



Paris, 18 August 2011 – Press Release

Funds advised by Morgan Stanley Real Estate Investing to become Orco's largest shareholder

Orco Property Group to increase control over Orco Germany.'

"Orco Property Group ("Orco") and Funds advised by Morgan Stanley Real Estate Investing ("MSREI") have entered into an agreement regarding MSREI's investment in Orco. Subject to regulatory and internal approvals and final closing, Orco and MSREI have agreed that Orco will issue 3 Million ordinary shares in a private placement. The subscriptions of said Orco shares will be paid by MSREI through contributions of its stakes in Orco Germany and Endurance Real Estate Fund. Following the completion of the transaction, MSREI will become the largest shareholder of Orco with app. 18.7%. Orco will increase its stake in Orco Germany to app. 87.3% and in the two Sub-funds of Endurance Real Estate Fund as follows, 14.8 % in the Residential Sub-fund and 27 % in the Office I Sub-fund.

"Today, Orco Property Group has set in motion its strategy of reinforcing its control over an Orco Germany portfolio focused on its Berlin investment properties. This is part of Orco's strategy to focus on its core business in the four cities of Berlin, Prague, Warsaw and Budapest with the aim to simplify the group's structure. The contemplated sales of our assets in Russia are the next steps of this strategy." stated Jean-Francois Ott. "We would welcome MSREI as our largest shareholder. MSREI's wealth of institutional knowledge and experience coupled with Orco's expertise throughout Central and Eastern Europe will provide a long term benefit to Orco's shareholders, bondholders and stakeholders."

For more information please, visit www.orcogroup.com