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Positive first quarter of 2017 for Warimpex

- **Profit for the first quarter improved from negative EUR 0.5 million in 2016 to plus EUR 4.7 million in 2017**
- **Hotel revenues up by 1 per cent to EUR 9.5 million, NOP per available room 31 per cent higher, revenues from the rental of office properties plus 32 per cent to EUR 2.5 million**
- **Contract for the sale of part of the hotel portfolio to U City signed**
- **Completion of the multi-use building at AIRPORTCITY St. Petersburg**
- **Office developments in Krakow and Łódź and hotel development in Budapest**

Vienna/Warsaw, 30 May 2017 – Warimpex Finanz- und Beteiligungs AG carried the positive momentum and success from the previous year into 2017. In addition to growing its 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) right at the beginning of the year. 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. The closing of the transaction is planned in the near future. Warimpex will use the positive profit contribution from this transaction to bolster its capital structure and for new development projects. It is also expected to increase the equity ratio to around 25 per cent.

Revenues from hotel operations rose by 1 per cent to EUR 9.5 million despite the sale of the angelo hotel in Prague in October 2016 and the resulting reduction in the number of rooms. The NOP per available room improved by 31 per cent. Revenues from the rental of office properties also increased from EUR 1.9 million to EUR 2.5 as a result of index adjustments and the higher rouble exchange rate. Total consolidated revenues advanced by 5 per cent to EUR 12.4 million. EBITDA rose from EUR 0.8 million to EUR 2.3 million and EBIT went from negative EUR 0.5 million to positive EUR 3.4 million due to higher gross income from revenues (EUR 4.6 million, plus 16 per cent) and lower administrative and other expenses. Finance income including earnings from joint ventures went from EUR 0.2 million to EUR 2.4 million thanks to positive exchange rate developments. In total, this resulted in a positive result for the first quarter of 2017 of EUR 4.7 million (2016: EUR -0.5 million).

Completion in St. Petersburg and current development projects in Krakow, Łódź, and Budapest

The fully occupied multi-use building at AIRPORTCITY St. Petersburg with parking spaces for around 450 vehicles and around 6,000 square metres of office and archive space was completed and handed over to the tenant after the end of the reporting period, at the end of May.

In terms of development activities, advance leases were signed for roughly 8,500 square meters of the total 26,000 square meters in the Ogradowa office building that is under construction in Łódź. A letter of intent was signed for the letting of about 60 per cent of the 12,000 square metres of space in the Mogilska office building in Krakow and the terms of the lease are now being negotiated. Construction is expected to begin in the near future. An office building with around 21,000 square metres of space is also to be built in Krakow, next to the

Chopin Hotel. Planning for this is in progress. In Budapest, Warimpex owns a property on which a hotel with around 170 rooms and 60 adjacent apartments is to be built. The planning is under way, and the building permit was issued in January 2017.

Outlook

The objective for the 2017 financial year is to carry the positive momentum from the first three months forward, in part to advance current development projects and in part to successfully close the sale of a portion of the hotel holdings to U City. The sale will significantly expand Warimpex's room for manoeuvre and will position the company ideally for new projects in CEE and Russia, including in collaboration with U City as a future partner that is entering continental Europe for the first time.

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Key financial figures for the first quarter of 2017 at a glance (as at 31 March 2017)

in EUR ’000	**1–3/2017**	**Change**	**1–3/2016**
Hotels revenues	9,451	1%	9,353
Investment Properties revenues	2,520	32%	1,902
Development and Services revenues	432	-28%	602
Total revenues	*12,403*	*5%*	*11,857*
Expenses directly attributable to revenues	-7,787	-1%	-7,885
Gross income from revenues	*4,616*	*16%*	*3,973*
Gains or losses from the disposal of properties	125	-	-
EBITDA	2,267	172%	833
Depreciation, amortisation, and remeasurement	1,154	-	-1,287
EBIT	3,421	-	-455
Earnings from joint ventures	-409	-42%	-709
Profit or loss for the period	4,736	-	-463
Net cash flow from operating activities	2,237	-3%	2,303
Segment information (including joint ventures on a proportionate basis):*			
Hotels revenues	15,940	4%	15,308
Net operating profit (NOP)	3,388	22%	2,782
NOP per available room	1,294	31%	990
Investment Properties revenues	3,574	71%	2,088
Investment Properties EBITDA	2,807	85%	1,518
Development and Services revenues	994	36%	732
Gains or losses from the disposal of properties	125	-	-
Development and Services EBITDA	-724	-	-1,528
	31.12.2016	**Change**	**31.12.2015**
Gross asset value (GAV) in EUR millions	343.3	1%	340.8
NNNAV per share in EUR	1.9	6%	1.8

* According to the equity method, only properties in which the Company holds more than 50 per cent are generally included on the balance sheet.