



CPI PROPERTY GROUP  
(société anonyme)  
40, rue de la Vallée  
L-2661 Luxembourg  
R.C.S. Luxembourg: B 102 254

PRESS RELEASE  
Luxembourg, 28 November 2018

## **CPI PROPERTY GROUP – Repayment of subsidiary bonds**

CPI PROPERTY GROUP (the "**Company**" together with its subsidiaries the "**Group**" and "**CPIPG**") announces the successful repayment of all outstanding bonds issued by the Group's subsidiaries in the Czech Republic and Slovakia. Repayments were made using proceeds from recent unsecured bond issues by CPIPG.

"Repaying all of our subsidiary bonds was a key objective of CPIPG's capital structure transformation which began in 2017," said Martin Nemecek, CEO of CPIPG. "We achieved this objective in a very short period of time, and the Group's capital structure is now simpler and stronger than ever."

Since September 2018, the Group has repaid approximately EUR 635 million equivalent of bonds issued by subsidiaries, including:

- Secured bonds issued by CPI Byty, a.s. (CPI BYTY 4,80/19 / CZ0003510695, CPI BYTY 5,80/21 / CZ0003510703, CPI BYTY 4,80/19 / CZ0003511412, CPI BYTY 1,85/19 / CZ0003516551, and CPI BYTY 2,25/19 / CZ0003516569) amounting in aggregate to CZK 3 billion.
- Secured bonds issued by CPI Retail Portfolio I, a.s. (CPI Retail Portfolio I 5,00/2019 / CZ0003511164) amounting to CZK 1.125 billion.
- Bonds issued by Czech Property Investments, a.s. (CPI I 4,75/42 / CZ0003502932, CPI II 4,65/22 / CZ0003502916, CPI III 4,65/22 / CZ0003502924, CPI IV 4,65/22 / CZ0003502957, CPI V 4,85/42 / CZ0003502940, CPI 5,10/2021 / CZ0003501868, and CPI 4,75/19 / CZ0003512782) amounting in aggregate to CZK 8.5 billion;
- Bonds issued by CPI Finance Slovakia, a.s. (CPI 5,00/2020 (SK4120011487) amounting to EUR 50 million; and
- Bonds issued by CPI Finance Slovakia II, a.s. (CPI 5,00/2022 (SK4120012097) amounting to EUR 100 million.

As a result of these actions, the Group eliminated high-coupon bonds and therefore expects lower interest expense and an improved interest coverage ratio (ICR) going forward. Because some of the local bonds were secured, the repayments will increase the Group's level of unencumbered assets. Repayments of unsecured local bonds issued by subsidiaries also reduce structural subordination and complexity and therefore are positive for CPIPG's unsecured creditors.



In addition to the repayment of bonds, the Group has recently repaid bank loans in the aggregate amount of approximately EUR 220 million and plans additional secured bank loan repayments until year end. These secured loan repayments will also improve the Group's level of unencumbered assets.

"CPIPG is committed to a straightforward and strong investment grade credit profile" said David Greenbaum, CFO of CPI Property Group. "We are focused on the long-term, and believe these changes to our capital structure will greatly benefit our funding plans for the future."

DISCLAIMER: THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR FORM A PART OF ANY OFFER OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION. THE SECURITIES TO WHICH THIS ANNOUNCEMENT RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS SUCH TERM IS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFER OF SECURITIES IN THE UNITED STATES. THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR FORM PART OF AN OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR, ANY SECURITIES, IN THE UNITED STATES OR ANY OTHER JURISDICTION NOR SHALL IT (OR ANY PART OF THIS ANNOUNCEMENT) OR THE FACT OF ITS DISTRIBUTION FORM THE BASIS OF, OR BE RELIED UPON IN CONNECTION WITH, OR ACT AS ANY INDUCEMENT TO ENTER INTO, ANY CONTRACT OR COMMITMENT OR INVESTMENT DECISION WHATSOEVER. THE DISTRIBUTION OF THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION ANY DOCUMENT OR OTHER INFORMATION REFERRED TO HEREIN COMES SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTIONS. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF ANY SUCH JURISDICTION.

RECIPIENTS OF THIS ANNOUNCEMENT WHO INTEND TO PURCHASE ANY SECURITIES IN THE FUTURE ARE REMINDED THAT ANY SUCH PURCHASE OR SUBSCRIPTION MUST BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN ANY FINAL FORM PROSPECTUS PUBLISHED IN CONNECTION WITH ANY SUCH SECURITIES. THIS ANNOUNCEMENT IS NOT BEING MADE, AND THIS ANNOUNCEMENT HAS NOT BEEN APPROVED, BY AN AUTHORISED PERSON FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "FSMA")(UNITED KINGDOM). THIS ANNOUNCEMENT IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM OR TO PERSONS IN THE UNITED KINGDOM SAVE IN THE CIRCUMSTANCES WHERE SECTION 21(1) OF THE FSMA DOES NOT APPLY. THIS ANNOUNCEMENT IS DIRECTED ONLY AT PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM OR (II) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC") OF THE ORDER OR (IV) TO WHOM THIS ANNOUNCEMENT MAY OTHERWISE BE DIRECTED WITHOUT CONTRAVENTION OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE



ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS COMMUNICATION IS NOT INTENDED FOR DISTRIBUTION TO AND MUST NOT BE PASSED ON TO ANY RETAIL CLIENT. IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA, THIS ANNOUNCEMENT IS DIRECTED ONLY AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE") ("QUALIFIED INVESTORS"). THIS ANNOUNCEMENT IS AN ADVERTISEMENT FOR THE PURPOSES OF APPLICABLE MEASURES IMPLEMENTING THE PROSPECTUS DIRECTIVE. A PROSPECTUS PREPARED PURSUANT TO THE PROSPECTUS DIRECTIVE WILL BE PUBLISHED, WHICH, WHEN PUBLISHED, CAN BE OBTAINED FROM THE TRUSTEE. A RATING IS NOT A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE SUBJECT TO REVISION, SUSPENSION OR WITHDRAWAL AT ANY TIME BY THE ASSIGNING RATING ORGANISATION. SIMILAR RATINGS FOR DIFFERENT TYPES OF ISSUERS AND ON DIFFERENT TYPES OF SECURITIES DO NOT NECESSARILY MEAN THE SAME THING. THE SIGNIFICANCE OF EACH RATING SHOULD BE ANALYSED INDEPENDENTLY FROM ANY OTHER RATING.

For further information please contact:

INVESTORS

CPI PROPERTY GROUP  
David Greenbaum  
Chief Financial Officer  
[d.greenbaum@cpipg.com](mailto:d.greenbaum@cpipg.com)

MEDIA/PR

Kirchhoff Consult AG  
Andreas Friedemann  
Borselstraße 20  
22765 Hamburg  
T +49 40 60 91 86 50  
F +49 40 60 91 86 60  
E [andreas.friedemann@kirchhoff.de](mailto:andreas.friedemann@kirchhoff.de)