

19th May 2006



Issue of a convertible bond of 149 999 928 EUR

Orco Property Group S.A. is issuing a private convertible bond of EUR 149 999 928 which objective is on the one hand the financing of its external growth and on the other hand to partly refinance its current debt in order to continue to decrease its cost and improve the future cash flows.

A prospectus has been approved by the CSSF on 17th May 2006, a supplement to the prospectus regarding the modification of the issue price is under approval.

Key elements of the Bond :

Nominal value :	EUR 149 999 928
Issue price :	EUR 138
Number of bonds :	1 086 956
Interest rate :	1 %
Term :	7 years
Coupon :	Yearly, on 1st June
Exercise price :	issue price, EUR 138
Exchange parity :	1 bond for 1 share
Normal redemption :	The non converted bonds shall be redeemed on 31st May 2013 at 138,62% corresponding to an IRR of 5,65 %
Early redemption :	From the 1 st of July 2008, if the Orco Property Group share price exceeds 130 % of the issue price during 30 consecutive days after the 1 st of June 2008. After notification, the bondholders who did not convert within 30 days will, on top of the par and accrued interest, receive a reimbursement premium equivalent to a 5,65 % IRR.
Control change clause:	see Prospectus section 4
Protection clause in case of exceptional dividend payment:	see Prospectus section 4
ISIN Code :	FR0010333302
Greenshoe :	15 %, ie 163 043 additional bonds
Listing :	Euronext Paris

The timetable is as follows :

- 15 May 2006 : Meeting of the Board of Directors to set the terms of the Issue.
- 17 May 2006: Approval of the Prospectus by the Commission de Surveillance du Secteur Financier (the "CSSF")
- 17 May 2006: Notification of certificate of approval by the CSSF to the Autorité des Marchés Financiers ("AMF")
- 17 - 26 May 2006: Investors subscribe to Convertible Bonds, the book was closed with anticipation on 18 May at 18h
- 29 May 2006: The Issuer has the right to allocate up to 15% additional bonds until 29 May 2006
- 1st June 2006: Settlement against delivery and first day of trading of the convertible bond on Euronext Paris.

Participants

Issuer : Orco Property Group S.A.,
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The full documentation is available in English on the issuer's website and on the CSSF website.

For further information please contact :

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Orco Property Group is a leading investor, developer and asset manager in the Central European real estate and hospitality market, currently managing assets of approximately EUR 737 million. Operating in Central Europe since 1991, Orco Property Group is a public company, based on Luxembourg and listed on both the Euronext and Prague Stock Exchange. Orco Property Group's portfolio includes IPB Real, MaMaison Residences, Orco Hotel Collection, Orco Real Estate, and other retail properties. Orco Property Group operates in a number of countries including, mainly, the Czech Republic, Hungary, Poland, Russia, Croatia, Germany and Slovakia. Orco Property Group is continually analyzing investments into new territories. Orco Property Group is also sponsor and manager of the Endurance fund, a Luxembourg-regulated, closed-end fund focused on Central European real estate assets and dedicated to institutional investors controlling assets of EUR 110 million.