



Press Release

Luxembourg, 11 June 2014

ORCO PROPERTY GROUP - Disposal of Suncani Hvar shares and receivables

Orco Property Group ("**OPG**") announces that on 11 June 2014 it entered into a transaction concerning partial disposal of its stakes in Suncani Hvar d.d. ("**SHH**"). OPG is disposing of 2,080,000 SHH shares corresponding to 24.94% of the shares and voting rights in SHH. As a consequence, OPG continues to hold 2,636,734 SHH shares equal to 31.61% of the shares and voting rights in SHH. OPG is also disposing of its shareholder receivables from SHH. The receivables are being sold at an approximate 65% discount as they were only partially secured by mortgages on some non-refurbished SHH hotels. Shares have been sold for EUR 1 and receivables have been sold for EUR 2.1 million. As a result of the impairments recognized in 2013, no material loss is expected on this transaction.

The opportunity to dispose of the SHH stakes was mediated by GSG GROUP. SHH filed for pre-bankruptcy proceedings in April 2014. OPG will continue to support SHH's financial restructuring but reduced its exposure to the risks related to such process. That sale has no influence on the ongoing arbitration proceedings initiated by OPG against the property agency of the Republic of Croatia.

For more information visit www.orcogroup.com