

## Ad hoc release

Vienna/Warsaw, 23 February 2017 – Warimpex Finanz- und Beteiligungs Aktiengesellschaft (Warimpex) announces the partial sale of its hotel portfolio to the Thai investor U City Public Company Limited (U City). The transaction includes eight hotel participations (two of which are partially (50 per cent) owned by UBM Development AG (UBM)) which comprise approximately 50 percent of Warimpex's total real estate assets and which have a property value of approximately EUR 180 million (excluding the stakes of UBM in that portfolio). This amount also corresponds to the overall financial consideration (excluding the purchase price for UBM's stake in the portfolio), consisting of a purchase price for the shares in the respective property companies as well as the assumption of shareholder loans and the property companies' bank financing liabilities. Warimpex expects from the transaction a positive earnings contribution, which is expected to range between EUR 15 million and EUR 20 million. The sale will increase the equity ratio of Warimpex to about 25%. The purchase price is in line with recent valuation opinions from June 2016 by independent property appraisers.

The purchase contract is still pending subject to the fulfilment of the standard closing conditions for such real estate transactions, and additional approvals and consents to be obtained from various business partners. Warimpex expects closing to occur by summer 2017.

Since 2015 the transaction markets in CEE for hotel investments have become increasingly attractive again. Warimpex takes advantage of this positive momentum. Warimpex will use the proceeds from the sale to improve the capital structure and for new developments – potentially together with U City as a future partner, who takes a step into the CEE region for the first time. 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 current development projects in Łódź and Krakow and Warimpex is currently weighing several options for further investment plans in the country.

Also today, Amber Privatstiftung and Bocca Privatstiftung, the two core shareholders of Warimpex, have signed an agreement to sell all their shares in VIENNA INTERNATIONAL Hotelmanagement Aktiengesellschaft (Vienna House), the hotel management company which manages all of the sold eight hotel participations, to U City. The closing is also expected by summer 2017.

The hotel portfolio that was sold includes the following hotels:

- Czech Republic
  - Vienna House Diplomat Prague
  - angelo by Vienna House Pilsen (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