

## PRESS RELEASE

### Efficient property management, high occupancy rate in Appeninn's portfolio

*Consolidated revenue reached EUR 3.8 million and EBITDA EUR 2.3 million by the end of 2014 Q3*

**Budapest, 26 November 2014 - Consolidated rental revenue of Appeninn Holding, the real estate group listed among the premium equities of BSE, amounted to almost EUR 3.8 million by the third quarter of 2014. The company's EBITDA reached nearly EUR 2.3 million, and the profit after tax were EUR 718 thousand.**

The gross rental revenue of Appeninn Holding, the real estate group listed on the Budapest Stock Exchange, reached EUR 3.763 million by the third quarter of 2014. Costs related to real estate and asset leasing decreased by 6 percent year-over-year, adding up to a total of EUR 1.234 million. Thus, the company's net rental income amounted to EUR 2.528 million. The company's EBITDA reached EUR 2,3 million and its ratio improved further, closing in on 90 percent.

Operating profit of Appeninn were EUR 2.085 million at the end of Q3, exceeding last year's base level by 13 percent. Profit before tax of the holding amounted to EUR 897 thousand, while the company's profit after tax was EUR 718 thousand, which is equal to the profit attributable to owners.

„Steps taken in order to improve the profitability of the group - restructuring of debts, execution of an energy efficiency program – already resulted in the decrease of financial burden, the harmonisation of loan and revenue structure, and reduced level of maintenance costs of our properties. The group is constantly developing the structure of its existing portfolio in order to create a more efficient operation. The company is focusing on efficient facility management by embracing opportunities to sell minor elements of their portfolio in favourable conditions. The group plans to reinvest the money coming in from the sale of portfolio elements in the form of new acquisitions,“ Gabor Székely, CEO of Appeninn Plc, highlighted some of the main results of Q3,

Some single items influenced the company's profit before tax significantly. In the second quarter of 2014 the group seized a great opportunity to sell one of its property. Energy efficiency investments has been made in some of the office buildings, and one of the properties has been totally renewed, these projects effected profit via investment costs and book values. As a result of company loans restructured to euro base, interest expenses decreased by nearly 10 percent year-over-year.

The property rental income, accounting for more than 94 percent of the company's revenues, amounted to EUR 3.5 million euros in first nine months of 2014. The company operated its portfolio with a 95 percent occupancy rate, well over the market average of 83.1 percent.

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### Consolidated key data of Appeninn Plc. in accordance with IFRS, 2014 Q3 (data in EUR)

|                       | 2013 Q1-Q3 | 2014 Q1-Q3        |
|-----------------------|------------|-------------------|
| Gross rental revenue  | 3 997 321  | <b>3 763 023</b>  |
| Rent related expenses | -1 308 953 | <b>-1 234 805</b> |
| Net rental revenue    | 2 688 368  | <b>2 528 218</b>  |
| EBITDA                | 2 641 300  | <b>2 278 573</b>  |

|                     |           |                  |
|---------------------|-----------|------------------|
| Operating profit    | 1 836 484 | <b>2 084 740</b> |
| Profit before tax   | 1 820 471 | <b>896 747</b>   |
| Profit for the year | 1 688 441 | <b>718 255</b>   |

### **The Company**

The Appenninn Asset Management Holding Plc. was founded at the end of the year 2009 and by now one of the most dynamically developing real estate investment company of Hungary. The company focusing on the niche segments, where they can acquire low priced but high-yield producing assets which are medium and long-term sustainable with investment use. The target fields are the A and B category business centers and the industrial and logistic properties. The Appenninn's asset management competencies are useful in other market segments, like in the heavy vehicles field. The company is distinguished from the competitors by flexible attitude and the fast and effective decision-making, despite the size of the company. In addition, the capital market oriented model, which has practical value in the operation and financing also distinguish the Appenninn from the other rivals. The size of the aggregate area of real estate owned by the company in the capital and in the country of more than 63 thousand square meters.

The group's 2013 financial year with a turnover of EUR 5.4 million, EBITDA profit of EUR 3 million, EUR 1.5 million after-tax profit and total assets of EUR 75.5 million attributable to shareholders was closed.

The Company's shares are available on the Budapest Stock Exchange and on the Frankfurt Stock Exchange Premium class rotating floor of the members of the BUX basket BUMIX and regional CECE index.

[www.appenninn.hu](http://www.appenninn.hu)