



PRESS RELEASE

Luxembourg, 20 January 2015

CPI PROPERTY GROUP – to challenge an action filed by Kingstown Partners, Kingstown Partners II and Ktown

CPI PROPERTY GROUP ("CPI PG") announces that on 20 January 2015 it was served with a summons containing petition of the three companies namely Kingstown Partners Master Ltd. of the Cayman Islands, Kingstown Partners II, LP of Delaware and Ktown LP of Delaware (together referred to as „Kingstown“), claiming to be the shareholders of OPG, filed with the „Tribunal d'Arrondissement de et a Luxembourg“. The petition seeks condemnation of CPI PG together with Orco Property Group, S.A. ("OPG") and certain members of OPG's board of directors as jointly and severally liable to pay damages in the amount of EUR 14,485,111.13 and compensation for moral damage in the amount of EUR 5,000,000. According to Kingstown's allegation the claimed damage has arisen as a consequence of *inter alia* alleged violation of OPG's minority shareholders rights.

To the best of CPI PG 's knowledge, Kingstown was not at the relevant time (and is not till now) the shareholder of CPI PG. Therefore and without any assumption regarding the possible violation, CPI PG believes that it cannot be held liable for the violation of the rights of the shareholders of another entity. Management of CPI PG will take all available legal actions to oppose these allegations in order to protect the corporate interest as well as the interest of its shareholders.

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