



ARENATURIST d.d. za turizam i ugostiteljstvo
HR – 52100 PULA Smareglina ulica 3. pp 110
Telefon: CENTRALA 052/223-811 UPRAVA DRUŠTVA: 217-034, FAX 215-263
www.arenaturist.hr e-mail: uprava@arenaturist.hr

HRVATSKA AGENCIJA ZA NADZOR FINANCIJSKIH USLUGA
SEKTOR ZA TRŽIŠTE KAPITALA
Miramarska 24b
10000 Zagreb

ZAGREBAČKA BURZA d.d.
Ivana Lučića 2a
10000 Zagreb

ISIN: HRARNTRA0004
ARNT-R-A
Market: Zagreb Stock Exchange's Official market

Pula, 23 December 2016.

RE: Increase of the share capital of ARENATURIST d.d.

The Management Board of Arenaturist d.d. (the "Company") pursuant to the authorization from the Article 7 of the Companies' Articles of Association (the authorized share capital) adopted on 23 December 2016 the Decision on the increase of the share capital and issuance of ordinary shares against contributions in rights with a partial exclusion of the pre-emptive right of the existing shareholders when subscribing new shares (the "Decision").

The wording of the adopted Decision has been announced on the Zagreb Stock Exchange on 21 December 2016.

Pursuant to the Decision and in accordance with Article 324 section 2 of the Companies' Act and the provision of Article 7 section 3 of the Articles of Association of the Company, the pre-emptive right for the shareholders of the Company is partially excluded when subscribing the new shares which will be issued in the process of the corporate action of an increase of the share capital of the Company, in favour of the shareholder of the Company, the company Dvadeset Osam društvo s ograničenom odgovornošću za turizam, ugostiteljstvo i usluge, Zagreb, Radnička cesta 80 (Company No. (MBS): 080602969, PIN: 59259322415) (the "Investor"), a member of PPHE Hotel Group.

The Management Board approved Executive Director's Report on the grounds for a partial exclusion of the pre-emptive right when subscribing new shares (the "Report").

The wording of the approved Report has been announced on the Zagreb Stock Exchange on 21 December 2016.

Pursuant to the Decision the share capital of the Company is increased from the amount of HRK 43,650,000 by the amount of HRK 21,825,000.00 to the amount of HRK 65,475,000.00 with issuance of the New Shares, i.e. 1,091,250 new ordinary registered shares, each in the nominal value of HRK 20.00, in dematerialized form (the "New Shares"), against investment of rights in the Company ("Capital Contribution"), by the Investor, in the value of EUR 61,092,396.62 which pursuant to the middle rate of exchange of the Croatian National Bank on the date of convocation of the Management Board and adoption of the Decision equals HRK 460,005,525.00. The New Shares are subscribed and paid at the price of HRK 421.54 per New Share. From the amount of Capital Contribution, i.e. from the amount of HRK 460,005,525.00, the amount of HRK 21,825,000.00 will be allocated to the share capital of the Company, and the amount of HRK 438,180,525.00 will be allocated to the capital reserves of the Company.

The share capital of the Company is increased against payment of contribution in rights, more specifically, by transfer to the Company by the Investor ordinary shares of the company Sugarhill Investments B.V., a company founded and existing under the laws of the Netherlands, with its statutory seat at Claude Debussylaan 14, Vinoly Tower 5th Floor, 1082MD Amsterdam, registered with the Trade Register of the Dutch Chamber of Commerce under number 32083051, PIN: 55630861140 ("Sugarhill"), whose only holder is the Investor and which constitute and represent 88% of the share capital of the company Sugarhill. Sugarhill is the company with 7 owned or leased upscale hotels and one managed upscale hotel with a total of 1,295 bedrooms, these include properties in key tourist and business centres such as Berlin, Budapest, Cologne and Nuremberg.

Arenaturist has been granted with an option, during the 18 months period commencing as of the date of Decision, to acquire the remaining 12% of Sugarhill at the same price per share which was the bases for the valuation of Sugarhill for the Capital Contribution.

Following implementation of the Decision the Investor shall increase its interest in the Company from 65.63% to 77.08%.

The court registration of the Decision and the entry of New Shares in the depository kept by the Central Depository and Clearing Company Inc. is expected in January 2017.

The approval of the Management Board of Arenaturist was granted to the Executive Directors of Arenaturist to execute a loan agreement from a member of the Group in the amount of up to EUR 10 million to be applied towards partial payment of the purchase price for the two German hotels, art'otel cologne i art'otel berlin kudamm and to issue a counter-guarantee to PPHE Hotel Group.

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