

P R E S S R E L E A S E

Warimpex closes the sale of eight hotels

Vienna/Warsaw, 1 June 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). Yesterday, 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

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

“With the closing of this sale agreement, we are achieving a milestone in our company’s history. The development and successful operation of eight hotels, of which I particularly want to emphasise the highly acclaimed andel’s hotel in Łódź, has now been rewarded,” commented Warimpex CEO Franz Jurkowitsch. *“We are well prepared for new projects and are confident that we will present new hotel and office developments by 2018.”*

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.

Warimpex was advised during the transaction by Credit Suisse as investment bank and by Taylor Wessing as legal adviser.

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.

About U City Public Company Limited and BTS Group Holdings:

U City Public Company Limited is a listed Thai commercial property developer with 30 years of experience and a market capitalisation of THB 16.8 billion (EUR 441 million). U City’s strategy is to acquire or develop recurring income properties predominantly near mass transit lines both locally and overseas. On 20 April 2015, BTSG acquired a 35.64 per cent stake in U City when it sold land plots and a hotel to U City in exchange for shares of the company.

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BTSG is a listed Thai conglomerate with a market capitalisation of THB 98.5 billion (EUR 2.6 billion) and the 30th largest company in Thailand by market capitalisation. BTSG is a constituent member of the SET50 Index (blue chip), MSCI AC Asia Pacific Index, and FTSE4Good Emerging Index (companies that demonstrate strong environmental, social, and governance practices).

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Warimpex Finanz- und Beteiligungs AG at a glance

Warimpex Finanz- und Beteiligungs AG is a real estate investment and development company. The firm is headquartered in Vienna and is listed on the stock exchanges in Vienna and Warsaw (WXF). As one of the largest hotel investors in Central and Eastern Europe, Warimpex currently owns, partially owns, or operates five hotels with 1,600 rooms in total as well as three commercial and office buildings with a total useable area of roughly 32,000 square metres. Several development projects with a development potential of more than 100,000 m² are in the pipeline. Over the past 25 years, Warimpex has developed properties worth over one billion euros. Warimpex is active in CEE and Russia as well as Austria and France. The top hotels that the firm owns, partially owns, or operates include the Kempinski hotel in Vienna, the Crowne Plaza hotel at AIRPORTCITY St. Petersburg, the InterContinental hotel in Warsaw, and two hotels next to Disneyland Paris. Warimpex believes in quality and sustainability as the basis for strong future growth.

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