



Press Release

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Bondholders: the Group's improved proposal to be approved on September 24th at a General Meeting of all Bondholders

The General Assembly of Orco Property Group SA bondholders will take place this coming Thursday, September 24th at 11 a.m. at the Commercial Court of Paris.

Bondholders are invited to vote for the restructuring plan, proposed within the "*Plan de Sauvegarde*" of Orco Property Group, which includes improved conditions for the restructuring of existing bonds.

Indeed, the Company has gathered extensive feedback from bondholders on its initial proposal described in the communication released on 10 September 2009 and has engineered the following main improvements applying to the exchange of existing bonds into New Convertible Bonds, New Shares and New Warrants:

New Convertible Bonds

- Aggregate principal amount of the New Convertible Bonds is increased from 120 mln € to 150 mln €
- Interest yearly service is maintained at 5% and thus increases from 6 mln € to 7.5 mln €
- Maturity is reduced by one year from 20 November 2017 to 20 November 2016
- Lowered conversion price from 15 € to 13 € per share
- Higher number of shares resulting from potential conversion: from 8.6 mln to 11.4 mln shares (due to the increased aggregate principal amount of the New Convertible Bonds to 150 mln € and the lowered conversion price to 13 € per share)
- No early redemption at a discount at the discretion of the Issuer
- If the share price reaches 19,50 € (150% of the conversion price), the Company will have the possibility to call for conversion or reimburse the New Convertible Bonds at 100% of their principal amount
- Commitment to restrict share dividend at a 3% yield

- Commitment to restrict shares buy-back at 2% of its total number of shares, on a yearly basis

New Shares

- 11,4 mln new shares remains unchanged
- Lock-up reduced from 18 months to 3 months from their issue date

New Warrants for bondholders

- 11,4 mln short term non transferable warrants, exercisable at 1:1 into Company shares at 7 € ('Colony conditions').

As for the management package, conversion will be possible in 3 tranches of 2 mln shares each, at fixed strike prices (10 €, 13 € and 19,5 €).

Please refer to the 'Term Sheet Bondholders 22 09' on www.orcogroup.com for the full description of the bondholders proposal. A summary of conditions, together with an updated example of economic conditions and a maximum dilution table are also included.

Through this improved proposal, the Company manages to:

- **Increase the economic value of the package offered to bondholders. Our updated indicative current nominal value of the package stands at 657,5 € (assuming the September 21, closing price of 8.78 € per share) compared to our previous 558 € .**
- **Ensure positive conditions for a liquid listing and pricing of the New Convertible Bonds by aligning restrictions (issuer call, etc.) on market conditions**
- **Give bondholders the same opportunity to subscribe to the capital increase as the one offered to Colony and existing shareholders**
- **In general, provide higher upside to profit in case of recovery through the various equity instruments offered to the bondholders**

The Company is also studying market making mechanisms facilitating for bondholders the exchange of their New Shares against New Convertible Bonds and vice versa during the lock-up period.

Bondholders are reminded that they are called to vote on such bond restructuring proposal, which is the most crucial component of OPG's proposed safeguard plan, on September 24th (knowing that implementation remains subject to the approval of the "*Plan de Sauvegarde*" by the Paris Commercial Court).

The vote on the restructuring plan will be adopted at a two thirds majority of the nominal value of the bonds held by bondholders who will have expressed a vote at the meeting.

Therefore, attendance is highly important for the company as well as for the bondholders. All bondholders attending the General Meeting will be able to vote if they bring the requested documents.

In order to participate in the vote, bondholders will need:

- to be present at the meeting or represented by a proxy holder. Proxy forms are available on OPG's website www.orcogroup.com

- to show a document, such as a blocking certificate, evidencing the ownership and the blocking of the bonds for which they wish to express their vote.

Such document shall indicate the name of the bondholder, the ISIN code of the Bonds, the number of bonds being blocked, the starting date on which the bonds are blocked and the confirmation that such bonds are blocked until the close of the General Meeting.

Bondholders can request such document from the financial institution where the bonds are on deposit.

Bondholders are invited to provide such documents to Maître Laurent Le Guernevé, as court-appointed administrator of the Company, (address: 41 rue du Four - 75006 Paris; fax: 01 45 44 95 19, email: scpaj@41ruedufour.fr).

Attendance and Proxy form: the form is to be duly completed and signed by bondholders wishing to attend or to be represented at the General Meeting.

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

A French translation of this PR will follow.

This press release is for information purposes. There is no guarantee that the proposals as described in this press release will actually be implemented or implemented on the terms described in this press release.

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