



News Release

Luxembourg, 11 May 2016

ORCO PROPERTY GROUP - Deleveraging Through Purchase of Notes and Loan Repayment.

Further to its press release of 10 May 2016, ORCO PROPERTY GROUP (the "**Company**") announces that it completed a substantial deleveraging of the Company through the purchase of approximately 77% of the OrcoPropertyGrp 7% 07/11/2019 notes, registered under ISIN code XS0820547742 (the "**Notes**") as well as the repayment of a loan.

On 4 May 2016 the Company published a market notice announcing that it is considering a voluntary purchase of the Notes for cash pursuant to Condition 13 (e) of the terms and conditions of the Notes, in the amounts to be decided at the Company's sole discretion and on basis of individual agreements with the interested holders of the Notes.

As of today, the Company managed to purchase in aggregate 5,630,662 pieces of the Notes for an aggregate consideration of EUR 49.16 million, whereby the minimum price per one purchased Note was 95% and maximum 98% of their outstanding principal amount. The purchased Notes, which represent approximately 77% of the number of the issued Notes, shall be cancelled.

The Notes are result of the 2012 debt-to equity swap, whereby the Company successfully completed the group's bond restructuring, which restructured EUR 549 million in remaining Safeguard payments and EUR 129 million of former ORCO Germany bond debt. This debt was partially equitized and partially converted into the Notes. The Company decided to purchase the Notes given their 7% coupon, that is substantially higher than current market standards, as well the 3% guarantee fee. Following the last year successful termination of the Company's Safeguard procedure, the Notes represent the last crisis heritage of the Company. The Notes represent a substantial cash flow burden, with the annual coupon of approximately EUR 4.5 million. With the purchase of the Notes, the Company will save approximately EUR 3.5 million annually on coupon payments.

The Company also repaid the short term loan to CPI PROPERTY GROUP, which amounted in aggregate to EUR 32.1 million.

Following the deleveraging of more than EUR 81 million, the Company expects an improvement of its LTV from 40.9% as at 31 December 2015 to approximately 20%. The capital raise completed yesterday provided the Company with fresh cash enabling it to improve its financial position and make it attractive for investors.

For more information, please, visit shareholder corner on www.orcogroup.com.