

Third quarter results

Operating result after third quarter already trumps the full year result of 2006 by more than 85%

ORCO Germany S.A.'s Board of Directors has approved on the 30th of October 2007 the companies consolidated accounts as at the 30th of September 2007 (established in respect of the annual consolidated financial statement's accounting principles and unaudited). All shown figures are given in thousand Euros if not explicitly mentioned.

Key Figures for the first nine month of 2007

	P & L		
	Q3 2007	FY 2006	FY 2005
Revenue	65.670	73.762	291
Net gain from fair value adjustment on investment property	47.361	31.507	5.771
Other operating income	349	0	0
Cost of sales	-51.628	-72.017	0
Employee benefit	-4.460	-3.334	-38
Amortisation, impairments and provisions	-904	-619	-5
Result from activities held for sale	0	0	0
Other operating expenses	-6.311	-2.288	-321
Operating result	50.077	27.011	5.698
Financial result	-18.893	-2.751	-332
Interest expenses	-14.706	-2.707	-284
Interest income	2.571	0	0
Foreign exchange result	0	0	0
Other financial results	-6.758	-44	-48
Exceptional Result	0	0	0
Profit before income taxes	31.184	24.260	5.366
Income taxes	11.940	-2.379	-2.325
Net profit	43.124	21.881	3.041
Attributable to minority interests	1.101	64	0
Attributable to the Group	44.225	21.945	3.041

There has been no additional revaluation performed on the portfolio since the interim financial report of June, where the entire portfolio had been valued by DTZ, an external real estate company. The net gain from fair value adjustment as at the 30th of September 2007 amounts to € 47.4 million. The significant acquisitions for which the company has signed agreements since January 2007 have all been closed by the end of the second quarter: Wertheim (Berlin) for about EUR 75 million and GSG (Berlin) for about EUR 400 million. The property "Gebauer Höfe" (EUR 40 million) which was acquired in July 2007 has been accounted for in the balance sheet of the third quarter. "Gebauer Höfe" has entered the balance sheet at acquisition cost. All assets will be revalued for the annual accounts of 2007 accordingly to execution of DTZ.

Revenue and Operating result

Within the first nine month of 2007 ORCO Germany has increased its operating result to EUR 50.1 million, which is composed as shown in the table above. The consolidated revenues of EUR 65.7 million are mainly accountable to Viterra Development GmbH with EUR 41 million and Viterra Baupartner GmbH with EUR 11.2 million. Result of the GSG mbH are accounted with EUR 9.2 million, which were earned only in the third quarter, respectively the acquisition in July 2007.

As at 30 September 2007	Development	Renting	Total
Revenues	52.966	12.704	65.670
Net gain from fair value adjustments on investment property	23.747	23.614	47.361
Net operating expenses	-55.831	-7.122	-62.953
Operating result	20.882	29.196	50.078

Development

Revenues from the development activities amounted to EUR 53 million. Over the first nine months of 2007, 137 units were delivered and 37 future purchase contracts have been concluded signed. The main contributor to the sales is the project Westhafen in Frankfurt for EUR 24.0 million.

Renting

Revenues from renting as of 30th of September 2007 show the positive impact of the acquisition of the Gewerbesiedlungs-Gesellschaft mbH (GSG) in July 2007. The GSG contributes a rental income of EUR 9.2 million. The total lettable area of ORCO Germany's investment portfolio now amounts to 925,000 sqm with a stable average occupancy rate of 90% for residential space. The average occupancy rate for the commercial portfolio is starting to reflect the restructuring of GSG with a steady raise reaching 70%. This result is mainly accountable to the new founded letting company ORCO- Vermietungs- und Services GmbH.

Financial activities

The financial debt drawn down amounts to EUR 492.4 million as per 30th of September 2007. In addition loan amounts with a volume of ca. EUR 400 million have been contractually secured. ORCO Germany has secured hedging agreements against raising interest rates by the means of derivative instruments protecting a total volume of EUR 953 million, whereof EUR 820 million have been hedged in the third quarter of 2007. Future development projects are accounted with EUR 384 million. The average cost of debt therefore (taking into account derivate instruments and contractual secured loans) averages at 5.28%.

A positive impact of the decrease in tax rates

In Germany the income tax (corporation tax and trade tax) is going to decrease from 39% to 29% with the beginning of 2008. This modification affects the accounts of the company on two levels: first, the income tax that will effectively be paid from January 2008 on. And second, the calculation of the deferred taxes that leads to the recognition of a non cash gain in 2007.

Balance sheet

Assets			Equity and liabilities		
	Q3 2007	FY 2006		Q3 2007	FY 2006
Non-Current Assets	883.488	198.154	Equity	256.538	133.947
Intangible assets	50.188	22	Shareholders' equity	256.823	134.003
Investment property	792.007	191.565	Minority interests	-285	-56
Property, plant and equipment	31.355	952	Liabilities	811.510	212.805
Hotels and own-occupied buildings	14.716	64	Non-current liabilities	584.635	113.939
Fixtures and fittings	3.934	408	Bonds	81.799	0
Properties under development	12.705	480	Financial debts	492.415	103.164
Financial assets	-259	4.543	Provisions	10.421	10.775
Deferred Tax assets	10.197	1.072	Deferred tax liabilities	107.297	8.585
Current Assets	184.560	148.598	Current liabilities	119.578	90.281
Inventories	63.738	70.031	Financial debt	14.292	8.158
Trade receivables	30.766	27.646	Trade payables	18.638	32.450
Other current assets	26.518	4.973	Advance payments	32.982	25.370
Cash and cash equivalents	63.538	45.948	Provisions	28.098	18.914
Held for sale activities	0	0	Other current liabilities	25.568	5.389
			Held for sale activities	0	0
Total	1.068.048	346.752	Total	1.068.048	346.752

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