



Press Release

Paris, 24 January 2013

Orco Property Group files a request for arbitration against the State Property Management Agency of the Republic of Croatia

On 28 December 2012, Orco Property Group ("Orco") filed a request for arbitration against the State Property Management Agency of the Republic of Croatia, also known as AUDIO, which is the legal successor of the Croatian Privatization Fund ("State"). Orco filed its request alleging numerous breaches by the State of its contractual public private partnership obligations since 2005. Orco's preliminary damages estimates as a result of the State's alleged breaches exceed EUR 32 million.

The claims relate to underlying title disputes to properties on the Island of Hvar in Croatia held through the Croatian company Suncani Hvar d.d., which is listed on the Zagreb Stock Exchange, of which Orco owns approximately 55.6% and the State approximately 31.7% of the shares.

The State will provide its response to Orco's claims shortly.

Both Orco and the State are focused on the continuing success and operations of Suncani Hvar and do not anticipate these parallel arbitration proceedings impacting this commitment in any way. Legal teams from both sides will work on the arbitration, while the finance, operations and hotel teams will continue to make Suncani Hvar and the Island of Hvar the leading tourist destination in Croatia.

For more information, visit our shareholder corner on www.orcogroup.com