



Luxembourg, 31 March 2017

Press Release

## ORCO PROPERTY GROUP

### Release of YE 2016 Financial Information

#### Key recent events

- Acquisition of the Company by CPIPG: On 8 June 2016 CPI Property Group's fully owned subsidiary Nukasso Holdings Limited directly and indirectly acquired approximately 97.31% of shares in the Company. As a consequence, Nukasso Holdings Limited from the CPI Property Group has an obligation to launch a mandatory takeover bid to purchase any and all of the ordinary shares of the Company. On 22 August 2016, the Czech Office for the Protection of Competition granted the merger clearance for the acquisition of the Company by CPI Property Group, whereas its decision became final and binding on 23 August 2016.  
  
Trading of Company shares: Since 18 February 2016, the Company shares have been delisted from Euronext Paris. The Company was informed by the Luxembourg Stock Exchange that it decided to suspend the trading of the Company shares (ISIN LU0122624777) on the regulated market of the Luxembourg Stock Exchange as of 9 June 2016. The Luxembourg Stock Exchange decided to proceed with such suspension from its own initiative. The Warsaw Stock Exchange informed the Company on 17 February 2017 that it suspended trading of the Company shares on the Warsaw Stock Exchange.  
  
Disposal of CPI Property Group shares: On 29 August 2016 the Company disposed of 65,957,446 pieces of ordinary shares of CPI PG for an aggregate consideration of EUR 34.59 million. The disposal of shares was based on the Agreement on Put Option over Shares entered into by the Company and Mr. Radovan Vitek on 24 September 2014. The disposal price per share equals to EUR 0.47, plus a 6.00% p.a. interest from 24 September 2014 until 29 August 2016. The shares were acquired by a holding entity of Mr. Vitek. The Company continues to hold 93,175,451 shares in CPI Property Group, which represents app. 1.45% of the shareholding.
- Disposal of Office Building in Capellen: The Company disposed of the office building in Capellen, Luxembourg. The building with a leasable area of approximately 7,700 square meters, located in the Capellen business park just outside of the City of Luxembourg, was sold to a private investor. The transaction, structured as a share deal, was completed on 25 January 2017.
- Disposal of Palác Archa and Hradčanská Office Center: On 1 December 2016 OPG disposed of two of its income producing assets located in Prague, namely Palác Archa and Hradčanská Office Center to CPI PG group. On 1 December 2016 OPG acquired development projects located in the Czech Republic, comprising of land bank for future developments from CPI PG group. These intercompany transactions were structured as share deals and prices were based at the IFRS NAV.
- Disposal of Vaci 188 and 190 properties: On 30 November 2016 the Group entered into an agreement concerning a disposal of the Vaci 188 and 190 properties in Budapest, Hungary. The counterparty is a consortium of Hungarian investors. The project company, which was sold owns two properties: Vaci 188 - the office building with 15,000m2 gross area and 5,844m2 plot size and Vaci 190 - the development plot with 4,583m2 area.
- Changes in Board Composition: On 28 July 2016 Mr. Pavel Spanko resigned from the board of directors with immediate effect. Following the resignation of Mr. Spanko, the board of directors resolved to co-opt Mr. Erik Morgenstern to the board of directors, who serves as the Chief Financial Officer of the Company.

## YE 2016 Financial highlights

In 2016 the Group recorded net profit attributable to owners of the Company in the amount of EUR 164.2 million compared to a loss of EUR 20.5 million over the same period of 2015.

- Total revenue increased year on year to EUR 15.2 million in 2016 compared to EUR 14.0 million over the same period in 2015 (8.6% y-o-y). This increase comes from the Other business line due to provided administrative and advisory services.
- Operating result in 2016 represents a profit of EUR 15.9 million compared to a loss of EUR 13.3 million over the same period in 2015. The improvement of result is mainly due to the positive fair value adjustments on investment property.
- Financial result improved from a loss of EUR 14.5 million to a gain of EUR 36.3 million in 2016.
- The adjusted EBITDA increased by EUR 8.0 million and amounts to EUR 7.9 million as at 31 December 2016 compared to EUR -0.1 million in December 2015. Following the improvement of operational result, Property Investments reports positive variation of EUR 3.5 million, development segment reports positive variation EBITDA EUR 1.1 million.
- The LTV ratio<sup>1</sup> as at 31 December 2016 is 36.0% and slightly decreased compared to 40.8% as at 31 December 2015.). The main reasons for a fair improvement in LTV ratio is the revaluation of derivative instruments by EUR 38.7 million and increase in fair value of investment property by EUR 7 million.
- The EPRA Net Asset Value<sup>2</sup> (EPRA NAV) per share as of 31 December 2016 is EUR 0.32 compared to EUR 0.65 as at 31 December 2015.

### Audited documents will be available tonight on:

<http://www.orcogroup.com/investors/financial-documentation/full-year-documents.php>

- Full Year 2016 audited financial report
- Full Year 2016 audited management report

---

For more information,  
visit [www.orcogroup.com](http://www.orcogroup.com), or contact us  
at [investors@orcogroup.com](mailto:investors@orcogroup.com)

---

<sup>1</sup> For definition of „LTV ratio“, please refer to Full Year 2016 audited management report, page 38.

<sup>2</sup> For definition of „EPRA NAV per share“, please refer to Full Year 2016 audited management report, page 36.