



**Press Release  
Prague, 28 April 2014**

**Orco Property Group – Financing of Acquisition of Loan Receivables and Collateral of the Zlota Project. Agreement to Dispose of ORCO Germany Shares.**

Following its press release of 18 April 2014 „Orco Property Group – Agreement to Acquire Loan Receivables and Collateral of the Zlota Project“, Orco Property Group (“OPG”) informs about further details of the funding of the acquisition of the loan receivables from Bank Polska Kasa Opieki S.A. (“PEKAO”). As opposed to the initial intent to obtain a bridge loan to finance the acquisition, OPG will secure financing via the disposal of some of its most liquid assets.

On 28 April 2014 OPG entered into an agreement concerning a future disposal of approximately 108 million shares it holds in ORCO Germany S.A. (“OG”). The total sales price amounts to EUR 55 million. The completion of the disposal of the OG shares is subject to certain conditions, including the approval of the Paris Commercial Court. The buyer agreed to provide OPG with an advance payment of the purchase price of EUR 55 million. The advance payment of the purchase price will be used for the financing of acquisition of the PEKAO receivable. In the event that the conditions for the completion of the transfer of the OG shares will not be met within 60 days, OPG will have to reimburse the advance payment of the purchase price in additional 60 days. The reimbursement of the advance will be secured by pledge on the OG shares and certain other covenants.

The acquisition of the loan by OPG prevents bankruptcy of Zlota project and allows OPG to proceed with an ordered sale of the project to another developer or investor without an excessive time pressure. Such process is expected to reduce the loss for the Group compared to a sale orchestrated by the lending bank and the related exercise of the corporate guarantees granted by OPG.

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