

August 30th, 2007

A portfolio valued at € 2.15 billion

€ 644 Million of acquisitions finalized

Revenue increase of 270 % to € 124.7 Million

Adjusted EBITA of € 15.9 Million, exceeding full year 2006

Estimated NAV per share up 65.29% on YTY and 16.4 % since 31.12.2006

Orco Property Group's Board of directors approved today the company's consolidated accounts for the first Half 2007 (IFRS).

I) Key figures

<i>In thousand Euro, unaudited</i>	H1 2007	H1 2006	% Variation
Sales	124 764	33 728	+ 270 %
Net gain from fair value adjustments	96 810	40 276	+ 140 %
Operating result	99 618	38 020	+ 162 %
Financial result	- 13 035	- 5 076	+ 157 %
Profit before tax	86 583	32 944	+ 163 %
Net profit attributable to equity holders	55 090	26 740	+ 106 %

A) 270% increase in revenues

Total revenues amounted to € 124.8 Million in H1 2007. The strong organic and, in particular, external growth of Orco Property Group in one year accounts for the sharp increase of 270 % when compared to H1 2006 figures (€ 33.7 Million).

1) Residential Development

Revenues from the development activity amounted to € 90.4 Million in H1 2007 vs. € 12.5 Million in H1 2006, without Viterra which contributed only as from H2 2006. The main

contributor during this first half year is the Czech Republic with € 51.3 Million compared to Germany with € 28.3 Million and Poland with € 5.9 Million.

Compared to H1 2006, when a total of 109 units were delivered, the group increased very significantly the volume of its revenues from development activity. In the Czech Republic, 705 units were delivered and as at June 30, 667 future purchase contracts are signed. The main projects are Kosik, Repy and Nove Medlanky. In Poland, 46 units were delivered, and 526 future purchase contracts are signed. Finally, in Germany, 78 units were delivered and 71 future purchase contracts are signed.

The high level of future purchase contracts gives Orco Property Group's management good confidence in meeting its full year target of € 164 Million in revenues from development activity.

The management remains confident about the evolution of the demand in all the territories the group is involved in. Indeed, all housing units of the second phase of the residential project Plachta in Hradec Kralove (8 buildings with together 279 housing units) were sold out already in July, while the construction itself is to be finished only at the end of year 2007. This good figure shows evidence that modern residential projects fulfilling high standards have a big potential in the whole territory of the Czech Republic.

2) Investment Property

Revenues from renting amounting to € 17.6 Million vs € 8 Million in H1 2006 were positively impacted during the period by the contributions of the logistic building Molcom in Russia (€ 5.6 Million), the 2006 acquisitions such as Bubenska (€ 1.6 Million) and our Berlin portfolio (€ 1.3 Million before the future contribution of GSG starting at Q3). The occupancy rates remain at their high level of 83.1 % for office space, 86.4 % for residential property 73.4 % for the retail space and 95% for the logistic space. This figure excludes GSG which vacancy rate amounts to 31%.

Among the major news for on going projects, the group obtained the validation of the construction permits for Paris Department Store in Budapest. The new building is expected to open its gates to the public in the second half of 2008, offering a total leasable area of 5.425 sqm for upscale retail and offices.

3) Hotels and Residences

H1 revenues from the hospitality segment still took into account the whole portfolio before the sale of the hospitality division to the Endurance Hospitality Sub fund, which took place on July 1st. Revenues amounted to € 15.8 Million in H1 2007 (vs € 11.6 Million H1 2006). The contribution of the assets that has remained in the portfolio after the sale amounts to € 4.8 Million. These assets include Pachtuv Palace which contributed positively with € 1.2 Million and the Diana Residence which contributed for € 0.7 Million. In addition, Orco Property Group keeps Suncani Hvar which income stood stable at € 2.9 Million for the first semester. The opening of Adriana on June 6th, the full season of the Riva opened last year and the finalisation of the second phase of the Amfora are expected to have a positive impact on revenues for the nine months results (September 30th).

4) Management Services

The fees generated by the Endurance Funds family amounted to € 4.3 Million in the first half of 2007.

Two elements contribute to the low level of revenues in H1 2007: (i) the funds which have been launched since the beginning of the year will start generating fees during the second half, as the fees linked to the setting up and the acquisition made by the Hospitality sub fund; (ii) the fees generated by the management of the hospitality portfolio will be booked after the completion of the sale of the portfolio to the Endurance Hospitality Fund. This delay will be largely compensated by the positive contribution of the hospitality division in the first half year results.

Based on these figures and taking into account the purchase of Molcom and GSG, the group can increase its 2007 turnover target to €250 Million. For 2008, a 10% increase of this turnover on a constant basis seems a reasonable target.

B) A portfolio valued at 2,15 € Billion

1) Valuation update by DTZ

As defined by our accounting rules for the intermediary closings, the Board instructed DTZ to value or revalue the acquired assets during the period and the assets for which a significant change occurred during the period. In addition, the Board requested a valuation of the renting portfolio in order to reflect more accurately the yield compression of our markets. The total valuation of 100% ownership is estimated at € 2,15 Billion.

2) € 96,8 Million of profit of revaluation

The total revaluation profit amounted to € 96.8 Million. The significant contributors are Bubny (land bank in Prague € 12.9 Million), Cumberland (retail development in Berlin € 15 Million), Wertheim (land bank in Berlin € 16 Million), Na Porici (office building in Prague € 4.5 Million), Pier 1 (Office Building in Duisburg € 4 Million), Praga (land bank in Prague € 3.4 Million), Paris Department Store (retail development € 3.6 Million), Molcom (logistic center in Moscow € 3.2 Million).

The previous revaluation of the Radio Free Europe project (€ 15.4 Million) had to be reduced due to the increase in the construction costs caused by the change of contractor. The reduction amounts to € 5.2 Million and is recorded under “provisions and impairments”.

3) NAV per share calculation : an increase of 65.29% on YTY and 16.4% since December 31st, 2006.

The Net Asset Value per share is estimated at 115.70 €. Calculated on the basis of 10.412.057 shares (vs 8.389.646 on 31.12.2006), it includes the valuation of the 27,7 Million shares of ORCO Germany with a market price as at June, 30st, 2007 of 12.75 € and of the 2.9 Million shares of Suncani Hvar with a market price as at June, 30st, 2007 of 220 Kuna. This calculation does not take into account any value nor for the management company of the Endurance fund nor for the hospitality management company (MMR) neither the service companies of the group.

The net asset value was determined as follows:

NAV Calculation	In KEUR
Shareholders' equity	713 451
Fair value adjustments	76 811
Deferred taxes	102 598
Goodwill	- 5 880
Fair value Orco Germany	241 196
Fair value Suncani Hvar	44 957
Orco Germany warrants	4 926
Suncani Hvar warrants	19 597
Own shares	4 540
Total	1 204 678
Number of shares	10.412.057
NAV per share in €	115.7

Linked to the acquisitions realized during the first semester, the loan to value ratio amounts to 42 %. Thanks to the bond with warrants issue in March 2007, the group has been able to stabilise its cost of debt.

C) 15.9 € Million of adjusted EBITA

Orco Property Group's operating activities generated a positive adjusted EBITA of € 15.9 Million in H1 2007, higher than the full year 2006 figure of € 5.3 Million. The group believes that this ratio, by adjusting non cash positive and negative contributions, provides a view of the performance of the underlying business.

This ratio is calculated on the basis of the operating result from which is deducted the profit on revaluation (€ 96.8 Million for H1 2007), and to which is added the costs regarding stock-based compensation (€ 1.5 Million), the cost of goods sold corrections i.e. capital gains realized on disposed assets previously revalued through the income statement (€ 1.3 Million) and depreciation and provisions (€ 10.3 Million).

D) The Net profit amounts to € 55,1 Million

II) Major acquisitions

The group finalized investments for a total acquisition value of € 644 Million this semester.

In KEUR			Closed
<u>CR</u>			
	Prague 1, Mostecka	hotel dev.	21 250
	Prague 6, Hradcanska	office dev.	-
	Others		16 982
<u>SK</u>			
	Bratislava, City Gate	mix luxury dev.	20 000
	Bratislava, Dunaj dpt. store	dpt. Store for redev.	18 382
	Kosice, Kohal	hotel dev.	4 288
<u>RU</u>			
	Moscow, Molcom	logistic in operation	-
			92 000
<u>GE</u>			
	Berlin, Wertheim	mix dev.	-
	GSG	mix portfolio	78 000
			378 000
<u>PL, HU, CRO</u>			15 358
TOTAL			644 260

Apart from the Wertheim land bank for € 78 Million and the acquisition of Molcom in Russia for € 92 Million already announced in Q1, the group also completed two acquisitions in Slovakia (€ 42 Million) and finalized the GSG acquisition (€ 378 Million).

A) Acquisition of the Dunaj buildings in Bratislava: 2 shopping buildings in the centre of the Slovak capital.

The 2 interconnected buildings, Dunaj1 and Dunaj2, incorporate circa 10,000 sqm of retail space and storage area. The group plans to develop a modern retail space and, in the upper floors, high quality office space. The group is already in negotiation with a number of potential tenants. The future retail and office tenant mix will represent some well-known brands and companies, as yet unseen in the Slovak capital city. Total investment is estimated at € 34 Million.

B) Acquisition of the City Gate building in Bratislava.

On the ground floors, the group plans to develop a modern shopping centre and exclusive restaurant. The second floor will be dedicated for A class offices. The remaining floors will be used for residential units and luxury apartments. Completion of the reconstruction is planned for the end of 2008 and total investment is estimated at € 42 Million.

C) Residential Development : a focus on secondary cities

In Poland, the group purchased a 7.3ha parcel in Szczecin to build 770 residential units. In compliance with the current zoning plan, the company will construct a housing development comprising 3- and 4-floor buildings, delivering approximately 770 high quality affordable housing units with parking.

D) June 2007 : Completion of GSG acquisition, change in Orco Germany ownership structure

Orco acquired GSG in a joint venture with Morgan Stanley Real Estate Fund V (MSREF V), a real estate fund of the Morgan Stanley Group. Including liabilities, the acquisition price amounts to approximately € 400 Million. With about 800,000 sqm commercial and light industrial space and 1.200 tenants, GSG is the biggest provider of commercial property in the German capital.

During Q3, GSG will be fully owned by Orco Germany. The joint venture agreement between Orco and MSREF V foresees a €35 million cash payment and the contribution of the acquired 50 % of GSG by MSREF V to the share capital of Orco Germany in exchange of 14.100.000 new shares. After completion, the total number of shares of Orco Germany, listed on XETRA in Frankfurt, will be 48.771.333. The effect of the combined transaction leaves Orco Germany shareholding structure with MSREF V holding 29 %, Orco 57 % and a free float of 14%. The consolidated accounts as presented in this communication reflect already the described transaction here above.

Considering the size of Orco Germany, Orco Property Group is now studying the transfer of the listing of Orco Germany from the Xetra onto a regulated market before year end.

E) Post closing acquisition : Acquisition of administrative building on Milady Horákové Street, Prague 6

Škoda Palace is an administrative building dating back to 1991, which is currently being occupied by the Škoda company. The property is located on Milady Horákové Street, Prague 6, directly next to the Hradcanská subway stop (line A). Total area of the building is approximately 14.000 sqm. The investment is estimated at € 19 Million and was partially financed by a bank loan.

III) Recent Corporate Events

A) June 2007 : € 172.5 Million capital increase and quadruple listing successfully completed

Following a successful capital increase, Orco Property Group shares started to be traded on Warsaw and Budapest Stock Exchanges on June 21st 2007. With a market capitalization of approximately € 1.2 Billion Orco will be ranked the 5th largest company listed on BSE and among the top 20 stocks on WSE. Considering the size of the market capitalization and its over 80% free float, the Company hopes to be eligible for inclusion in both BUX and WIG 20 indices before year end.

The price per share issued pursuant to the over-allotment option is equal to the offer price announced on 14 June 2007 of € 115.00. Following the sale of the Option Shares pursuant to the over-allotment option, the total size of the Offering amounted to 1,500,000 Shares, corresponding to a total offer size of approximately € 172.5 Million.

B) July 2007 : Endurance Hospitality fund

On July 1st Orco sold part of its hospitality portfolio to Hospitality Invest a company controlled by Endurance Hospitality sub fund. The transaction price amounted to € 73 Million net of intercompany and bank loans and is based on an asset value of € 166.3 Million. The capital gain generated in Orco Property Group accounts and corresponding to the hotel part of the transaction (as the extended stay hotels have been revalued along the way) will be booked in Q3 accounts.

In the meantime, Endurance Hospitality sub fund and AIG entered into a joint venture agreement by which Hospitality Invest will be controlled equally by both parties. AIG's initial investment in the JV amounts to € 50 Million while the targeted equity in the hospitality sub fund amounts to € 250 Million.

C) New Stock Option Plan

On June 30, the Board of Directors decided to grant to the management a new stock option plan on 500.000 shares at a price of € 142 and a maturity date at 30.06.2009. The stock options are exercisable as from the date of acceptance until maturity date.

IV) Consolidated Unaudited Balance Sheet

Assets			Equity and liabilities		
	June 2007	December 2006		June 2007	December 2006
NON-CURRENT ASSETS	1 800 525	992 605	EQUITY	854 232	518 425
Intangible assets	57 032	1 545	Shareholders' equity	693 458	454 232
Investment property	1 401 252	749 438	Minority interests	160 774	64 193
Property, plant and equipment	301 466	213 860	LIABILITIES		
Hotels and own-occupied buildings	214 767	165 502	Non-current liabilities	1 397 893	673 075
Fixtures and fittings	16 027	15 036	Bonds	457 800	240 854
Properties under development	70 672	33 322	Financial debts	677 169	331 651
Financial assets	30 423	21 196	Provisions	15 429	11 822
Deferred tax assets	10 352	6 566	Deferred tax liabilities	247 495	88 748
CURRENT ASSETS	766 028	485 468	Current liabilities	405 662	287 381
Inventories	247 963	248 884	Financial debt	178 253	95 370
Trade receivables	44 624	52 602	Trade payables	67 187	55 526
Other current assets	132 096	85 643	Advance payments	64 696	63 377
Cash and cash equivalents	341 345	98 339	Other current liabilities	95 526	73 108
Held for sale activities	142 305	2 281	Held for sale activities	51 071	1 473
TOTAL	2 708 858	1 480 354	TOTAL	2 708 858	1 480 354

V) Message of the Chairman - Jean-François OTT

This semester saw major achievements for our group.

We fulfilled the acquisitions of the GSG portfolio and the Wertheim land bank in Berlin, of Molcom in Russia, of City Gate and Dunaj premises in Bratislava. The total value of our investments this semester reaches € 644 Million. The portfolio is now valued at € 2,15 Billion. NAV stands at 115.7 € per share showing that our stock price offers a significant upside potential. As the largest shareholder, I would like to reaffirm my strong conviction in the group's value and its strong secured ten years pipeline which will ensure its growth potential.

In terms of corporate finance, the investors showed their confidence in the group's management and strategy. We indeed raised a bond with warrants for €175 Million in March and thanks to the listing of our share in Warsaw and Budapest, we successfully raised through a capital increase € 172 Million in June. I take this occasion to thank particularly the Polish and Hungarian investors which came into our stock last June. To finish, our subsidiary Orco Germany raised a bond with warrants in May for €100 Million.

Our strategy remains focused on a dynamic growth of each of our three expertises: investment property, residential development and asset management.

I think that the mix of our portfolio both in terms of sector – investment property in prime retail locations and mid range housing development- and in terms of geography – Germany, Central Europe and since recently Russia, a market in which I strongly believe - provides a good balance in the current uncertain environment. The strong fundamentals of the markets in which we are active - reasonable rates both in terms of rents and acquisition prices, economic convergence - offers the best security to the investor.

In the investment property activity, we reaffirmed our opportunistic acquisition strategy by the purchase of the Skoda Hradcanska building in Prague which allows us to reinforce our corner on the Bubny area. Based on our recent discussion with local authorities, I am moreover confident that the first constructions works on the Bubny site could start within two years from now. The group is also pursuing the building up of a prime downtown retail portfolio of above 200 000 sqm throughout the seven countries in which we are implemented. Our Budapest team obtained the validation of the construction permit for the Paris Department Store a few weeks ago, and this building will be our first big retail achievement. In each of these projects, Orco's projects will make the difference thanks to the dynamism of his teams and excellence in architectural conception. These redevelopments for our own account maximize the profit for the shareholders.

In the residential development activity, the first semester was remarkable with over 829 units sold. This excellent figure was realized both on projects in the capital cities but also in secondary cities like Hradec Hralove: this validates our strategy to secure land bank in secondary cities where the demand potential is huge. In that respect, we fulfilled the acquisition of over 7ha in Szczecin (Poland).

To finish, the Endurance Funds family keeps on growing fast with the two first funds now closed with over € 250 Million equity and the good start of hospitality fund thanks to the joint venture with AIG.

In all our segments, Orco showed a great ability to sustain its growth while reinforcing its profitability. Our pipeline of acquisition contains today over 80 projects. And our adjusted EBITA stands over € 15,9 Million, showing that Orco is now generating recurring cash-flow.

Thanks to the solid fundamentals of the German and Central European market, my target for the group is to keep this virtuous circle of managing its growth while permanently improving its profitability. Orco also has a role to play as a consolidator of the market.

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