



Press Release

Luxembourg, 23 June 2015

ORCO PROPERTY GROUP – The Board Condemns Statements of Mr. Stropnický Concerning Bubny Area

The Board of ORCO PROPERTY GROUP (“**ORCO**”) wishes to express its deep concerns in relation to recently published statements of Mr. Matej Stropnický, Deputy Mayor of Prague, concerning the alleged buyout of Bubny land by the City of Prague.

According to an article published in the Czech newspaper PRAVO on 20 June 2015, Mr. Stropnický stated that the City of Prague shall buyout major development areas, specifically mentioning Bubny, whereby these areas shall be re-sold for smaller projects. According to Mr. Stropnický, “it is impossible that a single developer builds a whole city”, the article states.

The Board of ORCO considers unacceptable that the Deputy Mayor of Prague makes public statements aimed against the principles of the ownership of private property and disposition rights. ORCO condemns Mr. Stropnický’s tone that suggests expropriation of the major developable areas, including Bubny. ORCO as a foreign investor, listed on the regulated markets of the NYSE Euronext Paris and the Warsaw Stock Exchange reserves all rights to protect its investments in the Czech Republic and the interests of its shareholders, creditors and other stakeholders.

The Board of ORCO also condemns Mr. Stropnický's statement that a single developer shall not build and develop major areas in Prague. On contrary, ORCO believes that it is only sole developer that can guarantee proper urban planning and unified hi level architecture for large areas such as Bubny. Mr. Stropnický's solution of small projects would lead into fragmented and scattered areas without architectural consistency.

ORCO further denies any formal or informal discussions about sale of the Bubny area to the City of Prague or the Czech Republic. ORCO also denies that the Bubny area was sold to CPI PROPERTY GROUP, as stated in the article. Due to the size of Bubny area ORCO has been cooperating with many service providers and suppliers, including CPI PROPERTY GROUP, as duly disclosed in ORCO’s 2014 semi-annual and annual financial statements, but no arrangement concerning the disposal of Bubny between these groups has been made. Any transaction concerning Bubny, if any, will be orderly disclosed to fulfil all transparency obligations.

For more information, visit www.orcogroup.com