



30th January 2008

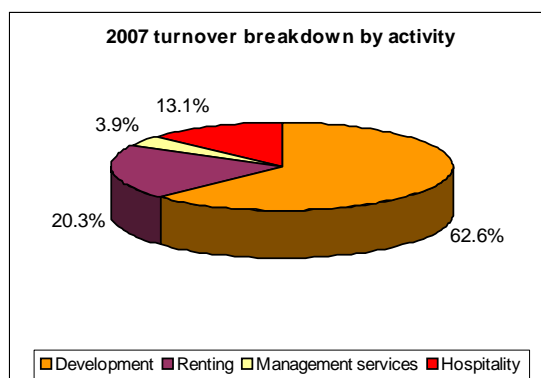
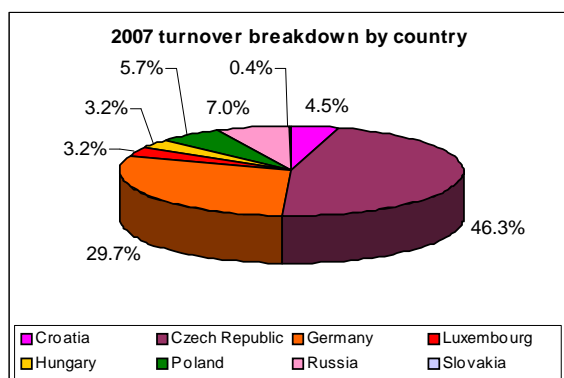
59% increase in annual turnover to € 275.2 Million

€ 2.4 Billion Assets

Estimated NAV € 104

The non-audited annual turnover for 2007 was € 275.2 Million (and not € 270.9 Million), a sharp increase of 59% over the € 172.9 Million achieved in 2006. This can be attributed to Orco Property Group's strong organic and external growth over the past year. In particular, Orco Property Group significantly outpaced its June 2007 revised sales target of € 250 Million.

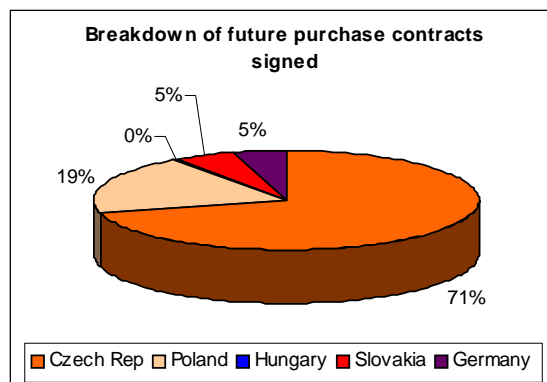
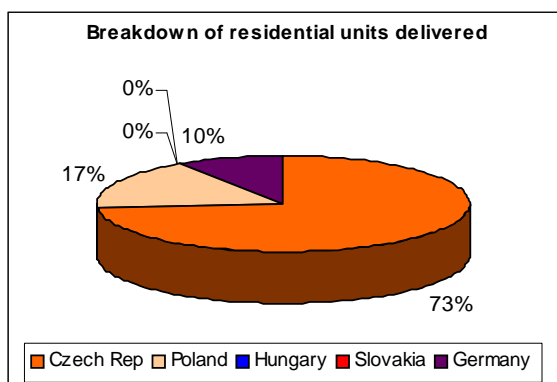
in € Million	2007	2006	%change
Development	172.4	124.3	39%
Renting	55.9	19.9	182%
Hotels and Residences	36.2	30.8	18%
Fund management fees	10.7	4.5	138%
Other management services	NA	4.2	
Intersegment activities	NA	-10.7	
Total	275.2	172.9	59%



Residential Development

Revenues from the residential development activities were € 172.4 Million compared to € 124.3 Million in 2006. The group has very significantly increased the volume of its development activities with the delivery of 1503 units in 2007 (Kosik at 50%).

For 2008, the backlog of 894 signed future purchase contracts gives Orco Property Group's management a high level of confidence in meeting its full year target of € 197 Million in revenues from development activities.



Rental revenues

Rental revenues were € 55,9 Million in 2007 (and not € 51,5 Million) compared to € 19.8 Million in 2006.

This growth can largely be attributed to two new contributors: Molcom, which was purchased in April and generated € 16.8 Million of revenues in eight months; and GSG, which was acquired at the end of June and generated € 18.0 Million of revenues in six months. Thanks to the GSG acquisition, Orco Property Groups becomes the biggest private owner of commercial real estate in the city of Berlin. The 825 000 sqm commercial portfolio was purchased on the basis of € 460 per sqm, showing an immediate acquisition yield of 10%. As in the other countries in which Orco Property Group operates, active asset management of the portfolio has successfully cut the vacancy rate by 2% (to 30%) and saved €1,3 Million in costs.

In Prague, the biggest contributor was the Bubenska building that was purchased in September 2006 for € 26,6 Million and which generated € 3.3 Million in rental revenues.

The average occupancy rate remains very high at 88% (excl GSG) on a global basis. By sector, the occupancy rate is 82% for office space, 87% for residential property, 91% for retail space and 94 % for logistic/light industrial space. The office division's occupancy rate decline is explained by the consolidation of GSG; but it is worth noting that the occupancy rate has already improved from 68% to 70% and keeps improving. Including GSG, the occupancy rate of the office portfolio comes to 72%.

Taking into account a full contribution from Molcom and GSG, the group has set a target of reaching € 80 Million in rents.

Hotels and Residences

Hospitality revenues were to € 36.1 Million in 2007 compared to € 30.8 Million in 2006. Suncani Hvar contributed for € 12.5 Million to this total compared to € 9.6 Million the previous year, despite the late opening of Amfora at the end of July.

Despite the sale of the hospitality portfolio (excluding Pachtuv Palace, Diana, Belgicka, and Suncani Hvar) to Endurance Hospitality Fund in JV with AIG that entered into effect on November 30th, the turnover is still fully integrated over the whole year.

The performance of the 2007 hospitality portfolio (Excl Suncani Hvar) improved significantly with an ADR of € 108.7 and a Revpar of € 69.9 compared to respectively € 99.1 and € 60.0 respectively in 2006.

The group targets a turnover of €23 Million in 2008 for the remaining portfolio.

Asset Management

The fees generated by the Endurance Funds have significantly increased to € 10.7 Million (compared to € 4.5 Million in 2006) showing the growth and strength of this activity.

The total equity committed at year end jumped from € 200 Million in 2006 to € 650 Million in 2007. Today, the Endurance Fund family is divided into 3 existing sub funds (Office and Retail 1, Residential and Hospitality) and 4 new sub funds open to subscriptions: Office and Retail 2, Logistic, Infrastructure and Healthcare. AAA investors across all borders are unit holders of the funds. Orco Property Group holds the position of asset manager and investors in each of the funds, and has committed between 5 to 20% equity in most of them.

In 2008, the group anticipates a sharp increase in Endurance's contribution to the turnover in the amount of € 30 Million. In 2008, new funds will be launched, the first of which dedicated to infrastructures. In 2012, the group targets raising € 3 billion of equity and managing € 10 billion of assets for Endurance.

Recent Events

Financing : € 188 Million of new loans in Q4 2007 –Financing is still available in our markets

During the last quarter of 2007, the group signed €188 Million in project financing showing an average margin of 127 bp. Among the main contracts in the development activity, City Gate is worth mentioning for € 40 Million at EURIBOR + 130bp. In the investment portfolio, the main debt contracted concerns the GSG acquisition financed by a € 305 Million variable interest loan swapped against an interest fixed at 5.45 % (margin included) signed in July 2007.

New leases signed during Q4 2007

The leasing teams recently completed major negotiations for retail and for offices units, including Starbucks and Robert Half at Palace Archa (Na Porici) in Prague, and Ceska Sporitelna (subsidiary of Erste Bank) at Hradcanska in Prague. Most noteworthy, the law firm Lovells has entered into a lease agreement for 9000 sqm in Dusseldorf's Sky Office building, a modern, first class business building offering a view of the Rhine River. Coupled with the lease already agreed with an internationally renowned consultancy firm, Orco Germany has succeeded in leasing 55% of the building a year and a half before its delivery.

€ 719 Million acquisitions for 2007

The group's acquisitions totalled a value of € 719 Million this year.

In addition to the Wertheim land bank acquired for € 75 Million and Molcom acquired in Russia for USD 85 Million, which were already announced in the first quarter, the group completed two acquisitions in Slovakia (€ 42 Million), one office building in Luxembourg (€ 32 Million) and finalized the GSG acquisition (€ 385 Million) in Berlin. With this major transaction, Orco became one of the leading commercial asset owner in Berlin.

Iconic projects

The group made strong progress on its iconic retail projects such as Paris Department Store, Cumberland and Vaci 1 for which leases with major luxury retailers are in negotiation. Major progress was also made on Bubny and Wertheim, leading to additional value creation for the group in 2008.

Message from the President, Jean-François OTT

While the world clearly finds itself in challenging financial times, I remain supremely confident in Orco Property Group's solid position in Central Europe because of the strong economic fundamentals of these countries and their real estate markets. The convergence movement is still on its way boosted by EU fundings.

Growth in the Central European region continues to significantly outpace Western Europe as economies mature further (6% for Czech Republic compared to 1.8 % in France, according to 2008 estimates). Moreover, the exposure of these countries to US imports stands at a low 2%. As a result of favourable tax measures, most important of which is the reduction of the personal income tax in the Czech Republic to a flat tax of 15% (and then to 12,5% in 2009), these countries have the capacity to retain and attract a highly skilled workforce while still maintaining salaries at levels that are 50% below the Western European average.

Given this healthy economic context, office absorption has doubled between 2001 and 2007 in Central Europe as highly-skilled; low cost labour continues to draw multi-national corporate occupiers to the region. Even though the supply of new offices considerably increased in the recent years, the continuously rising demand for space has kept the Central European cities significantly undersupplied compared to Western European cities. As rent levels remain 3 to 4 times cheaper than in Western Europe, this will provide us with a future upside in values even when yields stabilize. We saw a rental growth of 5 to 8% in 2007.

In the residential market, the average indebtedness of a Central European family stands at 15,4%, a percentage far below the 54% average indebtedness of a Western European family. As such, the Central European mortgage market is not nearly as exposed to the dangers of the US/UK subprime crisis as the Western Europe mortgage market is.

In 2007, Orco Property Group generated the highest turnover in its history: € 271 Million. The group's three business lines i.e. Residential Development, Property Investment, Asset Management, demonstrated a significant increase in profitability and clear gain in critical size.

The group obtained € 188 Million in new loans during the last quarter of 2007. The margins obtained are by far the best the group has ever achieved (an average of 127 basis points). This proves conclusively that Orco Property Group's investments benefit from the trust of the banks which have been financing us since the inception of our activities sixteen years ago.

I estimate the IFRS net asset value per share as of December 31st to be around 104 € based on an expected record net profit over € 100 Million for 2007. The values of real estate in Central Europe continue to grow smoothly. The slight increase in the yield was compensated by the increase in the rents. The decrease in the net asset value compared to June (€115) is explained by the drop in the share prices of Orco Germany (from € 12,5 to € 10,2 on 31.12.07) and Suncani Hvar (from K 220 to K 179 on 31.12.2007). Note that the share price drop does not correspond to a diminution of real estate values in Berlin or in Hvar (as in fact we saw price/sqm continue to grow in those two places). Nevertheless, thanks to the diligent work of our teams in obtaining permits including Paris Department Store in Budapest and Zlota 44 in Warsaw, and the active management of the rental portfolio, the

value of the group's overall portfolio has increased in all countries and for all types of assets and is currently estimated at € 2.4 Billion (after the sale of the hospitality portfolio). This NAV does not take into account the value of our service companies i.e. property management, project management, hotel management and asset management. Taking these into account, our NAV should increase by € 10 to € 20 per share based on the quality of our human resources that is on the ground in all the countries in which we operate.

Our goal in the upcoming six months is to provide the market with increased information regarding our earnings projections through 2012, continue to carefully manage our balance sheet, maintain our Loan To Value in the range of 45% and deliver our existing pipeline. In addition, our buying platform will be instrumental in optimizing our cost structure in the seven countries in which the group operates. Of note, the cash within the company will allow us to finance the 2008 capex requirements of €500 Million.

Our targets for 2008 include a turnover of € 330 Million with an increasing profit, improved margins on our residential developments thanks to the buying platform, increased leasing prices on our pipeline and more funds for Endurance under management.

In conclusion, Orco Property Group has just come off the best year in its history and is strategically positioned to improve upon that record. I profoundly believe that we will experience continued NAV growth and increased cash profits in 2008. We are solidly positioned to benefit from the increasing demand for upscale real estate as well as the demand for real estate that will meet the needs of the growing middle class. Moreover, through vehicles such as the Endurance Fund, we are well diversified and prepared to take advantage of the high levels of cash still on the market. Finally, we are making a permanent mark on the Central European landscape with iconic projects such as Bubny, Wertheim, Dunaj, Zlota 44 and Vaci 1 with the best team in the region. These world class projects will elevate Prague, Berlin, Bratislava, Warsaw and Budapest to the next level on the international stage and further cement Orco Property Group's position as the premier real estate developer in Central Europe.