



PRESS RELEASE

Amsterdam, 27 November 2017

Arcona Property Fund N.V. sells office building at 100% above valuation

Arcona Property Fund N.V. has signed a contract for the sale of the Drahobejlova 27 office building in Prague to the Czech Medical Chamber (CLK). The sale price is CZK 96.96 million (€ 3.79 million), circa 100% above the independent valuation level (as at end 2016) of CZK 50.85 million (€ 1.9 million). The Fund expects to complete the sale in Q1 2018. The intrinsic value per share will rise by 3.8%, from EUR 12.61 to EUR 13.09, as a result of the sale.

The Drahobejlova 27 office building dates from 1930 and provides 2.387 m² of lettable space. It was the Fund's first acquisition, in 2004. It is located in the Vysocanska district of Prague, some 4.5 km east of the city centre, in a mixed commercial and residential area. CLK, the professional association for Czech doctors, plans to use the property as its headquarters.

Guy Barker, managing director of Arcona Capital Fund Management, explained:

"The sparkling purchase price achieved here, through a highly competitive bidding process, is an indication of the current strong demand from investors for Central European real estate. The sale demonstrates that the current portfolio of the Arcona Property Fund has considerable potential for capital growth through this phase of the real estate cycle. Rising capital values demonstrate the confidence of local investors and an overall positive market sentiment driven by outstanding regional GDP growth performance.

This sale continues the strategy of the Fund Management to dispose of small non-core assets. The sale is also fiscally efficient, incurring no tax liability. The free cash from the sale, following repayment of the attributable bank loan, will be ca.€ 2.65 million, which will be at the disposal of the Fund."

Press release ends

Arcona Property Fund N.V. invests in commercial property in Central Europe. Shares of the Fund are tradeable daily (ISIN-code NL0006311706) via Euronext Amsterdam as a closed-end investment fund.

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