



Press Release

Luxembourg, 31 March 2016

CPI PROPERTY GROUP – solid growth in property portfolio value, attentively selected new acquisitions, competitive cost of capital

Investments and Portfolio news

Group continues its expansion beyond the CEE

Acquisition in Switzerland

- On 30 October 2015, the Group completed a transaction comprised of the direct acquisition of 65.83% of shares in Remontées Mécaniques Crans-Montana-Aminona (CMA) SA (“CMA SA”), a Swiss entity holding and operating cable cars in the Crans-Montana ski resort and of 88.49% of shares in CMA Immobilier SA, a Swiss entity holding certain real estate and rights to develop a hi-end hotel complex including spa, congress centre, shopping and entertainment areas as well as parking in Crans-Montana.

Acquisition in Rome

- On 5 November 2015, the Group acquired the 4 star hotel in Rome by means of the acquisition of a hotel business conducted under the name “Holiday Inn Rome – Eur Parco dei Medici”. The hotel has 317 rooms and a capacity to accommodate up to 700 guests and including a restaurant, cocktail lounge, garden with a swimming pool, fitness and wellness centre.

Extension of portfolio in the Czech Republic

Acquisition of retail property portfolio in the Czech Republic

- On 22 December 2015, the Group acquired a portfolio of 73 retail properties across the whole Czech Republic. The acquired portfolio comprises of approximately 36,000 sqm of lettable area and generates a rental income of app. EUR 2.4 million annually.

Acquisition of third shopping centre in Mladá Boleslav

- On 1 February 2016, the Group acquired Bondy Centrum, the largest shopping centre in Mladá Boleslav, Czech Republic. The shopping centre with a leasable area of approx. 16,800 sqm comprises of 80 shops, food court, multiplex cinema and other amenities, as well as parking for more than 400 cars. The centre also includes an office section, having a floor area of approx. 2,800 sqm.



Acquisition of Géčko shopping centre in České Budějovice

- In March 2016, the Group acquired Géčko Shopping Center in České Budějovice, Czech Republic. The shopping center with 11,000 sqm of rentable area comprises of 50 shopping units, food court and other amenities, as well as parking for approximately 450 cars.

Acquisition of retail shopping centre in Tarnow

- In March 2016, the Group acquired a small retail shopping asset in Tarnow, south of Poland, comprised of 5 retail units and totaling 2,161 sqm. The acquisition in Tarnow is the first among other acquisitions of similar Polish retail shopping assets planned in the near future.

Sale of Živnobanka to CEFC

- On 4 November 2015, the Group completed the disposal of the former Živnobanka building located at Na Příkopě street in the centre of Prague to CEFC China Energy Company Limited. The transaction was comprised of the transfer of shares in the Živnobanka building project entity.

Capital markets financing

EUR 50 million bonds issued in the Slovak Republic

- On 26 February 2016, the Group issued bonds with the nominal amount of EUR 1,000 each and the aggregate amount of up to EUR 50 million. The Slovak bonds are due in 2020 and carry a fixed rate coupon of 5.00% p.a.

EUR 70 million bonds issue amended

- As of 25 January 2016 the Group has reached an agreement with all holders of the CPI VAR CZK 2019 bonds (ISIN CZ0003501868). The approved amendment entails, inter alia, the decrease in the interest from 6M PRIBOR plus 6.5% to a fixed 5.1% p.a., the extension of maturity of bonds by 2 years until 2021.

Czech and Dutch bonds fully repaid

- During 2015, the Group's subsidiary CPI Finance Netherlands B.V. acquired its own bonds and decided to cancel them. The cancellation of these bonds was carried out in December 2015. The bonds were acquired at the amortized costs in the total amount of EUR 253 million and this transaction had neither profit nor loss impact.

On 23 March 2015, the Group repaid the CPI VAR/15 bonds (ISIN CZ0003501835), issued on 23 March 2012, at their maturity. The nominal amount of these bonds was EUR 15 million and they carried a variable interest of 6M EURIBOR plus 6.5% p.a.

On 23 March 2016, the Group prepaid the CPI VAR/19 bonds (ISIN CZ0003501843), which were traded on the Prague Stock Exchange. The nominal amount of these bonds was EUR 58 million and they carried a variable interest of 6M PRIBOR plus 6.5% p.a. The Group acquired app. EUR 54.5 million of these bonds in 2015.



On 29 March 2016, the Group repaid the CPI 6.05/16 bonds (ISIN CZ0003510646), which were traded on the Prague Stock Exchange, at their maturity. The nominal amount of these bonds was CZK 1.5 billion (app. EUR 55.5 million) and they carried a fixed interest of 6.05% p.a. The Group acquired app. EUR 8.8 million of these bonds in 2015.

Financial highlights

All the figures commented in this press release relate to the pro forma presentation of the Income statement and Balance sheet of the Company as if CPI PROPERTY GROUP and Czech Property Investments, a.s. were combined as at 1 January 2014.

Net rental income grew by 10% to EUR 206 million compared to EUR 187 million in 2014. The increase was mainly driven by new acquisitions performed by the Group over the last 12 months and completed development projects in Q4 2014 as well as from the increase in volume of services rendered to the third parties.

The decrease in operating result is driven namely by effect of substantial revaluation gain in 2014 amounting to EUR 108 million compared to EUR 45 million gain in 2015. If this non-cash effect neglected, the operating result shows a solid growth of 11%. As a result the net profit for the period amounted to EUR 89 million (2014 – EUR 135 million).

Total assets increased by EUR 104 million (2%) to EUR 4,323 million as at 31 December 2015. The increase is primarily connected with the increase in property portfolio which rose by EUR 269 million to EUR 3,822 million. EPRA NAV decreased to EUR 1,732 million as a result of acquisition of own shares in September 2015. As this transaction was neutral on value per share, EPRA NAV per share increased from EUR 0.587 to EUR 0.629 reflecting a vigorous profit of EUR 89 million for the year ended 31 December 2015.

Audited documents will be available tonight on:

<http://www.cpihg.com/reports-presentations-en>

Full Year 2015 audited financial report

Full Year 2015 audited management report

For further information please contact:

Kirchhoff Consult AG
Andrew Stammler
Herrengarten 1
20459 Hamburg
T +49 40 60 91 86 34
F +49 40 60 91 86 60
E andrew.stammler@kirchhoff.de