

A D H O C

Warimpex solidly in the black in 2016

- **Profit for the year goes from a negative EUR -42.3 million in 2015 to a strong plus of EUR 22.9 million in 2016 – driven largely by the rouble recovery and good development of operating business**
- **Revenues from the rental of office properties nearly doubled**
- **Sales transactions in Warsaw, Budapest, and Prague effective in 2016**
- **Contract concluded for the sale of hotel holdings after the reporting date**

Vienna/Warsaw, 24 April 2017 – Warimpex Finanz- und Beteiligungs AG significantly boosted its result for the year in 2016 and posted a profit of EUR 22.9 million. This success was driven by a recovery on the Russian market and of the rouble as well as by the good development of operating business.

Warimpex signed an agreement on the sale of a part of the hotel portfolio to the Thai investor U City Public Company Limited (U City) after the reporting date. The transaction covers eight hotel holdings that account for around 50 per cent of the total real estate assets of Warimpex and represent a property value of roughly EUR 180 million.

Company performance in 2016

Because of the completion and rental of the Zeppelin office tower at AIRPORTCITY St. Petersburg and of the Erzsébet office building in Budapest, revenues from the rental of office properties rose from EUR 4.4 million to EUR 8.6 million. Consolidated revenue remained unchanged at roughly EUR 62 million. The reduction in the number of rooms as a result of the sale of hotel assets led to a slight decrease in hotel revenues from EUR 54.5 million to EUR 51.9 million.

EBITDA declined by 27 per cent from EUR 29.3 million in 2015 to EUR 21.5 million. This was due above all to the lower gains from the disposal of properties. EBIT went from negative EUR -9.9 million to positive EUR 25.7 million thanks to a positive remeasurement result from office properties, especially the office building that is under development in Łódź and the Zeppelin office tower in St. Petersburg. The financial result including joint ventures improved as a result of positive exchange rate changes and a better financing structure, going from EUR -31.9 million to EUR -1.9 million.

Successful transactions

The transaction markets in Central and Eastern Europe have become more attractive again since 2015. Warimpex not only used this positive momentum to sell part of the hotel portfolio to U City, but also to sell multiple other properties during the reporting period. In June, the company sold its 50 per cent stake in the

Parkur Tower office building in Warsaw to the joint venture partner and sold the Dioszegi office building in Budapest in October. Warimpex also sold the angelo hotel in Prague in October.

Warimpex will publish the consolidated annual report for the 2016 financial year on 26 April.

The numbers for 2016 at a glance (as at 31 December 2016):

in EUR '000	2016	Change	2015
Hotels revenues	51,864	-5%	54,462
Investment Properties revenues	8,580	96%	4,384
Development and Services revenues	1,757	-42%	3,053
<i>Total revenues</i>	<i>62,201</i>	-	<i>61,898</i>
Expenses directly attributable to revenues	-35,967	-7%	- 38,539
<i>Gross income from revenues</i>	<i>26,235</i>	<i>12%</i>	<i>23,359</i>
Gains or losses from the disposal of properties	8,674	-39%	14,220
EBITDA	21,450	-27%	29,280
Depreciation, amortisation, and remeasurement	4,285	-	- 39,185
EBIT	25,735	-	-9,905
Earnings from joint ventures	-1,156	-	9,647
Profit for the year	22,862	-	-42,330
Profit or loss for the period (shareholders of the parent)	17,423	-	-17,838