



“ Colony Capital’s confirmed interest in participating in the future of Orco Property Group, and the strengthening of the Board of Directors both guarantee success in the Group’s restructuring and in its projects for growth. ”

Dear Shareholders,

Another important meeting for Orco Property Group awaits you in the near weeks – the Group’s Shareholders General Meeting will be held on Wednesday July 8 at our head office, and I count on your participation either in person or by proxy so that you can express your opinion on the future of the Group.

As you know, the current crisis has led us to seek a Procédure de Sauvegarde (court protection from creditors) to safeguard the value of our assets and carry out the financial and operational restructuring needed for the Group. The process is under way and is being actively pursued. We are strongly committed, thanks to the confidence which you have shown in us: the projects already begun are starting to bear fruit, and I shall be happy to show you the progress made to date at the meeting.

Some weeks ago I informed you that the Board of Directors had begun exclusive negotiations with Colony Capital (already the principal shareholder of Accor, and, in partnership with Arnault group, holding Blue Capital, which in turn has a major stake in Carrefour group). We were then considering a capital increase reserved for CoLOG, a company controlled by funds advised by Colony Capital.

After two months of discussions and reviews, we are delighted to see that Colony Capital has reaffirmed its confidence and interest in the Group, in the management team and our projects for restructuring and development. Dedicated in preserving all shareholder rights, we have adapted the terms of our initial agreement. After a negotiation period extending to November 30, 2009, and after the approval of an extraordinary shareholders general meeting, CoLOG will be allocated share warrants. These warrants will allow CoLOG to subscribe to an issue of Orco Property Group shares at €7 per share amounting to about €80 million. CoLOG’s equity stake in OPG should not exceed 30%. All OPG shareholders will also be offered a share capital increase at €7 per share and with a ratio of one new share for one existing share.

The exercise of the CoLOG warrants is subject to the success of the bond restructuring undertaken as part of the Procédure de Sauvegarde (court protection from creditors).

Following this transaction, all current and future shareholders in Orco Property Group would enjoy the same subscription conditions for the share issue.

After the required debt restructuring this transaction will bolster the group’s equity while providing funds for growth and for implementation of its restructuring plan.

We are making good progress in all our projects and I take particular pleasure in informing you that the Board of Directors and I have decided to present for your approval the renewal of the terms of office of the directors and the appointment of seven new directors to the board. This stable and experienced team will continue the work it has begun, with added support of new expertise and of the representatives of minority shareholders, so that all the shareholders in the Group will be represented on the Board.

I draw your attention to the fact that we are calling in leading experts highly qualified in their sector, which is of particular interest to the Group. Their presence will be very valuable to us all.

By giving your support to these candidates and to stepping up the strategic restructuring plan that we are rolling out, you will be helping to support the Group’s success during this difficult period, for the benefit of each and every one of us. We need your commitment and so we strongly hope that you will participate in this Shareholders’ Meeting. Everything is being done to facilitate your participation, so I count on you to enable us to continue writing the story of Orco Property Group together, and to prepare for its future.

JEAN-FRANÇOIS OTT
Founder and Chairman/CEO

AGENDA

The ordinary general meeting will be held at the registered office of Orco Property Group on July 8, 2009 at 2:00 p.m. (opening of the doors as from 12:00 p.m.), to discuss and to vote on the following agenda:

- 1 Approval of the 2008 statutory and consolidated annual accounts
- 2 Allocation of results
- 3 Granting of discharge to the Board of Directors and to the Auditors
- 4 Renewal of Directors’ mandates
- 5 Appointment of new Directors upon proposition by the Board of Directors
- 6 Renewal of the mandate of the Auditors

AN ENLARGED AND STRENGTHENED BOARD OF DIRECTORS TO REPRESENT ALL THE SHAREHOLDERS

- **5 directors representing the managers of the Group:**
Jean-François Ott, Nicolas Tommasini, Ales Vobruba, CEREM S.A* and Ott&Co S.A*
- **5 independent** directors:**
Silvano Pedretti, Guy Wallier, Pierre Cornet, Robert Kleiner, Alexis Juan
- **4 representing shareholders:**
Robert Coucke, Geofin a.s (company controlled by Martin Burda) and 2 directors representing Prosperita

* represented by Jean-François Ott

** as per the European Commission Recommendation of 15 February 2005

ADDITIONAL SKILLS FOR THE BOARD OF DIRECTORS

Bernard Kleiner

59, former chartered accountant. Proposed as an independent director. Former managing partner of DKM Salustro Reydel, Bernard will contribute his front-line experience of audit and management and his profound knowledge of the Czech market. Perfectly French-Czech bilingual, he worked with the Ministry of Finance of the Czecho-Slovak Republic and established the reform of the Czech accounting system in 1992-97. With 23 years' experience as an auditor, he founded an accounting and audit consultancy, and in 2001 was appointed External Trade Consultant to the French government. In 2005 he was appointed Director of Development and International Partnerships. His expertise will be of great help to the Orco Property Group and the Board of Directors proposes to appoint him chairman of the Group Audit Committee.

Alexis Juan

66, banker. Proposed as an independent director. Alexis Juan will bring the company his considerable international experience, his wide knowledge of Central & Eastern

European markets and his experience in restructuring. With a doctorate in law, he has built his career in the world of banking, at the Société Générale which he joined in 1968. From 2001 to 2005 he was Chairman and CEO of the Komerční Banka in Prague, one of the principal banks in the Czech network, organising its integration into the Société Générale. The Board proposes to appoint him to the head of the Steering Committee for Financial and Operational Restructuring.

Robert Coucke

58, property developer. Proposed as an independent director. Long-time individual shareholder in Orco Property Group, Robert Coucke will contribute his experience of major groups and his knowledge of French real estate transactions. His career has been entirely in the property sector. After starting at the Fédération de Promoteurs Constructeurs, he successively joined the Pelège Group, Efidis (Perexia Group - Crédit Foncier de France) and the property subsidiary of the Eiffage group. Since 2002 he has been operations manager, a French property developer. His knowledge of accommodation, offices and

shopping centre operations will be very valuable to the Board.

Ales Vobruba

49, manager of Orco Czech Republic and Orco Slovakia. Ales will contribute his expertise in project financing. Ales Vobruba joined Orco Property Group in 1995, and is in charge of bank financing and development strategy. He is also operations manager for the Czech and Slovak offices. Previously, Ales Vobruba worked for PZO Artia, for the transport and construction company Olomouc and for TAP / ARC (construction and advertising).

In addition, the Czech investment company **Prosperita**, principal shareholder in Orco Property Group with 5.02 % of the equity, and Martin Burda, who holds 2.66 %, have accepted the proposal of the Board of Directors that they should participate in the governance of the company. Two representatives of Prosperita and one for **Geofin a.s** (Mr. Burda) will join the Board after the Shareholders' General Meeting of July 8. Their names will be announced in the next few days.

HOW TO VOTE AT A GENERAL ASSEMBLY?

Shareholders wishing to attend in person or to be represented at the General Meeting shall notify their intent at the latest by noon (12:00 p.m.) CET on July 3, 2009, by sending an Attendance and Proxy form together with the relevant blocking certificate to the following person:

CACEIS Corporate Trust

14 rue Rouget de Lisle F- 92189 Issy les Moulineaux
Julien Manuel - Tel +33 1 57 78 34 79 - Fax 01 49 08 05 82 or 01 49 08 05 83
Email : julien.manuel@caceis.com

Attendance and Proxy form: The form is available on the Company's website at www.orcogroup.com and is to be duly completed and signed by shareholders wishing to attend or to be represented at the General Meeting. The Czech version of the Attendance and Proxy form is only for informational purposes and the shareholders are required to deliver always the English version.

Blocking Certificate: Any document evidencing ownership of the shares under applicable law. This document must indicate the shareholder's name, the number of shares being blocked, the date starting on which such shares are blocked and the confirmation that such shares are blocked until the close of the General Meeting. The blocking certificate shall be issued by the bank, the professional securities' depositary or the financial institution where the shares are on deposit.

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 numerous countries including the Czech Republic, Slovakia, Poland, Hungary, Germany, Russia and Croatia.

The Group holds an over 1,000,000 sqm 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 EuroNext Paris 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 2.2bn including subsidiaries. Orco Property Group is also sponsor of The Endurance Real Estate Fund, a Luxembourg-regulated closed-end mutual fund organised as an umbrella fund with sub-funds focused on real estate acquisitions on office, retail and residential markets in central Europe.