

*Tatry mountain resort a.s. purchased the Tatranské lanové dráhy, a.s.*

Demänovská dolina, 22 October 2009

The company operating in the sphere of the mountain travel and tourism, the Tatry mountain resort a.s.(TMR) purchased the Tatranské lanové dráhy, a.s. company which runs the mountain resorts of the High Tatras - Tatranská Lomnica, Starý Smokovec and Liptovská Teplička. As the TMR Chair of the Board of Directors, Bohuš Hlavatý stated, the transaction was carried out on 19 October 2009.

In June 2009 the TMR company increased the stock capital with the goal of building up a strong company, resistant to market swings, interesting from the point of view of investing, and as an open company marketable at stock exchanges. Its activities should result in acquiring the first portfolio of mountain skiing resorts, hotels and real estate projects in the High and Low Tatras and in considerable increase in investments. "The act of incorporating the resorts run by the Tatranské lanové dráhy, a.s. represents an important step towards meeting our strategic goals", Hlavatý added.

Apart from the purchase cost of € 8.1 million, the TMR decreased the company's indebtedness by paying out the credits of € 19.2 million provided by the J&T bank which served as the basis for the idea of the union between the TLD company and the J&T. However, the real union has not been formed before the J&T's entering the TMR as a shareholder.

"The joint operational system will lead to creating a synergic effect, enhanced efficiency and the basis for targeted investments. We want to turn to investors both at home and abroad, and as the public company marketable at the Bratislava stock exchange we have considered within the medium-term perspectives placing our stock at some of the most important central European stock exchanges, thus acquiring more financial means for extensive investments" Hlavatý stated.

A plan has been prepared by the TMR of increasing the investments of the value of € 46 million mainly in the sphere of increasing the transportation capacity by building a 6-seater chair lift from Tatranská Lomnica to Štart; a cableway at Buková hora near the Grand Praha hotel; by replacing the cableway at the Lomnické sedlo; but predominantly by replacing the chair lift between Štart and Skalnaté Pleso by a modern, wind-resistant funitel system. The total transportation capacity at the resort of Tatranská Lomnica will thus increase to 14,000 persons/hour. Naturally, the investments in snow making systems, new pistes, car parks and customer services will not be neglected either.

According to the management declarations, by establishing this mountain resorts, hotels and developers' projects' company the owners and investors will be enabled to achieve higher assets assessment than is the value of individual portfolio subjects today.

"The origin of the TMR company was initiated as we are aware of the state tourism in the region, which has suffered from lack of investments for years, finds itself in. Our goal is to fill in the gap in the market which shows through the non-existent "domestic" investment opportunities in the sphere of tourism in the High and Low Tatras. The ownership of the assets will serve as a guarantee of retaining their value regardless of swings in economic conditions", Hlavatý added.

“Long-term profits and dividends will be brought in by the travel and tourism subjects that will become part of the first and subsequent phases of building up the TMR portfolio, whereas any new subject will be assessed by strict economic criteria.”, Hlavatý stated. Such subjects included in the portfolio will embrace the Grandhotel Praha Tatranská Lomnica or Grandhotel Starý Smokovec however, as has been advised by the company’s Chair of the Board of Directors, the TMR is interested in many more subjects of the kind.