Quaterly Financial Report 1st Quarter 2008 (non-audited)

Significant increase in rental income from 1.0 Million EUR to 13.7 Million EUR

ORCO-GSG beats expectations

ORCO Germany S.A.'s Board of Directors has approved on the 29th of May 2008 the companies consolidated accounts as at the 31st March 2008 (established in respect of the annual consolidated financial statement's accounting principles). All shown figures are given in thousand Euros if not explicitly mentioned.

I) 2008 : Growth mainly driven by higher contribution of rental income

A) - Turnover amounts to 15.4 Million EUR vs. 17.4 Million EUR 1st Quarter 2007;
- Significant improvement of rental income to 13.7 Million EUR (1.0 Million EUR in 2007)

Turnover			
	March 2008	**March 2007**	**% change**
Renting	13.652	969	+ 1308,9 %
Development	1.915	16.478	- 88,4 %
Intersegment Activities	-150		
Operating Result	**15.416**	**17.447**	**- 11,6 %**

1) Renting Revenues

ORCO Germany's investment portfolio generated 13.7 Million EUR of rental income (compared to 1.0 Million EUR in March 2007). Driven by the increased marketing activities of the new owner ORCO-GSG's contribution in the first three months amounted to 11.6 Million EUR and exceeded all expectations.
The new structure and management of the company accompanied by continued growth of Berlin´s economy, and correspondingly employment, is having a decided impact on net take-up. During the first quarter, the occupancy rate of ORCO-GSG improved to 72.4%. Further improvement was realized by GSG reaching close to 74 % to date. In the first quarter 2008 new letting increased by 25,4% as compared to the first six months following Orco Germany´s acquisition of GSG. The trend is expected to continue. 45.6% of new space went to already existing tenants indicating strong growth and expansion of their business operations. 54,4% of new lettings were derived from the acquisition of new tenants. New inquiries were recorded across almost all business sectors and related to space ranging from 100 sqm to more than 10,000 sqm. A very positive development was observed within the assets in the Eastern parts of Berlin. Among the five top-performing assets, three are located in Eastern Berlin. Also rents show a positive trend – rent levels for new lettings are in average around 11% above average rents for existing leases. ORCO-

GSG as a result already shows a positive net cash flow (including financing costs) in the first quarter 2008.
ORCO Germany's investment portfolio comprises a total of 925,000 sqm of lettable area, compared to 62,977 sqm in March 2007.
The split between rental income from commercial holdings versus rental income from residential holdings has changed: today, commercial properties represent 94% of ORCO Germany's rental income (compared to 57% in 2007).

2) Residential Development

The turnover amounts 1.9 Million EUR, for a total of 4 delivered units and is therefore on budget. During the first three months Forward Purchase Contracts for a total of 8 units were signed.

B) Profit of revaluation

Due to a successful master plan competition resulting in a more extensive retail use and a gain of around 10,000 sqm leasable space, the Leipziger Platz plot was revalued according to our accounting policy. DTZ values this land at 108 Million EUR. The P&L positive contribution amounts to 9.4 Million EUR.

C) Adjusted EBITDA of 4.821 Million EUR

The adjusted EBITDA for the first three amounts to 4.82 Million EUR for 15.42 Million EUR of turnover (versus 0.66 Million EUR in March 2007 for 17.45 Million EUR turnover). The growth of the EBITDA has been much stronger than the one of the turnover, showing a significant improvement of the operating profitability.

The contribution of ORCO Germany's two business lines:

The EBITDA of the development activity was -0.36 Million EUR in 2008 compared to 0.35 Million EUR in 2007.

The EBITDA of the renting portfolio amounts to 5.18 Million EUR compared to 0.31 Million EUR for the same period in 2007.

D) Net Profit

The Net Profit amounts to -1.45 Million EUR against -2.41 Million EUR for 2007.

E) Earning per share

	March 2008	December 2007
Shares issued at the beginning of the period	48 771 333	34 550 000
Weighted average of new shares issued	0	5 276 252
Weighted average outstanding shares for the purpose of calculating the basic earnings per share	**48 771 333**	**39 826 252**
Dilutive potential ordinary shares	**342 055**	**512 910**
Warrants	342 055	512 910
Weighted average outstanding shares for the purpose of calculating the diluted earnings per share	**49 113 388**	**40 339 162**
Net profit attributable to the Group	**-1 379**	**57 028**
Effect of assumed conversions / exercises	**77**	**116**
Warrants	77	116
Net profit attributable to the Group after assumed conversions / exercises	**-1 302**	**57 144**
Basic earnings in EUR per share	-0,03	1.43
Diluted earnings in EUR per share	-0,03	1.42

II) Important events

ORCO-GSG (Berlin)

Within the first quarter 2008 ORCO-GSG continued with the finalisation of the restructuring process. The last step of the post acquisition restructuring which started in June 2007 with the acquisition of GSG was executed End of April 2008. The finalisation of the restructuring process will enable ORCO-GSG to further concentrate on the already increased leasing activities.

Leipziger Platz (Berlin)

The urban design competition for a master plan – initiated together with the Senate of Berlin – was successfully completed in March 2008. The jury awarded the first prize to the design by the Berlin-based architectural firm Kleihues + Kleihues. The revised and improved development concept comprises now uses up to 55% shopping and entertainment, 30% residential and 15% for office. The start of construction is scheduled for spring 2009 and is planned to be completed in mid-2012.

Sky Office (Dusseldorf)

The progress of the project is on schedule. The last ceiling of the underground car park is currently completed and the core has already reached the 10th and the ceilings the 4th floor. The building is now clearly visible on Kennedydamm.
The fitting of the facade on ground level starts in June. The project costs are on budget.

III) Outlook 2008

Important strategic objectives for 2008 include (i) the continuing re-structuring process of Orco-GSG and further improvement of occupancy and operational efficiency; (ii) the closing of the Essen branch, involving a recurring annual cost reduction of approx. € 400.000, (iii) focus on progress of ORCO Germany's large scale development projects such as Leipziger Platz, Haus Cumberland and SkyOffice; (iv) Orientation and focus towards commercial projects and investments; (v) implementing of the fund and investment management platform as a third business line that will enable Orco Germany to generate recurring fee income in addition to revenues from renting and development business.

IV) Profit & Loss and Balance sheet as at March, 31st 2008

A) Profit & Loss Statement as at March 2008

P & L	March 2008	March 2007
Revenue	15.416	17.447
Other operating income	56	-187
Cost of goods sold	2.550	-14.306
Net result from fair value adjustment on investment property	9.396 0	0
Salaries and employee benefit	-3.095	-1.411
Amortisation, impairments and provisions	-1.624	757
Other operating expenses	-10.106	-4.090
Operating Result	**12.593**	**-1.790**
Interest expenses	-10.059	-1.209
Interest income	648	135
Other financial results	-3.866	-166
Financial Result	**-13.277**	**-1.240**
Profit Before Income Taxes	**-685**	**-3.030**
Income taxes	-765	623
Net profit	**-1.450**	**-2.407**
Attributable to minority interests	71	0
Attibutable to the Group	**-1.379**	**-2.407**

B) Balance Sheet as at March 2008

Assets	March 2008	December 2007
Non-Current Assets	**873.006**	**859.362**
Intangible assets	51.918	51.930
Investment property	797.999	782.319
Property, plant and equipment	16.213	16.286
Hotels and own-occupied buildings	13.115	13.096
Fixtures and fittings	2.730	2.782
Properties under development	368	408
Financial assets	1.433	2.124
Deferred Tax assets	5.444	6.703
Current Assets	**246.158**	**261.019**
Inventories	145.944	112.508
Trade receivables	21.819	33.745
Other receivables	7.681	18.397
Derivative Instruments	4.289	687
Current financial assets	986	861
Cash and cash equivalents	65.439	94.821
Total	**1.119.163**	**1.120.381**

Equity and liabilities	March 2008	December 2007
Equity	**270.134**	**271.507**
Shareholders' equity	269.868	271.179
Minority interests	266	328
Liabilities	**849.029**	**848.874**
Non-current liabilities	711.522	696.154
Bonds	84.164	83.432
Financial debts	495.380	482.307
Derivative Instruments	10.080	8.458
Provisions & other long term liabilities	10.727	10.336
Deferred tax liabilities	111.171	111.621
Current liabilities	137.508	152.720
Financial debt	53.512	74.347
Trade payables	25.233	11.397
Advance payments	19.251	28.217
Derivative Instruments	5.530	748
Other current liabilities	33.980	38.011
Total	**1.119.163**	**1.120.381**

ORCO Germany S.A. is a real estate company and is registered in Luxembourg and that is listed in the Prime Standard on the Regulated Market of the Frankfurt Stock Exchange. The ORCO Germany group, which operates under the uniform registered trademark ORCO Germany, has been pursuing its activities in Germany since 2004 and concentrates on residential and commercial properties as well as on asset management and project development. ORCO Germany currently employs about 210 members of staff in Germany.

In 2006, ORCO Germany strategically reinforced its project development operations by acquiring Viterra Development. Viterra Development was renamed ORCO Projektentwicklung GmbH at the beginning of 2008 and is one of the leading project developers and investors specializing in commercial and residential properties in the core German markets of Berlin, Düsseldorf, Frankfurt, Hamburg and Munich. ORCO Germany expanded its portfolio of properties in Berlin in June of 2007 by taking over Gewerbesiedlungs-Gesellschaft mbH (GSG); the company now manages more than 1 million square meters of developed and undeveloped areas in the German capital. GSG was established in 1965 and is the largest owner of commercial space in Berlin with about 850,000 square meters of office and multifunctional space. ORCO-GSG owns 45 so-called commercial courtyards and centers, as well as 235 residential units. Most of the properties are located in the city center with excellent connections to the Berlin public transportation network.

Orco Germany S.A. is a subsidiary of Orco Property Group, one of the leading Central European real estate firms holding a portfolio worth EUR 2.4 billion (as evaluated on December 31th, 2007). Established in 1991, the company has its registered seat in Luxembourg and is listed on the Euronext, Prague, Budapest and Warsaw stock exchanges. It operates primarily in the Czech Republic, Hungary, Poland, Russia, Croatia, the Slovak Republic and Germany.

By switching from the Open Market, where ORCO Germany S.A. had been listed since 2006, to the Regulated Market (Prime Standard) in November of 2007, ORCO Germany has demonstrated that it is implementing a capital market strategy consistent with its rapid operating growth of recent years. By meeting the most exacting standards of transparency in place at the German Stock Exchange, ORCO Germany S.A. has improved its accessibility to capital market players even further.

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