



Press Release

Paris, 10 mai 2012

### **Orco Germany executes bond deleveraging**

On 9 May 2012, Orco Germany ("OG") deleveraged a significant majority of its bonds registered under ISIN code XS0302623953. Approximately 84.5% of the OG bonds were converted into Obligations Convertibles en Actions (the "OCA") issued by Orco Property Group ("OPG"). These OG bonds will then be equitized into new OG shares. The remaining 15.5% of OG bonds can then be exchanged into EUR 20 million of new notes to be issued by OPG, the main terms of which were described in OPG's 18 April 2012 press release.

This conversion of OG bonds into OCA decreases OG's bond debt by approximately EUR 109 million (including interest and redemption premium) and reduces OG's leverage ratio from 78% to 63%.

On or about 14 May 2012, approximately 70% of the OCA issued by OPG will be converted into a total of 18,361,540 new OPG shares, increasing OPG's corporate share capital from EUR 69,920,850.60 represented by 17,053,866 shares to EUR 145,203,164.60 represented by 35,415,406 shares. These newly issued shares cannot be publicly traded until a prospectus has been approved by the CSSF. At present, OPG is finalizing its accounts so that an up to date prospectus can be submitted to the CSSF for consideration. Whether the remaining 30% of the OCA will then be converted into an additional 7,848,073 new OPG shares and the timing of such a potential conversion depend on the decision of the Paris Commercial Court regarding OPG's request to modify its Safeguard plan. The hearing on this request is scheduled to take place on or around 14 May 2012.

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