business Day it shall be deferred to the next Business Day unless this falls on the following month in which case it shall be brought forward to the immediately preceding Business Day (the "**Business Day Agreement**").

Claims against the Issuer in respect of interest shall be prescribed and become void, unless made within a period of 5 (five) years from the due date for payment thereof.

#### 4.1.8 Maturity date and terms of redemption of the Bonds

##### 4.1.8.1 Redemption and repurchase of the Bonds

###### 4.1.8.1.1 Redemption of the Bonds at maturity

Unless previously redeemed, repurchased or cancelled, the Bonds will be redeemed in full on March 28, 2014 (or the next Business Day thereafter if this date is not a Business Day) at the Redemption Amount, that is 117.50 per cent. of their principal amount, €1,720.08 per Bond.

Claims against the Issuer in respect of principal of the Bonds shall be prescribed and become void, unless made within a period of 10 (ten) years from the due date for payment thereof.

###### 4.1.8.1.2 Early redemption of the Bonds by prepayment

###### 4.1.8.1.2.1 Early Redemption at the option of Bondholders

Following the occurrence of a Change of Control, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date (as defined below) at Accreted Principal Amount together with accrued interest. To exercise such right, a Bondholder must deliver a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of the Paying Agent (a “**Change of Control Put Exercise Notice**”) by not later than 60 days following a Change of Control triggering event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Paying Agent at the specified office of the Paying Agent. The “**Change of Control Put Date**” in respect of any such Bond shall be the fourteenth day after the delivery of such Bond with the Change of Control Put Exercise Notice as provided above. A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem each Bond subject of a Change of Control Put Exercise Notice delivered as aforesaid on the Change of Control Put Date in respect of each such Bond. Payment in respect of any such Bond shall be made by transfer to a euro denominated account maintained with a bank in a city in which banks have access to the TARGET System in accordance with instructions given by the relevant holder in the relevant Change of Control Put Exercise Notice. The Issuer shall give notice to Bondholders by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 4.1.8.1.2.1.

For the purpose of this Condition 4.1.8.1.2.1:

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.

###### 4.1.8.1.2.2 Early redemption at the option of the Bondholders exercising the Warrants and prepayment of the Bonds by way of setoff against the amount due by them to the Company as a result of the Shares subscription by exercise of the Warrants

For every 10 Warrants exercised (see Section 4.2.1.7.1 “*Exercise Price of the Warrants and number of Shares received as a result of the exercise of the Warrants*”), Bondholders may pay for the subscription of their Shares of €1,463.90 (10 x €146.39) by the sale to the Company 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.

#### 4.1.8.1.3 Early Redemption at the option of the Issuer

On giving not less than 30 nor more than 60 days' notice to Bondholders (which notice shall be irrevocable), the Issuer may redeem the Bonds in whole, but not in part at any time at their Accreted Principal Amount (together with interest accrued but unpaid to the date fixed for redemption) if, prior to the date on which the relevant notice of redemption is given to Bondholders, Bonds representing 85 per cent. or more in principal amount of the Bonds originally issued shall have been redeemed pursuant to sections 4.1.8.1.2.1 or 4.1.8.1.2.2 or 4.1.8.1.4.

#### 4.1.8.1.4 Repurchase or public offers by the Issuer

The Company may decide to repurchase the Bonds at any time before maturity, without any limitation on price or quantity, either by repurchasing them on the Relevant Stock Exchange or relevant stock exchange on which the Bonds are listed or off-exchange, or by repurchase or exchange public offers.

Any such transaction shall not affect the due date for redemption of any Bonds still outstanding.

#### 4.1.8.2 Notification relating to early redemption, redemption or repurchase at maturity of the Bonds

Information relating to the number of Bonds cancelled or repurchased and to the number of Bonds still outstanding will be provided yearly to Euronext Brussels for public information and may be obtained on request from the Company or from the Paying Agent.

The Company's decision to redeem all Bonds early shall be published in advance at least one month before the redemption date (the "**Early Redemption Date**") in a financial announcement published in a national Luxembourg daily newspaper and in a national Belgian financial newspaper and in a Euronext Brussels announcement. This announcement shall give all the necessary indications and shall inform the Bondholders of the date set for redemption.

#### 4.1.8.3 Cancellation of the Bonds

Bonds redeemed on their maturity date or on the Early Redemption Date will be cancelled forthwith and may accordingly not be reissued or resold and the obligations of the Company in respect of any such Bonds shall be discharged.

#### 4.1.8.4 Early repayment of the Bonds in the event of default

The representative of the body of Bondholders may, if so decided by the general meeting of Bondholders, ruling by majority decision, by notification sent to the Company with a copy to the Bond Agent declare all the Bonds due and repayable at an amount equal to the maximum of their principal amount and the Accreted Principal Amount (together with accrued interests) if any of the following events (each an "**Event of Default**") shall have occurred:

(a) default is made for more than five Business Days in the payment on the due date of principal or interest or any other amount in respect of any of the Bonds; or

(b) the Issuer does not perform or comply with any one or more of its other obligations in respect of the Bonds, which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after the Company receiving from the representative of the body of Bondholders written notice of such default.

(c) (i) any other present or future indebtedness of the Issuer (except the present or future indebtedness relating to the floating rate bonds issued on March 2, 2006, listed on the secondary market of the Prague stock exchange under ISIN code CZ0000000195 as described in the prospectus which was approved on January 20, 2006 by the Securities Commission of the Czech Republic (the "**Czech Bond**"), or of any subsidiary of the Issuer's Group the financial indebtedness of which equals or exceeds € 5,000,000 and the contribution of which to the consolidated net equity of the Company equals or exceeds 5 % (hereafter a "**Principal Subsidiary**") for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or of any relevant Principal Subsidiary and is not paid ; or

(ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period (as initially agreed);

provided that the aggregate amount of such indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €5,000,000 or its equivalent; or

(d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any Principal Subsidiary in relation to any debt for an amount exceeding €500,000 and is not discharged or stayed within 30 days; or

(e) any step is taken to enforce any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Principal Subsidiary in relation to any debt for an amount exceeding € 500,000 (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person, including, without limitation, in relation to the Company or any Principal Subsidiary incorporated under the laws of Luxembourg, any *commissaire, juge-commissaire, liquidateur* or *curateur*); or

(f) the Issuer or any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt (including, without limitation, in relation to the Issuer or any Principal Subsidiary incorporated under the laws of Luxembourg, bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire or judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally) or is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any Principal Subsidiary; or

(g) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Principal Subsidiary (including, without limitation, in relation to the Issuer or any Principal Subsidiary incorporated under the laws of Luxembourg, bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire or judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally), or the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation either (i) on terms approved by the representative of the body of Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of that Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Principal Subsidiary; or

(h) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds admissible in evidence is not taken, fulfilled or done; or

(i) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds.

By way of exception to the aforementioned, the Bonds shall not be due if the Company remedies the situation no later than the day preceding the general meeting of Bondholders.

#### 4.1.8.5 Term and average duration

The term of the Bonds as at the Issue Date will be 7 years.

#### 4.1.8.6 Accreted Principal Amount

The Accreted Principal Amount in respect of each of the Bonds (with a principal amount of €1,463.90) shall be the amount that, together with accrued interest from the immediately preceding Interest Payment Date or, if none, the Issue Date, and after taking into account any interest paid in respect of such Bonds in preceding periods, represents for the holder thereof a gross yield to maturity (based on a notional price of €1,239.35 per €1,463.90 principal amount of Bonds) identical to that applicable in the case of redemption at maturity, being 7.383 per cent. per annum (calculated on an annual basis) and shall be calculated in accordance with the

following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date on which the Bonds become due and payable (the “**Determination Date**”) is an Interest Payment Date, the Accreted Principal Amount in respect of each €1,463.90 principal amount of Bonds shall be as set out in the table below in respect of such Interest Payment Date):

$$\text{Accreted Principal} = (\text{Previous Accreted Principal} \times (1 + r)^{(d/p)}) - \text{AI}$$

where

Previous Accreted Principal = the Accreted Principal Amount on the Interest Payment Date immediately preceding the date fixed for redemption (or, if the Determination Date is prior to March 28, 2008 (being the first Interest Payment Date), €1,239.35) as set out below:

Interest Payment Date (EUR)	Accreted Principal Amount (per €1,463.90 principal amount of Bonds)
March 28, 2008	€1,294.26;
March 28, 2009	€1,353.21;
March 28, 2010	€1,416.52;
March 28, 2011	€1,484.51;
March 28, 2012	€1,557.51;
March 28, 2013	€1,635.90; and
March 28, 2014	€1,720.08.

$r = 7.383$  per cent. expressed as a fraction.

$d$  = number of days from and including the immediately preceding Interest Payment Date (or, if the Determination Date is on or before the first Interest Payment Date, from and including the Issue Date) to but excluding the Determination Date.

$p$  = number of days from and including the immediately preceding Interest Payment Date or, if the Determination Date is on or before the first Interest Payment Date, from and including the Issue Date, to but excluding the next following Interest Payment Date.

AI = accrued interest on the Bonds from and including the immediately preceding Interest Payment Date (or if the Determination Date is on or before the first Interest Payment Date, from and including the Issue Date) to but excluding the Determination Date, calculated on the basis of the number of days from and including the immediately preceding Interest Payment Date or, if the Determination Date is on or before the Interest Payment Date, from and including the Issue Date to but excluding the Determination Date divided by the number of days from and including the immediately preceding Interest Payment Date or, as the case may be, the Issue Date to but excluding the next following Interest Payment Date.

#### 4.1.9 Gross yield to maturity rate

Considering a subscription of a Bond at the Issue Price, Interest Payments until the Maturity Date of the Bonds and a redemption of the Bonds at the Maturity Date at the Redemption Amount, the gross yield to maturity rate shall be 7.383%.

#### 4.1.10 Representation of the Bondholders

The Bondholders will be represented and the general meetings of Bondholders will be organised in accordance with the provisions of articles 86 to 94-8 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the “**Companies Act 1915**”).

A summary of the rules concerning the representation of and the body (*masse*) of the Bondholders in force as at the date of issue is set out below.

The Bondholders together form a body, created *inter alia* for the purposes of representation of the common interest of the Bondholders in accordance with the provisions of articles 86 to 94-8 of the Companies Act 1915.

The general meeting of the Bondholders (during the term of the loan) or the Issuer (at the time of the Issue) may appoint one or several representatives of the body of Bondholders and determine their powers.

When the representative(s) have been appointed, the Bondholders will no longer be able to exercise individually the rights attached to their Bonds against the Issuer.

A meeting of the Bondholders 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 Bondholders if Bondholders representing 5 per cent or more of the total amount of outstanding Bonds so request. The meetings of the Bondholders will be held at the venue specified in the convening notice.

Every Bondholder will have the right to attend and vote at meetings of the Bondholders in person or by proxy, except that, if the Issuer itself holds Bonds, the Issuer is not entitled to exercise the voting rights attached to these Bonds. Evidence of title of a person to one or several Bonds will be established in accordance with the rules and procedures of the depositary with which the Bonds are held. The voting rights attached to the Bonds are proportional to the portion of the issue they represent, each Bond carrying at least one vote.

A meeting of the Bondholders may be convened (i) in the event of a merger involving the Issuer, (ii) in order to approve certain changes to the Bondholders' rights and (iii) generally, in order to determine any measure aimed at defending the Bondholders' interests or to ensure the exercise by the Bondholders of their rights in accordance with the provisions of the Companies Act 1915.

A meeting of the Bondholders may validly decide, without any quorum requirements and by a simple majority of the votes cast by the Bondholders 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 the Bondholders.

In respect of any other decision the meeting of the Bondholders may validly decide upon a first convening only if the Bondholders present or represented hold at least 50 per cent of the total amount of the Bonds 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 two-thirds of the votes cast by Bondholders present or represented.

Each Bondholder shall have the right, during the 15 days prior to the general meeting of the Bondholders 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 Paying Agent in Luxembourg and, as the case may be, at any other place specified in the convening notice.

The first representative of the body of bondholders is Brigitte Bertrand, domiciled at 28 rue des Genêts Luxembourg

She shall perform her functions until her resignation or dismissal by the general meeting of bondholders or the occurrence of an incompatibility. Her term of office shall automatically cease on the last date of amortisation or general redemption, early redemption or otherwise, of the Bonds. This term is, where applicable, automatically extended until the final solution of the proceedings in which the representative may be involved and the performance of the decisions or settlements that occur.

The remuneration of the representative of the body of bondholders shall be paid by the Company (as provided by article 91 of the Companies Act 1915); it shall be payable in advance on 31 December of each year from 2007 to 2014 inclusive for as long as there are Bonds in circulation at this date and a representative of the body of bondholders has been appointed.

Orco shall be responsible for paying the representative of the body and for the costs of convening and holding the general meetings of Bondholders, of announcing their decisions as well as costs connected with any appointment of the representative of the body (as provided by article 91 of the Companies Act 1915), all administrative and operational expenses of the body of Bondholders as well as the costs of this body's meeting.

In the event of the convening of a meeting of Bondholders, the Bondholders shall meet at the registered office of the Company or any other place set in the convening notice to attend the meeting. The notice to attend the meeting shall be issued in accordance with article 70 of the Companies Act 1915 setting out the terms for the convening of Shareholders.

#### *4.1.11 Resolution and decision by virtue of which the Bonds with Warrants are issued*

##### *4.1.11.1 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.

#### 4.1.11.2 Decision of the Board of Directors

In its meeting on March 7, 2007, the Board of Directors voted in favour of issuing the Bonds with Warrants without preferential subscription rights for Shareholders to the Bank in a nominal amount of €175,000,461.60 under the terms and conditions stated in this Securities Note.

#### 4.1.12 Issue date of the Bonds with Warrants

The Bonds with Warrants will be issued on March 28, 2007.

#### 4.1.13 Restrictions on transfers of the Bonds

The conditions of the Bonds with Warrants do not provide for any restrictions with regard to the free transfer of the Bonds.

#### 4.1.14 Taxation

##### Gross Up

All payments in respect of the Bonds 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 Bondholders such additional amounts as shall be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the amounts which would otherwise have been receivable in respect of the Bonds, in the absence of such withholding or deduction.

As Luxembourg laws and tax practices currently stand, no withholding taxes are paid in Luxembourg on any payments in respect of the Bonds, with the possible exception of payments made to Luxembourg individuals and to individuals or residual entities in the meaning of the Savings Directive, resident or established in a EU Member State (other than Luxembourg) or in certain EU dependent territories.

Investors are nevertheless advised to ask for their own tax advisor's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the investor.

##### Luxembourg taxation

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 Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Bonds.

##### Luxembourg Tax Residency of Bondholders

A Bondholder will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Bonds, or the execution, performance, delivery and/or enforcement of the Bonds.

##### Withholding tax

Under Luxembourg tax law currently in effect, with the possible exception of interest paid to individual Bondholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) to the extent that such interest has been negotiated at arm's length and is not profit participating. There is also no Luxembourg withholding tax, with the possible exception of payments made to Luxembourg



individuals and individuals or residual entities (in the meaning of the Savings Directive), resident or established in a EU Member State (other than Luxembourg) or in certain EU dependent territories, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

#### Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or residual entities (in the meaning of the Savings Directive) resident or established in another Member State or in certain EU dependent territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure (a residual entity can only elect for the procedure of exchange of information or can elect to be treated as an UCITS recognised in accordance with Directive 85/611/EEC).

The withholding tax rate is initially 15 per cent. during a first three-year period starting 1 July 2005, increasing steadily to 20 per cent. for the subsequent three-year period and to 35 per cent thereafter. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries. Responsibility for the withholding of the tax is assumed by the Luxembourg paying agent. Payments of interest under the Bonds coming within the scope of the Luxembourg law of 21 June 2005 would at present be subject to withholding tax of 15 per cent. in Luxembourg.

#### Luxembourg resident individuals

Pursuant to Luxembourg law dated 23 December 2005, a 10% withholding tax has been introduced, as from 1 January 2006, on interest or similar income payments made by a Luxembourg based paying agent (defined in the same way as in the Savings Directive) to or for the immediate benefit of beneficial owners who are Luxembourg individual residents. Responsibility for the withholding of the tax is assumed by the Luxembourg paying agent. Payments of interest under the Bonds coming within the law of 23 December 2005 would be subject to withholding tax of 10 per cent in Luxembourg.

#### *4.1.15 Undertakings*

While any Bond is outstanding, the Issuer will, save with the approval of a resolution of the Bondholders, use all reasonable endeavours to obtain and maintain a listing of the Bonds on the Relevant Stock Exchange, by no later than 30 Business Days after the Issue Date. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listing and admission to trading is unduly onerous, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing and (if applicable) an admission to trading for the Bonds on such other EEA regulated stock exchange as it may decide.

## 4.2 TERMS AND CONDITIONS OF THE WARRANTS

### 4.2.1 Information on the Warrants

#### 4.2.1.1 Type and category of the Warrants

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

Application has been made to admit the Warrants to trading on the Eurolist Market by Euronext Brussels. They shall be listed separately from and simultaneously to the Bonds. The anticipated listing date of the Warrants is April 10, 2007 under ISIN code: XS0290764728 and common code: 029076472. 15 Warrants are initially attached to each Bond. 1,793,160 Warrants will therefore be issued by the Company.

#### 4.2.1.2 Theoretical valuation of the Warrants

A valuation has been achieved by an independent expert on March 8, 2007 in order to determine the initial value of the Warrants Subject to No Restriction, of the Warrants Subject to Restrictions A and of the Warrants Subject to Restrictions B.

Summary of the report produced by Constantin Associés (the “**Independent Expert**”), for information purpose only:

“The ORCO investor holds capped warrants.

The value of the non restricted capped warrant is a combination of a call value for the first five years and a capped warrant value for the last two years.

We have developed a specific valuation model similar to the Black & Scholes model to take into account the option for ORCO to require that the warrant could be exercised at the end of a five-year period and the impact of the dilution on the warrant valuation.

On the basis set out above, we estimate:

- that a proposed price of €17,81 is a reasonable price for the non restricted warrant.

The main challenge in valuating restricted warrants derives from the fact that they can be neither sold nor exercised during, respectively, their first six months and two years of existence.

The restricted warrant valuation method tries to comprehend the risk that this investment represents in more detail, in particular over the course of this six-month and two-year period:

- during the initial six-month or two-year period, during which the warrant may be neither sold nor exercised, we consider that the investor holds a particularly risky asset ;
- following this initial period, the investor holds a capped warrant for which we have applied the “non restricted warrant” valuation model.

On the basis set out above, we estimate:

- that a proposed price of €14,79 is a reasonable price for the warrant with restriction A,
- that a proposed price of €10,80 is a reasonable price for the warrant with restriction B.”

March 8, 2007

The Independent Expert

CONSTANTIN ASSOCIES

The Independent Expert has given its consent to the publication of the information contained in the conclusion of its report.

#### 4.2.1.3 Governing law and jurisdiction

##### 4.2.1.3.1 Governing law

The terms and conditions of the Warrants 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, denomination, title and method of registration of the Warrants under an account

The Warrants are issued in registered form only and may, under no circumstances, be converted into Warrants in bearer form. The Warrants, 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**”) 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 the Company (the “**Warrant Register**”) at its registered office in accordance with article 84 of the Companies Act 1915.

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 Warrants and that buyers receive corresponding Warrants when making payment into the systems, which eliminates the need for physical delivery of Warrants. Non-participants of such system may transfer Warrants in book-entry form through an account held either directly or through one or more participants or sub-participants of Euroclear or Clearstream, Luxembourg, respectively.

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

Warrantholders may also hold their Warrants directly, in which case they will be entered into the Warrant Register.

Ownership in respect of the Warrants is established exclusively by the registration (*inscription*) in the Warrant Register by the Warrantholders kept by the Company at its registered office. Certificates representing the Warrants (the “**Warrant Certificates**”) may be issued but are not proof of ownership. Title to the Warrants shall pass by registration in the Warrant 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 Register as holder of the Warrants as the absolute owner of the Warrants for all purposes and no person will be liable for so treating such holder.

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

#### 4.2.1.5 Currency

The Warrants are issued in euros.

#### 4.2.1.6 Status of the Warrants

Not applicable.

#### 4.2.1.7 Rights and limitations attached to the Warrants

##### 4.2.1.7.1 Exercise Price and Exercise Ratio

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*”, each Warrant entitles initially 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 Warrants.

The Company will, as the case may be, have the choice to remit new Shares to be issued and/or existing Shares, or both. Warrantholders exercising Warrants 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 Warrants exercised, Warrantholders may pay for their subscription of €1,463.90 (10 x €146.39) by the sale to the Company 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 (see Section 4.1.8.1.2.2 “*Early redemption at the option of Bondholders exercising the Warrants and prepayment by way of setoff against the amount due by them to the Company as a result of the Shares subscription by exercise of the Warrants*”).

If all Warrants were to be exercised and the Company were to deliver new Shares only upon such exercise, the Company would issue 1,793,160 new Shares representing 17.43% of the share capital of the Company.

##### 4.2.1.7.2 Exercise Period of the Warrants

The Warrants may be exercised at any time from and including March 28, 2007 up to the close of business on the March 28, 2014 included (the “**Maturity Date**”).

#### 4.2.1.7.3 Conditions of exercise of the Warrants - Delivery of Shares

To exercise their Warrants, their holders should make their request to the intermediary with whom their securities are registered and pay up the amount of their subscription as stated in Sections 4.2.1.7.1 “*Exercise price of the Warrants and number of Shares received as a result of the exercise of the Warrants*” and 4.2.1.7.2 “*Exercise Period of the Warrants*”. Bank of New York (the “**Warrant Agent**”) shall be responsible for centralising these transactions and Natixis (the “**Distribution Agent**”) shall be responsible for delivering the Shares upon exercise of Warrants.

The date of exercise of a Warrant will be the date of receipt by the Warrant Agent 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 Warrant, 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 Warrant, 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.

The Issuer has created an authorised capital allowing the Board of Directors to issue relevant new Shares upon exercise of the warrants 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 Warrants

The rights attached to the Shares delivered as a result of the exercise of the Warrants are defined in Section 8 “*Additional information on Shares delivered as a result of the exercise of the Warrants*”.

#### 4.2.1.7.5 Suspension of the exercise of the Warrants

In the event of an increase in the share capital of the Company (except by exercise of any of the Warrants) 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 Warrants for a period which may not exceed three months, but such decision will not under any circumstances mean that the Warranholders will lose their rights to exercise their Warrants.

The Company’s decision to suspend the exercise of the Warrants will be set out in a notice given to the Warranholders in a Luxembourg newspaper with wide distribution, in a Belgian newspaper with wide distribution and in a Euronext Brussels announcement. This notice will be published at least ten Dealing Days prior to the date from which the right to exercise the Warrants 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 Bonds with Warrants are issued

Refer to the resolution and decisions described in Section 4.1.11 of this Securities Note.

#### 4.2.1.9 Scheduled issue date of the Warrants

As the Bonds, the Warrants will be issued on March 28, 2007.

#### 4.2.1.10 Restrictions on the free transfer of the Warrants

There are no restrictions on the free transfer of the Warrants. The Warrants will be listed from April 10, 2007 and may be transferred or sold as of March 28, 2007.

However according to warrant purchase agreements entered into between the Subsidiary and the Warrants Buyers, 298,860 Warrants will neither be transferable nor exercisable from April 10, 2007 until September 28, 2007 (the Warrants Subject to Restrictions A) and 597,720 Warrants will neither be transferable nor exercisable from April 10, 2007 until March 28, 2009 (the Warrants Subject to Restrictions B).

The Warrants Subject to Restrictions (the Warrants Subject to Restrictions A and the Warrants Subject to Restrictions B) cannot be exercised, sold or disposed of by their buyers in any manner whatsoever during the Restriction Period to which they are respectively subject. The buyers of Warrants Subject to Restrictions undertook, pursuant to the Warrants Purchase Agreements to which they are respectively a party, to refrain from exercising, selling or otherwise disposing of the Warrants Subject to Restrictions during the Restriction Period to which these Warrants are subject. Warrants Subject to Restrictions can, however, be transferred during the Restriction Periods in the event of a Warranholder’s death or a public offering upon the Shares.

In case a Beneficiary Manager who purchased Warrants from the Subsidiary ceases to be bound to a company of the Issuer's Group by an employment agreement or is no longer an authorized company representative within the Issuer's Group during either of the Restriction Periods following the occurrence of any event other than death, disability, or if the company of the Issuer's Group to which he or she is affiliated through an employment agreement or through performing his or her functions as an authorized company representative leaves the scope of consolidation of the Issuer's Group, the Subsidiary has, and the Beneficiary Manager hereby irrevocably grants to the Subsidiary, the right and the unconditional option, to redeem all Warrants then held by the Beneficiary Manager at a price of €14.79 per Warrant Subject to Restrictions A, €10.80 per Warrant Subject to Restrictions B and €17.81 per Warrant Subject to No Restriction.

Each Beneficiary Manager irrevocably undertakes, upon occurrence of such event to sell all his Warrants to the Subsidiary at €14.79 per Warrant Subject to Restrictions A, €10.80 per Warrant Subject to Restrictions B, and €17.81 per Warrant Subject to No Restriction and to sign and remit to the Subsidiary and the Warrant Agent any transfer order and other necessary document and to take all requisite measures to validly transfer ownership of his Warrants.

This repurchase of Warrants by the Subsidiary would occur within 10 days following the date of the breach of contract between the concerned Beneficiary Manager and the company of the Issuer's Group to which he or she is affiliated through an employment agreement or, as the case may be, within the 10 days following the termination of the concerned Beneficiary Manager's function as an authorized company representative.

#### 4.2.1.11 Cancellation, Repurchase and Redemption of the Warrants

##### 4.2.1.11.1 Cancellation of the Warrants

The Warrants 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 Warrants

###### 4.2.1.11.2.1 Redemption of the Warrants at the Company's option

On giving notice (which notice shall be irrevocable) to the Warrantheolders, 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 Warrants at a price of €0.01 per Warrant, 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 Warrantheolders exceeds €190.31.

“**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 Warrantheolders of the redemption of the Warrants*

The Company's decision to redeem all the Warrants early will be published in advance at least one month before the Warrants redemption date on the Issuer's website ([www.orcogroup.com](http://www.orcogroup.com)), in a Belgian newspaper (with wide distribution and in a Euronext Brussels announcement (hereinafter, the “**Early Redemption Announcement**”).

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

#### 4.2.1.11.3 Repurchase of the Warrants at the Company's option

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

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

#### 4.2.1.12 Settlement and delivery procedure of the Warrants

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

Warrants shall be admitted to Euroclear Bank transactions which shall settle the securities between account holders. The Warrants shall also be admitted for Clearstream Banking, société anonyme, transactions.

The Warrants shall be registered in an account with effect from March 28, 2007.

#### 4.2.1.13 Conditions relating to the product of the Warrants

Not applicable

#### 4.2.1.14 Representation of Warrantholders

Unless otherwise provided herein, the Warrantholders will be represented and the general meetings of Warrantholders 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.

From the Issue Date the Warrantholders will together form a body created inter alia for the purposes of representation of the common interests of the Warrantholders.

The general meeting of the Warrantholders (from the Issue Date excluded until maturity of the Warrants) or the Issuer (at the time of the Issue) may appoint one or several representatives of the body of Warrantholders and determine their powers.

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

A meeting of the Warrantholders 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 Warrantholders if Warrantholders respectively representing 5 per cent or more of the total number of outstanding Warrants so request. The meetings of the Warrantholders will be held at the venue specified in the convening notice.

Every Warrantholder will have the right to attend and vote at meetings of the Warrantholders in person or by proxy, except that if the Issuer holds Warrants itself, the Issuer is not entitled to exercise the voting rights attached to these Warrants. Evidence of title of a person to one or several Warrants 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 Register. The voting rights attached to the Warrants are proportional to the portion out of the total number of Warrants they represent, each Warrant carrying at least one vote.

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

A meeting of the Warrantholders may validly decide, without any quorum requirements and by a simple majority of the votes cast by the Warrantholders 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 Warrantholders.

In respect of any other decision the meeting of the Warrantholders may validly decide upon a first convening only if the Warrantholders present or represented hold at least 50 per cent of the total number of the Warrants 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 Warrantholders present or represented.

Each Warrantholder shall have the right, during the 15 days prior to the general meeting of the Warrantholders 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 Paying 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 Warrants. Each prospective holder or beneficial owner of Warrants should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Warrants.

##### Gross Up

All payments in respect of the Warrants 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 Warrantholders such additional amounts as shall be necessary in order that the net amounts received by the Warrantholders after such withholding or deduction shall equal the amounts which would otherwise have been receivable in respect of the Warrants, in the absence of such withholding or deduction.

##### Luxembourg withholding tax

Under Luxembourg tax laws currently in force, payments with respect to the Warrants will not be subject to Luxembourg withholding tax, subject however to the application of the Luxembourg laws of 21 June 2005 implementing the Savings Directive or of the Luxembourg law of 23 December 2005, which may be applicable in the event of the Company appointing a paying agent in Luxembourg (in the meaning of the Savings Directive).

#### 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 Warrants and number of Shares received as a result of the exercise of the Warrants

Each Warrant entitles initially its holder to acquire and/or subscribe one Share at the prevailing Exercise Price (see Section 4.2.1.7.1 “*Exercise Price of the Warrants and number of Shares received as a result of the exercise of the Warrants*”) to be paid in cash, simultaneously to the exercise of the Warrants.

However, for every 10 Warrants exercised, Warrantholders may pay for their subscription 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 (see Section 4.1.8.1.2.2 “*Early redemption at the option of a Bondholder exercising the Warrants and prepayment by way of setoff against the amount due by them to the Company as a result of the Shares subscription by exercise of the Warrants*”).

##### 4.2.2.2 Information on the Shares

Investors can consult the Euronext Paris website for more information on the Shares: [www.euronext.com](http://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 Warrants, the delivery of the Shares following the exercise of these Warrants 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 Warrantholders

###### 4.2.2.4.1.1 Consequences of the Issue

In the event of a transaction including a preferential subscription right reserved for Shareholders, Warrantholders shall be informed thereof before commencement of the transaction through an announcement in a Belgian newspaper with wide distribution and through an announcement made by Euronext Brussels.

The Board of Directors has decided that:

- as long as there are Warrants 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 Warrantholders 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 Warrantholders exercising their Warrants shall be reduced accordingly as if said Warrantholders had been Shareholders from the issue date of the Warrants 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 capitalisation 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 capitalisation 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 Warrantholders will be protected, as long as there are still valid Warrants 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 11 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 Warrants 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:

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

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 capitalisation 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 capitalisation 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 Warrantholders exercising their Warrants, 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:

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

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:

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

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 Warrants 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 Warrantholders in the event of financial or securities transactions, and, generally to ensure that the rights of the Warrantholders 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 an 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 capitalisation 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 capitalisation 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 capitalisation of profits or reserves)

“**Current Market Price**” means, in respect of an 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:

$$1 - \frac{1}{\frac{\text{Amount of amortisation per share}}{\text{Value of the share before amortisation}}}$$

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:

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

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 in section 4.1.8.1.3.1 above) shall occur the Warrantholder 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:

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

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 the Issue Date to but excluding the Maturity Date

The Issuer shall give notice to the Warrantholders (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 Warrantholders.

(ii) Orco will pay the warrant holder in possession of Warrants Subject to No Restriction (as defined earlier) 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 the Initial Warrant Subject to No Restriction unit price as defined in “B. TERMS OF THE ISSUE OF BONDS WITH WARRANTS”

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 the Issue Date to but excluding the Maturity Date

The Issuer shall give notice to the Warrantholders (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.

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), 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 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 Warrantholder 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 the Warrants presented.

If the Shares are listed and if the number of Shares calculated in this manner is not a whole number, a Warrantholder 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 Relevant Stock Exchange 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 Relevant Stock Exchange on the exercise date.

#### 4.2.2.5 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 to 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).

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

#### 4.2.2.6 Undertakings

The Company has undertaken, by entering into the Subscription Agreement, that it will not, without the prior written consent of the Subscriber, for a period commencing on the date of signing of the Subscription Agreement and ending 90 days after the Issue Date:

(i) issue, offer, lend, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, mortgage, charge, assign, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into, or substantially similar to, Shares (or any interest therein or in respect thereof) or any rights arising from or attaching to any such Shares at any time; or

(ii) enter into any swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of Shares, or enter into any other transaction with the same economic effect as, or agree to do, or announce or otherwise publicise the intention to do any of the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, provided that nothing herein shall prevent or restrict the issue of the Bonds with Warrants or the exercise of Warrants.

The Company further undertakes, whilst any Warrant remains exercisable, save with the approval of an extraordinary resolution taken by the body representing the interests of the Warrantholders:

- (a) not to issue or pay up any Shares that would diminish the authorised share capital below an amount which would prevent the exercise of the Warrants in accordance with their terms and conditions;
- (b) not to make any issue, grant or distribution or take any other action if the effect thereof would be that, on the exercise of Warrants, Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (c) if any offer is made to all (or as nearly as may be practicable all) Shareholders other than the offeror (and/or any associate (or affiliate) of the offeror) to acquire all or a majority of the issued ordinary share capital of the Issuer, or if any person proposes a scheme with regard to such acquisition, to give notice of such offer or scheme to the Warrantholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) and to use all reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Shares issued during the period of the offer or scheme arising out of the exercise of the Warrants and/or to the Warrantholders;
- (d) use all reasonable endeavours to ensure that the Shares issued upon exercise of Warrants will, as soon as is practicable, be listed on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Shares may then be listed or quoted or dealt in; or
- (e) use all reasonable endeavours to obtain and maintain a listing of the Warrants on the Relevant Stock Exchange, by no later than 30 business days after the Issue Date. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listing and admission to trading is unduly onerous, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing and (if applicable) an admission to trading for the Warrants on such other EEA regulated stock exchange as it may decide.

## **5. CONDITIONS OF THE OFFER OF BONDS WITH WARRANTS**

### *5.1 Conditions, provisional schedule and conditions of subscription*

#### *5.1.1 Conditions of the offer*

##### **5.1.1.1 Cancellation of the Preferential Subscription Rights of Shareholders for the benefit of the Subscriber**

The Bonds with Warrants have been issued by the Company pursuant to a decision of the Board of Directors dated March 7, 2007 further to which the preferential subscription right of the existing Shareholders has been cancelled.

##### **5.1.1.2 Subscription undertakings**

The Bonds with Warrants are subscribed exclusively by the Bank who has irrevocably undertaken to the Company to subscribe to all the Bonds with Warrants according to the Subscription Agreement. The issuance of the Bonds with Warrants is not subject to any preferential subscription right of the existing Shareholders which was cancelled for the purpose of the Issue (as described in Section 4.1.11.1). The Bank which does not wish to keep all the Warrants which were originally upon issue attached to the Bonds with Warrants so subscribed, has undertaken to subscribe the Bonds with Warrants subject to the repurchase by the Subsidiary of 1,195,440 Warrants which were originally upon issue attached to the Bonds with Warrants thus acquired on March 28, 2007.

The Bank will sell 1,195,440 of the Warrants attached to the Bonds so subscribed at an average unit price of €13.55 to the Subsidiary, with the undertaking of the Company to substitute itself for the Subsidiary in case of default of the Subsidiary to perform its obligations towards the Bank.

The Bank will subscribe the Bonds with Warrants attached for a unit price of €1,421.45 and will then sell the Bonds and the Warrants to a limited number of investors in accordance with sections 4.1.13 and 4.2.1.10.

The Subsidiary will then offer to less than one hundred Beneficiary Managers and Beneficiary Partners of the Issuer's Group the possibility to buy directly, or indirectly through companies on which they exercise a Control, 298,860 Warrants Subject to No Restriction at a unit price of €17.81, 298,860 Warrants Subject to Restrictions A at a unit price of €4.79, and 597,720 Warrants Subject to Restrictions B at a unit price of €10.80.

The Warrant Purchase Agreements entered into by the Subsidiary and each Beneficiary Manager and Beneficiary Partner purchasing Warrants so offered by the Subsidiary define the restrictions applicable to 896,580 of these Warrants.

The Warrants Buyers shall:

- Not sell, transfer or otherwise dispose of the Warrants Subject to Restrictions, being moreover understood that the Warrants Buyers are authorised to pledge all or part of their Warrants in order to secure any loan granted to finance their acquisition, for the purpose of enforcement of the pledge, the transfer of the Warrants to the pledgee is authorised,
- Maintain the Warrants Subject to Restrictions in registered form ("*titres nominatifs*"), and
- Not exercise any of the Warrants Subject to Restrictions,

during the Restriction Period respectively applicable to these Warrants .

In the event where all the Warrants initially purchased by the Subsidiary from the Bank are not subscribed by the Beneficiary Managers and/or the Beneficiary Partners, the unsold Warrants will be purchased either by (i) Orco Holding at a unit price of €17.81 per Warrant Subject to No Restriction, €4.79 per Warrant Subject to Restrictions A or €10.80 per Warrant Subject to Restrictions B, or (ii) the Company at the same respective prices (as those contemplated in (i) above in respect of Warrants Subject to No Restriction, Warrants Subject to Restrictions A and Warrant Subject to Restrictions B) and in this case cancelled immediately thereafter.

#### *5.1.2 Amount of the Issue*

The Issue with an aggregate nominal value of €175,000,461.60, will be represented by 119,544 Bonds with Warrants of a nominal value of €1,463.90 each.

#### *5.1.3 Issue Date and procedure*

March 7, 2007: Meeting of the Board of Directors to approve the terms of the Issue.  
March 7, 2007: Signing of the Subscription Agreement.  
March 22, 2007: Approval of the Prospectus by the CSSF.  
March 23, 2007: Notification of certificate of approval by the CSSF to the AMF and the BFICB.



March 28, 2007: Subscription by the Bank to the Bonds with Warrants.  
March 29, 2007: Repurchase of Warrants by the Subsidiary.  
April 10, 2007: Listing of the Bonds and the Warrants on the Eurolist by Euronext Brussels.

#### 5.1.3.1 Date of subscription to Bonds with Warrants

The Bank will subscribe to the Bonds with Warrants on the March 28, 2007.

#### 5.1.3.2 Procedure for Repurchase of the Warrants from the Subscriber

1,135,668 Warrants attached to the Bonds with Warrants acquired by the Subscriber and sold to the Subsidiary shall be offered by the Subsidiary to the Beneficiary Managers who may acquire these directly or through a company in which they hold at least 50% of the share capital and voting rights, at a unit price of €17.81 for Warrants Subject to No Restriction, €4.79 for Warrants Subject to Restrictions A and €0.80 for Warrants Subject to Restrictions B.

In addition, the Beneficiary Partners will be offered to repurchase 59,772 of the Warrants Subject to Restrictions B attached upon issue to the Bonds with Warrants subscribed by the Subscriber and sold to the Subsidiary at the unit price of €0.80.

To facilitate the Warrants' repurchase procedure from the Subscriber, the Subsidiary shall buy from the Subscriber 1,195,440 Warrants at the average unit price of €13.55 and shall sell a maximum of 298,860 Warrants Subject to No Restriction at a unit price of €17.81, 298,860 Warrants Subject to Restrictions A at a unit price of €4.79 and 537,948 Warrants Subject to Restrictions B at a unit price of €0.80 to the Beneficiary Managers who have undertaken to acquire them no later than April 9, 2007. 59,772 Warrants Subject to Restrictions B will be sold by the Subsidiary at a unit price of €0.80 to the Beneficiary Partners who have undertaken to acquire them no later than April 9, 2007.

The portion of the Warrants offered to the Beneficiary Managers and the Beneficiary Partners which has not been purchased by them further to the conditions stated in this Section shall be purchased either by (i) Orco Holding at a unit price of €17.81 per Warrant Subject to No Restriction, €4.79 per Warrant Subject to Restrictions A or €0.80 per Warrant Subject to Restrictions B, or (ii) the Company at the same respective prices (as those contemplated in (i) above in respect of Warrants Subject to No Restriction, Warrants Subject to Restrictions A and Warrant Subject to Restrictions B) and in this case cancelled immediately thereafter.

#### 5.1.4 Reduction of the amount of the Issue

The Subscriber shall subscribe to the total amount of the Issue. The total amount of the Issue will not be reduced.

#### 5.1.5 Minimum and/or maximum amount of subscription

Not applicable

#### 5.1.6 Closing dates and payment and delivery conditions of the Bonds with Warrants

The subscription price of the Bonds with Warrants must be paid in full in cash on March 28, 2007 and the settlement and delivery of the Bonds and the Warrants will take place on the same day.

#### 5.1.7 Method of publication of the results of the offer

Not applicable.

#### 5.1.8 Cancellation of Shareholders' preferential subscription rights in favour of the Subscriber

The extraordinary general meeting of the Shareholders of 18 May 2000 granted the Board of Directors all powers to carry out capital increases within the framework of the authorised share capital with the option to cancel the preferential subscription rights 14 June 2006, the Shareholders voted in favour of reiterating an authorised share capital in favour of the Board of Directors in an amount of €100 million for a further period of 5 years.

In its decision of March 7, 2007, the Board of Directors decided to cancel the preferential subscription rights of Shareholders to the Bonds with Warrants in favour of the Subscriber or any person who will exercise the Warrants.

#### 5.2 Distribution and allocation of Bonds with Warrants

The Issuer has not undertaken any action that would permit an offer to the public (in the sense of the Prospectus Directive) of the Bonds and/or the Warrants or possession or distribution of the Prospectus or any other offering material in any jurisdiction where action for that purpose is required. The Subscriber undertakes to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Bonds or the Warrants or distributes the Prospectus or any other offering material and will obtain any necessary consents,

approvals or permissions required by it for the purchase, offer or sale by it of the Bonds and/or Warrants under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and the Issuer shall have no responsibility therefore.

#### ***European Economic Area***

In relation to each member state of the European Economic Area (the “**EEA**”) which has implemented the Prospectus Directive (each a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) no offer of the Bonds and/or the Warrants is made and/or may be made to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of Bonds may be made to the public in that Relevant Member State:

(a) in the period beginning on the date of publication of a prospectus in relation to the Bonds and the Warrants which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(b) 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;

(c) at any time to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year, (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “Offer of Bonds and/or Warrants to the public” in relation to any Bonds and/or Warrants in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds and/or the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Bonds and/or the Warrants, as 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.

#### ***The Grand Duchy of Luxembourg***

In addition to the cases described in the European Economic Area selling restrictions above in which the Subscriber can make an offer of the Bonds and/or the Warrants to the public in an EEA Member State (including Luxembourg), the Subscriber can also make an offer of the Bonds or the Warrants to the public in Luxembourg:

(a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;

(b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, pension and investment funds and their management companies, commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and

(c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Prospectus Act 2005) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the CSSF as competent authority in Luxembourg in accordance with the Prospectus Directive.

#### ***France***

Each of the Issuer, the Beneficiary Managers, the Subsidiary and the Subscriber has represented and agreed that in connection with its initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds or Warrants to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the French translation of the Prospectus' summary or any other offering material relating to the Bonds or Warrants, and that such offers, sales and distributions have been and will be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, (ii) qualified investors (*investisseurs qualifiés*) and/or (iii) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 to D.411-4 of the French *Code monétaire et financier*.

### **Belgium**

The Prospectus and related documents are not intended to constitute a public offer in Belgium and may not be distributed to the Belgian public. The Belgian Commission for Banking, Finance and Insurance has not reviewed nor approved these documents or commented as to their accuracy or adequacy or recommended or endorsed the purchase of Bonds and Warrants.

Each of the Issuer, the Beneficiary Managers, the Subsidiary and the Subscriber has represented and agreed that it will not:

(a) offer for sale, sell or market in Belgium such Bonds or Warrants by means of a public offer within the meaning of the Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market; or

(b) sell Bonds or Warrants to any person qualifying as a consumer within the meaning of Article 1.7° of the Belgian law of 14th July 1991 on consumer protection and trade practices unless such sale is made in compliance with this law and its implementing regulation.

#### *5.2.1 Categories of potential investors*

The Bonds with Warrants are privately placed. The Bonds with Warrants will be subscribed by the Subscriber in an aggregate nominal amount of €175,000,461.60 in accordance with its irrevocable subscription undertaking to the Company.

#### *5.2.2 Procedure for notifying Subscriber of the amount allocated to him*

Not applicable.

### *5.3 Pricing*

#### *5.3.1 Issue price of Bonds with Warrants*

The Bank will subscribe to the Bonds with Warrants attached for a unit price of €1,421.45 and will then sell the Bonds and the Warrants to a limited number of investors. The nominal value of each of the Bonds with Warrants is €1,463.90.

### *5.4 Placement and underwriting*

The Subscriber has irrevocably undertaken to subscribe to the Bonds with Warrants as described in Section 5.1.1.2 "Subscription Undertaking" above.

ORCO and the Bank entered into an agreement on March 7, 2007 which sets the terms of the undertaking taken by the Bank, the commitments taken by and the obligations accepted by ORCO (the "**Subscription Agreement**"). ORCO, the Bank and the Subsidiary entered into an agreement on March 7, 2007 which defines the terms of the sale and purchase of the Warrants by the Bank to the Subsidiary (the "**Warrants Sale and Purchase Agreement**").

#### *5.4.1 Coordinators for all the offer placers in various countries where the offer takes place*

Not applicable.

#### *5.4.2 Payment and delivery*

Payment of interest and principal and of any other sums due pursuant to the Bonds will be made to the order of the Paying Agent in euro by crediting an account denominated in euro in the name of the Paying Agent.

Payment on behalf of the Issuer will be made by, or upon instructions of, the Paying Agent through the clearing and settlement systems (Euroclear Bank and Clearstream) and any such payment validly made in favour of the Bondholders or the Warrant holders shall release the Issuer and the Paying Agent.

The Issuer, the Warrant Agent and the Bond Agent will not be liable to the Bondholders, the Warrant holders or to any other person in respect of any costs, commissions, losses or other expenses connected to or resulting from the money transfer in euro and/or any currency exchange or rounding which may be related to the delivery of Shares.

If the payment date of any principal, interest or other amount relating to the Bonds is not a Business Day, the Bondholder will only have a right to payment of such amount on the next following Business Day, and will have no right to any interest or other sum as a result of such deferral.

"**Target Settlement Day**" means any day on which the TARGET System is open.

The Issuer has appointed Bank of New York as the initial Bond Agent acting as the Paying Agent.

The Issuer has appointed Bank of New York as the initial Warrant Agent which will initially assume the security service of the Warrants.

The Issuer has appointed Natixis as the initial Distribution Agent which will initially assume the delivery service of the Shares upon exercise of Warrants.

The Issuer may appoint replacement agents provided that there will always be a paying agent. In such circumstances, a notice will be published in a Luxembourg newspaper with wide distribution containing the names and addresses of any successor paying agent, bond agent or warrant agent, as applicable.

## **6. ADMISSION TO TRADING AND CONDITIONS OF TRADING**

### *6.1 Admission to trading*

Application has been made to admit the Bonds to trading on the Eurolist market by Euronext Brussels. The Bonds have been accepted for clearing and settlement by Euroclear Bank and Clearstream. They shall be listed separately from the Warrants. Their anticipated listing date is April 10, 2007 under ISIN code: XS0291838992 and common code: 029183899.

There is no intention to apply for an admission of the Bonds to trading on another market.

Application has been made to admit the Warrants to trading on the Eurolist market by Euronext Brussels. They will be listed separately from the Bonds. Warrants anticipated listing date is April 10, 2007 under ISIN code: XS0290764728 and common code: 029184062.

The listing conditions of the Bonds and the Warrants shall be set forth in a Euronext announcement which shall be issued no later than the first date of listing of the Bonds and the Warrants on April 10, 2007.

Units of one Bond together with five Warrants (the “**Bonds Cum Warrants**”) will be tradable under ISIN code: XS0291840626 and common code 029184062. There is no intention to apply for an admission of the Bonds Cum Warrants on any market.

### *6.2 Listing markets*

Orco bonds are listed and admitted to trading on the Eurolist market by Euronext Paris S.A. under ISIN code FR0010249599 and warrants are admitted to trading on the Eurolist market by Euronext Paris S.A. under ISIN code LU0234878881.

Orco floating rate bonds are listed and admitted to trading on the Secondary market of the Prague stock exchange under ISIN code CZ0000000195.

### *6.3 Liquidity agreement*

Neither the Bonds nor the Warrants are covered by a liquidity agreement.

## 7. ADDITIONAL INFORMATION

### 7.1 Capacity of the advisors to the Issue

Central Europe Offering has acted as advisor to the Issuer.

LB-P has acted as co-advisor to the Issuer.

Molitor Fisch & Associés has acted as legal adviser to the Issuer.

Allen & Overy Luxembourg has acted as legal advisor to the Subscriber as to Luxembourg law.

### 7.2 Persons responsible for auditing the accounts

#### 7.2.1 Names of the external auditors

○ HRT Révision S.à r.l. (*réviseur d'entreprises*), a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of Luxembourg, having its registered office at 23, Val Fleuri, L-1526 Luxembourg and registered with the Luxembourg companies and trade register under number B.51.238, represented by Mr Dominique Ransquin, external auditor (*réviseur d'entreprises*), since June 2002, reappointed by the ordinary general meeting of the Shareholders of 29 April 2004, expiring at the end of the ordinary general meeting of the Shareholders convened to approve the accounts for the financial year ended 31 December 2006, and

○ PricewaterhouseCoopers S.à r.l. (*réviseur d'entreprises*), a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of Luxembourg, having its registered office at 400, route d'Esch, L-1471 Luxembourg and registered with the Luxembourg companies and trade register under number B.65.477, 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.

HRT Révision S.à r.l. and PricewaterhouseCoopers S.à r.l. are both members of the Luxembourg institute of auditors (*Institut des Réviseurs d'Entreprises*).

### 7.3 Accounting treatment of the Issue

#### 7.3.1 IFRS

The Bonds with Warrants are classified as a compound instrument under IAS32 and will be split into liability and equity component. On the Issue Date the liability component will be determined as the present value of contractually determined stream of future cash flows discounted at the rate of interest applied at that date by the market to instruments of comparable credit status and providing substantially same cash flows, on the same terms, but without the warrants attached. The equity component will be determined as the residual amount i.e. the difference between Issue Price of the Bonds and the liability component. The equity component will be recorded in the Capital funds.

### 7.4 Expert report

See section 4.2.1.2. "Theoretical valuation of the Warrants".

### 7.5 Information from any third party

Not applicable.

### 7.6 Rating

On October 26, 2006, Moody's assigned B2 corporate family rating to the Company, the outlook of the rating is stable.

#### *Long-Term Obligation Ratings*

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

#### *Rating B*

Obligations rated B are considered speculative and are subject to high credit risk.

*Note:* Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

### *Corporate Family Ratings*

Moody's Corporate Family Ratings are generally employed for speculative grade corporate issuers. A Corporate Family Rating is an opinion of a corporate family's ability to honor all of its financial obligations and is assigned to a corporate family as if it had:

- a single class of debt;
- a single consolidated legal entity structure.

A Corporate Family Rating does not reference an obligation or class of debt and thus does not reflect priority of claim. It applies to all affiliates under the management control of the entity to which it is assigned. Moody's employs the general long-term rating scale for Corporate Family Ratings.

## **8. TERMS AND CONDITIONS OF THE SHARES**

### *8.1. Description of the Shares to be delivered as a result of exercise of Warrants*

#### *8.1.1 Type, category and Settlement Date of the Shares*

The existing Shares are admitted to trading on the Relevant Stock Exchange (ISIN code: LU0122624777), under the Foreign Stocks subsection. The Shares are classified under sector 86: “Real Estate” and sub-sector 862: “Real Estate Holding and Development” in the FTSE.

Shares delivered following the exercise of the Warrants will be subject to the provisions of the articles of incorporation 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.

They shall therefore rank *pari passu* with such other Shares with effect from the due date for payment of the dividend relating to the preceding financial year, or, if none is distributed, after the annual meeting considering the accounts for said financial year.

#### *8.1.2 Jurisdiction and applicable law*

##### *8.1.2.1 Applicable law*

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

##### *8.1.2.2 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.

#### *8.1.3 Form and method of delivery of the Shares*

Existing Shares are in the form of registered or bearer shares at the option of the Shareholder. Shareholders may freely sell or transfer Shares at any time.

Shares issued as a result of the exercise of Warrants are issued to Euroclear France in the form of bearer shares globally held through Euroclear France on behalf of its participants. These participants are authorised financial intermediaries such as banks, investment services providers or professional securities depositaries and will credit the Shareholder’s account opened in their books with the amount of Shares indirectly held by each Shareholder through Euroclear France.

The transfer of Shares shall be operated by means of an entry in an account, in accordance with the internal rules of Euroclear France.

The settlement-delivery transactions for the Shares shall be handled in the Euroclear France RELIT-SLAB system.

The Company would authorise the issue of such Shares in accordance with Luxembourg law no later than 10 Business Days following the relevant exercise request.

#### *8.1.4 Issue currency*

The Shares are issued in euros.

#### *8.1.5 Rights and restrictions attached to the Shares*

##### *8.1.5.1 Rights attached to the Shares delivered as a result of the exercise of the Warrants*

The new Shares shall be subject to all the provisions of the Company’s articles of incorporation.

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 shares are entitled to receive dividends in proportion to the amount of capital that they represent. Each 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 by 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.

The settlement date of the Shares delivered as a result of the exercise of Warrants is the first day of the financial year during which the exercise request and the payment of the Exercise Price of the Warrants occur

#### *Voting rights*

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

#### *Convening of Shareholders who hold their 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 incorporation 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 incorporation.

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

In order to exercise their voting rights, Shareholders who hold their 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, confirming the unavailability of the Shares registered in this account until the date of the meeting (the "**Blocking Certificate**"). The Blocking 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.

#### *8.1.6 Resolutions and authorisations by virtue of which the new Shares will be issued as a result of the exercise of Warrants*

Refer to resolution and decision described in Section 4.1.11 of this Securities Note.

#### *8.1.7 Conditions for admission of the Shares to trading*

##### *8.1.7.1 Listing of new Shares issued as a result of the exercise of the Warrants*

Periodic applications will be made to admit the new Shares issued as a result of the exercise of the Warrants to trading on the Relevant 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 Article 8.1.1 or traded initially on a second line if they are not fungible to them.

### 8.1.7.2 Listing of the Shares

#### *Listing market*

The Shares are admitted to trading on the Relevant Stock Exchange.

#### *Other markets and quotations*

The Shares are also admitted for trading on the main market of the Prague Stock Exchange, a.s.

#### *Volume of transactions and Share price movements*

	Orco Property Group SA (on the Eurolist by Euronext Paris - in EUR)					Orco Property Group SA (on the Prague stock exchange - in CZK)				
	Open	High	Low	Last Trade	Volume	Open	High	Low	Last Trade	Volume
February	115,60	133,99	114,21	115,66	1 033 066	3261	3785	3240	3250	1 572 975
January	98,00	119,00	98,00	115,90	913 472	2745	3359	2732	3270	992 414
December	93,10	102,50	92,95	96,50	540 646	2614	2863	2603	2757	653 506
November	95,10	101,00	90,50	93,10	722 057	2699	2827	2540	2615	1 032 200
October	98,50	104,10	93,10	95,70	514 468	2794	2935	2692	2704	718 133
September	96,20	100,00	90,25	98,20	449 955	2670	2834	2580	2801	914 009
August	85,50	93,70	83,00	93,60	239 162	2434	2625	2326	2609	683 869
July	84,00	89,00	79,00	86,00	473 209	2395	2519	2257	2430	906 834
June	88,75	88,75	70,95	84,10	905 435	2478	2501	2025	2388	917 328
May	101,80	105,60	81,10	88,00	860 464	2910	2984	2409	2473	1 075 790
April	88,15	106,50	86,00	101,70	491 332	2504	3010	2470	2916	914 878
March	83,60	91,10	80,10	88,25	504 047	2375	2590	2348	2498	980 852

### 8.1.8 Restriction on the free trading of the Shares

The Shares are not subject to any transfer restrictions.

### 8.1.9 Applicable legislation on public offerings

Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004 (the ‘**Takeover Directive**’) and the Luxembourg act dated 19 May 2006 on public takeovers (the ‘**Public Takeovers Act**’), which has implemented the Takeover Directive into Luxembourg law, provide that the law applicable to a takeover bid in respect of the Company (and related questions) would be the law of the EU Member State (or an EEA Member State) where the shares in the Company are admitted to trading and listed on a regulated market (as determined by Directive 2004/39/EC).

Matters regarding company law (and related questions), such as, for instance, the question relating to the percentage of voting rights which give control over a company, will exclusively be governed by the applicable rules of the EU Member State in which the company in question has its registered office.

#### 8.1.9.1 Mandatory Bid

Articles L.431-1-II, L.433-3 of the *Code Monétaire et Financier* and Articles 231-1 et seq. of the General Rules and Regulations of the *Autorité des Marchés Financiers* provides for the conditions for filing a public offer in respect of whole share capital of the Company.

#### 8.1.9.2 Right of squeeze-out

Articles L.431-1-II, L.433-4 of the *Code Monétaire et Financier* and Articles 236-1 et seq. and 237-1 et seq. of the General Rules and Regulations of the *Autorité des Marchés Financiers* provides for the conditions for filing a public offer of withdrawal combined with a compulsory withdrawal of the minority Shareholders.

#### 8.1.9.3 Disclosure obligations

The Luxembourg act dated December 4, 1992 relating to the information to be published when acquiring or disposing of an important participation in a listed company, as amended (the ‘**Luxembourg Disclosure Act**’), requires persons, directly or indirectly, acquiring or disposing of shares in a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg and the shares of which are listed on a stock exchange within the European Union (the ‘**Target Company**’) to give written notice of such acquisition or disposal simultaneously to the Target Company and the CSSF in certain circumstances. The Luxembourg Disclosure Act provides that such written notice must be given where, as a result of an acquisition or disposal of the shares in the Target Company, the purchaser’s or seller’s percentage of voting rights reaches or exceeds one of the thresholds of 10%, 20%, 1/3, 50% and 2/3 of the total voting rights or falls below these thresholds. In addition to the provisions of the Luxembourg Disclosure Act, the articles of incorporation of the Company provide for further stringent thresholds as those set out in the Luxembourg Disclosure Act. Any acquisition or disposal of Shares resulting in the thresholds of 2.5% and 5% have to be notified to the Company.

A violation of the Luxembourg Disclosure Act triggers a fine of €250 to €25,000. Furthermore, the voting rights attached to the shares of the Target Company owned by any person who has failed duly to notify the Target

Company and the CSSF in one of the above circumstances pursuant to the Luxembourg Disclosure Act are suspended as long as sufficient information regarding the acquisition or disposal of the shares in the Target Company is not duly notified and published in accordance with the Luxembourg Disclosure Act. In addition, upon request of the Target Company, a shareholder of the Target Company or a third party having an interest, a Luxembourg court (if competent) may nullify a resolution adopted by the general meeting of the shareholders of the Target Company, if it determines that such resolution has only been adopted through the exercise of the suspended voting rights.

In addition, any person who has to declare that he holds Shares giving him 10% or more of the voting rights in the Company must - on pain of the suspension of his voting rights in accordance with the Luxembourg Disclosure Act - inform the Company immediately by registered letter with a form for acknowledgement of receipt of his intention (a) to acquire or dispose of Shares in the Company within the next twelve months, (b) to try to obtain control over the Company or (c) to try to appoint a member to the Board of Directors.

*8.1.10 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.

*8.1.11 Effects of the exercise of the Warrants on the Shareholder's position*

By way of indication, assuming that all Warrants are exercised, and only new Shares are delivered to the Warrantheolders, the consequences of the issue will be as follows:

1. The table below summarizes the consequence of the exercise of the Warrants 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 Warrantheolders:

	Shareholder's stake
Before issue of the Bonds with Warrants	1.00%
After exercise of 1,793,160 Warrants	0.83%

2. The table below summarizes the effect of the Issue and the exercise of the Warrants 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 December 31, 2005 and the number of Shares comprising the share capital at such date:

	Share of equity capital
Before issue of the Bonds with Warrants	€28.09
After exercise of 1,793,160 Warrants	€48.39

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 Warrants for the key Shareholders, based on the percentage of Warrants bought:

	Before this Bond with Warrants Issue	After exercise of the Warrants attached to the Bonds with Warrants
Orco Holding (excluding its subscription to Warrants)	12.61 %	10.45%
Bernard Gauthier	5.59 %	4.63%
Jardenne Corporation S.à r.l.	4.18%	3.46%
Warrant Buyers (including Orco Holding)	/	11.44%
Public	77.61 %	70.02%
<b>Total</b>	<b>100.0%</b>	<b>100,0%</b>

4. Below is a summary of the effect of the exercise of all the Warrants on the market value of the Shares at March 21, 2007

Number of Shares: 8,657,673

Average value of the one Share over the twenty last stock exchange sessions: €17.5012

Market capitalisation of the Company before capital increase: €1,017,286,966.71

Total number of Warrants: 1,793,160

Exercise price of the Warrants: €46.39

Amount of capital increase arising from the exercise of all the Warrants: €62,500,692.40.

Market value of the Company after capital increase arising from the exercise of all the Warrants: €1,279,787,659.11 corresponding to a value per Share after capital increase arising from the exercise of all the Warrants of €22.46.

**ORCO PROPERTY GROUP S.A.**

*Issuer, société anonyme*

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