



Press Release

21st August, 2007

**ORCO Property Group announce acquisition of administrative building
on Milady Horákové Street, Prague 6**

ORCO Property Group, a leading investor, developer and asset manager in the Central European real estate and hospitality market, is pleased to announce the successful acquisition of the administrative building, Škoda Palace, on Milady Horákové Street nr. 116, Prague 6. ORCO acquired the building from an undisclosed foreign investor, and plans to reconstruct the entire property as A Class office space.

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 Hradčanská subway stop (line A). The locality enjoys a highly developed traffic infrastructure, providing future tenants with good accessibility to the city centre, as well as to Prague's Ruzyně airport. Total area of the building is approximately 14.000 sqm. The investment is estimated at EUR 19 million and was partially financed by a bank loan.

„This building is situated in a very attractive location of Prague 6, near the Prague Castle. The location of the building is advantageous for a number of reasons, not least of all the very good transport connections, both urban mass and individual transportation. This transportation will further be improved once the mid-sized circuit tunnel is completed nearby. The connection to Ruzyně airport will be even faster after the completion of the high speed track and underground metro extension. We believe that after reconstruction this building will afford quality office spaces to many satisfied tenants“, **said Aleš Vobruba, Senior Vice President 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 1.31 billion EUR, as valued at 31/12/2006. Operating in Central Europe since 1991, Orco is a public company listed on the Euronext in Paris and on the Prague, Warsaw and Budapest Stock Exchanges. Orco Property Group's portfolio includes, IPB Real, MaMaison Hotels & Apartments, Viterro Development, Gewerbesiedlungs-Gesellschaft mbH (GSG), Orco Real Estate, and other retail properties. 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 analyzing investment into new territories.

Orco Property Group is also sponsor and manager of the Endurance Real Estate Fund for Central Europe, a Luxembourg-regulated, closed-end and umbrella fund with several sub-funds focused on real estate acquisitions on office and retail, residential and hospitality markets. The total subscribed capital of the first Office sub-fund represents EUR 150 million and it currently manages assets of approx. EUR 240 million. Estimated total value of the Fund's portfolio after investment of full subscribed capital is app. EUR 500 million. The Endurance Fund is dedicated to institutional investors and focuses on acquisitions in Central European real estate markets. The second Residential sub-fund started its activities in October 2006. Its current subscribed capital amounts to EUR 100 million, the target being EUR 150-200 million. Hospitality sub-fund and Office A-class sub-fund are currently starting the subscriptions. For further information, please visit www.orcogroup.com

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