

Ad-hoc announcement

Vienna, 1 September 2015

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IMMOFINANZ AG launches an incentivized exchange invitation to holders of the EUR 375 million Bonds exchangeable into BUWOG AG shares

IMMOFINANZ AG (the “Company” or “IMMOFINANZ”) announces the launch of an invitation (the “Offer”) to the holders (the “Bondholders”) of its EUR 375 million 1.50% senior unsecured exchangeable Bonds due 2019 (ISIN XS1108672988) (the “Bonds”) to exchange such Bonds into ordinary shares of BUWOG AG (the “Shares”) on the terms and subject to the conditions set forth in the incentive offer memorandum dated 1 September 2015 prepared by the Company (the “Incentive Offer Document”).

The Offer is intended to allow IMMOFINANZ to further optimize and simplify its capital structure, to reduce the overall amount of debt and to improve its financial results.

Pursuant to the Offer, Bondholders will have two options: receipt of a fixed cash consideration which equals the value of the Shares to which a Bondholder is entitled pursuant to the terms and conditions of the Bonds plus a premium (the “Cash Option”) or delivery of the number of Shares to which Bondholders are entitled plus a premium (the “Share Option”).

The Offer begins on 1 September 2015 and expires on 7 September 2015 at 5:00 p.m. CET (the “Expiry Date”), unless amended.

Bondholders who elect the Cash Option prior to the Expiry Date will receive a fixed cash payment equal to the sum of (i) the value of the Shares underlying their Bonds at the Shares’ closing price on 31 August 2015 (the “Share Reference Price”) (which equals EUR 116,020.91 per EUR 100,000 principal amount of Bonds) and (ii) a premium (the “Premium”) which shall, for Bondholders who elect the Cash Option prior to 3 September 2015 at 5:00 p.m., Vienna time (the “Early Bird Expiry Date”), equal EUR 7,507.94 per EUR 100,000 principal amount of Bonds or, for Bondholders who elect the Cash Option after the Early Bird Expiry Date but prior to the Expiry Date, equal EUR 6,507.94 per EUR 100,000 principal amount of Bonds. Therefore, the total fixed cash payment per EUR 100,000 principal amount of Bonds for Bondholders electing the Cash Option before the Early Bird Expiry Date will sum up to EUR 123,528.85.

Bondholders who elect the Share Option prior to the Expiry Date will receive (i) the number of Shares to which they are entitled pursuant to the terms and conditions of the Bonds, plus (ii) the Premium according to the same parameters as investors having selected the Cash Option.

IMMOFINANZ currently intends, subject to market conditions, to sell the Shares underlying the Bonds tendered pursuant to the Cash Option to institutional investors by way of an accelerated bookbuilding process (the "Equity Placing") to be settled by 17 September 2015. The gross proceeds from the sale of the Shares will not impact the cash amount received by Bondholders pursuant to the Offer.

Both the settlement of the cash portion of the Offer and the delivery of the Shares to Bondholders who elect the Share Option are expected to take place on or about 18 September 2015.

The settlement of the Offer is conditional upon (i) Bondholders representing 85% (the "Acceptance Threshold") of the aggregate nominal amount of the Bonds electing the Cash Option or the Share Option; and (ii) settlement of the Equity Placing on or before 17 September 2015. IMMOFINANZ has full discretion to agree on the terms of the Equity Placing. If the Equity Placing does not successfully settle on or before 17 September 2015, or if the Acceptance Threshold is not reached, the Offer will not settle. However, the Company reserves the right to accept all or no offers and to waive either or both of the conditions at its full discretion.

The Offer will not impact the rights of the Bondholders that do not submit their Bonds for acceptance in the Offer. The Company emphasises that if, following the Offer, 85% or more of the Bonds originally issued have been exchanged and/or cancelled, it has the right to redeem the Bonds that remain outstanding at their principal amount together with accrued interest, pursuant to the terms and conditions of the Bonds.

VICTORIAPARTNERS is acting as financial adviser to IMMOFINANZ. BofA Merrill Lynch and Morgan Stanley are acting as Joint Dealer Managers on the Offer and as Joint Global Coordinators and Joint Bookrunners on the Equity Placing.

For further information:

Bondholders may request a copy of the Incentive Offer Document by contacting the tender & information agent, BNP Paribas Securities Services, 33, rue de Gasperich Howald – Hesperange, L-2085, Luxembourg, attention: Corporate Trust Services, LU_BP2S_OFFER@bnpparibas.com; Tel: +352 2696 62301.

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This document has been prepared on the basis that there was no public offering in connection with this transaction nor will there be a public offering of the securities. No approved prospectus was or will be prepared in connection with this transaction. This announcement and any offer of securities if made subsequently in any Member State of the European Economic Area (each, a "**Relevant Member State**") which has implemented the Prospectus Directive (2003/71/EC), as

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Merrill Lynch International (“**BofA Merrill Lynch**”) and Morgan Stanley & Co. International plc (together, the “**Banks**”) are acting on behalf of the Company and no one else in connection with the securities referred to herein and will not be responsible to any other person for providing the protections afforded to their respective clients, or for providing advice in relation to such securities or any matters referred to in this announcement.

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This announcement may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the business, results of operations, financial position, liquidity, prospects, growth or strategies of the Company's. Forward-looking statements speak only as of the date they are made. Each of the Company and the Banks and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

For additional information please contact:

INVESTOR RELATIONS & MEDIA INQUIRIES

Bettina Schragl

Head of Corporate Communications and Investor Relations

IMMOFINANZ Group

T +43 (0)1 88 090 2290

M +43 (0)699 1685 7290

communications@immofinanz.com

investor@immofinanz.com