



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

PRESS RELEASE  
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## **CPI PROPERTY GROUP Publishes First Half Results for 2018**

CPI PROPERTY GROUP (hereinafter “CPIPG” the “**Company**” or together with its subsidiaries the “**Group**”), the dominant owner of income-generating real estate in the Czech Republic, Berlin and the CEE region, is pleased to publish unaudited financial results as at 30 June 2018. Our financial results also include information about important developments which occurred after 30 June 2018.

Performance highlights for CPIPG during 1H 2018 include:

- Total assets exceed EUR 8 billion, with CPIPG’s property portfolio reaching a new landmark of EUR 7 billion. The Czech Republic and Berlin continue to account for 78% of CPIPG’s property portfolio by value.
- Total revenues increased to EUR 245 million, an increase of 21% relative to 1H 2017. Like-for-like rental growth across our portfolio exceeded 4% for 1H 2018; like-for-like growth in Berlin exceeded 9.5%.
- Net business income increased by 26% to EUR 156 million and funds from operations (FFO) increased by 70% to EUR 87 million, relative to 1H 2017.
- CPIPG was awarded a new BBB rating from Standard and Poor’s, and Moody’s Investor Service raised the outlook on our Baa3 credit rating from stable to positive.
- We became the first corporate issuer in the CEE region to issue undated subordinated “hybrid” bonds, demonstrating our strong commitment to financial policy. We signed revolving credit facilities totaling EUR 230 million in March and August 2018, and refinanced our flagship Quadrio building in Prague at very attractive pricing.
- CPIPG reached a new record low net LTV of 39.1% as of 30 June and our target net LTV remains 45% or below. Our level of secured leverage declined to 24%, versus 26% at the end of 2017.
- 45% of the Group’s assets were unencumbered as of 30 June 2018. Following the repurchase of CPI BYTY bonds announced in August 2018, we are confident to achieve unencumbered assets above 50% in the near term.
- The Group’s net ICR rose to 3.5x at 1H 2018, versus 2.6x at 1H 2017.



Portfolio highlights for 1H 2018 include:

- In April 2018, we acquired Futurum Hradec Králové, the dominant shopping centre in Hradec Králové, Czech Republic. The centre has a total floor area of 39,000 square meters and 1,350 parking spaces and consists of 110 stores including an anchor Tesco hypermarket and a multiplex cinema.
- In May 2018, we acquired Atrium Centrum & Atrium Plaza office buildings located in the centre of Warsaw, near the most important transportation and business hub Rondo. The two office buildings have an aggregate GLA of 31,869 sqm and include a medical centre, a restaurant, a bank, a pharmacy, a premium fashion store and 410 parking lots.
- In April 2018, we acquired a portfolio of five retail parks in Poland. The portfolio, totaling 19,000 sqm of gross leasable area, consists of four existing retail parks and one retail park under development.
- We disposed of certain assets that the management considered non-strategic. The disposed assets included a portfolio of five small retail properties located in regional cities of northern Czech Republic, totaling approximately 25,700 sqm, and the Budaörs Office Park located near Budapest. In August, the Group also disposed of an office building located in Prague, serving as the headquarters of Nestlé for the Czech and Slovak Republics.

Corporate highlights for 1H 2018 include:

- February 2018, the Group appointed David Greenbaum to the role of Chief Financial Officer. In this role, David focuses primarily on the Group's capital structure, external financing, corporate finance and other strategic matters. David joined CPIPG after 15 years at Deutsche Bank, where he was most recently co-head of debt capital markets for the CEEMEA region.
- In March 2018, the extraordinary general meeting of the Company's shareholders approved the terms and conditions of a buy-back programme enabling the Company to repurchase its own shares. Based on this approval, the Company acquired a total of 724,853,952 own shares for the proposed acquisition price of EUR 0.20 per share (representing in aggregate app. EUR 145 million). The acquired shares were cancelled in May 2018.
- In April 2018, the Company issued 250,000,000 new ordinary shares for a global subscription price of EUR 50 million to a holding vehicle of its major shareholder.
- The annual general meeting of the Company's shareholders approved the statutory and consolidated annual accounts, as well as the allocation of financial results for the financial year ending 31 December 2017 and re-appointed the current Board of Directors for another year.

"CPIPG's achievements during the first half of 2018 reflect our strategy: active asset management, a commitment to strong investment grade credit ratings, disciplined acquisitions and a long-term investment horizon," said Martin Nemecek, CEO. "Our team continues to deliver superb results and we are optimistic for the future."

For the full unaudited management report and the condensed consolidated financial statement as at 30 June 2018 please refer to Company's website: <https://www.cpipg.com/reports-presentations-en>.



For disclosures regarding Alternative Performance Measures used in this press release please refer to our management report as at as at 30 June 2018, chapter Glossary; accessible at Company's website <http://cpipg.com/reportspresentations-en>.

We will host an investor conference call and webcast in relation to CPIPG's unaudited interim results on 11 September 2018. Participation details will be announced shortly.

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)