

Release of H1 2015 Financial Information
Stabilization after 2014 Restructuring
Early Termination of Safeguard Plan
Net Loss of EUR 17 million

Key recent events

- Early Termination of Safeguard Plan Accepted: Following the successful completion of various projects and transactions, as well as its reorganization and restructuring that took place in 2014 and 2015, ORCO PROPERTY GROUP's (the "Company" and together with its subsidiaries as the "Group") decided to request a termination of its Safeguard plan linked with an early repayment of those liabilities admitted to the Safeguard plan that became due. Towards this end, the Company filed on 19 June 2015 a request with the Paris Commercial Court (the "Court") to modify its Safeguard plan.

Accordingly, the Court pronounced a judgement pursuant to which the Court accepted Company's request to modify its Safeguard plan, as follows:

- Within fifteen days as of the pronouncement of the judgement, the Company is obliged to pay to the Safeguard administrator liabilities that are subject to and due under the Safeguard plan;
- The Safeguard administrator will proceed with the distribution of the funds received from the Company, after the judgment becomes final;
- Other liabilities that were admitted to the Safeguard, but are conditional or uncalled (such as uncalled bank guarantees, conditional claims of the holders of Warrants 2014 registered under ISIN code XS0290764728, provided that they were admitted to the Safeguard plan), will be paid according to their contractual terms.
- The duration of the Safeguard plan has been reduced to two months.

The liabilities to be paid based pursuant to the filed request amount to EUR 9,762,152 and include the remaining bond debt (EUR 4,375,934) as well as debts towards suppliers and called bank guarantees (EUR 5,386,218). Pre-Safeguard liabilities that were not admitted to the Company's Safeguard will be unenforceable.

- Finalization of Zlota Disposal and Prepayment on New Notes: Following the settlement of disputes with Zlota 44 general contractor INSO, the Company agreed on 7 January 2015 on final sales price of EUR 50,040,501 for the disposal of Zlota 44 to the international consortium of AMSTAR and BBI Development. Further to this the Company proceeded with an additional "Mandatory Prepayment on Zlota Disposal" under the terms and conditions of the notes registered under ISIN code XS0820547742, issued by the Company on 4 October 2012, as amended and restated on 7 November 2014 (the "Notes"). The prepayment in the amount of EUR 2.2 million was distributed to the holders of the Notes on 30 January 2015. Accordingly, the current outstanding principal of the Notes amounts to EUR 65,064,248.49.
- Acquisition of New Development Project in Prague: In line with its new strategy focusing on development projects, the Company entered on 19 December 2015 into a EUR 5.7 million agreement concerning the development project located in Prague 10. The project comprises of approximately 33 thousand sqm of developable land. The Company already owned 31 thousand sqm of directly adjacent land. The completion was subject to certain corporate approvals on seller's side, which were granted on 10 March 2015, thus the acquisition became effective. Following this acquisition the Company now owns an excellent developable land plot of approximately 64 thousand sqm with a good location.

- Completion of Reorganization of Hungarian Subsidiaries: The Company has also completed insolvency reorganization proceedings for its three Hungarian subsidiaries. The restructuring plans were approved at creditors meetings in December and later on by the Budapest Commercial Court. As part of the approved reorganization the subsidiaries transferred Váci 1 (former stock exchange building) and Szervita assets to the financing bank and Paris Department Store to the Hungarian Republic, which exercised its preemption right. Within the reorganization settlement the Company paid to the financing bank EUR 9 million in consideration of the release of corporate guarantees provided by the Company as well as the release of pledges on Váci 188 project, which was crosscollateralized in favor of the financing bank.
- Successful Reorganization of Suncani Hvar: In Croatia, the Split Commercial Court approved on 9 June 2015 the restructuring plan of Suncani Hvar ("SHH"), which is a successful outcome of pre-bankruptcy procedure initiated by SHH in 1H 2014 in order to allow the restructuring of its operations. Following the long-term negotiations among SHH's biggest creditors and shareholders, the restructuring plan was approved at the creditors meeting in December 2014 as well as at the shareholders meeting in January 2015, which provided a solid basis for the approval of the plan by the Split Commercial Court.
- The Annual General Meeting of 28 May 2015: The Annual General Meeting of the shareholders of the Company held on 28 May 2015 (the „Meeting“) approved the statutory annual accounts and consolidated annual accounts for the financial year ending 31 December 2014, as well as the allocation of financial results for the financial year ending 31 December 2014. The Meeting decided to appoint Mr. Jiří Dederá, Mr. Edward Hughes, Mr. Pavel Spanko and Mr. Guy Wallier to the Board of Directors of the Company until the Annual General Meeting of 2016 concerning the approval of the annual accounts of the Company for the financial year ending 31 December 2015. Mr. Jiří Dederá was also elected Managing Director (administrateur délégué) of the Company.
- Kingstown legal action: On 20 January 2015 the Company received a summons containing legal action of the three companies Kingstown Partners, Kingstown Partners II and Ktown, claiming to be former shareholders of the Company. The action seeks a condemnation of the Company, CPI Property Group and certain members of the Company's Board of Directors as jointly and severally liable to pay damages in the amount of EUR 14,485,111.13 and compensation for moral damage in the amount of EUR 5,000,000. According to Kingstown's allegation the claimed damage has arisen as a consequence of inter alia alleged violation of the Company's minority shareholders rights.
- Intent to List Company Shares on the Luxembourg Stock Exchange: The Company decided to apply for the admission to trading of its 314,507,629 ordinary shares, representing the entire share capital of the Company, on the regulated market of the Luxembourg Stock Exchange, which constitutes a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial. The admission to trading is subject to the approval of a prospectus by the Commission de Surveillance du Secteur Financier. The admission to trading is expected to occur in Q3 2015.

H1 2015 Financial highlights

The first half of 2015 is reflecting stabilization after the reorganization of the Group throughout 2014. In line with this, the Group recorded lower net loss attributable to owners of the Company in the amount of EUR 17.1 million compared to a loss of EUR 63.0 million over the same period of 2014.

- Total revenue decreased year on year to EUR 7.3 million for the first half of 2015 compared to EUR 16.8 million over the same period in 2014 (-56 % y-o-y). This decrease comes primarily from the Development business line and results from sale of residential units on project V Mezihoří and Mostecká realized in 2014.
- The loss in fair value adjustments on investment properties recognized in the income statement correspond to a net loss of EUR 13.9 million compared to a net loss of EUR 0.5 million over H1 2014.
- Operating result as of June 2015 is represented by loss of EUR 11.2 million compared to a loss of EUR 24.0 million over the same period in 2014. The improvement of EUR 12.8 million is driven mainly by reducing costs associated with termination indemnities paid over H1 2014 (EUR 12.3 million).
- The adjusted EBITDA decreased by EUR 1.0 million and amounts to EUR -2.3 million as at 30 June 2015, compared to EUR -1.3 million in 2014. Following the improvement of operational result, development segment reports improved adjusted EBITDA (EUR 2.7 million), while Property Investments reports negative variation of EUR 3.8 million, mainly impacted by decreased revenue and no termination indemnities contributing in 2015, but reported in 2014.
- Financial result improved from a loss of EUR 36.5 million to a loss of EUR 10.7 million as at 30 June 2015, which reflects stabilization after reorganization of the Group in 2014.
- The LTV ratio as at 30 June 2015 is represented by percentage value of 39.8% and has slightly increased compared to 38.1 % as at 31 December 2014. Total amount of financial liabilities including bonds amounts to EUR 144.7 million as at the end of June 2015 in comparison to EUR 141.3 million at the end of 2014. Fair value of portfolio evaluated went up from EUR 355.1 million to EUR 366.2 million.
- The EPRA Net Asset Value (EPRA NAV) per share as of 30 June 2015 is EUR 0.66 compared to EUR 0.67 as at 31 December 2014.

Condensed consolidated interim financial information together with the auditors' limited review report will be made available today on:

<http://www.orcogroup.com/investors/financial-documentation/half-year-documents>

For more information,
visit our Shareholders corner
on www.orcogroup.com, or contact us
at investors@orcogroup.com
