

## **Statement by the Executive Board**

of

**IMMOFINANZ AG**

on the

**voluntary partial public takeover offer**  
(sections 4 et seq. of the Austrian Takeover Act)

by SOF-11 Starlight 10 EUR S.à r.l.

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## Introduction

SOF-11 Starlight 10 EUR S.à r.l. (hereafter also referred to as “**SOF-11**” or the “**Bidder**”) is a limited liability corporation (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg, whose registered office is located in Luxembourg having its business address at Eugène Ruppert 2-4, L-2453 Luxembourg, registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés de Luxembourg*) under registry number B 220972. According to the information provided in the Offer Document SOF-11 is an indirect, wholly owned subsidiary of SOF-11 International, SCSp, which is part of a collection of entities known as Starwood Global Opportunity Fund XI (“**SOF-XI**”). SOF-XI is controlled by affiliates of Starwood Capital Group (“**Starwood**”), a privately held global alternative investment company.

On 18 April 2018 the Bidder issued a voluntary partial public takeover offer in accordance with sections 4 et seq. of the ATA (“*Übernahmegesetz*”) (“**ATA**”) to the shareholders of IMMOFINANZ AG, whose registered office is located in Vienna and whose business address is Wienerbergstrasse 11, 1100 Vienna, FN 114425 y (hereafter also referred to as “**IMMOFINANZ**” or the “**Target Company**”) for the purchase of up to 56,042,635 bearer shares of IMMOFINANZ (ISIN AT0000809058) (the “**Offer**”). For this purpose, the Bidder published the Offer Document on 18 April 2018 (the “**Offer Document**”).

The Bidder’s Offer aims at the purchase of up to 5% of the total number of shares issued by IMMOFINANZ. These are currently 56,042,635 bearer shares (partial offer in accordance with sections 4 et seq. ATA). In relation to the share capital calculated in accordance with sec 22 (6) ATA, i.e. excluding the (suspended) voting rights attributable to treasury shares (as of 20 April 2018), the shares covered by the Offer represent approx. 5.02%. This fraction could increase following the repurchase of IMMOFINANZ shares (treasury shares) as part of the 01/2018 share buyback programme that is currently in progress (see point 1.3).

The Executive Board and the Supervisory Board of the Target Company proposed the resolution upon a share split (reverse stock split) in a ratio of 10:1 to the ordinary Shareholders’ Meeting on 11 May 2018. In case the Shareholders’ Meeting resolves upon the share split (reverse stock split) and the share split (reverse stock split) is effective prior to the Settlement as defined in the Offer Document, the number of Offer Shares will be 5,604,264 shares, representing 5% of the new total number of shares of IMMOFINANZ after the share split (reverse stock split).

IMMOFINANZ indirectly holds a participation of approx. 26% in CA Immobilien Anlagen AG (“**CAI**”) together with four registered shares issued by CAI, each carrying the right to appoint one member to the supervisory board of CAI (for the announcement of IMMOFINANZ on 19 April 2018 regarding the launch of a bidding process for the possible package sale of the investment in CAI see point 1.1). In parallel to this Offer the Bidder launched a public takeover offer for ordinary bearer shares in CAI for up to 26% of the issued share capital. According to the Offer Document, this Offer and the offer for shares in CAI are independent from each other.

This statement is made in accordance with sec 14 (1) of the ATA. This provision states that the Executive Board of the target is required to publish a statement on the Offer immediately after publication of the Offer Document, in any case within ten exchange trading days after publication of the Offer and five exchange trading days before the expiration of the acceptance period. This statement must include, in particular, an assessment of whether the consideration offered and the other terms of the Offer take

sufficient account of the interests of all shareholders and other holders of equity instruments and what effects the Offer would presumably have on IMMOFINANZ, above all on its employees (with regard to jobs, employment conditions, location issues), its creditors and the public interest based on the Bidder's strategic planning for IMMOFINANZ. If the Executive Board is unable to reach a final conclusion, it must at least present the arguments for accepting or rejecting the Offer together with an indication of the most important positions. The Executive Board of the Target Company has decided to issue a recommendation pursuant to 9.3.

The assessments of the Executive Board in this statement on the Offer Price or the development of IMMOFINANZ also refer to future developments and forecasts and are based on assumptions made at the time of this statement's submission, which are naturally connected with estimation uncertainty. No liability will be accepted for the occurrence of these future developments and forecasts. The development of IMMOFINANZ as well as its group companies can be influenced by diverse factors, such as developments in the financial market, the economic situation in general or industry-specific economic conditions, or changes in the competitive environment, etc. In connection with legal issues, it should be noted that the Austrian Takeover Commission and other decision-making bodies could reach different conclusions.

The Executive Board expressly notes that this statement also includes information provided by the Bidder in the Offer. The Executive Board was unable to and did not comprehensively verify this information for correctness.

Each holder of equity instruments of IMMOFINANZ should deal with the Offer him-/herself, using all sources of information at own risk to make a decision based on the grounds derived from this reasoning regarding the acceptance or dismissal of the Offer. This statement cannot provide a replacement.

The Supervisory Board of IMMOFINANZ will also issue a statement on the Offer in accordance with sec 14 ATA. IMMOFINANZ has appointed Deloitte Audit Wirtschaftsprüfungs GmbH as an expert in accordance with sec 13 ATA. The expert will evaluate the Offer, the present statement of the Executive Board of the Target Company and the statement of the Supervisory Board.

The present statement of the Executive Board, the statement of the Supervisory Board and the valuation by the expert, have been published on the website of the Target Company ([www.immofinanz.com](http://www.immofinanz.com)).

## **1. Current situation**

### **1.1 Information on IMMOFINANZ AG**

IMMOFINANZ is a stock corporation under Austrian law whose registered office is located in Vienna and whose business address is Wienerbergstrasse 11, 1100 Vienna. The company is listed in the commercial register under FN 114425 y.

IMMOFINANZ is a leading commercial real estate investor and developer in Central and Eastern Europe. The real estate portfolio currently comprises more than 239 properties with a carrying amount of approx. EUR 4.2 billion (as of 31 December 2017).

The core business of IMMOFINANZ covers sustainable management and development of office and retail properties in particular countries in Central and Eastern Europe. The seven core countries are Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland. In the office segment, IMMOFINANZ is concentrated solely on the capitals of the core countries and the major office locations in Germany by using the trademark myhive. The office portfolio represents 62.6% of the portfolio value or 52.8% of the rental income from the standing investments at the end of the 2017 financial year. In respect of its retail portfolio, IMMOFINANZ relies on its trademarks STOP SHOP and VIVO!, which have been designed for secondary and tertiary cities. The retail properties portfolio represents 33.6% of the total portfolio value and 47.0% of the rental income from the standing investments. The aim is to establish a high-quality and profitable commercial real estate portfolio.

IMMOFINANZ indirectly holds 25,690,163 bearer shares and four registered shares of CAI, each carrying the right to appoint one member to the supervisory board of CAI. The participation in CAI amounts to approx. 26% of the share capital issued by CAI. CAI holds an indirect 4.89% participation in IMMOFINANZ (see point 1.2)

On 19 April 2018 IMMOFINANZ announced that as part of the evaluation of strategic options in connection with the investment in CAI a possible package sale of this investment together with the four registered shares carrying the right to appoint members to the supervisory board is evaluated. For this purpose IMMOFINANZ invited investors to indicate their interest in participating in a structured bidding process for a package acquisition until 30 April 2018. Further information on the time schedule cannot be provided for now.

On 18 April 2018 IMMOFINANZ announced that IMMOFINANZ acquired a total of 19,499,437 bearer shares of S IMMO AG with share purchase agreements dated 18 April 2018 (corresponding to approx. 29.14%). The transaction is subject to various conditions precedent, in particular the approval of the antitrust authorities in Austria, Germany and other jurisdictions. S IMMO AG holds an indirect participation in IMMOFINANZ (see point 1.2).

## **1.2 Share capital, shares and shareholder structure of IMMOFINANZ**

The share capital of IMMOFINANZ, at the date of the publication of this statement, amounts to EUR 1,120,852,699.00 and is divided into 1,120,852,699 bearer shares, each of which represents a proportional share of EUR 1.00 in share capital.

IMMOFINANZ shares (ISIN AT0000809058) are admitted for trading on the Vienna Stock Exchange and are listed in the Prime Market segment. In addition, IMMOFINANZ shares are admitted for trading in the Main Market (“rynek podstawowy”) segment of the Warsaw Stock Exchange. The market capitalisation equals approx. EUR 2.38 billion (closing price of EUR 2.124 on the Vienna Stock Exchange on 26 April 2018).

The following table shows the shareholder structure of IMMOFINANZ based on the Offer Document, notifications of shareholdings pursuant to the Austrian Stock Exchange Act (“Börsegesetz”) as well as Directors’ dealings notifications at the date of publication of this statement:

Shareholder(s)	Number of shares	Stake in share capital in %
CEE Immobilien GmbH <sup>**)</sup>	118,938,695 <sup>**)</sup>	10.61 <sup>**)</sup>
Erste Asset Management GmbH	55,406,117	4.94
Fries Group <sup>*)</sup>	69,781,813	6.23
PHI Finanzbeteiligungs und Investment GmbH <sup>***)</sup>	54,805,566	4.89
Treasury shares (as of 20.04.2018)	5,200,000	0.46
Free float	816,720,508	72.87
Total	1,120,852,699	100.00

<sup>\*)</sup> FRIES Familien-Privatstiftung, Dr. Rudolf FRIES Familien-Privatstiftung and members of the Fries family (together the “Fries Group”).

<sup>\*\*)</sup> According to the voting rights notification dated 27 March 2018 CEE Immobilien GmbH, an indirect wholly subsidiary of S IMMO AG, holds 118,938,695 voting rights from ordinary shares (approx. 10.61%). CEE Immobilien GmbH holds in addition 14,944,894 financial and other instruments according to sec 131 para 1 item 1 Austrian Stock Exchange Act 2018 (approx. 1.33%). The percentage of allocable voting rights therefore amounts to approx. 11.94%.

<sup>\*\*\*)</sup> PHI Finanzbeteiligungs und Investment GmbH is an indirect wholly owned subsidiary of CAI (according to the voting rights notification dated 2 November 2017).

## 1.3 Treasury shares, share buyback programme 2018

### 1.3.1 Treasury shares

IMMOFINANZ held 5,200,000 treasury shares as of 20 April 2018. These 5,200,000 shares are held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ, and represent approx. 0.46% of IMMOFINANZ’s share capital.

### 1.3.2 Share buyback programme 1/2018

On 8 March 2018, the Executive Board and the Supervisory Board of IMMOFINANZ decided to launch a share buyback programme (“**Share buyback programme 1/2018**”) based on the authorisation of the ordinary Shareholders’ Meeting on 01 June 2017 pursuant to section 65 (1) no. 8 of the Austrian Stock Corporation Act (“Aktiengesetz”). The share buyback started on 14 March 2018.

The share buyback programme 1/2018 has a volume of up to 15,000,000 shares, which represent approx. 1.34% of the company’s current share capital.

The maximum price per share (highest price) equals (cumulatively) (i) 15% over the average closing price for the share weighted by the respective trading volume on the previous ten trading days on the Vienna Stock Exchange, and (ii) EUR 2.81.

A credit institution was commissioned to carry out this share buyback programme and, within the context of the terms of the share buyback programme, is independently responsible for all decisions related to the timing of the purchase of IMMOFINANZ shares (Article 3 Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016).

This share buyback programme of IMMOFINANZ shares is executed solely over the Vienna Stock Exchange in compliance with the commercial terms defined by Article 3 Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, according to which the price may neither exceed the price of the last independent trade, nor (if higher) exceed the highest current independent bid on the trading venues where the purchase is carried out.

A total of 5,200,000 shares were repurchased up to and including 20 April 2018. Announcements and details on the share buyback programme 1/2018, in particular executed transactions, will be published on the IMMOFINANZ website (<http://www.immofinanz.com/en/investor-relations/our-share/share-buyback-programme/>).

## 1.4 Other equity instruments: convertible bonds

IMMOFINANZ currently has the following convertible bond outstanding, which carries the right to the exchange for IMMOFINANZ bearer shares:

	ISIN	Maturity	Interest rate in %	Nominal value as of 30 September 2017 in EUR
Convertible bond 2017-2024	XS1551932046	24.01.2024	2.00%	297,200,000

<sup>1</sup> Put option for bondholders (put-date: 24.01.2022)

In accordance with sec 1 no. 4 ATA, convertible bonds are classified as equity instruments. The Offer is a partial offer as defined in sections 4 et seq. ATA. As a partial offer – in contrast to a mandatory offer or a voluntary offer to obtain control – the Offer is not required to apply to all equity instruments.

The Offer is not related to the IMMOFINANZ convertible bonds. However settlement shares (therefore shares the bondholders are entitled to receive upon the exercise of their conversion right) are subject to the Offer, provided that the settlement shares are issued in a timely manner before the expiry of the Acceptance Period.

## 1.5 The Bidder and legal entities acting in concert

### 1.5.1 SOF-11 Starlight 10 EUR S.à r.l.

The Bidder is a limited liability corporation (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg and was established as a Special Purpose Vehicle. The Bidder's share capital amounts to EUR 12,000.

The shareholder structure of the Bidder is enclosed in the Offer Document (on page 9). It includes several corporations in Luxembourg and USA (Delaware). Reference is made to the overview display in the Offer Document.

According to the Offer Document the Bidder's business purpose includes the holding of participations, in particular the acquisition, establishment and management of companies, participations and financial instruments.

### 1.5.2 Legal entities acting in concert with the Bidder

In accordance with sec 1 no. 6 ATA, natural persons or legal entities who cooperate with a bidder on the basis of an agreement to gain or exercise control over a target company, above all through the coordination of voting rights, are considered to be parties acting in concert. If a legal entity holds a direct or indirect controlling interest in one or more other legal entities as defined in sec 22 (2) and (3) ATA, the (refutable) assumption is that all of these parties are acting in a concerted manner.

According to the Offer Document the legal entities acting in concert in this meaning are all companies controlled by the Bidder, as well as the companies controlling the Bidder (see above point 1.5.1 on the company structure and the overview display in the Offer Document (page 9)). In this context the Bidder referred to sec 7 no. 12 ATA in the Offer Document, according to which specifications regarding the legal entities acting in concert could be omitted, if not relevant for the decision of the recipients of the Offer.

### 1.6 Shareholding of the Bidder and the legal entities acting in concert with the Bidder; possible further share purchases by the Bidder

According to the Offer Document the Bidder does not hold participations in IMMOFINANZ at the date of publication of the Offer Document. According to the Offer Document, neither the Bidder's management, nor the legal entities acting in concert with the Bidder, own equity instruments in the Target Company.

According to the Offer Document the Bidder has reserved the right to purchase IMMOFINANZ shares parallel to this Offer. The purchase price for additional acquisitions of shares shall be equal or lower than the Offer Price. The number of Offer Shares shall not be reduced by parallel acquisitions. These transactions must be reported to the Austrian Takeover Commission in accordance with sec 16 ATA.

## 2. Offer by SOF-11

### 2.1 Subject of the Offer

The Offer by the Bidder is directed to the purchase of about 5% of the total amount of shares issued by IMMOFINANZ. These are 56,042,635 bearer shares ("**Offer Shares**") that are neither owned by the Bidder nor by a party acting in concert with the Bidder or are allocable to these entities (partial offer according to sec 4 et seq. ATA).

The Executive Board and the Supervisory Board of the Target Company proposed the resolution upon a share split (reverse stock split) in a ratio of 10:1 to the ordinary Shareholders' Meeting on 11 May 2018. In case the Shareholders' Meeting resolves the share split (reverse stock split) and the share split (reverse stock split) is completed prior the Settlement as defined in the Offer Document, the number of Offer Shares will be 5,604,264 shares, representing 5% of the new total number of shares of IMMOFINANZ after the share split (reverse stock split).

The maximum number of Offer Shares represents 5.00% of the current share capital of IMMOFINANZ (excluding the (suspended) voting rights attributable to treasury shares as of 20 April 2018: approx. 5.02%).

Accordingly, the Offer does not cover all shares. It is a partial offer (sections 4 et seq. ATA).

If the number of shares covered by the declarations of acceptance is larger than the number of Offer Shares, the declarations of acceptance will be taken into account on a pro rata basis as defined in section 20 ATA. In this event, the acceptance of the Offer will be subject to an allocation ratio that is derived from the total number of Offer Shares divided by the total number of shares tendered in connection with the Offer. The declaration of acceptance by individual shareholders will be reduced in accordance with this allocation ratio. Consequently, the acceptance of the Offer does not guarantee complete fulfilment of the declaration of acceptance.

## **2.2 Offer price**

The Bidder is offering to acquire the Offer Shares from their holders for a price of EUR 2.10 (two comma ten Euros) per Offer Share ("**Offer Price**") based on the terms of this Offer.

The ordinary Shareholders' Meeting of the Target Company shall resolve upon a share split (reverse stock split). In case the share split (reverse stock split) becomes effective (registration in the Commercial Register) prior to the Settlement as defined in the Offer Document, the Offer Price amounts to EUR 21 (twenty one Euros) per Offer Share.

The Offer Price is considered to include the 2017 dividend (according to the Offer Document the Offer Price shall be reduced by the amount of any dividend declared by IMMOFINANZ between the announcement of the Offer and Settlement according to the Offer Document), provided that Settlement of the Offer occurs after the relevant record date for such dividend. The Offer Price covers any claim to a dividend for the 2017 financial year (1 January 2017 to 31 December 2017) of IMMOFINANZ.

Given the assumption that the conditions precedent of the Offer (see point 2.4) will be fulfilled until the expiration of the original Acceptance Period, the Settlement shall be accomplished by 14 June 2018 (point 2.5). The distribution of a dividend in the amount of EUR 0.07 per IMMOFINANZ share from the balance sheet profit for the financial year 2017 was proposed to the upcoming ordinary Shareholders' Meeting of the Target Company on 11 May 2018. The relevant date for the securities account balance to receive a dividend (Record Date) is 16 May 2018. If the Shareholders' Meeting resolves the dividend distribution, the Offer Price would be reduced by EUR 0.07 to EUR 2.03 per Offer Share.

The Offer represents a voluntary partial offer (sections 4 et seq. ATA). Therefore, the legal requirements regarding a minimum price, which are defined by § 26 of the ATA, do not apply. The Bidder is entitled to determine the Offer Price at its discretion.

The Offer by the Bidder does not expressly exclude any subsequent increase in the Offer Price. The Bidder is therefore entitled to improve the Offer Price and to adjust the Offer in favour of holders of equity instruments during the term of the Offer (sec 15 (1) ATA).

In the Offer Document the Bidder refers to the statutory obligation to additional payments pursuant to section 16 (7) ATA: If the Bidder or a party acting in concert with the Bidder acquire IMMOFINANZ shares within a period of 9 (nine) months after the expiry of the Acceptance Period, and a higher consideration is paid or negotiated for such acquisition, the Bidder is obliged to pay the difference.

## 2.3 Settlement fees and taxes

The Offer Price is understood before the deduction of any income taxes or other applicable taxes and duties.

According to the Offer Document the Bidder shall bear all fees and costs levied by the custodian banks that are directly connected with the Settlement of the Offer, but in a maximum amount of EUR 8.00 (eight Euros) per deposit.

The Bidder recommends in the Offer Document that shareholders of the Target Company willing to accept the Offer obtain an independent tax advice that considers individual tax circumstances with regard to possible tax impacts of an acceptance. This is in accordance with the recommendation of Executive Board of IMMOFINANZ.

## 2.4 Conditions precedent for the Offer

The Offer is issued subject to the following conditions precedent:

### 2.4.1 Merger control clearance

The Bidder's Offer is subject to the condition precedent of the clearance by the responsible competition authorities in Germany no later than 28 August 2018 (referred to as Long Stop Date in the Offer Document), or expiration of the statutory waiting period in Germany no later than by 28 August 2018, in which case the explicit approval of the competition authority responsible is no longer needed in order to conduct the transaction, or the competition authorities have declared that they are not responsible for the transaction.

### 2.4.2 No Material adverse change

None of the following events has occurred until the expiry of the Acceptance Period:

- a) IMMOFINANZ resolved on or distributed a dividend in kind;
- b) With the exception of shares issued by IMMOFINANZ to service the claims of holders of the convertible bonds, the registered share capital of IMMOFINANZ has been increased or the general meeting of IMMOFINANZ or the IMMOFINANZ management board or the IMMOFINANZ Supervisory Board has adopted any resolution that, if implemented, would result in an increase in the registered share capital of the Target Company excluding (i) a capital increase from own funds (conversion of profits, retained earnings or reserves into share capital (*sic*)) or (ii) authorization resolutions by the shareholders' meeting pursuant to sec 159 et seq. and 169 et seq. Stock Corporation Act (*Aktiengesetz*);
- c) The general meeting of IMMOFINANZ resolved on an amendment to the articles of association that would affect the rights attaching to the IMMOFINANZ shares or the nature (class) of the shares;
- d) The general meeting of IMMOFINANZ resolved on a liquidation, merger, split or spin-off.

For the sake of completeness the Executive Board states that the condition announced by the Bidder in the publication according to sec 5 ATA to be required for the fulfilment, that IMMOFINANZ must not dispose over the participation in CAI and/ or the four registered shares, which IMMOFINANZ holds in CAI, is no longer included in the Offer Document.

### **2.4.3 Waiver, fulfilment and/or non-fulfilment of conditions precedent**

The Bidder reserves the right to waive the fulfilment of any or all of the above-mentioned conditions precedent, in which case the condition(s) precedent is (are) considered to be fulfilled. The condition precedent mentioned under point 2.4.1 regarding merger control clearance cannot be waived.

The Bidder must immediately publish the waiver, fulfilment or conclusive non-fulfilment of each condition precedent in the publication medium referred to under point 6.10 of the Offer Document.

The Offer will become invalid if the above-mentioned conditions precedents are not fulfilled within the period specified for the respective condition precedent, unless the Bidder has waived the fulfilment of the conditions according to point 2.4.2 (No Material adverse change) and the condition precedent according to point 2.4.1 (merger control clearance) has been fulfilled.

### **2.5 Acceptance Period, acceptance and settlement of the Offer (“Settlement”)**

The acceptance period for the Offer covers a period of 6 (six) weeks. The Offer can be accepted from (and including) 18 April 2018 until (and including) 30 May 2018, 5.00 p.m. local time in Vienna (“**Acceptance Period**”). The Bidder has reserved the right to extent the Acceptance Period.

The Offer can only be accepted by means of a written declaration of acceptance submitted to the respective depository bank. Upon acceptance of the Offer a conditional sale and purchase agreement shall come into existence, which shall become effective upon fulfilment of the conditions precedent (point 2.4).

Shareholders who accept the Offer during the Acceptance Period will receive payment of the purchase price in accordance with the terms of the Offer Document no later than on the 10th (tenth) exchange trading day after the expiration of the (possibly extended) Acceptance Period and after the Offer becomes unconditionally binding against simultaneous transfer of the shares.

Assuming the fulfilment of the conditions precedent by the end of the original Acceptance Period, Settlement is expected to take place until 14 June 2018. Should the conditions precedent (point 2.4) not be fulfilled at the end of the Acceptance Period, the date of Settlement will shift accordingly and Settlement will take place no later than ten trading days after the last condition precedent will be fulfilled.

If a competing offer is received, the Acceptance Period will automatically be extended in accordance with sec 19 (1c) ATA up to the end of the acceptance period for the competing offer, unless the Bidder has declared the withdrawal from the respective Offer. The Executive Board points out that the Bidder has reserved the right to withdraw from the Offer in case of a competing offer (see point 2.7).

Further details can be found in Point 6 of the Offer Document.

## **2.6 Announcements and Publication of the Result**

The Bidder is obliged to publish the result of this Offer without undue delay after expiry of the Acceptance Period by way of an announcement in the newspaper Wiener Zeitung. The result will be published on the websites of the Target Company ([www.immofinanz.com](http://www.immofinanz.com)) and the Austrian Takeover Commission (*Übernahmekommission*) ([www.takeover.at](http://www.takeover.at)).

## **2.7 Right of withdrawal based on competing offer**

If a competing bid is announced during the term of the Offer, the shareholders are entitled under sec 17 ATA to withdraw from any previous declarations of acceptance until, at the latest, 4 (four) exchange trading days before the expiration of the original Acceptance Period (sec 19 (1) ATA).

The withdrawal must be made in writing to either the respective depositary bank or to the receiving and payment agent designated in the Offer.

In the Offer Document the Bidder explicitly reserves the right to withdraw from the Offer in accordance with sec 19 (1c) ATA, in case a competing offer has been issued by another bidder.

## **3. Evaluation of the Offer Price by the Executive Board**

The Offer Price amounts to EUR 2.10 per share (see point 2.2). The Offer constitutes a voluntary partial offer (sections 4 et seq. ATA). The Bidder may therefore determine the Offer Price at its discretion.

Shares in IMMOFINANZ are listed on the Vienna Stock Exchange and also on the main market (*rynek podstawowy*) of the Warsaw Stock Exchange. Each of the following quoted stock prices refers to Vienna Stock Exchange market prices.

On 22 March 2018 the Bidder announced the intention to make a voluntary partial public offer to the shareholders for the purchase of up to 55,831,570<sup>1</sup> shares of IMMOFINANZ at the price of EUR 2.10 (two comma ten Euros) per share. The day's closing price for IMMOFINANZ shares on 21 March 2018 was EUR 2.008 (trading day prior to the announcement of the intention to make an offer). The Offer Price of EUR 2.10 per share is approximately 4.6% above the closing price of the shares on 21 March 2018.

On 26 April 2018 the closing price was EUR 2.124. The Offer Price of EUR 2.10 per share is approximately 1.14% below the closing price on 26 April 2018.

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<sup>1</sup> According to the Offer Document dated 18 April 2018 the Offer aims at up to 56,042,635 bearer shares of IMMOFINANZ, which corresponds to approx. 5% of the total number of shares currently issued by the Target Company. The intention to make an offer according to the announcement dated 22 March 2018 (sec 5 ATA) (only) referred to 55,831,570 shares, which corresponded to approx. 5% of the total number of shares issued at that time (1,116,173,778 shares).

### 3.1 Offer Price in relation to average market prices

The Volume Weighted Average Price (“**VWAP**”) per IMMOFINANZ share in the three, six and twelve calendar months before it became known that an offer was under consideration, as well as the absolute and percentage amounts by which the Offer Price respectively exceeds these prices, amount up to and including the closing price as of 21 March 2018:

VWAP Period	3 Months	6 Months	12 Months
VWAP Value, in EUR	1.99	2.05	2.03
Difference between Offer Price and Average Price, in EUR	+0.11	+0.05	+0.07
Premium, in %	5.5%	2.4%	3.4%

Source: ThomsonReuters

### 3.2 Offer Price in relation to book value and EPRA NAV

	IMMOFINANZ equity book value as of 31.12.2017 according to IFRS consolidated financial statements	EPRA NAV as of 31.12.2017 according to IFRS consolidated financial statements
Value per IMMOFINANZ share, in EUR	2.53	2.86
Offer Price per IMMOFINANZ share, in EUR	2.10	2.10
Difference, in EUR	- 0.43	- 0.76
Premium/Discount	- 17.0%	- 26.6%

Note: Book value per share and EPRA NAV per share as of 31 December 2017.

### 3.3 Analyst views on IMMOFINANZ shares

The following table shows the price targets published by equity research analysts prior to the announcement by the Bidder of the intention to launch an offer, along with the most recently published price targets:

Financial Institution	Date	Price targets after announcement of the intention to make an offer, in EUR	Date	Price targets before announcement of the intention to make an offer, in EUR
Erste Group	20.04.2018	2.40	15.03.2018	2.40
Wood & Company	20.04.2018	2.15	02.03.2018	2.15
Société Generale	19.04.2018	2.30	08.03.2018	1.85
Kepler Cheuvreux	19.04.2018	2.60	28.02.2018	2.45
Baader Bank	05.04.2018	1.80	13.12.2017	1.80

Financial Institution	Date	Price targets after announcement of the intention to make an offer, in EUR	Date	Price targets before announcement of the intention to make an offer, in EUR
Raiffeisen Centrobank	05.04.2018	2.00	20.03.2018	2.00
Wiener Privatbank	n.a.	n.a.	12.02.2018	2.68
<b>Average</b>		<b>2.21</b>		<b>2.19</b>

Note: The overview contains price targets derived from security analyses, which have already been updated in 2018.

The Offer Price of EUR 2.10 is below the average of the respective target prices from the given equity research analysts at the time before as well as after the announcement of the intention to make an offer.

### 3.4 Offer Price in relation to selected European corporate transactions

When evaluating the Offer Price the Executive Board of the Target Company analysed premiums of public takeover transactions in the listed European real estate sector. These transactions are in general aimed at obtaining control and include a control premium. According to the assessment of the Executive Board, the Offer is not aimed at obtaining control, neither pursuant to the scope of the Offer nor to the announcement of the Bidder. For this reason, these transactions cannot, or only very partially, be used for a valuation of premiums for the Offer Price. Upon acquisition of a 5% shareholding in the Target Company, the Bidder nonetheless is able to influence resolutions in the Shareholders' Meetings of the Target Company depending on the quorum in the Shareholders' Meeting, which in turn would have to be considered as a structural premium for the Offer Price.

### 3.5 Valuation of IMMOFINANZ

In order to assess the financial appropriateness of the Offer Price, the IMMOFINANZ Executive Board has commissioned VICTORIAPARTNERS GmbH, Frankfurt ("VICTORIAPARTNERS"), a financial advisor specialising in the real estate sector and not affiliated to any bank, to advise IMMOFINANZ with respect to the analysis of the Offer and to support in the preparation of the statement of the Executive Board. This assignment also includes the issuance of an opinion on the financial appropriateness of the Offer Price.

Based on this VICTORIAPARTNERS has issued an opinion with respect to the valuation of IMMOFINANZ, based on conventional international valuation methodology commonly used by financial advisors in the valuation of comparable real estate companies. Taking into account the conditions of the Offer, the applied valuation methods consist of multiples derived from the trading share prices of comparable companies, analysis of premiums paid in public takeover transactions, estimates from equity research analysts as well as discounted cash flow analysis. In this opinion, VICTORIAPARTNERS concludes that, on the basis of and subject to the aspects mentioned and the assumptions made, the Offer Price of EUR 2.10 per IMMOFINANZ share is inappropriate from a financial point of view ("**Fairness Opinion**").

VICTORIAPARTNERS provided its services and issued the Fairness Opinion solely in order to provide information and support the Executive Board and the Supervisory Board of IMMOFINANZ in connection with the valuation of the Offer and the appropriateness of the Offer Price. The Fairness Opinion does not

provide a recommendation concerning the fact, whether a shareholder of IMMOFINANZ should submit shares in connection with the Offer or in other respects. The Fairness Opinion does in particular not resemble a value assessment, as it is typically issued by particular qualified auditors and credit and financial institutes according to the ATA or other applicable laws and is not to be considered as such.

## **4. Representation of the interests of IMMOFINANZ and its stakeholders**

### **4.1 Bidder's rationale for the Offer**

According to the Offer Document, the Bidder views the Offer as a possibility to be invested in the Austrian and CEE retail and office markets sector by means of a partial offer pursuant to sections 4 et seq. ATA.

The Bidder refers in the Offer Document to the global real estate focus of Starwood. Starwood is a private alternative investment firm that has consistently invested in Europe with approx. USD 3.8 billion of its equity capital since its foundation in 1991. According to the Offer Document, Starwood's portfolio of investments in Europe consists of investments across a range of sectors including office, retail, industrial, asset deals, operating businesses and debt and has reached a total capitalization of approx. USD 8 billion.

### **4.2 Business policy objectives and intentions of the Bidder with respect to IMMOFINANZ**

According to the Offer Document, the Bidder intends to acquire a minority stake in IMMOFINANZ within the scope of the Offer. Depending on the results of the Offer, Starwood does not exclude a further buy-in.

According to specifications of the Bidder Starwood considers itself as long-term investor of the Target Company that has both the financial capacity and the industry expertise to support the Target Company through the Bidder in realizing its long-term objectives and working together for the benefit of all stakeholders involved. According to the Offer Document Starwood offers its investment expertise in the industry sector and is committed to supporting the current management team through the next phase of growth of the Target Company.

The Offer Document does not contain a statement whether or not the Bidder intends to be represented in the Supervisory Board of IMMOFINANZ.

### **4.3 Effects on IMMOFINANZ and the shareholder structure**

In the event of a corresponding acceptance of the Offer, the Bidder would become a further package shareholder of IMMOFINANZ, holding approximately 5.00% of share capital.

### **4.4 Effects on employment and location considerations**

Also on the basis of the corporate policy objectives and the intentions of the Bidder declared in the Offer Document, there will not be effects of the Offer on the employment situation and the location of IMMOFINANZ.

## **4.5 Effect on creditors and on the public interest**

In the case of creditors, no worsening of the current position as a result of the Offer is evident.

On the basis of the existing Offer Document, there are also no identifiable changes that could affect the public interest.

## **4.6 Financing**

Pursuant to the Offer Document and the confirmation of the Bidder's expert (sec 9 ATA) the Bidder has the necessary financial means to completely fulfil the terms and obligations under the Offer.

## **5. Expert in accordance with sec 13 ATA**

IMMOFINANZ has appointed Deloitte Audit Wirtschaftsprüfungs GmbH, Rengasse1/Freyung, 1010 Vienna, Austria, as expert in accordance with sec 13 ATA, to act in an advisory capacity during the process and to review the statements of the managing bodies as independent expert.

## **6. Advisors to IMMOFINANZ**

IMMOFINANZ as Target Company is advised by VICTORIAPARTNERS GmbH, Frankfurt, in connection with the Offer.

The Austrian legal advisory services to IMMOFINANZ as Target Company are being provided by bpv Hügel Rechtsanwälte GmbH.

## **7. Additional Information**

Information about this Statement from the IMMOFINANZ Executive Board can be provided by Mrs. Bettina Schragl, Head of Corporate Communications and Investor Relations, telephone number +43 (0) 1 880 90 2290; email [investor@immofinanz.com](mailto:investor@immofinanz.com).

Further information about IMMOFINANZ can be found on the website [www.immofinanz.com](http://www.immofinanz.com).

## **8. Interests of the members of the IMMOFINANZ Executive Board**

No cross directorships exist between the members of the IMMOFINANZ Executive Board and the members of the management bodies of the Bidder (or with members of management bodies of parties acting in concert with the Bidder) at the present time.

No material commercial relationships exist between IMMOFINANZ and the Bidder.

For the purpose of providing detailed information to the shareholders of IMMOFINANZ the Executive Board discloses the current shareholdings of Executive Board members in IMMOFINANZ as follows:

Executive Board member	Number of shares	% of share capital
Mr. Oliver Schumy	362,000	0.032
Mr. Stefan Schönauer	50,000	0.004
Mr. Dietmar Reindl	25,150	0.002

The members of the Executive Board will not accept the Offer for their shares made by the Bidder.

The members of the Executive Board declare that they have not been offered or granted any economic benefit by the Bidder should the Offer be successfully executed. No member of the Executive Board has been offered or granted any economic benefit should the outcome of the Offer be unsuccessful.

## 9. Position of the Executive Board of IMMOFINANZ on the Offer

### 9.1 Evaluation of the Offer Price

As of 26 April 2018, the Offer Price of EUR 2.10 was slightly below the price of the IMMOFINANZ share (closing price of the share on the Vienna Stock Exchange on 26 April 2018: EUR 2.124).

The Offer Price is approx. 26.6% below the EPRA NAV per share (EUR 2.86 as of 31 December 2017). EPRA NAV is calculated in accordance with the principles defined by the European Public Real Estate Association (EPRA) and represents the net asset value of IMMOFINANZ as reported in the IMMOFINANZ company report as of 31 December 2017.

The long term restructuring phase of IMMOFINANZ has been successfully completed with the sale of the retail portfolio in Russia shortly before the end of the year 2017. When evaluating the Offer Price, the sustainably improving figures and the positive business outlook of IMMOFINANZ are to be considered. In this context, the Executive Board refers to the publication of IMMOFINANZ as of 4 April 2018 with regard to the group result for the financial year 2017.

In the opinion (Fairness Opinion) by VICTORIAPARTNERS (point 3.5), the Offer Price of EUR 2.10 per Offer Share is considered inappropriate from a financial point of view.

Based on this information, the Executive Board of IMMOFINANZ believes the Offer Price of EUR 2.10 (*cum dividend*) per Offer Share is inappropriate.

### 9.2 Risks related to the allotment limitation in the partial Offer

The Offer Price of EUR 2.10 is slightly lower than the average daily closing prices of EUR 2.11 for the IMMOFINANZ share on the Vienna Stock Exchange during the past week (19 April 2018 to 26 April 2018). The average daily turnover (single-count) of the share on the Vienna Stock Exchange during this period equalled 2,062,591 no-par shares.

The Offer is limited to a maximum of 56,042,635 shares, representing approx. 5.00% of IMMOFINANZ's current share capital. If the number of shares covered by the declarations of acceptance exceeds this limit, the declarations of acceptance will only be fulfilled on the basis of the allocation ratio.

A shareholder who accepts the Offer therefore carries the risk of being unable to sell all his/her shares at the Offer Price. In addition, all shares tendered in connection with the Offer will remain blocked up to the end of the Acceptance Period. That means the shareholder is not able to dispose over these shares during the Acceptance Period and, in particular, cannot sell these shares over the stock exchange during that time. In the opinion of the Executive Board, particular attention should be given to this fact since the share price is currently near the Offer Price.

### 9.3 Summarising assessment and recommendation by the Executive Board

It should be noted that each IMMOFINANZ shareholder must separately evaluate the merits of this Offer solely based on his/her individual situation (among others, depending on the purchase price, long- or short-term investment, investment strategy, tax situation etc.). This decision also depends to a significant degree on the individual shareholder's expectations for the future development of the capital markets and the real estate sector. The shareholders must therefore decide on their own whether to accept the Offer or not. It is essential for this decision in particular to assess the future development of the company value and also the price of the IMMOFINANZ shares. In order to consider developments that could occur after the issuance of this statement, it could be of advantage for each shareholder to make the decision concerning acceptance or dismissal of the Offer towards the expiry of the Acceptance period (in a timely manner) taking the applicable time-limits into account.

The statement required by the Executive Board in response to the Offer, must contain, in particular, an assessment of whether the consideration offered and the other terms of the Offer take adequate account of the interests of all shareholders. The statement must also include a conclusive recommendation by the Executive Board (sec 14 (1) ATA).

VICTORIAPARTNERS has issued a valuation of IMMOFINANZ on the basis of several financial analyses conducted in a manner considered to be adequate by VICTORIAPARTNERS due to previous practice and experience and performed on similar transactions on the capital market. On that basis VICTORIAPARTNERS has issued a Fairness Opinion on 23 April 2018. In this opinion, VICTORIAPARTNERS concludes that, on the basis of and subject to the aspects mentioned and the assumptions made, the Offer Price of EUR 2.10 (*cum dividend*) per IMMOFINANZ share payed in cash, which the IMMOFINANZ shareholders should receive in the course of the Offer, is inappropriate from a financial point of view at that time.

For the reasons indicated in this statement the Executive Board concludes that the Offer does not take adequate account of the interests of all IMMOFINANZ shareholders. In consideration of the current business activities and prospects for IMMOFINANZ as well as the Fairness Opinion issued by VICTORIAPARTNERS, the Executive Board of IMMOFINANZ has reached the conclusion that the Offer Price of EUR 2.10 (*cum dividend*) per Offer Share is inappropriate. Therefore, the Executive Board recommends that IMMOFINANZ shareholders do not accept the Offer.

Vienna, 26 April 2018

## **The Executive Board of IMMOFINANZ AG**

*Oliver Schumy*

*Stefan Schönauer*

*Dietmar Reindl*