

ČS nemovitostní fond Continues to Optimize its Portfolio

ČS nemovitostní fond continues to optimize its portfolio. Having bought three new properties in the last 13 months, the Fund now sells the Tábořská 31 office building in Prague, one of the oldest properties in its portfolio.

The Tábořská 31 building was purchased by 100 Towers Holding, for which it is a third acquisition in the past 12 months. Financial terms of the sale were slightly above the independent expert opinion used for valuation of buildings in the fund's portfolio, meaning that **the sale will have any slightly positive impact on fund performance**. The reason for the sale were the building's parameters, which no longer corresponded to the fund's investment strategy.

"The disposal of Tábořská 31 will lead to increased share of prime assets in our portfolio, hence improved room for asset management of other properties. The ongoing portfolio optimization shall thus further positively contribute to the performance of the ČS nemovitostní fond," says Vice-Chairman of the Board of Directors of REICO IS ČS Jaromír Kohout.

The total leasable area of the Tábořská 31 office building is 8,144 sq m, and the occupancy rate is more than 80%. It features primarily office space (nearly 90% of the total area), supplemented by storage premises. The building also has 25 parking places. It is located in Prague 4 – Nusle, in the immediate vicinity of Prague's most successful commercial neighbourhoods, where many supranational companies have their offices.

"The Tábořská office building was acquired briefly after fund's inception 10 years ago. We are now taking advantage of the strong investment market and high demand for this sort of product. This disposal will allow us to focus more on our cores strategy which is based on long term hold of newly-built prime assets in strong locations," adds Tomáš Jandík, Investment Director of REICO IS ČS.

After the disposal of the Tábořská 31 building, ČS nemovitostní fond retains a total of 12 properties in its portfolio, market value of which still exceeds CZK 19 bn. With this sale the Fund continues to replace selected properties that have reached end of their life cycle or no longer comply with the Fund's investment strategy. The sale of the Tábořská 31 building thus contributes to higher asset turnover in the fund's portfolio, which in the last three years purchased six properties and sold three others.

As at the end of January 2018, over 64,000 shareholders have invested in ČS nemovitostní fond. The Fund's performance in the last five years amounted to 2.75% per annum (as at 25 January 2018).

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