



Press release

Orco Property Group (Orco) announces the signing of a new step-up equity subscription program (PACEO) with Société Générale

- **A total envelope of 2 million shares over 2 years, representing EUR 50 million about, based on current market price;**
- **Implementation by instalments according to the needs of Orco and with the permanent guarantee of Société Générale;**
- **A new line of equity, alongside new bank financing in order to consolidate the financial position of Orco.**

Luxembourg, August 13, 2008,

Following the extraordinary general meeting of shareholders of July 8, 2008, Orco announces today that Société Générale is to arrange a third PACEO in the overall limit of 2,000,000 new shares, through the issuance of unlisted share subscription rights (*Bon d'Emission d'Actions* or BEA). The exercise of each BEA obliges Société Générale to subscribe to one Orco' common share.

Subject to certain contractual conditions and through exercises of BEA, Orco has the right to issue several tranches of new shares over the next 24 months, backed by Société Générale's commitment to underwrite them on demand at a price close to the then current market price. Each tranche is capped at 300,000 new shares approximately. All BEA exercise and timing decisions fully remain under Orco's control.

The aggregate amount of capital raised will depend on the actual financing needs of Orco and will reflect the share's performance and volume exchanged on the market. All subscriptions of shares by Société Générale will be at a price equal to or greater than 93% of the market price at the time execution. Acting as a financial intermediary, Société Générale is committed to subscribing to the new shares but does not aim at to become a long-term shareholder of the Company.

Within the PACEO agreement, Orco today also announces a first issuance of 1 million BEA, which represent less than 10% of its share capital.

The two previous PACEO subscribed by Orco showed a high degree of relevancy for Orco and its shareholders. The board of directors of Orco has decided to issue a new and third PACEO in order to strengthen its equity structure while progressively financing its real estate development projects and managing its level of indebtedness.

Analysis of the dilutive impact of establishment of the PACEO for a shareholder holding 1% of Orco share capital prior to the issuance of new shares:

Calculations before and after issuance of 2,000,000 new shares potentially issued, based on:	Participation of the shareholder (% Stake)	
	Before issuing new shares	After the issuance of all new shares
Outstanding number of shares at August 13, 2008 ⁽¹⁾	1%	0.85%

⁽¹⁾At August 13, 2008, the capital of the Orco was composed of 10,943,866 shares.

ABOUT PACEO

PACEO (Programme d'Augmentation de Capital par Exercice d'Options) is an equity financing solution created and developed by Société Générale. PACEO offers growth-driven companies an additional and optional source of financing together with employees' profit sharing plans. It provides companies with the same economic and financial results as a classical capital increase, while offering them the similar flexibility of a confirmed credit line. The subscription price for shares at each share issue is close to the current stock price at the relevant moment. The program is activated on the issuer's request only. Société Générale has previously arranged and completed several transactions of this type in France and elsewhere in Europe, covering various industries.

Orco Property Group

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 2,5 billion. Operating in Central Europe since 1991, Orco Property Group is a public company, based in Luxembourg, and listed on the Euronext, Prague, Warsaw and Budapest Stock Exchanges. 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 analysing investment into new territories.

Orco Property Group is also sponsor of The Endurance Real Estate Fund, a Luxembourg-regulated closed-end mutual fund (*fonds commun de placement - fonds d'investissement spécialisé*) organised as an umbrella fund with six sub-funds focused on real estate acquisitions on office and retail, residential, industrial & logistic, and Health Care markets.

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