



CPI PROPERTY GROUP
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PRESS RELEASE
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CPI PROPERTY GROUP – Financial Policy and Share Repurchase Update

CPI PROPERTY GROUP (hereinafter “CPIPG,” the “Company” or together with its subsidiaries the “Group”), the largest owner of real estate in the Czech Republic, Berlin and the CEE region, announces updates relating to financial policy and share repurchase activities.

Financial Policy Update

In keeping with the Group’s objective to achieve “high BBB” credit ratings, CPIPG has decided to tighten the original financial policy guidance which was first communicated to the market in May 2018. The original guidance included a net loan-to-value (LTV) ratio of 45% or below, and a net interest coverage ratio (ICR) of 3x or above.

CPIPG now targets a net LTV of 40% or below in the normal course of business. In the case of acquisitions with high strategic merit, the Group may consider a net LTV up to 45% on a temporary basis. The Group has also revised the ICR target to 4x or above. In addition, CPIPG reiterates its commitment to maintaining a high level of unencumbered assets and substantial liquidity, and will continue to closely monitor the valuation and performance of the Company’s hybrid and senior unsecured bonds in the secondary market.

Share Repurchase and Dividends

On 29 May 2019, the shareholders of the Company approved the terms of a share buy-back programme enabling the Company to repurchase up to 1,000,000,000 shares of CPIPG. Today, the Company announced its intention to purchase up to 400,000,000 shares at a price of EUR 0.30 per share, significantly below CPIPG’s EPRA net asset value (NAV) EUR of 0.51 per share as of 31 December 2018. The offer is open to all shareholders of the Company and terms are available on the Company’s website. Results of the share repurchase will be published on 26 June 2019.

In the event that all 400,000,000 shares are repurchased, the total amount would represent less than 60% of the Group’s expected funds from operations (FFO) for 2019. The Group does not anticipate conducting further share repurchase activities in 2019 and expects to retain and reinvest between 50% to 100% of annual FFO going forward. Consistent with past financial policy and efforts to maintain an exceptionally strong liquidity position, CPIPG does not intend to institute a dividend.



For more on CPI PROPERTY GROUP, visit our website: www.cpijg.com

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