



## PRESS RELEASE

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### **Arcona Property Fund recommends final dividend payment of € 0.14 for 2017**

**Arcona Capital, the leading independent manager of property funds in the markets of Central Europe, announces today that the Managing Board has recommended its Arcona Property Fund N.V. make a final 2017 dividend payment of € 0.14 to shareholders, following a record-breaking year for the Fund.**

Arcona Property Fund aims to distribute 35% of the operating result to shareholders. In August 2017 an interim dividend of € 0.10 was paid in cash. In order to continue the trend of an increasing annual payment to shareholders, and taking into account the € 3.17 million outstanding shares, the Managing Board has recommended a final dividend payment of € 0.14 in cash for 2017, which shows a dividend yield of 3.2% on the year-end 2017 share price of € 7.40.

The decision follows a successful 2017 for Arcona, which saw the size of the Fund grow from € 83 million to € 99 million as three regional shopping centers and a modern office building in Poland were acquired, while two assets in Slovakia and the Czech Republic, which did not belong to the core portfolio, were sold well above the appraisal value. The results were also positively influenced by the acquisition of eight Polish shopping centers in December 2016 that were included for the first time this year.

The Fund's operating result for 2017 amounted to € 2.13 million compared with an operating result of € 748,000 in 2016. The total result before tax jumped to + € 6.4 million, compared with - € 533,000 in 2016, driven by valuation gains and transaction profits.

With the improvement of the overall portfolio due to the recent transactions in Poland as well as the strong economic backdrop in the countries in which Arcona operates, the Managing Board expects the positive trends to be maintained in 2018.

*"For the period up to 2022, the fund aims to grow to a size of € 500 million and to achieve a dividend yield of 8% on the prevailing share price, and we are optimistic that in 2018 further steps towards achieving these objectives will be taken. We are specifically targetting the acquisition of shopping centers and office buildings with lot sizes of € 5 to € 15 million in regional centres."* said **Guy Barker, Managing Director of Arcona Capital**. *"For the coming year, the Managing Board foresees the potential for an expansion of the portfolio through acquisitions by approximately € 50 million."*

Further growth in the size of Arcona Property Fund is important for increasing the liquidity of the shares. Liquidity improved strongly in 2017, with the volume of shares traded on Euronext Amsterdam rising by 118% to 424,778. The discount between the share price and the net asset value of the fund narrowed during the year to 44% from 54%. In order to further increase the liquidity of the shares in 2018, the intention is to obtain a second stock exchange listing on the Prague Stock Exchange.

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**Note to editors:**

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

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