First Half Year Results 2013

Interim Report as of 30 June 2013

1.	Group overview	3
1.1.	Business and Group structure	3
1.1.1.	Description of business model	3
1.1.2.	Group structure	3
1.1.3.	Group strategy	3
1.2.	Business segments	4
2.	Economic and Market environment	5
2.1.	Relevant real estate market environment	5
3.	Group earnings performance	6
3.1.	Key figures	6
3.2.	Overview of major events in H1 2013	7
3.3.	Turnover	8
3.3.1.	Property Investments Segment	8
3.3.2.	Development Segment	10
3.4.	Other operating income	10
3.5.	Net result from Fair value adjustments on Investment properties	10
3.6.	Salaries and employee benefits	10
3.7.	Amortization, impairments and provisions	10
3.8.	Net gain/loss on disposal of assets	11
3.9.	Other operating expenses	11
4.0.	Operating result	11
4.1.	Adjusted EBITDA	11
4.2.	Financial result	11
4.3.	Income Taxes	12
4.4.	Net result	12
4.5.	Outlook	13
5.	Group financial position	14
5.1.	Net asset value	14
5.2.	Assets and resources	14
5.3.	Equity and debt	14
5.4.	LTV	15
6.	Other reporting requirements	17
6.1.	Subsequent closing events	17
6.2	Financial Risks Exposure	17
6.3.	Corporate Governance	17
6.4.	Directors' compensation	20
6.5.	Other information	20

1. Group overview

1.1. Business and Group structure

1.1.1. Description of business model

ORCO Germany S.A. (the "Company", and together with its subsidiaries, hereafter "the Group") is a real estate group founded in 2004 with a portfolio located in Germany and mainly in Berlin. It invests in, manages, develops and leases out commercial properties.

1.1.2. Group structure

ORCO Germany S.A. is a real estate company that has its registered seat in the Grand-Duchy of Luxembourg and that is listed on the Regulated Market of the Frankfurt Stock Exchange. Effective 28 December 2012, the shares of ORCO Germany S.A. moved from the Prime Standard segment to the General Standard segment. The ORCO Germany Group, which operates under the uniformly registered trademark ORCO Germany, has been pursuing its activities in Germany since 2004.

ORCO Germany S.A. is a subsidiary of ORCO Property Group. Established in 1991, ORCO Property Group has its registered seat in the Grand-Duchy of Luxembourg and is listed on the NYSE Euronext, Paris, Prague, and Warsaw stock exchanges. It operates primarily in the Czech Republic, Hungary, Poland, Russia, Croatia, the Slovak Republic and Germany.

1.1.3. Group strategy

At the end of 2008, ORCO Germany started its transition from an expanding cash-requiring developer/investor active in most German regions into an investor with a unique exposure to the Berlin market, managing a rental portfolio but capable of seizing development opportunities. In 2009, the restructuring efforts initiated by the closing of branches were expanded to the headquarters and in 2010 to the core business of ORCO-GSG. The organisational restructuring of the Group has been completed in 2011 with the vertical integration of the company both with:

- its main subsidiary ORCO-GSG on key execution functions such as operational finance, leasing, property management etc…
- its parent company ORCO Property Group for all corporate functions (finance, consolidation, legal, HR, etc.).

The Group focuses on managing its commercial investments in Berlin where its portfolio's features gained strong recognition to appeal in particular to the very dynamic segment of SMEs. Additional services to tenants such as high-speed network and IT services "Hofnetz" are continuously expanding, thus producing additional income.

Non-core assets not fitting within the current strategy have been disposed of for the better part and the Group does not plan further sales except on an opportunistic basis. The Group keeps a long term holding view and a focus on rental income with diversified tenants.

The Group is monitoring acquisition opportunities on a case by case basis, giving priority to the historic core business park segment.

1.2. Business segments

Property Investments

Property Investments is the core segment of ORCO Germany and comprises investments in commercial properties, in particular through acquisition and asset management. As part of its core segment, ORCO Germany is focused on the long-term value creation and generation of cash-flows of these properties.

With the acquisition of GSG in 2007, ORCO Germany became one of the largest owners of commercial real estate in Berlin. ORCO-GSG together with Gebauer Höfe is forming the backbone of ORCO Germany's investment activities with around 836,726 sqm of total lettable area.

Development

The Development segment deals with the development of predominant commercial projects. This includes property acquisition, planning and obtaining building rights, project implementation and sale/rental of the realised projects to investors and tenants.

Going forward development activities will mostly focus on developing or redeveloping ORCO-GSG land or properties as well as Gebauer Höfe which are classified as investment properties.

2. Economic and Market environment

2.1. Relevant real estate market environment

Economy[1]

Berlin's economy showed a robust growth in the first half year 2013 outperforming Germany as a whole with an expected increase in economic performance of 1.6% for 2013 whereas Germany's growth is estimated to solely increase by 0.5% according to Investitionsbank Berlin (IBB). The trend of increasing employment in Berlin was maintained ending up in a 2.7% increase YoY, making up the fastest growth all over Germany.

Office market

In the second quarter 2013 the letting performance in Berlin improved although for the first half year the total take-up of 219,000 sqm remained below the previous year's level (- 14%) accompanied by a 2% lower office vacancy YoY totalling 1.56 million sqm, or a vacancy rate of 8.8%.The achievable prime rent in the second quarter 2013 remained stable at EUR 22.25 per sqm/month but 2% higher than in the same period of 2012.

The positive development of the Berlin office market after a rather weak start in the first quarter 2013 indicates that the net take up in the following quarters will accelerate based upon the good economic conditions and larger deals currently being negotiated in Berlin. As a consequence of the low speculative development activities the vacancy rate is expected to further decrease while the achievable prime rent will be maintained at the current level. ORCO Germany believes in the short, mid and long term attractiveness of Berlin to be enhanced by key infrastructural projects such as the opening of the new international airport Schönefeld. But it also sees that the very positive trend over the last years is flattening out currently.

Residential market[2]

The Berlin residential market is experiencing the strongest increase in rents and purchase prices in more than 20 years and is catching up with other major cities although in comparison housing costs still remain at a moderate level. It is expected that Berlin's stable upward trend in terms of population, economic output and employment will continue over the upcoming years documenting the growing importance of Berlin as a German and European centre for politics, culture, science and tourism. There is far less land available for developments especially in the central city locations opening out into a scarcity of apartments throughout the city but especially in the city centre where a lasting demand for apartments is to be observed. Investors are judging Berlin as a safe haven against inflation and the crisis affecting the Euro zone. Going forward it is not anticipated that the situation turns out as a bubble on the rental market since the surplus on the supply side will remain limited; the possibility of overheated purchase prices forms the major risk expressed by market observers.

[1] Data taken from CBRE Research (Berlin Office Market View Q2 2013) http://www.cbre.com

[2] Data taken from Housing Market Report 2013 http://www.gsw.de

Investment market

In comparison to the previous year's period the investment market experienced a very dynamic trend with a commercial transaction volume of 1.35 billion EUR resulting in a 36% increase YoY. The most frequently traded asset class were offices, accounting for 57% of the total transaction volume. Effectively the strong demand combined with a shortage of supply compressed prime yields by 10 basis points to 4.90%. Almost 50% of the total investment volume was composed of transactions above 100 million EUR like HumboldtHafenEins or the premium Lindencorso building in the Berlin prime location Unter den Linden. Major purchasers acting on the market were real estate funds with a share of 38% and insurance / pension companies being responsible for at least 27% of the total investment volume.

3. Group earnings performance

3.1. Key figures

	June 2013	June 2012 (restated)	change
Revenue (in k €)	30 271	32 277	(2 006)
Operating Result (in k €)	29 427	3 077	26 350
Net profit attributable to the Equity holders of the Company (in k €)	21 618	-12 277	33 896
Adjusted EBITDA (in k €)	14 440	15 875	(1 435)

	30 June 2013	31 December 2012 (restated)
Total Assets (in k €)	651 244	634 718
Equity (in k €)	200 483	158 146
Liabilities (in k €)	450 761	476 572

3.2. Overview of major events in H1 2013

- Capital increase implemented on 6 June 2013. The share capital of OG was increased by EUR 2,802,898.20 from EUR 20,202,746.30 to 23,005,644.50 through the creation and issue of 28,028,982 new ordinary OG shares having a par value of EUR 0.10 each, at a subscription price of EUR 0.712 per new OG share, as a result of the conversion of 22,886 OG bonds into shares. These new OG shares are currently not listed and not tradable. Upon the approval of a prospectus, the new shares will be assimilated to OG's currently listed shares and will be listed and tradable. The total number of shares comprising the share capital of OG as well as the total number of voting rights attached thereto is 230,056,445. Nominal value of the outstanding OG bonds amounts to EUR 42,000 which mature in 2050 and are not tradable.

- The operating result increased YoY from +EUR 3.1 million to +EUR 29.4 million in H1 2013 essentially triggered by higher fair value gains realized on investment properties (+EUR 10.6 million YoY) and the absence of the impairment recognized in H1 2012 on the Sky Office building (-EUR 13.2 million).

- The Group managed to increase the average commercial net rent from 5.18 EUR per sqm to 5.29 EUR per sqm and raised the overall occupancy rate from 80.2% in December 2012 to 81.6% thus increasing total revenues YoY by EUR 1.9 million or 7.4%. Excluding the revenue generated by the sale of assets, the rental income increased by 8.0%.

- Interest expenses decreased by 51.8% (EUR 7.3 million) as a consequence of the successful refinancing of the GSG loan at lower interest rates and a lower volume, the repayment of the Sky Office loan in December 2012 and the successful bond restructuring.

- Year on year, LTV ratio decreased from 58.4% to 51.7% as of June 2013.

3.3. Turnover

The revenue over the first half year 2013 amounted to EUR 30.3 million to be compared with EUR 32.3 million over the same period 2012. Rents generated on the ORCO-GSG portfolio represented 93.7% of commercial investment revenues. Repeatedly ORCO-GSG increased the occupancy rate over its portfolio while improving rent levels especially in the western parts of the portfolio. The total turnover decreased YoY on account of the executed sale of the Sky Office building which registered revenues of EUR 2.9 million in H1 2012.

REVENUE (in k €)			
	June 2013	**June 2012 (restated)**	**% change**
Commercial Investment Properties	30 017	28 030	7.1%
o/w total GSG	28 124	26 175	7.4%
o/w rental income GSG	*23 896*	*22 271*	*7.3%*
Development	254	4 247	-94.0%
TOTAL	**30,271**	**32,277**	**-6.2%**

3.3.1. Property Investments Segment

The segment recorded a strong increase of the revenue from EUR 28.0 million to EUR 30.0 million as a consequence of the GSG portfolio operational performances.

The ORCO-GSG's Berlin business parks revenues increased YoY by 7.4% to EUR 28.1 million including service charges to tenants (vs. EUR 26.2 million in H1 2012). Therein the rental income of ORCO-GSG increased by 7.3%. Like-for-like (i.e. excluding the effects of the asset sales) the increase recorded in rental income by ORCO-GSG was higher by 8.0%.

The increase of rental income of ORCO-GSG was driven by a significant increase of the average commercial net rental income per sqm of 2.1% (from EUR 5.18 in December 2012 to EUR 5.29 in June 2013) in addition to a commercial occupancy rate increase of 1.7% to 82.6% in June 2013.

The eastern assets recorded the highest commercial net take up in the first half year 2013 of 4,907 sqm followed by a net take up amounting to 3,213 sqm on the assets clustered in the Rest West region and assets located in Kreuzberg of 2,081 sqm. Among the five top performing single assets, three are located in the eastern parts of Berlin comprising the assets Döbelner Strasse, Plauener Strasse and Wolfener Strasse 32-34 supporting the Group's strategy of fostering lease outs on ORCO-GSG's eastern assets.

Among the top five performing assets in H1 2013 the western asset Geneststrasse clustered in Rest-West did best with a net-take up of 3,126 sqm and an occupancy increase on commercial spaces from 63.0% to 83.4%.

Second best performing asset Döbelner Strasse in Berlin-Hellersdorf in the region East recorded a net take up on commercial spaces of 1.799 sqm accompanied by an occupancy increase from 82.1% to 90.9%.

Third and fourth best performing assets were as well to be found in the Cluster East; the asset Pank Strasse recorded a net-take up of 1,358 sqm while the occupancy rate increased from 81.2% to 85.1% and on the asset Wolfener Strasse 32-34 the net take up was making up to 1,211 sqm in line with an increasing occupancy rate from 42.1% to 44.0%.

Fifth best performing asset Zossener Strasse 55-58 in the Kreuzberg Cluster recorded a net take up of 878 sqm or an occupancy increase from 85.7% to 91.8%.

The Group pursues the improvement of the operating performance of the assets located in the Kreuzberg area. Since end of 2012 the occupancy rate increased from 93.1% up to 95.0% with only limited further lease out potentials remaining. The average net rent per sqm on commercial spaces increased from EUR 5.98 up to EUR 6.22 as of June 2013 reflecting the strong demand for ORCO-GSG spaces located in the Cluster Kreuzberg.

Furthermore, Management believes in the lasting demand for spaces in assets located in the Cluster East as experienced in the past few years offering additional growth potentials.

	2013	2012	2012	2011	2010	2009	2008	2007
	30.06.	31.12.	30.06.	31.12	31.12.	31.12.	31.12.	Takeover 30.06.
Net commercial rents (€/sqm)	5,29	5,18	5,11	5,01	4,86	4,80	4,66	4,49
Commercial occupancy rate	82,6%	80,9%	79,3%	78,0%	77,2%	76,0%	73,5%	68,8%
Total occupancy rate - all uses	81,6%	80,2%	78,9%	77,8%	77,2%	76,2%	74,6%	70,5%

3.3.2. Development Segment

Revenue strongly decreased after the sale of the Sky Office project

The development revenues amounted to EUR 0.3 million in H1 2013 in comparison to EUR 4.2 million in H1 2012.

In H1 2013 the development portfolio revenues included the sale of a plot of land on the Hochwald project with corresponding sales revenues of EUR 0.2 million.

The development segment currently encompasses the project of conversion of the building Naunynstrasse 68 in the Kreutzberg area in Berlin and of the project Hakeburg.

3.4. Other operating income

Over the first half of the year the Group recorded other operating income of EUR 0.3 million (EUR 1.5 million in H1 2012) mainly composed of a contractual penalty compensation received for the cancellation of the sale Skalitzer Strasse for EUR 0.05 million, reimbursement of insurance fees for EUR 0.04 million and others one-off income for EUR 0.05 million.

3.5. Net result from Fair value adjustments on Investment properties

The Group recorded a net gain from fair value adjustments on investment properties of EUR 15.8 million compared to a net gain of EUR 5.3 million in H1 2012.

Net fair value gains related to ORCO-GSG properties (EUR 15.8 million), which are including a loss in fair value on Wupperstrasse for EUR 0.5 million, result from the constant improvement of the operational performances and the potential of residential redevelopments.

The five highest net gains in fair value have been recognized on Schlesische Strasse (EUR 2.4 million), Reichenberger Strasse (EUR 1.4 million), Geneststrasse (EUR 1.0 million), Zossener Strasse (EUR 1.2 million) and Helmholtzstrasse (EUR 1.0 million).

The valuation losses were mainly recorded on the eastern assets Wolfener Strasse 32-34 (EUR 1.0 million), Plauener Strasse (EUR 0.9 million) and Pankstrasse (EUR 0.8 million) despite their good operational performances.

3.6. Salaries and employee benefits

Over the first half of the year, salaries and employee benefits slightly decreased from EUR 3.5 million in 2012 to EUR 3.3 million (YoY). The number of employees remains stable at 102.

3.7. Amortization, impairments and provisions

Amortization, impairments and provisions amount to -EUR 0.8 million (-EUR 17.8 million in June 2012), mainly explained by the impairments recognized on receivables for -EUR 0.4 million and the provisions for environmental damages and litigations for -EUR 0.4 million. Moreover, the main drivers of the decrease by EUR 17.0 million compared to June 2012, are the Sky Office impairment recognized in June 2012 for -EUR 13.4 million and the EUR 4.0 million complementary provision recognized in June 2012, related to a development litigation.

3.8. Net gain/loss on disposal of assets

In line with ORCO Germany's strategy to sale of non-strategic assets and focus on commercial assets, on 1st of January 2013 ORCO Germany executed the transfer of the land plot Kurfürstenstrasse 11 at a sales price of EUR 0.6 million and a corresponding book value of EUR 0.6 million, which was already adapted to the contracted sales price in 2012. The sale of Skalitzer Strasse 127, which was contracted on 11th of November 2012 was cancelled in Q1 2013 since the purchaser did not pay the agreed sales price in time. As a consequence 50 k € was retained as a penalty. The property will remain part of the GSG portfolio.

3.9. Other operating expenses

Other operating expenses slightly decreased YoY from -EUR 13.6 million to -EUR 12.8 million as at June 2013. Utility supply costs increased by EUR 0.3 million, partly compensated by higher service charge income generated from tenants. Insurance costs decreased by +EUR 0.1 million as a consequence of the successful refinancing of the GSG portfolio by the end of 2012. The consultancy expenditures in H1 2013 were scaled back by EUR 0.3 million after extraordinary effects linked to the refinancing of the GSG portfolio were impacting the H1 2012.

k €	June 2013	June 2012 (restated)	Variance
Leases and rents	(217)	(243)	26
Building Maintenance	(1,728)	(2,423)	695
Communication and IT Maintenance	(437)	(801)	363
Utilities Supplies	(6,663)	(6,343)	(321)
Commissions, fees, consultancy, audit	(1,259)	(1,636)	377
Insurance	(303)	(365)	62
Cars expenses and car leases	(31)	(34)	3
Travel Expenses and representation costs	(49)	(44)	(5)
Advertising and Marketing	(291)	(270)	(21)
Administration Costs	(519)	(381)	(138)
Taxes other than income tax	(1,209)	(1,060)	(149)
Other operating expenses	(97)	(52)	(45)
Total other operating Expenses	**(12,804)**	**(13,652)**	**848**

4.0. Operating result

The operating result increased YoY from +EUR 3.1 million to +EUR 29.4 million in H1 2013 essentially provoked by higher fair value gains realized on investment properties (+EUR 10.6 million YoY) and the absence of the impairment taken in H1 2012 on the Sky Office building (-EUR 13.2 million).

4.1. Adjusted EBITDA

In H1 2013 the adjusted EBITDA was +EUR 14.4 million falling below previous year's adjusted EBITDA of + EUR 15.9 million.

The two business lines of ORCO Germany contributed as follows:

- The adjusted EBITDA of the Property Investments segment increased YoY by EUR 2.0 million, or 14.4%, to +EUR 16.3 million compared to EUR 14.2 million in H1 2012, mainly on account of the good

operational performance achieved on the GSG portfolio determined by a higher occupancy rate and increased rents.

- The adjusted EBITDA of the development segment was negative in the first half 2013, amounting to -EUR 1.8 million, to be compared to +EUR 1.6 million in H1 2012. In H1 2013 the development segment was lacking development revenues while in the previous year the Sky Office project, which was sold by end of 2012, strongly contributed to the positive result recorded. Overhead costs related to guarantee issues in H1 2013 could not be mitigated by operational revenues generated. Going forward it is Management priority to foster the Group's development activities in order to generate recurring income.

4.2. Financial result

The net financial result amounted to -EUR 1.4 million compared to -EUR 11.4 million as of June 2012.

The financial result comprised interest expenses of -EUR 6.8 million (versus -EUR 14.0 million during the same period in 2012), interest income of +EUR 1.0 million (versus EUR 1.0 million in H1 2012) and other net financial results of +EUR 4.4 million (versus +EUR 1.7 million in H1 2012).

The **interest expenses** over the first half year 2013 of -EUR 6.8 million decreased by EUR 7.2 million. The two major drivers have been (i) the successful Company bonds' restructuring (+EUR 4.0 million), (ii) lower interest expenses recorded on the ORCO-GSG loan (+EUR 1.5 million) and the repayment of the Sky Office loan (+EUR 1.7 million) at the end of November 2012.
The Interest Coverage Ratio (ICR) of cash interests by Adjusted EBITDA amounts to 1.5.

The **other net financial result** amounted to +EUR 4.4 million (H1 2012: +EUR 1.7 million) and mainly consisted of:

- Other finance charges (-EUR 0.1 million versus -EUR 1.0 million) mainly composed of a late accounting change related to 2012 on Sky Office for -EUR 0.5 million and of a reversal of accrual linked to the refinancing of the GSG loan for +EUR 0.4 million.
- Profits recorded on trading investments (+EUR 4.5 million versus +EUR 2.6 million in H1 2012) resulted mainly from the gains on revaluation of interest rate derivatives on Gebauer Höfe (+EUR 0.6 million versus +EUR 0.2 million) and on ORCO-GSG (+EUR 3.9 million versus +EUR 4.7 million in H1 2012). Interest swaps were accounted for at fair value and contracted to prevent fluctuations in interest rates.

4.3. Income Taxes

Total income taxes amounting to -EUR 6.4 million (-EUR 3.9 million in H1 2012) were composed of current income taxes of +EUR 0.4 million and deferred taxes of -EUR 6.8 million.

Deferred taxes which are non-cash represent mainly the impact of revaluation differences between local GAAP and IFRS on tax calculation not leading to payments or reimbursements.

4.4. Net result

ORCO Germany closed H1 2013 with a net profit of EUR 21.6 million compared to a net loss of EUR 12.3 million in H1 2012.

4.5. Outlook

Management believes in the upside potential of the Group portfolio through increased rents in western assets and the lease up potentials on eastern assets, while continuing the optimization of management and administrative costs.
By resolving the key part of its debt maturity by the end of 2012, ORCO Germany has now gained financial headroom to review development opportunities on existing assets through prelease either in order to keep or to sell. Opportunistic acquisitions in Berlin in order to grow the investment property business line might be seized pursuant to case by case studies, especially in coherent locations with existing portfolio and demand translating into higher revenues and profits in the medium term. Management believes that the improved capital structure and initiatives taken to further improve operations will add to a positive development of the Group.

5. Group financial position

5.1. Net asset value

The method of net asset value calculation is based on portfolio valuation and gives the real estate approach of the net asset value (NAV).

The NAV, as at 30 June 2013 amounted to EUR 259.6 million versus EUR 212.5 million as at 31 December 2012. The NAV per share amounted to EUR 1.13 (versus EUR 1.05 as at December 2012).

	June 2013	December 2012
Consolidated equity	**200,564**	**158,235**
Fair Value adjustment on asset held for sales	-	-
Fair value adjustments on investment portfolio	-	-
Fair value adjustments on hotels and own occupied buildings	-	-
Fair value adjustments on inventories	254	196
Deferred taxes on revaluations	101,378	95,838
Goodwills	(42,622)	(42,675)
Own equity instruments	-	893
EPRA Net asset value	**259,574**	**212,488**
Net asset value in EUR per share	1.13	1.05
Existing shares	230,056	202,027

In comparison to the year end 2012 the NAV per share increased by 7.3% mainly set forth by the debt (corporate bond) restructuring achieved and the valuation gains recorded on the ORCO-GSG portfolio.

5.2. Assets and resources

The total assets of ORCO Germany as at 30 June 2013 amounted to EUR 651.2 million compared to EUR 634.7 million as at 31 December 2012. This variation mainly arises from valuation gains realized on investment properties thanks to good operational performance and brightened market circumstances.

The investment property as the most important non-current asset is valued 2013 at EUR 522.7 million as at 30 June (versus EUR 504.7 million in December 2012).

Inventory value remained stable amounting to EUR 2.1 million in June 2013 (versus EUR 1.9 million end of 2012). Cash and cash equivalents improved by EUR 1.1 million to end up at EUR 8.8 million end of June 2013.

5.3. Equity and debt

As at 30 June 2013, equity of ORCO Germany reached EUR 200.5 million (versus EUR 158.1 million in 2012). In particular, the positive outcome of the corporate bond restructuring accompanied by the issuance of new shares has induced the strong increase of equity.

Liabilities as at 30 June 2013 amounted to EUR 450.8 million compared to EUR 476.6 million as at 31 December 2012, mainly due to the corporate bond restructuring and the amortization on the loan covering the GSG portfolio.

At the end of June 2013 a DSCR covenant breach on the Gebauer Höfe loan (EUR 26.4 million) was recognized, and the loan expiring in July 2014 was re-allocated to current liabilities (< 1 year). The Group has already initiated arrangements to secure a successful refinancing of the loan and expects to achieve results in the near future.

5.4. LTV

The loan to value ratio reached the level of 51.7% as at 30 June 2013 compared to 58.4% as at 31 December 2012. Management succeeded in its previously announced targeted priority to reduce its LTV ratio especially due to the reinforcement of its equity basis mainly driven by the restructuring of the corporate bond, the successful refinancing of the ORCO-GSG portfolio accomplished at the end of 2012 and the increasing values recorded on its key portfolio.

ORCO accomplished the substitution of the OG bond debt of EUR 129.1 million due on 30 May 2012 into bonds convertible in shares ("OCA") and bonds payable in cash and in-kind ("New Notes") issued by OPG. On 6 June 2013, the share capital of OG was increased by EUR 2,802,898.20 from EUR 20,202,746.30 to EUR 23,005,644.50 through the creation and issue of 28,028,982 new ordinary OG shares having a par value of EUR 0.10 each, at a subscription price of EUR 0.712 per new share. These new OG shares were not listed and were not tradable. The total number of shares comprising the share capital of OG as well as the total number of voting rights attached thereto was 230,056,445.

The capital increase was made against the conversion and contribution in kind to OG of 22,885 of the remaining OG Bonds (the "Exchanged Bonds") valued in aggregate at EUR 19,956,635.40, including interest and redemption premium. On 4 of October 2012, the Exchanged Bonds were transferred to ORCO Property Group ("OPG") in a voluntary exchange for New Notes issued by OPG and represent approximately 15.5% of the original issue amount of the OG Bonds. Following this exchange, only 62 OG Bonds remain outstanding (EUR 41,912 in nominal value).

As a consequence of the bond restructuring the LTV ratio is now reduced to 51.7%, a sustainable level for a Group with strong and recurring cash flows.

in k €	June 2013	December 2012
Non current liabilities		
Financial debts	262.556	294.970
Current liabilities		
Financial debts	33.718	8.015
Liabilities held for sale	0	0
Current assets		
Current financial assets	0	-34
Cash and cash equivalents	-8.840	-7.675
Net debt	**287.435**	**295.184**
Investment property	522.669	504.745
Own-occupied buildings	2.884	2.893
Financial assets at fair value through profit or loss	255	1.228
Non current loans and receivables	27.815	26.861
Inventories	2.101	1.928
Assets held for sale	0	2.050
Revaluation gains /(losses) on projects and prop.	254	196
Fair value of portfolio	**555.978**	**539.901**
Loan to value before bonds	51,7%	54,7%
Bonds	42	20.000
Accrued interests on bonds	0	0
Loan to value	51,7%	58,4%

6. Other reporting requirements

6.1. Subsequent closing events

After the reporting period no material events occurred.

6.2 Financial Risks Exposure

For a thorough description of the principal risks and uncertainties, please see Note 3 Financial Risk Management of the December 2012 Consolidated Financial Statements.

6.3. Corporate Governance

Principles

Good corporate governance improves transparency and the quality of reporting, enables effective management control, safeguards shareholder interests and serves as an important tool to build corporate culture. ORCO Germany is dedicated to acting in the best interests of its shareholders and stakeholders. The Company is committed to continually and progressively implement industry best practices with respect to corporate governance and has been adjusting and improving its internal practices in order to meet evolving standards. The Company aims to communicate regularly with its shareholders and stakeholders regarding corporate governance and to provide regular updates on its website.

Management of the Company

On 11 November 2010, the Board of Directors appointed Mr. Jean-Francois Ott as CEO, Mr. Nicolas Tommasini as Deputy CEO and Mr. Brad Taylor as Director of Corporate and Legal Affairs of ORCO Germany.

Mr. Ott, Mr. Tommasini and Mr. Taylor are based in Paris, and they make up the senior management and the executive committee of the Company.

Board of Directors of the Company

The Company is administered and supervised by a Board of Directors made up of a maximum of 6 members, who are appointed by the general meeting of shareholders for a period of office not exceeding six years. They are eligible for re-election and may be removed at any time by decision of the general meeting of shareholders by simple majority vote. In the event of a vacancy in the Board of Directors, the remaining members may co-opt a new member. The Board of Directors has the following tasks and competencies, without such list being exhaustive:

- Setting the objectives and management policies of the Company
- Preparing the annual operating and financing plans
- Managing the Company's business affairs and performing all the acts and operations relating to the corporate purpose that do not fall within the duties attributed to other bodies of the Company
- Representing the Company in or out of court
- Acquiring, selling real estates
- Incorporating companies

- Adopting resolutions regarding issuance of bonds
- New shares may be issued pursuant to the authorized share capital.

As at 30 June 2013, the Board of Directors consisted of the following 4 members:

- Jean-Francois Ott
- Brad Taylor
- Ales Vobruba
- Nicolas Tommasini.

Required information

In reference to the information required by paragraphs (a) to (k) of Article 11(1) of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, the Board of Directors states the following elements:

(a) The structure of the capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents:

The share capital of the Company is represented by only one class of shares. 48,771,333 of the shares are admitted for trading on the Regulated Market of the Frankfurt Stock Exchange. Effective 28 December 2012, the shares moved from the Prime Standard segment to the General Standard segment. The 153,256,130 shares issued on 27 September 2012 and the 28,028,982 shares issued on 6 June 2013 are currently not listed and not tradeable.

(b) Any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC:

The 153,256,130 shares issued on 27 September 2012 and the 28,028,982 shares issued on 6 June 2013 are currently not listed and not tradeable. There is no restriction on the transfer of the 48,771,333 of the shares that are listed on the Frankfurt Stock Exchange. Mr. Jean-François Ott, Mr. Nicolas Tommasini and Mr. Taylor are subject to a lock-up on one-third or less of their Orco Germany shares until 28 September 2013.

(c) Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:

To the best of the Company's knowledge, the following table sets out information regarding the ownership of the Company's shares as of 30 June 2013.

Shareholder	Number of Shares	% of capital	% of voting rights
ORCO Property Group S.A	191 424 299	83,21%	83,21%
Kamoro Limited	19 900 000	8,65%	8,65%
Brillant 1419. GmbH & Co. Verwaltungs KG	11 531 259	5,01%	5,01%
Directors and managers of the Company and OPG	3 064 820	1,33%	1,33%
Other	4 136 067	1,80%	1,80%
Total	**230 056 445**	**100,00%**	**100,00%**

(d) The holders of any securities with special control rights and a description of those rights:

None of the Company's principal shareholders has voting rights different from any other holders of the Company's shares.

The Company will respect the rights of its shareholders and ensure they receive equitable treatment. The Company has established a policy of active communication with the shareholders.

(e) The system of control of any employee share scheme where the control rights are not exercised directly by the employees:

This is not applicable. The Company has no employee share scheme.

(f) Any restrictions on voting rights, such as limitation on the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities:

There is no restriction on voting rights.

(g) Any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC:

To the knowledge of the Company, no shareholder agreements have been entered by and between shareholders that are in effect as of the date of this report.

(h) the rules governing the appointment and replacement of board members and the amendment of the articles of association:

The Board of Directors is made up of a maximum of 6 members, who are appointed by the general meeting of shareholders for a period of office not exceeding six years. They are eligible for re-election and may be removed at any time by decision of the general meeting of shareholders by simple majority vote. In the event of a vacancy in the Board of Directors, the remaining members may co-opt a new member. The articles of association may be modified by an extraordinary general meeting of the shareholders, deliberating with a quorum of at least half of the corporate capital and deciding by a vote of at least a two-thirds majority of the votes cast.

(i) the powers of board members, and in particular the power to issue or buy back shares:

See the beginning of this section 6.3, "Board of Directors of the Company", on page 20 of this report.

(j) any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is

such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements:

Pursuant to the provisions of the new ORCO-GSG loan agreement, following a change of control of the Company, the lenders have the right to terminate the loan and demand full repayment.

(k) any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid:

As at 31 December 2012, the potential termination indemnity payment to some members of the Company's management amounted to EUR 600,000 and is payable in the event of termination of their respective contracts.

6.4. Directors' compensation

Please see Note 27 of the December 2012 Consolidated Financial Statements.

6.5. Other information

- The Group does not provide any activities in research and development.
- The Company does not have any branch.

ORCO GERMANY S.A.

Société Anonyme

Condensed consolidated interim financial information

As at 30 June 2013

Orco Germany's Board of Directors has approved on 29 August 2013 the condensed consolidated interim financial information for the period ended as at 30 June 2013.

All the figures in this report are presented in thousands of Euros and all the comparatives figures have been restated according to the early application of IFRS 11 (see Note 2.2), except if explicitly stated.

I. Condensed consolidated interim income statement

The accompanying notes form an integral part of this condensed consolidated interim financial information.

	Note	6 months 2013	6 months 2012 restated
Revenue	3	**30,271**	**32,277**
Sale of goods		*190*	*1,288*
Rent		*25,575*	*26,785*
Services		*4,505*	*4,204*
Net gain or loss from fair value adjustments on Investment Property	4	15,827	5,277
Other operating income		291	1,452
Net result on disposal of assets	4/8	(14)	(262)
Cost of goods sold	7	(6)	(717)
Employee benefits		(3,311)	(3,485)
Amortisation, impairments and provisions	5/7	(827)	(17,813)
Other operating expenses		(12,804)	(13,652)
Operating result		**29,427**	**3,077**
Interest expenses		(6,762)	(14,034)
Interest income		995	977
Other net financial results	11	4,398	1,655
Financial result		**(1,369)**	**(11,402)**
Share profit or loss from equity associates		(13)	(2)
Profit or loss before income taxes		**28,045**	**(8,328)**
Income taxes		(6,414)	(3,924)
Net profit or loss for the period		**21,630**	**(12,252)**
Total profit or loss attributable to:			
Non controlling interests		12	26
Owners of the Company		**21,618**	**(12,277)**
Basic earnings in EUR per share	12	0.11	(0.26)
Diluted earnings in EUR per share	12	0.11	(0.26)

II. Condensed consolidated interim statement of comprehensive income

The accompanying notes form an integral part of this condensed consolidated interim financial information.

	6 months 2013	6 months 2012 restated
Profit /(Loss) for the period	**21,630**	**(12,252)**
Total comprehensive income/(loss) for the period attributable to:	**21,630**	**(12,252)**
- owners of the Company	21,618	(12,277)
- non controlling interests	12	26

III. Condensed consolidated statement of financial position

The accompanying notes form an integral part of this condensed consolidated interim financial information.

ASSETS			
	Note	30 June 2013	31 December 2012 restated
NON-CURRENT ASSETS		**605,607**	**587,805**
Intangible assets		**49,871**	**49,928**
Investment property	4	**522,669**	**504,745**
Property, plant and equipment		**4,945**	**4,979**
Owner occupied buildings	5	2,884	2,893
Fixtures and fittings		2,061	2,086
Investments in equity associates		**51**	**63**
Financial assets at fair value through profit or loss		**255**	**1,228**
Non current loans and receivables	6	**27,815**	**26,861**
CURRENT ASSETS		**45,637**	**46,913**
Inventories	7	2,101	1,928
Trade receivables		13,296	14,994
Other current assets		20,145	20,213
Derivative instruments		1,256	20
Current financial assets		-	34
Cash and cash equivalents	9	8,840	7,675
Assets held for sale & Discountinued operations	8	-	2,050
TOTAL		**651,244**	**634,718**

EQUITY & LIABILITIES			
		30 June 2013	31 December 2012 restated
EQUITY		**200,483**	**158,146**
Equity attributable to owners of the Company	13.1	**200,564**	**158,239**
Non controlling interests		**(82)**	**(93)**
LIABILITIES		**450,761**	**476,571**
Non-current liabilities		**382,739**	**428,338**
Bonds	10.1	42	20,000
Financial debts	10.1	262,556	294,970
Provisions & other long term liabilities		13,932	13,987
Deferred tax liabilities		106,209	99,381
Current liabilities		**68,022**	**48,234**
Financial debts	10.2	33,718	8,015
Trade payables		2,676	4,561
Advance payments		15,547	14,292
Derivative instruments		1,268	4,521
Other current liabilities		14,812	16,845
TOTAL		**651,244**	**634,718**

IV. Condensed consolidated interim statement of changes in equity

The accompanying notes form an integral part of this condensed consolidated interim financial information.

	Share Capital	Share Premium	Translation Reserve	Treasury Shares	Other Reserves	Equity attributable to owners of the Company	Non controlling interests	Equity
Balance at 31 December 2011 restated	**60,964**	**123,658**	**(3)**	**(1,540)**	**(117,481)**	**65,598**	**212**	**65,810**
Impact of the change in consolidation method	-	-	-	-	-	-	-	-
Balance at 31 December 2011 (Published)	***60,964***	***123,658***	***(3)***	***(1,540)***	***(117,481)***	***69,598***	***212***	***69,810***
Profit for the period :								
Profit /(Loss) for the period					(12,277)	(12,277)	26	(12,251)
Total comprehensive income	**-**	**-**	**-**	**-**	**(12,277)**	**(12,277)**	**26**	**(12,251)**
Capital decrease of 26 April 2012	(56,087)				56,087	-		-
Non repaid equity part of OCA issued in May 2012					107,963	107,963		107,963
Balance at 30 June 2012 restated	**4,877**	**123,658**	**(3)**	**(1,540)**	**34,292**	**161,284**	**238**	**161,522**
Prior-Period adjustement (*)					*(4,000)*	*(4,000)*		*(4,000)*
Impact of the change in consolidation method	-	-	-	-	-	-	-	-
Balance at 30 June 2012 (Published)	***4,877***	***179,745***	***(3)***	***(1,540)***	***(17,795)***	***165,284***	***239***	***165,523***
Profit for the period :								
Profit /(Loss) for the period					(3,495)	(3,495)	101	(3,394)
Total comprehensive income	**-**	**-**	**-**	**-**	**(3,495)**	**(3,495)**	**101**	**(3,394)**
Capital increase of 27 september 2012	15,326	93,793			(1,136)	107,982		107,982
Non repaid equity part of OCA issued in May 2012					(107,963)	(107,963)		(107,963)
Non controlling interests' transactions					432	432	(432)	-
Balance at 31 December 2012 restated	**20,203**	**217,450**	**(3)**	**(1,540)**	**(77,871)**	**158,239**	**(93)**	**158,146**
Impact of the change in consolidation method	-	-	-	-	-	-	-	-
Balance at 31 (Published)	***20,203***	***217,450***	***(3)***	***(1,540)***	***(77,871)***	***69,598***	***212***	***69,810***
Profit for the period :								
Profit /(Loss) for the period					21,618	21,618	12	21,630
Total comprehensive income	**-**	**-**	**-**	**-**	**21,618**	**21,618**	**12**	**21,630**
Capital increase of 6 June 2013	2,803	17,154				19,957		19,957
Own equity instruments				1,540	(780)	760		760
Non controlling interests' transactions					(10)	(10)	(1)	(11)
Balance at 30 June 2013	**23,006**	**234,604**	**(3)**	**-**	**(57,043)**	**200,564**	**(82)**	**200,483**

(*) See Note 2.1.3 of the December 2012 Consolidated Financial Statements.

Definitions

Share Capital is the initial value for which the shareholders subscribed the shares from the issuing company.

Share Premium is an excess amount received by the company over the par value of its shares. This amount forms a part of the non-distributable reserves of the company which usually can be used only for purposes specified under corporate legislation.

Translation Reserve includes exchange differences relating to the translation of the results and net assets of the group's foreign operations from operational to the group's consolidation currency. Exchange differences previously accumulated in the translation reserve are reclassified to profit or loss on the disposal of the foreign assets and operations.

Treasury Shares are shares issued by company and controlled by itself. Treasury shares come from a repurchase or buyback from shareholders. These shares don't pay dividends, have no voting rights, and are not included in shares outstanding calculations.

Other Reserves are created from accumulated profits and losses and other equity operations, such as scope variations, variation of detention, or revaluation of assets. These reserves may be subject to the distribution of dividends.

Non-controlling interests are interests of the group's equity not attributable, directly or indirectly, to a parent. They belong to those shareholders who do not have a controlling interest in the group.

V. Condensed consolidated interim cash flow statement

The accompanying notes form an integral part of this condensed consolidated interim financial information.

	30 June 2013	30 June 2012 restated
OPERATING RESULT	**29,427**	**3,077**
Net gain / loss from fair value adjustments on investment property	(15,827)	(5,277)
Amortization, impairments and provisions	827	17,813
Net result on disposal of assets	14	262
Adjusted operating profit / loss	**14,441**	**15,874**
Financial result	(237)	(714)
Income tax paid	(911)	(837)
Financial result and income taxes paid	**(1,148)**	**(1,551)**
Changes in operating assets and liabilities	**(174)**	**(3,953)**
NET CASH FROM /(USED IN) OPERATING ACTIVITIES	**13,119**	**10,370**
Capital expenditures and tangible assets acquisitions	(803)	(59)
Proceeds from sales of non current tangible assets (*)	602	19,418
Purchase of intangible assets	(4)	(4)
Purchase of financial assets	(9)	-
Acquisition of subsidiaries	(5)	-
Loans granted to associates	-	(7)
NET CASH FROM INVESTING ACTIVITIES	**(219)**	**19,348**
Proceeds from disposal of treasury shares	760	-
Proceeds from borrowings	893	1,990
Net interest paid	(5,363)	(9,509)
Repayments of borrowings	(8,025)	(28,415)
NET CASH USED IN FINANCING ACTIVITIES	**(11,735)**	**(35,934)**
NET INCREASE/(DECREASE) IN CASH	**1,165**	**(6,216)**
Cash and cash equivalents at the beginning of the year (**)	7,675	14,797
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (**)	**8,840**	**8,581**

(*) Proceeds from sales of non-current tangible assets comprise mostly proceeds from sales of assets held for sale (Note 8)

(**) Cash and cash equivalent referred to the Note 9

Selected notes to the condensed consolidated interim financial information

1 General information

Orco Germany S.A., société anonyme (the "Company") and its subsidiaries (together the "Group") is a real estate Group with a portfolio located in Germany. It is principally involved in leasing out investment properties under operating leases as well as in the development of properties for its own portfolio or intended to be sold in the ordinary course of business.

The Company is a limited liability company incorporated for an unlimited term and registered in Luxembourg. The address of its registered office is 40 rue de la Vallée-L-2661 Luxembourg.

As at 30 June 2013, the Company is owned directly and indirectly at 88.22% (directly at 83.21 % and indirectly at 5.01 %) by Orco Property Group S.A. ("OPG"). Its shares are listed on the Regulated Market of Frankfurt stock exchange.

The parent company, OPG, includes in its consolidated financial statements those of Orco Germany S.A. OPG is incorporated under Luxembourg law. Consolidated financial statements of OPG can be obtained at its registered office 40 rue de la Vallée-L-2661 Luxembourg.

The consolidated financial statements have been approved for issue by the Board of Directors on 29 August 2013.

2 Summary of significant accounting policies

2.1 Basis of preparation

This condensed consolidated interim financial information for the half-year ended 30 June 2013 have been prepared in accordance with IAS 34 - Interim financial reporting and should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2012.

2.2 Accounting policies

The accounting policies have been consistently applied by the Group's entities and are consistent with those applied by the Group for its 31 December 2012 consolidated financial statements, except for the application of the revised and new standards and interpretations applied as from 1 January 2013 as described below.

a) New and amended standards adopted by the Group in 2013

The Group adopted the following new norms and amendments in 2013 without impact on the consolidated accounts of the Group:

- Improvement to IFRSs 2009-2011 issued on 17 May 2012 which amends the following standards:

  IFRS 1 (Borrowing costs relating to qualifying assets for which the commencement date for capitalization is before the date of transition to IFRSs), IFRS 1 (Permit the repeated application of IFRS 1), IAS 1 (Clarification of the requirements for comparative information), IAS 16 (Classification of servicing equipment), IAS 32 (Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes), IAS 34 (Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments).

- IFRS 13: Fair Value Measurement.
- Amendment to IFRS 7: Disclosures-Offsetting Financial Assets and Financial Liabilities.

The Group assessed in 2012 (See Note 2.1.3 of the December 2012 Consolidated Financial Statements) that the impact which results from the implementation of the IFRS 10, 11 and 12 is limited to the change in consolidation method of the joint arrangements, in which the Group is participating (See Note 2.3). The impacts of the implementation of the IAS 19 amendment has been assessed by the Group in 2012 and disclosed in Note 17 of the December 2012 Financial Statements. These assessments were confirmed in 2013.

- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- Amendments to IFRS 10, IFRS 11, IFRS 12: Transition guidance
- IFRS 12: Disclosure of Interests in Other Entities
- Amendment to IAS 19 (as revised in 2011): Employee Benefits

b) The following new standards, new interpretations and amendments to standards and interpretations have been adopted by the European Union, but not compulsory before the financial year beginning 1 January 2014 and have not been early adopted by the Group:

- Amendments IAS 32 - Offsetting Financial Assets and Financial Liabilities.

c) The following new standards have been issued by the IASB but are not adopted by the European Union:

- IFRS 9, Financial Instruments. This standard addresses classification and measurement of financial assets and liabilities and is very likely to affect the Group's accounting treatment on financial instruments;
- Amendments IAS 27 (as revised in 2011): Separate Financial Statements
- Amendments IAS 28 (as revised in 2011): Investments in Associates and Joint Ventures

- Amendment IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets;
- Amendment IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting;
- Interpretation IFRIC 21 – Levies.
- Amendment IFRS 10, IFRS 12, IAS 27 – Investment entities.

The Group is referring to the endorsement status of the IFRS new standards new interpretations and amendments to standards and interpretations as they are published by the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

2.3 Change in consolidation method

The Group has early adopted IFRS 11 and changed the criteria for election from Proportionate to Equity Method for consolidation of investments in joint venture (JV). The Group now has to recognize its JVs under the equity method and has consequently restated the opening balance and all the comparative periods. The opening balance of the investments has been measured at the aggregate of the carrying amounts of the assets and liabilities of the entities previously proportionately consolidated which is considered as the deemed cost of the investment at initial recognition.

As a result of this change in consolidation method, as of December 2012, the Net Result and the Equity of the group remained unchanged. The unique JV accounted for under the Equity Method is the Knorrstrasse JV for EUR 0.1 million.

	12 months 2012 As published	Impact of the change in consolidation method of the JVs	12 months 2012 As restated
Revenue	**181,032**	**(81)**	**180,952**
Sale of goods	*119,532*	*(81)*	*119,452*
Rent	*51,692*	-	*51,692*
Services	*9,809*	-	*9,809*
Net gain or loss from fair value adjustments on Investment Property	18,050	-	18,050
Other operating income	4,161	-	4,161
Net result on disposal of assets	463	-	463
Cost of goods sold	(118,544)	-	(118,544)
Employee benefits	(7,060)	-	(7,060)
Amortisation, impairments and provisions	(26,812)	42	(26,770)
Other operating expenses	(32,078)	8	(32,071)
Operating result	**19,212**	**(31)**	**19,181**
Interest expenses	(23,624)	-	(23,624)
Interest income	2,064	-	2,064
Other net financial results	(1,578)	-	(1,578)
Financial result	**(23,138)**	**-**	**(23,138)**
Share profit or loss from equity affiliates	-	33	33
Profit or loss before income taxes	**(3,926)**	**2**	**(3,924)**
Income taxes	(11,722)	(2)	(11,724)
Profit from continuing operations	**(15,648)**	**-**	**(15,648)**
Total profit or loss attributable to:			
Non controlling interests	125	-	125
Owners of the Company	**(15,773)**	**-**	**(15,773)**

ASSETS	31 December 2012 2012 *As published*	Impact of the change in consolidation method of the JVs	31 December 2012 *As restated*
NON-CURRENT ASSETS	**587,735**	**69**	**587,805**
Intangible assets	**49,928**	**-**	**49,928**
Investment property	**504,745**	**-**	**504,745**
Property, plant and equipment	**4,979**	**-**	**4,979**
Owner occupied buildings	2,893	-	2,893
Fixtures and fittings	2,086	-	2,086
Investments in equity affiliates	**-**	**63**	**63**
Financial assets at fair value through profit or loss	**1,222**	**6**	**1,228**
Non current loans and receivables	**26,861**	**-**	**26,861**
CURRENT ASSETS	**47,070**	**(157)**	**46,913**
Inventories	1,928	-	1,928
Trade receivables	14,971	23	14,994
Other current assets	20,300	(87)	20,213
Derivative instruments	20	-	20
Current financial assets	34	-	34
Cash and cash equivalents	7,767	(92)	7,675
Assets held for sale & Discountinued operations	2,050	-	2,050
TOTAL	**634,805**	**(87)**	**634,718**

EQUITY & LIABILITIES			
EQUITY	**158,146**	**-**	**158,146**
Equity attributable to owners of the Company	**158,239**	**-**	**158,239**
Non controlling interests	**(93)**	**-**	**(93)**
LIABILITIES	**476,659**	**(88)**	**476,571**
Non-current liabilities	**428,338**	**(1)**	**428,338**
Bonds	20,000	-	20,000
Financial debts	294,970	-	294,970
Provisions & other long term liabilities	13,987	-	13,987
Deferred tax liabilities	99,382	(1)	99,381
Current liabilities	**48,321**	**(87)**	**48,234**
Current bonds	0	-	-
Financial debts	8,015	-	8,015
Trade payables	4,611	(50)	4,561
Advance payments	14,292	-	14,292
Derivative instruments	4,521	-	4,521
Other current liabilities	16,882	(37)	16,845
TOTAL	**634,805**	**(87)**	**634,718**

2.4 Significant accounting estimates and judgments

The methodology and assumptions applied for the valuation of real estate assets and developments are consistent with the ones described in the annual Consolidated Financial Statements as at December 31, 2012.

The fair value of the real estate assets has been adjusted according to the following assumptions:

	2013		2012	
Per rate type	Min	Max	Min	Max
Discount rate	6,0%	9,4%	5,5%	9,6%
Capitalization yield			NA	NA
Cap rate	6,0%	8,3%	5,6%	8,3%

Per asset type	Capitalization yield		Cap rate		Discount rate	
	Min	Max	Min	Max	Min	Max
Berlin portfolio	NA	NA	6,0%	8,3%	6,0%	9,4%

The principal assumptions underlying management's estimation of fair value are those related to: the potential use of the asset, the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. The fair value is based on the potential use of the properties as determined by the Group. Fair value is the highest value, determined from market evidence, by considering any other use that is financially feasible, justifiable and reasonably probable. The "highest and best-use" value results in a property's value being determined on the basis of

redevelopment of the site. These valuations are regularly compared to actual market yield data, actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

Change of the Discount Rate and of the Exit Capitalization Rate would have the following impact on the portfolio of rental assets:

Figures in EUR Million

Portfolio	Discount Rate		Exit Cap Rate	
	DR - 25 bps	DR + 25 bps	ECR - 25 bps	ECR + 25 bps
Berlin Portfolio	9.76	(9.56)	9.41	(8.79)
Total	9.76	(9.56)	9.41	(8.79)

DR : Discount rate, ECR : Exit Capitalization Rate

Out of the short term liabilities, whether in line with initial contracted term or as a result of covenants' breaches, amounting to EUR 26.4 million a total amount of EUR 33.7 million needs to be restructured or refinanced. Such loans have Group assets pledged in guarantee amounting to EUR 44.4 million. For all of them the Group has retained the same valuation principles than any other comparable asset even though there is a risk that refinancing talks might not have a positive achievement. Indeed, the risk is considered as remote on the basis of the constructive oral and written exchanges with financing banks at the time of the publication of this report.

3 Segment reporting

The Investment Committee is the responsible body making decisions for all acquisitions and disposals of projects. The Investment Committee assesses the performance of the operating segments based on a measure of adjusted earnings before interests, tax, depreciation and amortization ("adjusted EBITDA" as defined below).

Corporate expenses are allocated on the basis of the revenue realized by each activity.

Adjusted EBITDA is the recurring operational cash result calculated by deduction from the operating result of non-cash items and non-recurring items (Net gain or loss on fair value adjustments – Amortization, impairments and provisions – Net gain or loss on the sale of abandoned developments – Net gain or loss on disposal of assets) and the net results on sale of assets or subsidiaries.

The Group structure lies on two main activities to which the Investment Committee is allocating the Group investment capacity on the basis of the strategy defined by the Board of Directors. On the one hand, the Group is investing in land bank or assets for development and effectively developing them once the project presented is satisfactorily approved by the Investment Committee. Once the asset is developed it can be either sold to a third party or kept in the Group own portfolio for value accretion. On the other hand, the Group is actively investing in and managing its own or third parties real estate assets for operational profitability and value appreciation. These two business lines are the segments by which the operations are analyzed.

These two segments or business lines can be defined as following:

- Development business line covers all real estate assets under construction or designated as a future development in order to be sold to a third party or to be transferred to the asset management line once completed;
- Property Investment business line (formerly called Asset Management) covers all real estate assets operated (as hotels and logistic parks) and rented out assets or that will be so without any major refurbishment.

The level of indebtedness in front of each asset in order to finance projects and operations is decided by the Investment Committee and the Board of Directors above certain thresholds. The funds allocation after draw dawn is independent from the asset pledged or leveraged. Since the segmentation by business line of the finance debt based on the pledged project is not representative of operational cash allocation, this information is not disclosed as non-relevant.

Segment Reporting - 30 June 2013

Profit & Loss 30 June 2013	Development	Property Investments	TOTAL
Revenue	**254**	**30,017**	**30,271**
Sale of goods	*190*	*-*	***190***
Rent	*45*	*25,530*	***25,575***
Services	*18*	*4,488*	***4,506***
Net gain or loss from fair value adjustments on investment property	-	15,827	**15,827**
Cost of goods sold	-	(6)	**(6)**
Impairments - Allowance	(5)	(618)	**(623)**
Impairments - Write-Back	2	198	**200**
Amortization and provisions	292	(697)	**(405)**
Other operating results	(2,114)	(13,725)	**(15,839)**
Operating Result	**(1,571)**	**30,996**	**29,425**
Net gain or loss from fair value adjustments on investment property	-	(15,827)	**(15,827)**
Impairments - Allowance	5	618	**623**
Impairments - Write-Back	(2)	(198)	**(200)**
Amortization and provisions	(292)	697	**405**
Net result on disposal of assets	14	-	**14**
Adjusted EBITDA	**(1,846)**	**16,286**	**14,440**
Financial Result			**(1,369)**
Share profit or loss from equity affiliates			**(13)**
Profit & Loss before Income Tax			**28,043**

Balance Sheet & Cash Flow 30 June 2013	Development	Property Investments	TOTAL
Segment Assets	**4,766**	**522,854**	**527,620**
Investment Property	2,750	519,919	**522,669**
Property, plant and equipment	-	2,884	**2,884**
Inventories (*)	2,016	-	**2,016**
Investments in equity affiliates	-	51	**51**
Unallocated assets			*123,624*
Total Assets			**651,244**
Segment Liabilities	**-**	**-**	**-**
Liabilities linked to assets held for sale	-	-	**-**
Unallocated liabilities			*651,244*
Total Liabilities			**651,244**
Cash flow elements	**-**	**647**	**647**
Capital expenditure	-	647	**647**

(*) The only allocable inventories are related to the real estate properties.

Segment Reporting - 30 June 2012 (restated)

Profit & Loss 30 June 2012 (restated)	Development	Property Investments	TOTAL
Revenue	**4,248**	**28,030**	**32,278**
Sale of goods	*1,288*	*-*	***1,288***
Rent	*2,937*	*23,849*	***26,786***
Services	*23*	*4,181*	***4,204***
Net gain or loss from fair value adjustments on investment property	730	4,547	**5,277**
Cost of goods sold	(714)	(3)	**(717)**
Impairments - Allowance	(13,736)	(827)	**(14,563)**
Impairments - Write-Back	12	77	**89**
Amortization and provisions	(3,856)	518	**(3,338)**
Other operating results	(2,297)	(13,651)	**(15,948)**
Operating Result	**(15,613)**	**18,691**	**3,078**
Net gain or loss from fair value adjustments on investment property	(730)	(4,547)	**(5,277)**
Impairments - Allowance	13,736	827	**14,563**
Impairments - Write-Back	(12)	(77)	**(89)**
Amortization and provisions	3,856	(518)	**3,338**
Net result on disposal of assets	400	(138)	**262**
Adjusted EBITDA	**1,637**	**14,238**	**15,875**
Financial Result			**(11,402)**
Share profit or loss from equity affiliates			**(2)**
Profit & Loss before Income Tax			**(8,326)**

Balance Sheet & Cash Flow 30 June 2012 (restated)	Development	Property Investments	TOTAL
Segment Assets	**132,985**	**495,271**	**628,256**
Investment Property	2,750	492,306	**495,056**
Property, plant and equipment	-	2,902	**2,902**
Inventories (*)	128,165	-	**128,165**
Assets held for sale	2,070	-	**2,070**
Investments in equity affiliates	-	63	**63**
Unallocated assets			*127,930*
Total Assets			**756,186**
Segment Liabilities	**-**	**-**	**-**
Liabilities linked to assets held for sale	-	-	**-**
Unallocated liabilities			*756,186*
Total Liabilities			**756,186**
Cash flow elements	**-**	**17**	**17**
Capital expenditure	-	17	**17**

(*) The only allocable inventories are related to the real estate properties.

4 Investment property

The main assumptions used to calculate the fair value of the projects are disclosed in note 2.4. Even though the Group is controlling the majority of the voting rights, the operation and the strategy, the disposal of real estate assets located in entities where the Group does not hold 100% of the shares, needs the agreement of the partner.

	Freehold buildings	Land bank	TOTAL
Balance at 31 December 2011 (restated)	**487,899**	**4,090**	**491,989**
Investments / acquisitions	968	-	968
Asset sales	(1,733)	(1,100)	(2,833)
Revaluation through income statement	17,690	360	18,050
Changes in classification	(1,380)	-	(1,380)
Transfers in/from asset held for sale	(1,450)	(600)	(2,050)
Balance at 31 December 2012 (restated)	**501,995**	**2,750**	**504,745**
Investments / acquisitions	647	-	647
Revaluation through income statement	15,827	-	15,827
Transfers in/from asset held for sale	1,450	-	1,450
Balance at 30 June 2013	**519,919**	**2,750**	**522,669**

❖ In 2013

40 investment properties (EUR 516.9 million) financed by bank loans located in special purpose entities are fully pledged for EUR 285.6 million.

a) Investments / Acquisitions

Over the first 6 months of 2013, the Group has invested EUR 0.6 million representing mainly the capitalization on mixed retail and office portfolio in Berlin.

b) Revaluation through the income statement

The movements in fair value of the assets are mainly related to the freehold buildings and land bank with a positive revaluation of the X-Berg (EUR 12.4 million), Rest-West (EUR 6.2 million) and Gebauer-Hofe (EUR 0.6 Million) buildings and a negative revaluation of the None-Core (EUR 0.5 million) and East (EUR 2.9 million) buildings.

c) Transfers

As the sale was cancelled, the Group has decided to transfer back the freehold building Skalitzer Str. in Berlin from Held for Sale Assets for EUR 1.5 million.

	6 months to June 2013		12 months to December 2012 (restated)	
	Revaluation	Fair value	Revaluation	Fair value
Freehold Buildings	**15,827**	**519,919**	**17,690**	**501,995**
Germany	**15,827**	**519,919**	**17,690**	**501,995**
Mixed Retail & Office	15,827	519,919	17,690	501,995
Land Bank	**-**	**2,750**	**360**	**2,750**
Germany	**-**	**2,750**	**360**	**2,750**
Residential	-	2,750	-	2,750
Retail & Office Development	-	-	360	-

❖ In 2012

40 investment properties (EUR 499.8 million) financed by bank loans located in special purpose entities were fully pledged for EUR 290.4 million.

d) Investments / Acquisitions

Over the year 2012, the Group invested EUR 1.0 million in Investment Properties representing mainly capitalization on mixed retail and office in Berlin. Moreover, the Group did not proceed to any asset acquisition or any acquisition through business combinations.

e) Asset sales

As at 31 December 2012, the net book value ("NBV") of the assets sold represented EUR 2.6 million, for a total sale price of EUR 3.5 million and composed mainly of the following disposals:

- Ackerstrasse 81 and 93 in Berlin (NBV of EUR 1.5 million) at the sale price of EUR 2.0 million;

- Elb loft in Hamburg (NBV of EUR 1.1 million) at the sale price of EUR 1.5 million.

f) Revaluation through the income statement

The total amount of increase in fair value amounted to EUR 18.1 million of which EUR 17.7 million on freehold buildings and EUR 0.4 million on land banks. The movements in fair value were mainly related to the following freehold buildings:

- Gneisenaustrasse (EUR 1.0 million), Pankow (EUR 1.1 million), Schlesische Str. (EUR 1.3 million), Kopenicker Str. (EUR 1.4 million) Reichenberger Str. (EUR 1.4 million), Helmholtz Str. (EUR 1.5 million) Zossener Str. (EUR 1.6 million) and Franklinstrasse (EUR 2.9 million).

g) Transfers

Freehold Buildings – Changes in classification

The Group started in 2012 the residential development of Naunynstrasse 68 a rental property located in Berlin and as a consequence the asset had been transferred in Inventories for EUR 1.4 million.

Land banks – Transfers to Held for Sale Assets

The Group decided to sell 2 investment properties in Germany which had been transferred in assets held for sale:

- Skalitzer Str. in Berlin for EUR 1.5 million;
- Kufurstenstrasse in Berlin for EUR 0.6 million.

5 Owner-occupied buildings

Owner-occupied buildings	
GROSS AMOUNT	
Balance as at 31 December 2011	**3,109**
Balance as at 31 December 2012	**3,109**
Balance as at 30 June 2013	**3,109**
AMORTISATION AND IMPAIRMENT	
Balance as at 31 December 2011	**198**
Amortisations - Allowance	18
Balance as at 31 December 2012	**216**
Amortisations - Allowance	9
Balance as at 30 June 2013	**225**
NET AMOUNT	
Balance as at 30 June 2013	**2,884**
Balance as at 31 December 2012	*2,893*
Balance as at 31 December 2011	*2,911*

During the year 2012 and 2013, neither unusual nor significant transaction nor movement occurred in the item owner-occupied buildings.

6 Non-current loans and receivables

This balance sheet caption includes the net present value of the deferred consideration on the sale of Leipziger Platz amounting to EUR 27.8 million compared to EUR 26.9 million as at December 2012.

7 Inventories

	June 2013	December 2012 (restated)
Opening Balance	**1,928**	**144,269**
Impairments - Allowance	-	(24,264)
Transfers	-	(2,521)
Development costs	178	2,988
Cost of goods sold	(6)	(118,544)
Closing Balance	**2,101**	**1,928**
o/w carried at deemed cost	*84*	*90*
o/w carried at fair value less costs	*2,016*	*1,838*

Inventories properties are developed with the intention to be resold.

❖ In 2013

Development costs amounting to EUR 0.2 million were capitalized on Naunynstrasse.

❖ In 2012

Development costs amounted to EUR 3.0 million capitalized mainly on Sky Office (EUR 2.4 million) and Hochwald (EUR 0.5 million).

Cost of goods sold amounting to EUR 118.5 million had been registered mainly for EUR 117.3 million on the commercial project Sky Office (Dusseldorf) and Hochwald for EUR 1.2 million.

The cancellation of the sales negotiations in September conducted the Group to recognize an impairment of EUR 24.3 million on Sky Office building in order to adjust the book value to the realizable value under distressed conditions. Indeed the pressure of the financing bank and the need to fill GSG refinancing gap did not leave the opportunity to secure an arms' length sale.

The transfers were explained by the change in classification of Naunynstrasse previously classified under Investment Property (see Note 4) for EUR 1.4 million and by the netting of the net book value of Knorrstrasse with the prepayments following to the finalization of the asset transfer for EUR -4.3 million.

8 Assets held for sale and liabilities linked to assets held for sale

Assets held for sale	June 2013	December 2012
Opening Balance	**2,050**	**19,489**
Asset sales	(600)	(19,489)
Transfer in	-	2,050
Transfer out	(1,450)	-
Closing Balance	**-**	**2,050**

Liabilities linked to assets held for sale	June 2013	December 2012
Opening Balance	**-**	**10,745**
Asset sales	-	-
Transfer in	-	-
Transfer out	-	-
Repayment of loans	-	(10,745)
Closing Balance	**-**	**-**

❖ In 2013

During 2013, the German asset Berlin Kurfurstenstrasse 11 with a net book value of EUR 0.6 million was sold for a sale price of EUR 0.6 million. There were no liabilities financing this asset. On the other hand, the cancellation of disposal of German asset Skalitzerstrasse 127/128 resulted in its transfer back to Investment Property for its fair value of EUR 1.5 million (See Note 4).

❖ In 2012

As of 31 December 2012 the Group validated the sale of 2 plots of land in Berlin:

- Skalitzer valued at EUR 1.5 million;
- Kurfuerstenstrasse 11 valued at EUR 0.6 million.

Over the year 2012, the Group sold 5 assets for EUR 19.5 million and repaid EUR 10.7 million of financing liabilities upon sales:

- Kurfurstendamm 102 an investment properties in Berlin valued at EUR 6.3 million and financed by a liability of EUR 6.4 million fully repaid upon sale;
- Bergfried an investment properties in Berlin valued at EUR 3.7 million;

- Hüttenstrasse an investment property in Dusseldorf valued at EUR 6.5 million and financed by a liability of EUR 4.3 million fully repaid upon sale;
- Ackerstrasse 83/84 an investment property in Berlin valued at EUR 0.6 million;
- Kufurstenstrasse 13/14 an investment property in Berlin valued at EUR 2.4 million.

9 Cash and cash equivalents

As at 30 June 2013, cash and cash equivalents consist cash in bank for EUR 8.8 million (EUR 7.7 million in December 2012).

The cash in bank includes restricted cash for EUR 8.4 million in 2013 (EUR 6.1 million in 2012) representing:

- Cash deposited in accounts as guarantee for EUR 1.4 million (EUR 1.6 million in 2012);
- Cash deposited in accounts reserved as collateral for development projects and lifted after sales of units for less than EUR 0.1 million (EUR 0.4 million in 2012);
- Cash deposited in accounts reserved as collateral for loans related to property for EUR 7.0 million (EUR 4.1 million in 2012).

As of June 2013, the scope of the label "partnership" has been reduced to the cash held in a joint venture only. In the meantime, the cash in bank has been reallocated according to their operational restrictions, namely the cash restricted as collateral for Property Investments assets, for Development and the cash held as a guarantee.

10 Borrowings, financial debts and bonds

10.1 Non-current financial debts

❖ In 2013

Non-current financial debts	Bank loans	Other non-current borrowings	Fixed rate bonds	TOTAL
Balance at 31 December 2011 Restated	**26,692**	**11,186**	**0**	**37,878**
Issue of new loans and draw dow ns	264,808	1,330	-	266,138
Interests accumulated during the year	-	-	-	-
Transfers	(9,148)	102	20,000	10,954
Translation differences	-	-	-	-
Balance at 31 December 2012 Restated	**282,352**	**12,618**	**20,000**	**314,970**
Issue of new loans and draw dow ns	(529)	893	-	364
Conversion OG bonds into shares 06.06.2013	-	-	(19,958)	-19,958
Repayment of loans	-	(3,318)	-	-3,318
Transfers	(29,880)	420	-	-29,460
Translation differences	-	-	-	-
Balance as at 30 June 2013	**251,943**	**10,613**	**42**	**262,598**

As at 6 June 2013 the main part of the remaining 15% OG bonds has been converted into 28,028,982 new ordinary OG shares for a total of EUR 19.96 million. The outstanding debt amounts to EUR 0.04 million.

Repayment of other non-current borrowings is related to the repayment of the equity loan granted by OPG to the Company (see Note 14).

The transfers are mainly explained as following:

- Breach of covenants related to the loans financing Gebauer Hofe (EUR -26.2 million);
- Transfer from the non-current loans to the current part related to GSG (EUR -3.7 million).

❖ In 2012

Bank loans and other non-current borrowings:

Issue of new bank loans and new drawdowns (EUR 264.8 million) related to the refinancing of GSG with 5 banks the 13 December 2012 (EUR 269.6 million). Over the period refinancing fees had been capitalized for EUR 5.1 million (amortized till the maturity of the loan).

Transfers of bank loans (EUR -9.1 million) were mainly related to the transfer after the refinancing of GSG of the current part of the loan (EUR -8.6 million)

As at 31 December 2012 the other non-current borrowings amounted to EUR 12.6 million (EUR 11.2 million as at December 2011) corresponding mainly to the equity loans from the parent company OPG.

Fixed rates bonds:

On May 9, 2012, approximately 85% of the OG Bonds were exchanged for convertible bonds (Obligations Convertibles en Actions) to be issued by OPG. As a result of this exchange, OPG received OG Bonds, which were contributed to the Company.

As at 27 September 2012, as part of the capital increase, 125,130 bonds were contributed to Orco Germany by OPG and OPG related entity, representing 84.5% of the outstanding number of bonds.

As a result of the bond's restructuring, these bonds held by OG's parent company have been converted into 28 million new OG shares at the beginning of June 2013.

As at 31 December 2012, the remaining bond debt in OG amounted to EUR 20.0 million.

The parent company OPG was holding 550,000 warrants (550,000 in 2011) ,Orco Germany Investments S.A., a subsidiary of the Company, owned 2,397,311 warrants and Orco Grundstueck GmbH owned 1,150,000 warrants.

As at December 31, 2012 and 2011, no warrant attached to the bonds ("BSAR") had been exercised.

10.2 Current financial debts

❖ In 2013

As at 30 June 2013, the movements in current loans are the following:

Current financial debts	Bank loans	Other current borrowings	TOTAL
Balance at 31 December 2011 Restated	**409,587**	**18**	**507,381**
Issue of new loans and draw downs	-	136	136
Repayments of loans	(410,792)	-	(410,792)
Interests	-	-	2,324
Redemption premium	-	-	25,025
Coupon capitalized in 2012	-	-	4,004
Recognition of the part of the bonds acquired by OPG	-	-	(109,129)
Transfers	9,148	(82)	(10,934)
Balance at 31 December 2012 Restated	**7,943**	**72**	**8,015**
Issue of new loans and draw downs	-	(10)	(10)
Repayments of loans	(4,123)	(55)	(4,178)
Transfers	29,875	16	29,891
Balance as at 30 June 2013	**33,695**	**23**	**33,718**

The repayments of bank loans are mainly related to GSG (EUR 3.9 million).

During the first half of the year transfers of bank loans to current financial debt for EUR 29.9 million are mainly explained as follow:

- Breaches of covenant related to the loans financing Gebauer Hofe for EUR 26.2 million;
- Transfer from the non-current loans to the current part related to GSG (EUR 3.7 million).

❖ In 2012

The repayments of bank loans (EUR 428.3 million of which EUR 113.6 million upon sales) were mainly related to the refinancing of GSG (EUR 300.4 million) with five German banks and the repayment following sale of Sky Office (EUR 96.0 million).

Other repayments had been completed upon the sales of Hüttenstrasse (EUR 4.3 million), Ku-Damm 102 (EUR 6.4 million) and land plots in Berlin (EUR 0.7million).

Fixed rates bonds:

The movements related to the bonds are described in the note 10.1.

10.2.1 Borrowings maturity

❖ In 2013

In 2013, the non-current financial debts amount to EUR 263.0 million (in 2012 EUR 315.0 million). The table below represents the carrying amount of the debts allocated by date of repayment.

At 30 June 2013	Note	Less than one year	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-current bonds	10.1	**-**	**-**	**-**	**42**	**42**
Financial debts		-	**7,950**	**244,001**	**10,605**	**262,556**
Bank loans	10.1	**-**	7,950	244,001	-	251,951
Bank loans fixed rate		-	-	-	-	-
Bank loans floating rate		-	7,950	244,001	-	251,951
Other non-current borrowings	10.1	-	-	**-**	10,605	10,605
Total		**-**	**7,950**	**244,001**	**10,647**	**262,598**
Current bonds		**-**	**-**	**-**	**-**	
Financial debts		**33,718**	**-**	**-**	**-**	**33,718**
Bank loans	10.2	33,695	-	-	-	33,695
Bank loans fixed rate		-	**-**	**-**	**-**	**-**
Bank loans floating rate		33,695	**-**	**-**	**-**	**33,695**
Other borrowings	10.2	23	**-**	**-**	**-**	**23**
Financial liabilities linked to discontinued activities	**-**	**-**	**-**	**-**	**-**	**-**
Total		33,718	**-**	**-**	**-**	**33,718**
TOTAL		**33,718**	**7,950**	**244,001**	**10,647**	**296,316**

The other non-current borrowings (more than 5 years) represent mainly equity loan granted by the parent company OPG.

The Group has entered into interest rate derivatives representing 100% of the non-current floating rate borrowing amounts (100% in 2012) and 100% of the current floating rate borrowing amounts (100% in 2012), in order to limit the risk of the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Most floating interest debt instruments have a fixing period of maximum 3 months.

Bank loans include amounts secured by a mortgage on properties and/or a pledge on the shares of the companies benefiting from the loan to the value of EUR 285.6 million (EUR 290.3 million as at 31 December 2012).

The Group's borrowings are fully denominated in euro.

❖ In 2012

The other non-current borrowings (more than 5 years) represented mainly equity loan granted by the parent company OPG.

The Group had entered into interest rate derivatives representing 100% of the non-current floating rate borrowing amounts (100% in 2011) and 100% of the current floating rate borrowing amounts (100% in 2011), in order to limit the risk of the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Most floating interest debt instruments had a fixing period of maximum 3 months.

Bank loans included amounts secured by a mortgage on properties and/or a pledge on the shares of the companies benefiting from the loan to the value of EUR 290.3 million (EUR 436.3 million as at 31 December 2011).

The Group's borrowings are fully denominated in euro.

10.3 Loans with covenant breaches

	As at 30 June 2013			As at 31 December 2012		
	Principal	Accrued Interest	Total	Principal	Accrued Interest	Total
Long term loans presented in short term						
due to Financial covenant breach	**25,900**	**84**	**25,984**	**-**	**-**	**-**
Total long term loans presented in short term	**25,900**	**84**	**25,984**	**-**	**-**	**-**
Short term loans in breach	**-**	**-**	**-**			
due to Financial covenant breach	**526**	**-**	**526**	**-**	**-**	**-**
Total short term loans in breach	**526**	**-**	**526**	**-**	**-**	**-**
Total loans linked to assets held for sale	**-**	**-**	**-**		**-**	**-**
Total Loans in Breach	**26,426**	**84**	**26,510**	**-**	**-**	**-**

During the first half of 2013 EUR 25.9 million were reclassified in short term and are made of the loans financing Gebauer Hofe (EUR 26.4 million) due to non-respecting the financial covenants.

11 Other net financial results

	6 months 2013	6 months 2012 restated
Change in carrying value of liabilities at amortised cost	-	(361)
Change in fair value and realised result on derivative instruments	4,496	2,624
Change in fair value and realised result on other financial assets	(49)	-
Other net finance results	(49)	(608)
Total	**4,398**	**1,655**

Change in the fair value of derivative instruments essentially relates to movements in fair value of derivative instruments are related to:

- Gains on derivatives for EUR 4.5 million of which GSG (EUR 3.9 million) and Gebauer Hofe (EUR 0.6 million);
- Other net finance results are mainly composed of bank expenses as bank loan disagio.

12 Earnings per share

	30 June 2013	30 June 2012 restated
At the beginning of the period	**200,127,463**	**46,871,333**
Shares issued	202,027,463	48,771,333
Treasury shares	(1,900,000)	(1,900,000)
Weighted average movements	**4,307,198**	**-**
Issue of new shares	3,737,198	
Treasury shares	570,000	
Weighted average outstanding shares for the purpose of calculating the basic earnings per share	**204,434,661**	**46,871,333**
Dilutive potential ordinary shares	**-**	**153,271,162**
Shares to be issued as repayment of the bonds acquired by OPG		153,271,162
Weighted average outstanding shares for the purpose of calculating the diluted earnings per share	**204,434,661**	**200,142,495**
Net profit/(loss) attributable to the Equity holders of the Company	**21,618**	**(12,277)**
Effect of assumed conversions / exercises	**-**	**3,249**
85% of the interests expenses on the company's bonds		3,249
Net profit /(loss) attributable to the Equity holders of the Company after assumed conversions / exercises	**21,618**	**(9,029)**
Total Basic earnings in EUR per share	**0.11**	**(0.26)**
o/w continuing operations	0.11	(0.26)
o/w discontinued operations	-	-
Total Diluted earnings in EUR per share	**0.11**	**(0.26)**
o/w continuing operations	0.11	(0.26)
o/w discontinued operations	-	-

Basic earnings per share is calculated by dividing the profit/(loss) attributable to the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The warrants were not taken into account in the Diluted EPS calculation as the conversion of the warrants had an anti-dilutive impact in 2012.

As at 31 December 2012, the treasury shares of the Company represented 1,900,000 shares. These shares were transferred to the parent company on 7 May 2013 (see Note 14) and, as a result, the Group holds no treasury shares as at 30 June 2013.

13 Equity holders

13.1 Share capital

	Number of shares	Share Capital	Share premium
Balance at 31 December 2011	**48,771,333**	**60,964**	**123,658**
Capital decrease of 26 April 2012		(56,087)	
Capital increase of 27 September 2012	153,256,130	15,326	93,793
Balance at 31 December 2012	**202,027,463**	**20,203**	**217,450**
Capital increase of 6 June 2013	28,028,982	2,803	17,154
Balance at 30 June 2013	**230,056,445**	**23,006**	**234,604**

❖ In 2013

The share capital of the Company amounts to EUR 23,005,645 and is represented by 230,056,445 shares with a nominal value of EUR 0.10 each fully paid in. On 6 June 2013, 28,028,982 new ordinary shares of Orco Germany were issued and paid by the contribution in kind of 22,886 Orco Germany bonds (see Note 10.1). All of the issued shares were subscribed by OPG.

Following the issuance, the total share capital amounts to EUR 23,005,645 and the share premium to EUR 234,604,095.

Each share is entitled in the profits and corporate capital to a pro rata portion of the corporate capital it represents, as well as to voting rights and representation at general meetings of the shareholders in accordance with statutory and legal provisions.

❖ In 2012

Share capital amounted to EUR 20,202,746 and was represented by 202,027,463 shares with a nominal value of EUR 0.10 each fully paid in.

At the Company's extraordinary general meeting held on 26 April 2012, the shareholders resolved to decrease the share capital of the Company from its previous amount of EUR 60,964,166.25 to EUR 4,877,133.30 without cancellation of shares, by decreasing the accounting par value of the existing shares from EUR 1.25 to EUR 0.10 per share with allocation of the reduction proceeds to Other Reserves.

As at 27 September 2012, 153,256,130 new ordinary shares of Orco Germany were issued and paid by the contribution in kind of approximately 84.5% of Orco Germany bonds (see note 16.2 of the 2012 December Consolidated Financial Statements). 92.48% of issued shares were subscribed OPG (141,724,871 shares) and 7.52% (11,531,259 shares) by its subsidiary, Brillant 1419. GmbH & Co. Verwaltungs KG.

Following the issuance, the total share capital amounted to EUR 20,202,746 and the share premium to EUR 273,537,391.

Each share is entitled in the profits and corporate capital to a pro rata portion of the corporate capital it represents, as well as to voting rights and representation at general meetings of the shareholders in accordance with statutory and legal provisions.

Authorized capital not issued:

At the extraordinary general meeting of 26 April 2012, the shareholders resolved to set the existing authorized share capital to an amount of EUR 100,000,000 (in addition to the issued and subscribed corporate capital of EUR 4,877,133.30) for a period of 5 years from the date of the General Meeting. Following the capital increases of 27 September 2012 and 6 June 2013, the remaining authorized share capital is EUR 81,871,488.80.

According to article 5 of the Articles of Association of the Company has an authorized, but unissued share capital of EUR 81,871,488.80 (the "Authorized Capital").

The board of directors of the Company is authorized and empowered within the limits of the authorized capital to:

- realize any increase of the share capital or equity of the Company with or without the issuance of new shares; and
- issue bonds, preferred equity certificates, warrants, options or other instruments convertible, exchangeable or exercisable into new shares and to issue new shares further to the conversion or exercise of the above mentioned instruments.

For the avoidance doubt, any increase of the share capital or equity of the Company, as well as any issue of bonds, preferred equity certificates, warrants, options or other instruments convertible, exchangeable or exercisable into new shares decided by the Board of Directors prior to 26 April 2012 under the former authorized share capital of the Company but not realized, converted or exercised at this date remains validly approved and can be realized, issued, converted or exercised under this new authorized capital.

Such authorization will expire five years after the date of general meeting of shareholders of the Company held on 26 April 2012 and can be renewed in accordance with the applicable legal provisions.

13.2 Dividends per share

The Board of Directors has decided not to propose any dividend payment at the Annual General Meeting of Orco Germany S.A. for the year 2012.

14 Related party transactions

Transactions with key management personnel

(a) Transactions with OPG

The Company was granted an "equity loan" by OPG bearing interest at an annual fixed rate of 6% (6% in 2012) and a maturity date of 2020. This loan amounted to EUR 10.3 million as at 30 June 2013 (EUR 12.6 million in 2012). Net interest expenses related to this loan amounted to EUR 0.3 million as at 30 June 2013 (EUR 0.7 million in 2012).

During May 2013, the Company's subsidiary, Orco Grundstücks has sold 1,900,000 shares and 1,150,000 warrants of Orco Germany to OPG for a total sale price of EUR 0.8 million. As a result of this transaction, the equity of the Group has increased by EUR 0.8 million.

(b) Remuneration of key management personnel

The members of the Board of Directors of the Company, the CEO, the Deputy CEO&CFO and the General Secretary of Orco Germany, the Managing Director of ORCO Germany subsidiaries, the CFO and COO of GSG are considered as the key management personnel of the Group.

Over first 6th months 2013, key management personnel received a global remuneration of EUR 0.7 million (EUR 1.2 million as at 31 December 2012).

(c) Other transactions with key management personnel

In the first half of 2011, two entities closely associated to Gabriel Lahyani, a then member of the OPG's Board of Directors acquired 8,890 bonds (ISIN: XS0302623953) of the Company from the OPG's subsidiary for a total of EUR 4.4 million. As at December 2012, the amount of EUR 227,480 plus statutory late interest accrued thereto was owed to the Company as a consequence of this transaction. Although the OPG firmly intends to pursue full recovery of this amount, the receivable was impaired in the 2012 accounts of the Company.

15 Events after balance sheet date

After the reporting period no material events occurred.

Index of the notes to the consolidated financial statements

1 General information 7
2 Summary of significant accounting policies 7
2.1 Basis of preparation 7
2.2 Accounting policies 7
2.3 Change in consolidation method 8
2.4 Significant accounting estimates and judgments 9
3 Segment reporting 10
4 Investment property 13
5 Owner-occupied buildings 14
6 Non-current loans and receivables 14
7 Inventories 15
8 Assets held for sale and liabilities linked to assets held for sale 15
9 Cash and cash equivalents 16
10 Borrowings, financial debts and bonds 16
10.1 Non-current financial debts 16
10.2 Current financial debts 17
10.2.1 Borrowings maturity 18
10.3 Loans with covenant breaches 19
11 Other net financial results 19
12 Earnings per share 20
13 Equity holders 20
13.1 Share capital 20
13.2 Dividends per share 21
14 Related party transactions 21
15 Events after balance sheet date 22