



“ I am convinced that Colony Capital’s share issue reserved for CoLOG is a real opportunity to bolster the company’s future and stability of its shareholding structure, in view of the difficult economic environment we are undergoing. ”

Dear shareholders,

Thanks to your involvement and support, the Shareholders’ General Meeting held on April 30 has decided to postpone until June the General Meeting to approve the 2008 statutory and consolidated financial statements.

The entire management team of Orco Property Group is engaged in the preparation for this major meeting which, in the crisis environment we are all facing, will this year take on the utmost importance. The confidence in management which you may confirm at this Shareholders’ General Meeting will be essential to pursue the projects we have begun, and all the more so since the financial and operational restructuring plan that has been established is moving into a new phase.

A few days ago I was very pleased to announce the opening of exclusive negotiations with Colony Capital: we are considering a share issue reserved for CoLOG, a company controlled by funds advised by Colony Capital.

Under this share issue, CoLOG would become our partner with a view to increasing Orco Property Group’s shareholders’ equity by €25 million by the end of the second quarter this year, and up to an additional €140 million by the end of the procédure de sauvegarde (court protection from creditors procedure) that began March 25 to ensure the company continues as a going concern under the best possible conditions.

A due diligence period of a few weeks has started. Once completed, and by June 22, 2009 at the latest, CoLOG will be able to subscribe €25m in the reserved capital increase by Orco Property Group issuing five million shares with warrants at a price of €5 per share. Each new share will carry 4 share warrants, enabling a total subscription of 20,000,000 new shares at a price of €7 per share. These share warrants will be exercisable until the end of the procédure de sauvegarde period.

As recommended by the board of directors, each of you as shareholders will be allocated a share warrant free of charge for two OPG shares entitling holders also to subscribe to a new share at €7.

Backed by Colony Capital, which you know principally through its investment in Accor, where it is the largest shareholder, and in the Carrefour group through Blue Capital, we shall be stronger to weather this difficult economic period and emerge from the procédure de sauvegarde.

We are more determined than ever to safeguard the company and its shareholders’ investments, and we are taking all steps to bring this promising plan for the future of Orco Property Group to a successful conclusion. Don’t hesitate to send me your questions in your dedicated space on our website at www.orcogroup.com.

You will always be able to count on all my energy and determination.

JEAN-FRANÇOIS OTT
Founder and Chairman/CEO

ORCO PROPERTY GROUP KEY DATES:

1991

Orco Property Group is founded in Paris

1999

Orco owns and manages 15 properties in the Czech Republic and begins its expansion in Budapest

2000

IPO on the Paris Bourse with a total asset value of €56.8 million

2002

Opening of the MaMaison residences in the Czech Republic

2005

Listing on the Prague Stock Exchange with total property assets valued at €1billion

2007

Completion of 15 acquisitions including Orco GSG in Germany and listing in Warsaw and Budapest

2008

The value of the Group’s property assets reaches €2.2billion

2009

Launch of Orco Property Group’s 2011 Strategic Plan

F.A.Q.

Why have we announced these exclusive negotiations rather than a final agreement?

We want to make all the information available to our shareholders.

These exclusive negotiations are an important stage in the procédure de sauvegarde and the plan for the Group's financial restructuring.

What is the motivation for Colony Capital?

Colony Capital is a leading real estate and hotel company with experience in our Central European markets. You will find more information at www.colonyinc.com

What does the partnership between Colony Capital and Jean-François Ott consist of?

Under the planned transaction, Colony Capital and the Orco Property Group founder will form a partnership. They will work together with the Group's entire board of directors and management team to implement this transaction, which aims to strengthen the Group's shareholders' equity and ensure optimum conditions for the development of our key real estate projects identified in the strategic plan.

What will happen if the due diligence is not conclusive?

At the moment we are still at the start of the due diligence process. We shall do everything to ensure that the due diligence is conclusive.

NEWS

Orco Property Management is being sold to TVO Global Partners, a subsidiary of TVA Groupe LLC, a global Chicago-based real estate firm operating on the US market and increasingly in Europe and the Gulf region. TVO Global Partners' acquisition of Orco Property Management will boost TVO Global Partners' presence in commercial and residential real estate, notably in the Czech Republic, Slovakia, Poland and Hungary.

BONDHOLDERS: DECLARE YOUR RECEIVABLES TO SAFEGUARD YOUR RIGHTS

In connection with the safeguard proceedings (procédure de sauvegarde) started by the Paris Commercial Court on March 25, 2009 and published in BODACC (French official bulletin for civil and commercial announcements) on April 22, 2009, bondholders have until June 22, 2009 to file their claims with the creditors' representative appointed by the Paris Commercial Court. Bondholders who are not resident of mainland France have until August 22, 2009 to file their claims. It is hereby specified that bondholders must file their claims directly with the creditors' representative or, if permitted under applicable legal or contractual provisions, through the representative of the body of the bondholders. The proof of claim must specify the relevant bond issue and the percentage held by the relevant bondholder.

Register on the Orco Property Group website

The filing procedure is simple, and will allow you to participate in discussions on Orco Property Group's

debt restructuring within the legal and transparent framework of the safeguard proceedings. Both your interests and those of the company will be protected. Simply log onto Orco Property Group's website where you will find a dedicated information platform:

<http://www.orcogroup.com/en/shareholders-corner/messageforbondh>, and send an email to the dedicated address: bondholders@orcogroup.com, in order to directly contact our staff and Maître Valérie Leloup Thomas, the creditors' representative appointed by the Paris Commercial Court.

Safeguard your rights

Only duly registered bondholders may be included in the agreement that will be made in conjunction with the bondholders committee thereby benefiting from the repayment and equity conversion terms and any other provisions adopted and accepted by the judge of the Paris Commercial Court.

HOW TO ATTEND A SHAREHOLDERS' GENERAL MEETING

Shareholders who wish to attend or be represented at the next meeting must ask their financial intermediary for a blocking certificate or an attendance certificate. Shareholders without such certificate will be unable to vote.

For more information, visit our website <http://www.orcogroup.com/en/shareholders-corner/question-of-the-month>, or contact Sarah Vidal at +33(0)1 40 67 67 07.

Orco Property Group, founded in Paris in 1991, has become in less than twenty years a pillar of the real estate and hotel markets in Central Europe, with leadership positions in the residential property markets in countries including the Czech Republic, Slovakia, Poland, Hungary, Germany, Russia and Croatia. The Group holds an over 100,000 square meter portfolio of offices, shops, hotels and logistics sites that have

been rented or are under development. The Group also holds important property reserves that will ensure its activity over the coming years. It has been listed on the Second Marché of the Paris Bourse since 2000 and is also listed on the markets of Prague, Warsaw and Budapest. The portfolio of the Orco group is estimated by DTZ (real estate consultants) at €2.2billion including subsidiaries.