



CORPORATE &  
INVESTMENT BANKING

## Press release

Paris, April 5, 2005

### **Orco Property Group announces a Step-up Equity Subscription (PACEO)\* to fund its development in Central Europe.**

Orco Property Group, an investor, developer and asset manager in the Central European property and hotel markets, today announces that SG Corporate & Investment Banking (SG CIB) is to arrange a Step-up Equity Subscription (PACEO) for up to 1 million new shares, or 15.03% of the company's post-operation capital.

"Orco is the first property group to use a PACEO. This financial instrument is well suited to our development plans and will allow us to seize the multiple investment opportunities arising in Central Europe. The flexibility offered by the PACEO means that the group can increase its capital gradually as required and will create value for shareholders", said Arnaud Bricout, Orco's Vice-President, Corporate Finance.

Orco has hired SG CIB, Société Générale Group's corporate and investment banking arm, to arrange the operation. As financial intermediary, SG CIB undertakes to subscribe to up to a million new shares over 24 months. SG CIB does not intend to remain a long-term shareholder of Orco and will dispose of the shares on the market.

The PACEO will allow Orco to issue a maximum of 1 million new shares on demand in one or more tranches, raising up to EUR 8 million of equity finance with each share issue. The total amount of capital raised will depend on the actual financing needs over the lifetime of the PACEO and will reflect the share's market performance and volumes exchanged. All subscriptions for shares by SG CIB will be at an issue price of 95% of the share price at the time of execution.

This operation was arranged as part of Orco's renewal of authorised capital, approved by shareholders at the General Meeting of April 29, 2004. The prospectus for the PACEO has been filed with and approved by N° 05-201 the AMF.

**\* PACEO – PROGRAMME D'AUGMENTATION DE CAPITAL PAR EXERCICES D'OPTIONS (STEP-UP EQUITY SUBSCRIPTION)**

SG CIB has already arranged and completed several operations of this type in France, Spain and Italy.

The PACEO is a product, created by SG CIB in 2002, which offers companies an additional optional source of finance. Its economic and financial impact is the same as a capital increase, while offering the flexibility of a confirmed credit line. The subscription price for shares at each share issue reflects the current stock exchange price. The programme is only activated on the issuer's request.

**ORCO PROPERTY GROUP**

Orco Property Group has been active in Central Europe since 1991. It rents and manages a diversified portfolio of office, residential properties, luxury hotels and hotel apartments in prestige locations. As a developer, investor and asset manager, Orco is now a major player in the region's property and hotel markets.

Its portfolio is valued at EUR 250 million with restated NAV per share of EUR 34.09 at December 31, 2004. Revenue in 2004 was close to EUR 72 million (unaudited figures).

Orco has been listed on Eurolist Paris (code ORC) since 2000 and is one of the most actively traded stocks in the segment, besides being the only listed property company dealing exclusively in the Central European market.

Since February 1, 2005, Orco has also been listed on the Prague stock market.

**SG Corporate & Investment Banking**

SG CIB is the corporate and investment banking arm of the Société Générale Group. Active in more than 45 countries in Europe, Asia and the Americas, SG CIB is a market leader in three core business lines:

- **Euro capital markets.** One of the top ten financial institutions in the debt and equity segments (bond issues, securitization, syndicated loans, convertible debt and equities).
- **Derivatives.** A world leader in equity derivatives and interest rate, credit, currency and commodity products.
- **Structured finance.** World leader in export, project and structured commodities finance.

SG CIB combines innovation and high-quality execution to develop integrated financial solutions that add value for large corporations, financial institutions and investors. [www.sgcib.com](http://www.sgcib.com)

**Orco Property Group**

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