



Audit report

To the Shareholders of
Orco Property Group S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Orco Property Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

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

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view of the consolidated financial position of Orco Property Group S.A. and its subsidiaries as of 31 December 2010, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.1 to the consolidated financial statements which indicates that, as at 31 December 2010, the Group still has substantial outstanding debt service obligations and capital requirements. The implementation of the "Plan de Sauvegarde" referred to in Note 2.1 is based on a business plan prepared by Management that assumes among other things the disposal of certain assets and businesses and the renegotiation of certain bank loans and additional bank financings. Furthermore, as discussed in Note 2.1, some bondholders have filed third party opposition with the "Tribunal de Commerce de Paris" against the judgment approving the "Plan de Sauvegarde". Finally, as discussed in Note 2.1, some subsidiaries and joint ventures held by the Group require funding to continue as a going concern. These matters referred to above, along with other matters as set forth in Note 2.1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In the event that the matters referred to above would not be resolved satisfactorily, the consolidated financial statements would have to be prepared on a break-up basis of accounting with impacts on the valuation, the classification of assets and liabilities and the disclosures, the effects of which cannot be estimated at present.

Report on other legal and regulatory requirements

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

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg, 25 March 2011

A handwritten signature in black ink, appearing to read 'Marc Minet', is written over a rectangular box. The signature is stylized and cursive.

Marc Minet