

## **Sale of Lots at Skalnaté pleso and Tatranská Lomnica**

### **DEMÄNOVSKÁ DOLINA (September 16, 2010) - Tatry mountain resorts a.s. reacts on statements regarding a sale of lots at Skalnaté pleso.**

Media presented news about a sale of lots in the High Tatras, which our company officially requested for from the national park- ŠL TANAP, which is responsible for managing the state property in the High Tatras. The sale of these lots is allowed based on Act 543/2002 as amended, because this act, according to Section 62, Paragraph 3, letter b, enables purchase of a land in the state's property in the 3rd, 4th, and 5th degree of environmental protection, and that through sale of lots with real estate and technological facilities, owned by legal or physical entities. Therefore, the statement, which appeared in some articles stating that the lots are not for sale, and that a zonation is needed for that to happen, is untrue.

Since TMR owns operational facilities and transportation facilities in Tatranská Lomnica, TMR offered to purchase the lots, as per the Act mentioned above. TMR invests large amounts in the High Tatras. Only this year these investments amounted to EUR 22 mil. and to EUR 70 mil. for the past four years.

Also, the information that the bid price is low is misleading. The price was determined based on an expert evaluation, which the seller- the state- obtained. Meanwhile, based on the request of the ministry of finance, a back-up expert evaluation was developed, which confirmed the price. The expert evaluation also includes lots directly under the buildings that are evaluated to be worth EUR 56 per m2. For example, the asking price for the land where KIA stands was in average EUR 5 per m2.

Our company is interested in a consolidated settlement of property rights in all our resorts, and therefore, we asked the ministry of agriculture two years ago to exchange the lots in the High and Low Tatras. Moreover, we offered lots above Starý Smokovec all the way to the top of Slavkovský peak, while this area includes valuable biotopes of a European significance. Also, beyond the exchange contract we committed to donate another 70 ha of land of the highest 5th degree of environmental protection to the Slovak republic, and a piece of land in the Low Tatras, where the expert value of our land exceeded the value of the land in the state's ownership by more than EUR 1 mil.

TMR, as an entity owned by thousands of shareholders- citizens of the Slovak republic, and as the biggest entity active in the tourism industry here, is a publicly traded company with a professional management. We do not want nor are we allowed to conduct an activity that is in conflict with the law of the SR. Every business step follows due diligence and research of related regulations. We believe it was a misunderstanding.

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**Tatry mountain resorts a.s.** is a major subject in the tourism industry in the Slovak Republic, which owns and operates attractive ski resorts and hotels in the Low and High Tatras. TMR owns resort Jasná Nízke Tatry and Grand Jasná hotel, Tri studničky and Ski Záhradky hotels. In the High Tatras TMR owns and operates resorts- Tatranská Lomnica, Starý Smokovec and Liptovská Teplička and hotels- Grandhotel Praha Tatranská Lomnica and Grandhotel Starý Smokovec. TMR already invested over EUR 45 million of capital expenditures and presently it has projects worth additional EUR 90 million in the pipeline. The projects are focused on increasing standards and the visit rate of our mountains in the following years.