

Warimpex closes the sale of eight hotels

Vienna/Warsaw, 31 May 2017 – In February, Warimpex Finanz- und Beteiligungs Aktiengesellschaft (Warimpex) announced the sale of a portfolio of eight hotels to the Thai investor U City Public Company Limited (U City). Today, the transaction was successfully closed. Since 2015, the transaction markets for hotel investments in CEE have become increasingly attractive again. Warimpex has taken advantage of this positive momentum with this portfolio deal and is set to strengthen its capital structure and to position itself for new development projects.

The transaction includes eight hotels – two of which are 50 per cent owned by UBM Development AG (UBM) – that comprise around half of Warimpex's total gross real estate asset value, amounting to approximately EUR 180 million (excluding the stakes of UBM in that portfolio). This amount also corresponds to the overall financial consideration, consisting of a share purchase price for the shares, the respective shareholder loans, and the related bank loans. The purchase price is in line with the recent valuation opinions by independent property appraisers.

Warimpex expects a positive earnings contribution in 2017 of roughly EUR 25 million from the transaction. The sale will increase the equity ratio of Warimpex to about 25 per cent.

The hotel portfolio that was sold includes the following hotels:

- Czech Republic:
 - Vienna House Diplomat Prague
 - angelo by Vienna House Plzeň (50 per cent share)
- Poland:
 - andel's by Vienna House Łódź
 - andel's by Vienna House Krakow (operating company)
 - Vienna House Easy Chopin Krakow
 - angelo by Vienna House Katowice (50 per cent share)
 - Vienna House Amber Baltic Międzyzdroje
- Romania:
 - angelo by Vienna House Bucharest

All of the hotels are operated by Vienna House, which will continue to be responsible for the management after the sale.

Outlook

Warimpex continues to see its future in hotel and office developments in CEE and Russia, as the markets have matured and are developing further. Poland will remain one of Warimpex's core markets with

development projects in Łódź and Krakow, and Warimpex is currently weighing several options for further investments in the country. The buyer U City, which is entering continental Europe for the first time, remains a potential future partner for Warimpex developments – along with Vienna House, which will continue to manage three hotels for Warimpex.

Vienna International Hotelmanagement AG

Amber Privatstiftung and Bocca Privatstiftung, the two core shareholders of Warimpex, also closed their agreement on the sale of all of their shares in VIENNA INTERNATIONAL Hotelmanagement Aktiengesellschaft (Vienna House), the hotel management company that manages all of the eight hotels sold, to U City today.