

To the Shareholders of  
Orco Property Group S.A.  
42, rue de la Vallée  
L-2661 Luxembourg

## **REPORT OF THE REVISEURS D'ENTREPRISES AGREES**

We have audited the accompanying stand-alone financial statements of Orco Property Group S.A., Société Anonyme (“Orco Property Group”, the “Company” or “OPG”), which comprise the Balance Sheet as at 31 December 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Responsibility of the Board of Directors for the stand-alone financial statements*

The Board of Directors is responsible for the preparation and fair presentation of these stand-alone financial statements in accordance with the International Financial Reporting Standards as adopted in the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the réviseurs d'entreprises agréés*

Our responsibility is to express an opinion on these stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement including the assessment of the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the stand-alone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the stand-alone financial statements give a true and fair view of the financial position of Orco Property Group, Société Anonyme as of 31 December 2011, and of its financial performance and its stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union.

#### *Emphasis of Matter*

##### Going concern of the Company

Without qualifying our opinion, we draw attention to note 2.1.1 to the stand-alone financial statements which describes the basis upon which the Board of Directors has determined that it is appropriate to prepare the stand-alone financial statements on a going concern basis.

As at 31 December 2011, the Company still has substantial outstanding debt service obligations and capital requirements.

During 2011, the Group initiated a project to restructure the bonds issued by OPG and its affiliated undertaking Orco Germany S.A. ("OG"), which culminated with the signature of a joint agreement by the OPG and OG bondholders on 17 April 2012. Further to the approvals of the general meetings of the bondholders of OPG and OG, and the *Tribunal de Commerce de Paris*, the finalisation of this project is subject to the completion of the following two major steps, which are still pending at the date of issue of the stand-alone financial statements:

- i) the drafting of the different securities notes that need to be issued after approval by the *Commission de Surveillance du Secteur Financier* and;
- ii) the approval by the general meeting of the shareholders of OPG of the issuance of the new shares in consideration for the OPG bonds within the limits of the Company's authorized capital.

The implementation of the "Safeguard Plan" referred to in Note 2.1.1 is based on a business plan approved by the Board of Directors that assumes, inter alia, operational achievements and successful restructuring of the activities of certain subsidiaries. Finally, and as disclosed in note 2.1.1.2, some subsidiaries held by the Company require funding to continue as a going concern.

The Company's ability to continue in operation as a going concern is primarily dependent upon the completion of the aforementioned steps in relation to the OPG bonds, the successful completion of the aforementioned negotiations which are currently underway with the financing banks, and the successful implementation of the Safeguard Plan as described above.

The matters described above, together with the other elements described in note 2.1.1 in the stand-alone financial statements are indicative of the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

#### Going concern of certain indirect subsidiaries

We draw attention to note 2.1.1.4. in the stand-alone financial statements which describes the fact that GSG, 100% subsidiary of OG, and its financing bank have signed a standstill agreement which defers the repayment obligation related to the 15 April 2012 maturity of the EUR 300 million financing for OG's GSG portfolio to 15 June 2012. The Company is currently using this period to advance in its refinancing negotiations with a number of other credit institutions. Should such negotiations be unsuccessful, the current financing bank would have the possibility to exercise its pledge on the Group's shares in GSG, and consequently the Board should present the participation held in OG on a break-up basis. Pending the completion of such negotiations, the Board of Directors has determined that it is still appropriate to continue to record the participation at its going concern value. The net book value of the loan granted to and the shares OG in the stand-alone financial statements as of 31 December 2011 amounts to EUR 50,2 million. If the break up basis should be applied to GSG, the participation of OPG in OG should be fully written off. Our opinion is not qualified in respect of this matter.

## Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the stand-alone financial statements.

The Corporate Governance Statement included in the consolidated management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law.

For Deloitte Audit Société à responsabilité limitée, *Cabinet de révision agréé*



Christiane Chadoeuf, *Réviseur d'entreprises agréé*  
Partner

For H.R.T. Révision S.A.



Jean-Philippe Barret, *Réviseur d'entreprises agréé*  
Partner

May 25, 2012