



Press Release

Paris, 12 July 2013

### **The Republic of Croatia and Orco Property Group Suspend Arbitration Proceedings**

On 9 July 2013, representatives of the State of Croatia and Orco Property Group drafted and agreed on a roadmap for the financial and operational recovery of Sunčani Hvar d.d.

Pursuant to the agreed roadmap, the parties will suspend the arbitration proceedings that consist of Orco's claim and the State of Croatia's counterclaim. In the following months the parties will try to find solutions to stabilize the company, improve their mutual relationship and define future cooperation (a new shareholders' agreement) for the benefit of their joint investment in Sunčani Hvar d.d. in order to conclusively terminate the arbitration proceedings.

Jean-François Ott, President and CEO of Orco stated: "This is a significant step towards the ongoing financial and operational recovery of Sunčani Hvar. I thank the representatives from the State of Croatia who have diligently worked with me over the past few weeks to put together a roadmap that I trust will soon be formalized with a new shareholders' agreement. With the arbitration proceedings suspended, we can focus our energies during the summer season on providing our guests to the Island of Hvar with an exceptional experience."