

# CPI Group improves profit

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Net profit of the development group CPI improved from CZK 302.6 million in 2009 to CZK 1.11 billion in 2010. The group expanded its real estate portfolio and thereby increased the equity to almost CZK 40 billion. Operating profit (EBITDA) of the group amounted to CZK 1.62 billion. Income from renting properties has a significant share on this result. “The growth was mainly influenced by increases in revenues from rental housing portfolio and new acquisitions. The final phase of deregulation of state-controlled rent in several major cities allowed to increase rent, which had a significant impact on revenues of the housing division,” said CEO of CPI Group, Zdeněk Havelka. He added that new acquisitions include commercial property, which generates additional rental income. In 2010, CPI was among the major investors in commercial real estate in the Czech Republic, investing a total of around nine billion crowns in it. Roughly 4 billion crowns were directed into retail. CPI’s portfolio was also affected by purchasing offices - the headquarters of Nestlé group, administrative buildings Longin Business Center, or the headquarters of engineering firm Siemens in Prague. CPI Group acquired two office buildings along with the shopping centre IGY in České Budějovice. With 12,600 flats, CPI Group is the second biggest provider of rental housing in the Czech Republic. The company was founded in 1991 and it is controlled by the entrepreneur Radovan Vitek.

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