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## PRESS RELEASE

### Arcona Property Fund continues operational improvements through Q3 2016

**Arcona Property Fund N.V. (Property Fund) has completed a good third quarter. The occupancy rate of the property portfolio increased to 79.5% compared to the second quarter of 2016 (78.2%). The total gross rental income for the portfolio increased by 2.7% in the third quarter to EUR 1.56 million, up from EUR 1.51 million in the same period last year.**

The Fund's profit after tax slipped to EUR 172,000 in the third quarter (from EUR 223,000 in Q3 2015) due entirely to one-off costs from the rights issue. Excluding these one-off costs the net income increased by 41% to EUR 314,000.

Arcona Capital Fund Management BV, manager of the Property Fund, is pleased with these developments. In addition to the continuing improvement in the operating result, the recently finalized issue of EUR 12.1 million now provides room for further growth.

The acquisition of 11 retail sites in Poland (see earlier press releases) will be largely completed by the end of the year. This acquisition is the first step towards achievement of the Fund's ambition to grow to around EUR 500 million within three to five years..

Guy Barker, managing director of Arcona Capital, commented: *"Against the background of this steady improvement in the performance of the existing Czech and Slovak portfolios, we believe the Polish acquisition, with its strong diversification impact, makes the Property Fund a more attractive investment to institutional and international investors. We will now undertake a series of steps to raise the profile of the Fund with these investor groups, with the aim of increasing the liquidity of the stock and narrowing the discount to NAV represented by the current share price. In parallel, we are pursuing further acquisition opportunities, with an emphasis on off-market deals which can be funded by bond issuances and senior debt. We intend to maintain the trend of income distributions to shareholders we established 18 months ago."*

## END OF PRESS RELEASE

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

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