PROPERTY GROUP

Analyst Presentation
Half Year 2013

ORCO PROPERTY GROUP

29 August 2013

Summary

Financial highlights & Key Events

ORCO PROPERTY GROUP

Financial highlights

Revenue increased year-on-year by 15% to EUR 71 M (EUR 62 M in 2012)

- Bubny retail plot sale generated revenue of EUR 20 M
- Property Investments revenue stable at EUR 46 Million

Operating profit at EUR 11 M compared to EUR -9 M in June 2012

Adjusted EBITDA at EUR 17 M compared to EUR 20 M in 2012

- Decrease of the management fees
- Other operating income

Financial results stands at EUR -0.6 M compared to 1.2 M in 2012

- Excluding the one off gains on bonds restructuring and debt buy-back, financial result improved by EUR 16 M

Net Profit at EUR 7 M compared to a Net Loss of EUR 9 M in 2012

EPRA NAV at EUR 4.46 per shares in June 2013 compared 4.92 EUR in December 2012)

- Restated after capital increase of 6.7 Million shares at 2.25 EUR per share
- Sale of 20 Million OG shares

Key events

Equity

- EGM's approval of an the increase up to EUR 63 M of the Company's authorized share capital
- Reserved capital increase for EUR 15 M in July 2013

Financial assets

- Sale of 10% Orco Germany for EUR 8 M
- Sale of the Endurance fund units for EUR 10 M

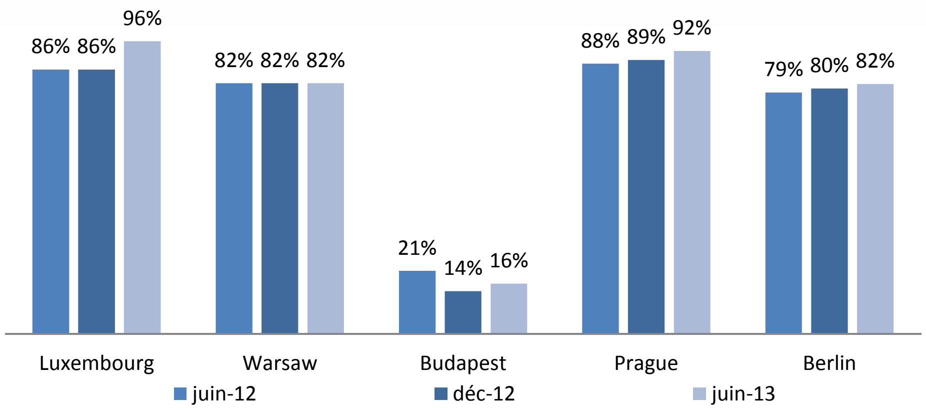
Operational

- Zlota 44 sales journey ready for September 12, 2013
- Occupation permit obtained on V Mezihori, pre-sold at more than 70%
- Launch of German development projects and new limited acquisitions contemplated
- Signed LOI with GE on Kosik buy back
- Joint-venture with Unibail Rodamco sealed. Targeted start of the construction of the anchor shopping center in 2016
- MOU signed with Audio

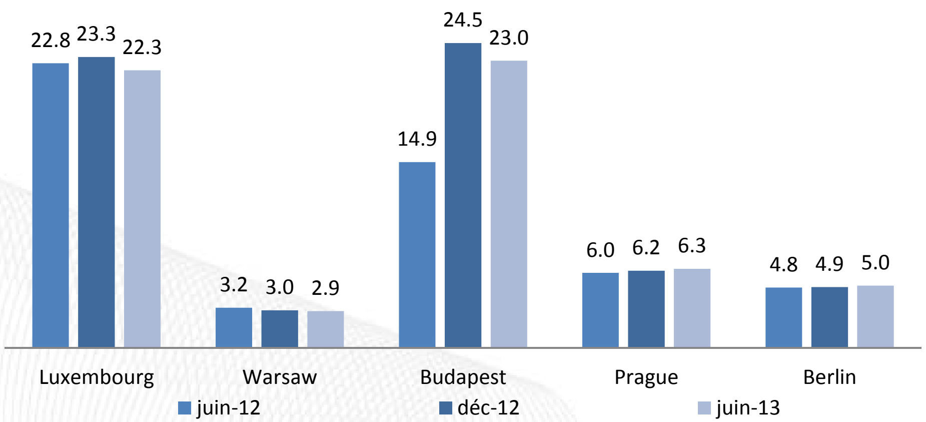
Operational Review

Property Investments– Rental assets

Occupancy rate



Average rent



Improving performance

- Average rent increases to 5.33 EUR/SQM/Month (vs 5.21 YoY)
- Occupancy increases to 81% (vs 78% YoY)

Berlin confirms

- Average rent increase to 4.99 EUR/SQM/Month (vs 4.83 YoY)
- High occupancy rate in Western asset (90.4%) and Kreutzberg (89.7%)
- Strong increase in occupancy in Eastern assets up to 63.1% (vs 60.9% in December 2012)

Central Europe

- Average rent increases up to 7.17 EUR / SQM/ Month (vs 6.72 EUR YoY)
- First tenant signed on Vaci 188
- Occupancy rate on PDS expected to reach 85% in H2 2013 due to new leases signed

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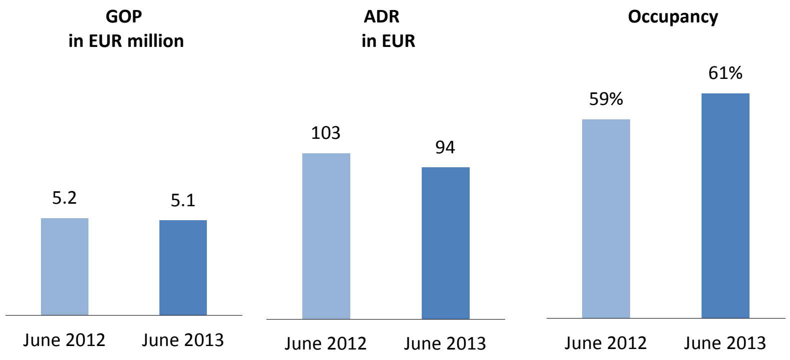
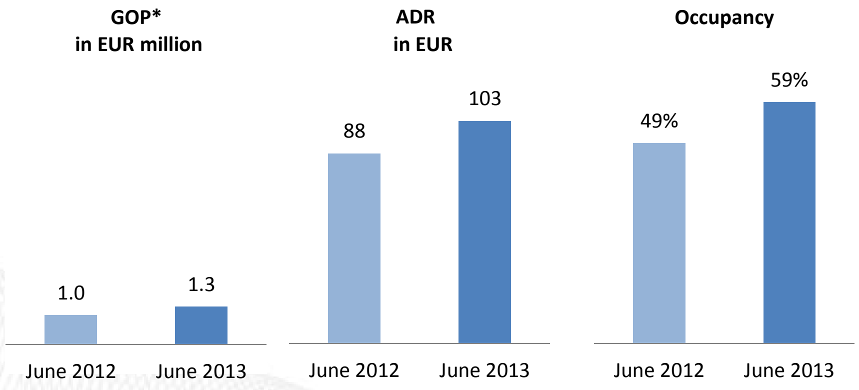
Hospitality portfolio

CEE Hotels



Suncani Hvar Hotels



CEE Hotels

- Stable revenue at EUR 14.3 M
- GOP reached EUR 5.1 M in June 2013

Suncani Hvar Hotels

- Increase revenue to EUR 4.5 M (vs EUR 3.8 M YoY)
- Positive outlook on the current season
- July shows an increase of revenue by 10.6% YoY

*GOP excluding non operational hotels and Obonjan Island

Development and assets held for development

Agreements & Execution

Mezihori in Prague
- Successful pre-sales of 72% as of mid of August
- Occupancy permit received
- First deliveries planned for Q4 2013

Zlota 44 in Warsaw
- Façade completed
- Sales kick off scheduled for Q3 2013
- Zlota 44 sales journey ready for September 2013 with 50th floor marketing suite set up

Bubny in Prague
- Joint venture sealed with Unibail Rodamco in April 2013
- Master plan change process validated by Prague City Assembly in Januray 2013
- Deleveraging of the project upon sale of the Shopping mall plot

Berlin:
- Naunynstrasse 68 is the first conversion of an asset from the Kreutzberg area into a residential project
- 36% presold as of mid of August

Pipeline

Rental portfolio Berlin
- Mixed commercial building construction on Gebauer Hofe to be launched upon pre lease Identified l20,000and plots part located in Berlin of SQM with over 55,000 SQM GEFA potential

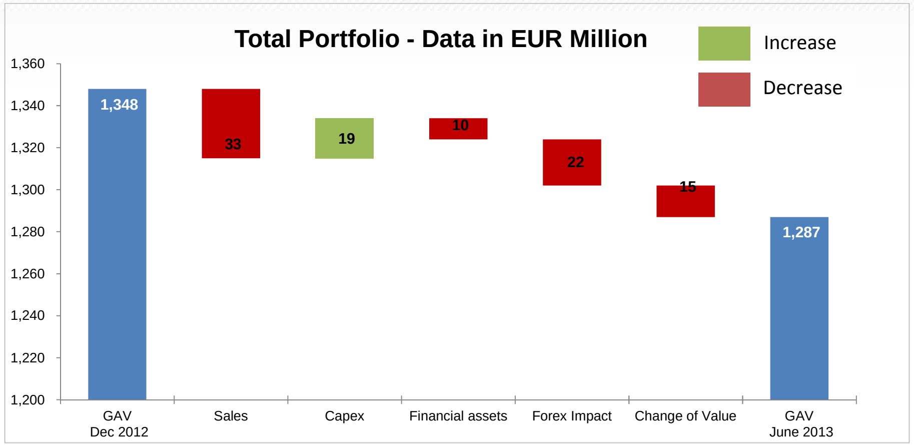
Assets held for development
- Building permit due diligence executed for Bubenska
- Refurbishment of Szervita parking planned for year end
- Negociation for Department store concept on Vaci I

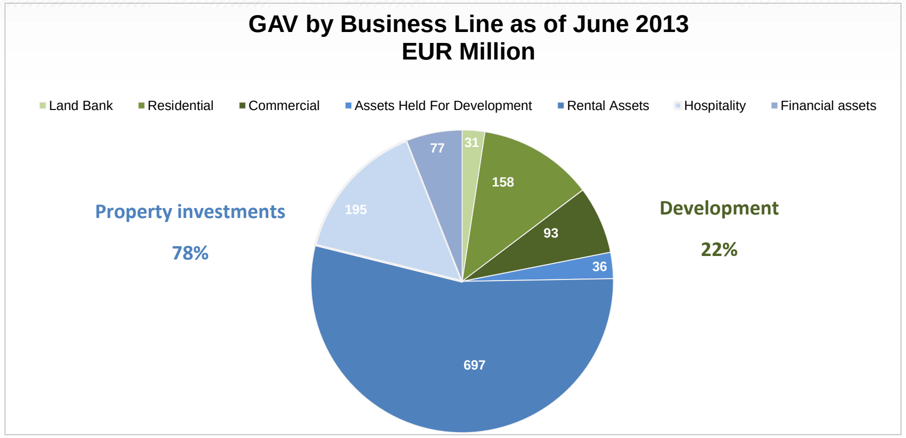
Landbank
- Launch of Kosic 3B under advanced review
- Rubeska : review of a residential and nursing home for elderly project

*Group's Estimates

GAV to NAV

Gross Asset Value



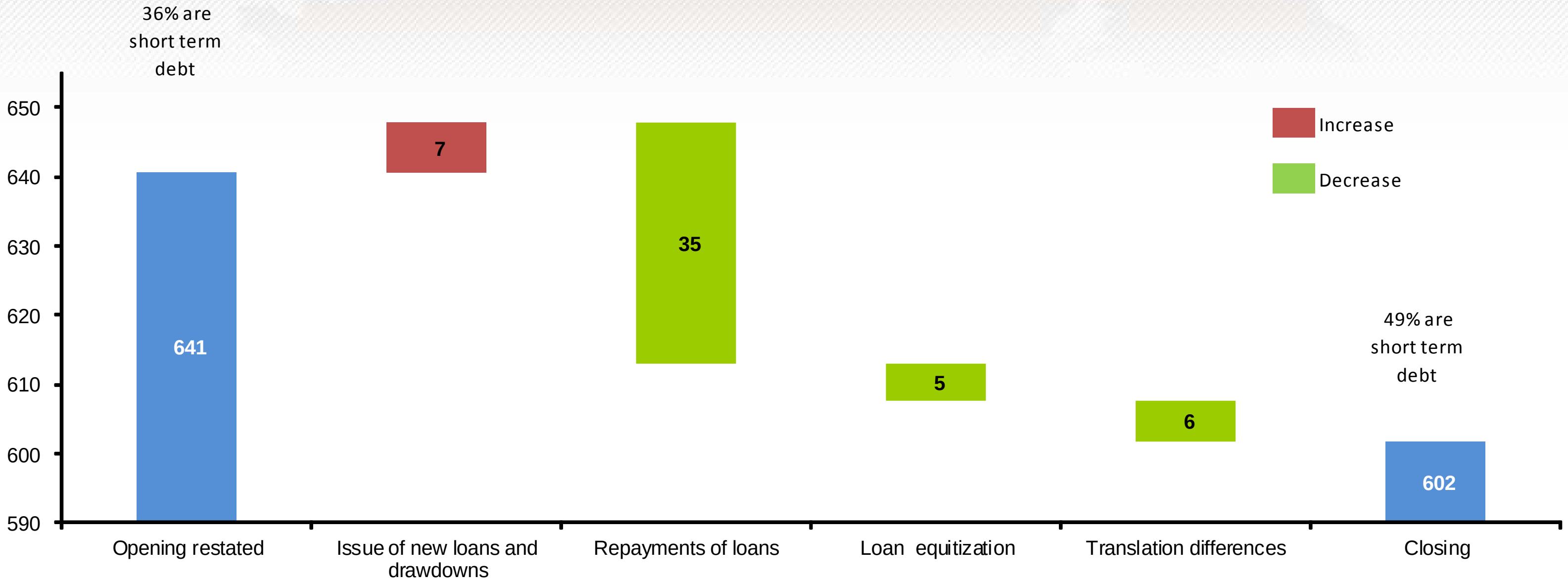


Decrease of EUR 61 M resulting from:

- EUR 43 M of sales and disposal including Bubny retail land plot , U Hranic (EUR 4 M) and EF units (EUR 10 M)
- Main Capex on Zlota 44 (EUR 12 M), V Mezihori (EUR 4 M)
- Forex impact mainly driven by the PLN (EUR -9 M) and the CZK (EUR -10 M)
- Market value changes with decrease on development driven by Bubny (EUR -15 M), residential project value (EUR -8 M) and AHD value (EUR -6 M)
- EUR 10 M ofincrease in the rental portfolio driven by the good performance of Berlin (+ EUR 16M)

NB : The Hospitality JV assets are now included in the GAV at 75% in line with the economic interest of the Group, as a consequence, the PPL is now excluded from the financial assets.

Bank debt and other borrowings



Main loan repayments

- EUR 15 M : Buyback of the bank debt financing the assets Vaci 188 and Vaci 190
- EUR 14 M : Bubny

Short term debts of EUR 292.7 M as of June 2013

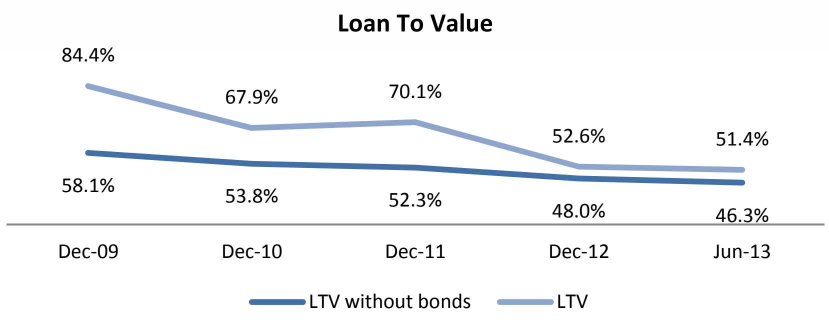
- Performing and regularly amortized : EUR 13.8 M
- In breach : EUR 229.1 M
- To be restructured : EUR 49.8 M

Three breaches solved after the closing for EUR 97.8 M

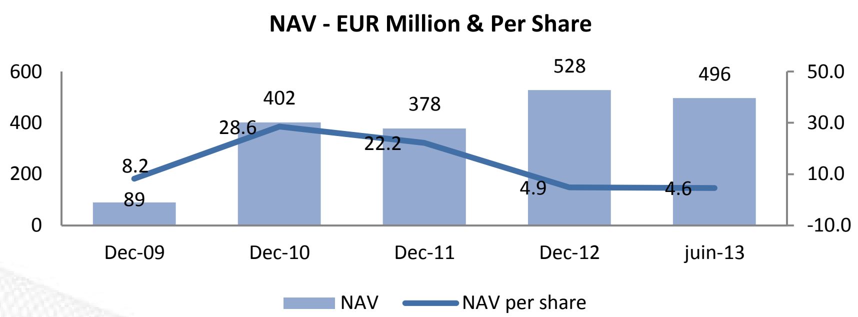
- In breach after three breaches solved : EUR 131.3 M

As hospitality joint venture is equity accounted, the EUR 75.0 M of Erste Bank loan that has to be refinanced by June 2014 is not reported under the Group short term liabilities

LTV & NAV



Reduction of gearing & stabilization of Net Asset Value



** NAV per share post reserved capital increase at 4.46*

Clear deleveraging of the Group

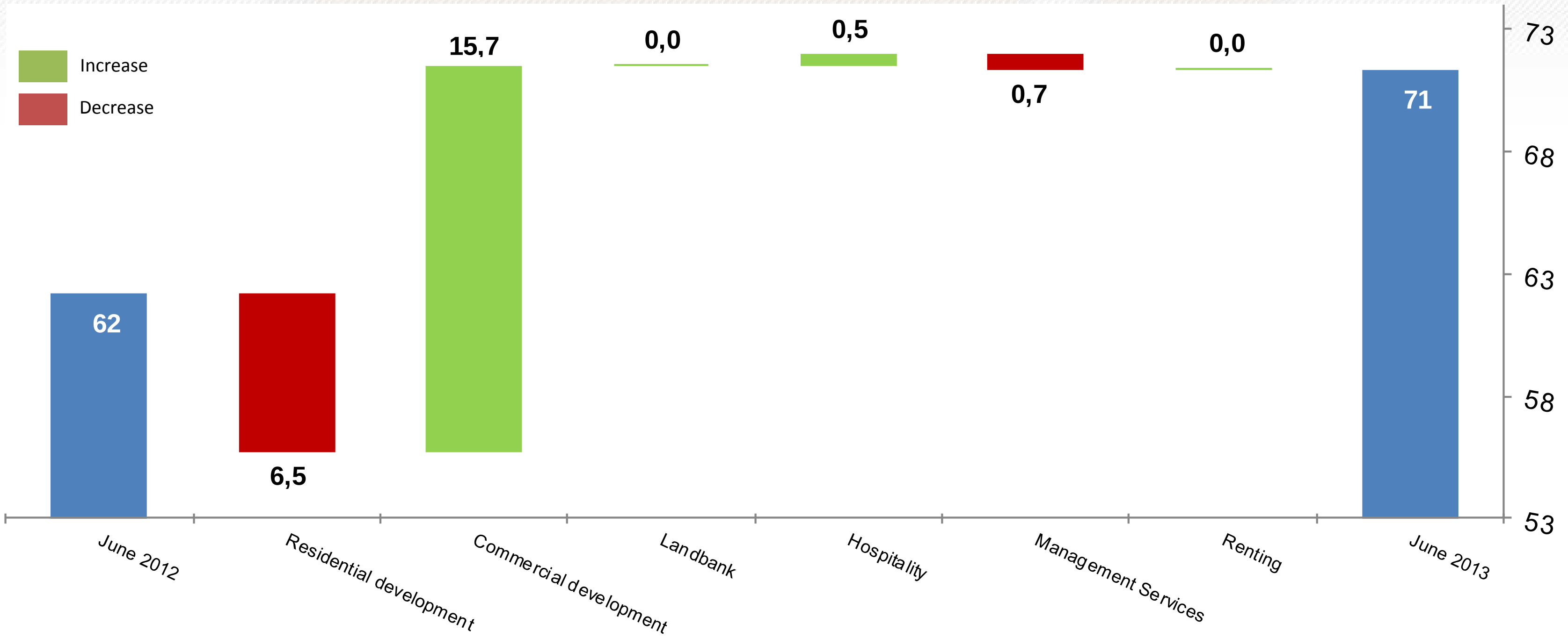
- Deleveraging through the repayment of bank loans for EUR 40 Million (sale of Bubny and Hungarian loan buy back)
- Increase of cash and cash equivalents with sale of OG shares impact on the NAV
- Despite negative evolution of real estate values
- NAV per share post reserved capital increase at 4.46 EUR

Financial Review

Income statement summary

in Euro millions	H1 2013	H1 2012	variation	Variation in %
Revenue	**71.4**	**62.2**	**9.1**	**15%**
Operating profit	**11.2**	**-9.1**	**20.3**	**NA**
Margin	16%	-15%	0.3	NA
Financial result	**-0.6**	**1.3**	**-1.9**	**-150%**
Net profit group share	**7.0**	**-9.0**	**16.0**	**NA**

Revenue



Residential

➡ Decreased inventories sales mainly in projects Koliba/Parkville (EUR -1.4 M), Klonowa Aleja (EUR -2.2 M), Pivovar Vrchlabi (EUR -2.2M). On the other hand, project Benice has recorded a positive change YoY of EUR 0.6 M

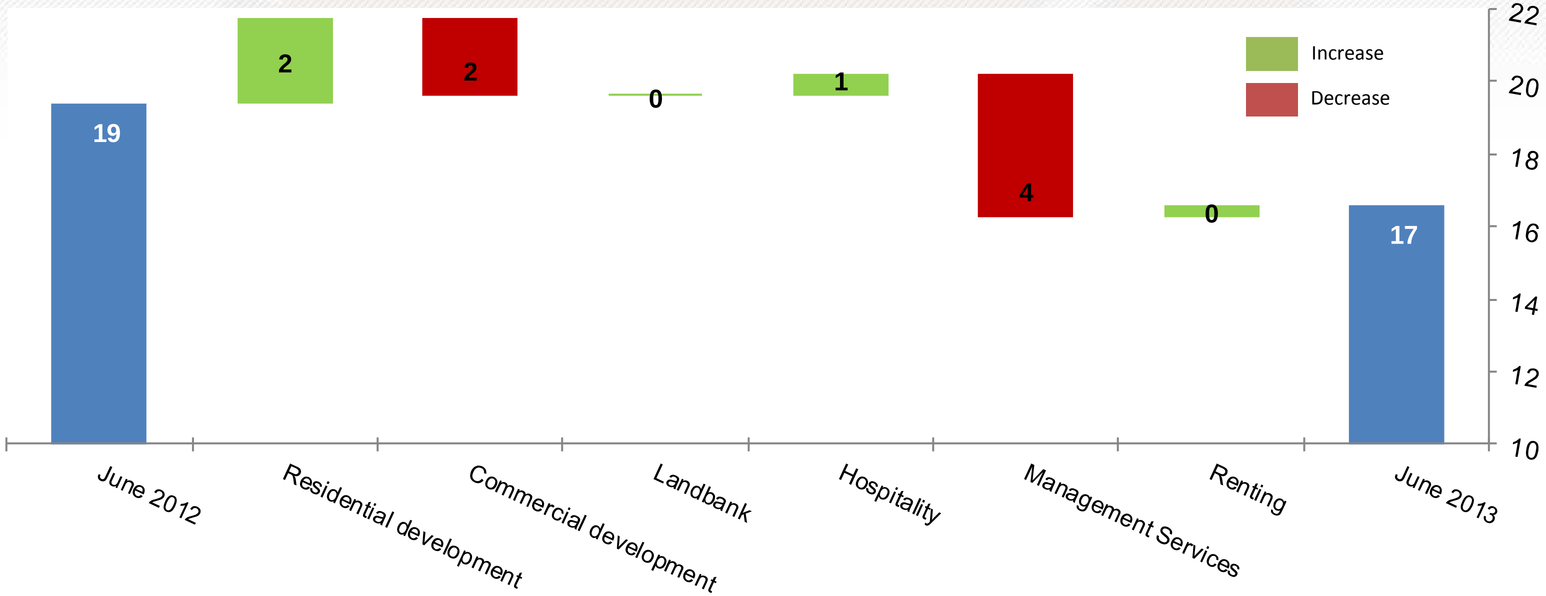
Commercial

➡ Increase in commercial activity fuelled by the sale of plot in Bubny area (EUR 20.0 M), however this line of business remains essentially impacted by the absence of rental incomes following to the sale of Sky Office in Q3 2012 (EUR -2.9 M)

Management services

➡ Decrease mainly explained by the decrease of Endurance Fund fees

Adjusted EBITDA



Residential development

➡ Driven by the control of the costs on Mezihori (EUR 0.2 M) and in the services companies (EUR 0.4 M), the sales of the period on Mostecka & Klonowa Aleja (EUR 0.8 M)

Commercial development

➡ Mainly impacted by the sale of Sky Office rental activity in 2012 (EUR -1.7 M), the Orco Germany run-down activities (EUR -0,9 M) and the Sale of the Bubny retail plot (EUR 1.2 M)

Management Services

➡ Strongly impacted by the decrease of the Endurance Fund management fees (EUR 0.7 M) and the absence of non-recurring VAT payback in 2013 (EUR 2.5 M)

Hospitality

➡ Positively impacted by a better start of the summer season in Hvar (EUR 0.6 M)

Analysis of cost of debt

in Euro millions	H1 2013	H1 2012
Total interests expenses	**22.2**	**41.0**
non cash interests	*-1.2*	*0.0*
Capitalized interests	*-2.3*	*-2.7*
Total cash interest	**18.7**	**38.3**
Average gross debt	**618**	**801**
Average interest rate in gross debt	**3.02%**	**4.78%**
Penalty interest	**2.7**	**0.0**

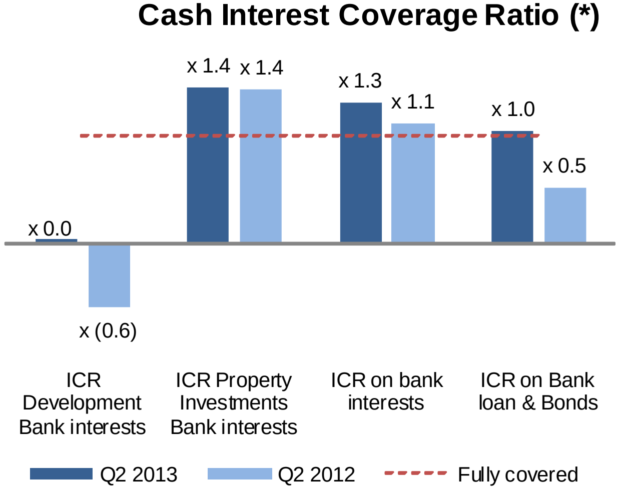
Cash Interests Coverage Ratio on the bank loans & Bonds improves from 0.5 to 1.0.

Development activities

- repayment of loans upon sales
- Improvement of the operating result
- Interests are capitalized on the on-going projects
- focus on permitting activities in order to initiate (co-) development process

Property Investment activities

- Decrease of revenue from Endurance Fund and absence of VAT payback



(*) w/o Interest Coverage Ratio w/o non cash interests on New Notes and penalty interest

Q&A