

## IMMOFINANZ: increase in net profit for Q1 2015/16, results of operations negatively affected by lower rental income in Moscow – successful placement of BUWOG share package

KEY FIGURES (in MEUR)	1 May 2015 - 31 July 2015	Δ in %	1 May 2014 - 31 July 2014
Rental income	91.4	-22.3%	117.6
Results of asset management	59.6	-37.5%	95.4
Results of property sales	1.0	-86.3%	7.3
Results of property development	-2.0	-3.8%	-2.0
Other operating expenses	-13.5	2.3%	-13.2
Results of operations	53.6	-41.0%	90.9
Other revaluation results	243.0	n.a.	-79.0
Operating profit (EBIT)	296.6	>100%	11.9
Net profit	126.2	n.a.	-6.0
Gross Cashflow	68.8	-14.9%	80.9

IMMOFINANZ generated net profit of EUR 126.2 million in the first quarter of the 2015/16 financial year (Q1 2014/15: EUR -6.0 million), whereby the increase was supported primarily by positive effects from property revaluation. Results of operations totalled EUR 53.6 million (Q1 2014/15: EUR 90.9 million) and resulted, above all, from a 22.3% decline in rental income to EUR 91.4 million (Q1 2014/15: EUR 117.6 million) that was caused by temporary rental reductions in Russia and the planned sale of properties.

“The development of business in the first quarter of 2015/16 reflected the year-on-year deterioration in the Russian economy in the form of rent reductions offered to our tenants”, commented Oliver Schumy, CEO of IMMOFINANZ. The company remains in close contact with the tenants in its Moscow shopping centers and continues to help with temporary reductions to offset the foreign exchange-based increase in rents. “These measures are intended to hold the occupancy and visitor frequency in our shopping centers at the highest possible level. We are reviewing these steps on a quarterly basis and will continue them as long as necessary”, explained the CEO.

Like-for-like rental income, excluding Moscow, remained generally stable compared with the fourth quarter of 2014/15. “We concluded numerous leases for office space with new major tenants in all of our core markets during the reporting period and see these successes as confirmation of our strong customer and market orientation. In the management of our standing investments, we want to further improve our operating performance, increase occupancy and optimise our offering”, added Schumy.

Positive effects from property valuation supported an increase in EBIT to EUR 296.6 million for the reporting period (Q1 2014/15: EUR 11.9 million). Revaluation results adjusted for foreign exchange effects amounted to EUR 54.3 million (Q1 2014/15: EUR -2.7 million). Of the total increase, EUR 55.0 million is attributable to positive valuation effects in the *GOODZONE* shopping center which followed the start of settlement for the investment agreement with the city of Moscow. The contract between

IMMOFINANZ and the city government was – as is common practice in Moscow – concluded before the start of construction on the shopping center. It gives the city rights to approx. 30% of the space in the shopping center, which must be settled after completion. The revaluation resulting from foreign exchange effects in the valuation of the Russian properties amounted to of EUR 187.4 million (Q1 2014/15: EUR -75.9 million).

Financial results amounted to EUR -109.6 million (Q1 2014/15: EUR -19.8 million) based on generally stable net financing costs (EUR -42.4 million versus EUR -41.6 million). The negative foreign exchange effects (EUR -94.1 versus EUR 17.1 million) resulted primarily from the Russian financings. Net profit rose to EUR 126.2 million (Q1 2014/15: EUR -6.0 million), which represents earnings per share (diluted) of EUR 0.12 (Q1 2014/15: EUR -0.01). NAV per share equalled EUR 4.30 (Q1 2014/15: EUR 4.19).

Cash and cash equivalents rose by EUR 102.1 million over the level on 30 April 2015 to EUR 492.8 million as of 31 July 2015. That represents EUR 0.5 per share (excluding treasury shares).

## Outlook

IMMOFINANZ has followed the BUWOG spin-off by successfully establishing a position as a commercial real estate company with a focus on Central and Eastern Europe. Activities in 2015/16 will focus on strengthening the standing investments through the further streamlining of the portfolio structure and value-creating growth.

In line with these objectives, the Executive Board and Supervisory Boards have approved the sale of the company's logistics portfolio at the beginning of August. Negotiations are currently in progress with potential buyers.

The company also intends to reduce its investment in BUWOG this financial year through the sale of shares. "With the repurchase of the exchangeable bond for BUWOG shares and the successful placement of 8.5 million BUWOG shares, we have marked a successful start in the implementation of this strategy. We are also maintaining full flexibility with regard to the sale of our remaining investment in BUWOG," indicated Oliver Schumy. "BUWOG's capital market profile will now be stronger with this higher free float component of roughly 60%."

The robust balance sheet and available liquidity form a solid foundation for the continued utilisation of suitable investment opportunities in the retail and office sectors. The opportunities can include the acquisition of standing investments as well as development projects with a focus on Austria, Germany and Poland. This growth is also intended to achieve a more balanced geographical distribution of the portfolio between Western and Eastern Europe.

Rents should remain generally stable on a like-for-like basis, with the exception of Russia. The forecasts for future economic developments in Russia are still connected with substantial uncertainty, and reliable estimates are therefore not possible. The temporary rental reductions and fixed exchange rates for the tenants in the Moscow shopping centers will be re-evaluated quarterly and continued if necessary.

Detailed information on the first quarter developments and further indicators are provided in the attached documents (see attached PDF).

The report by IMMOFINANZ AG on the first quarter of 2015/16 as of 31 July 2015 will be available on the company's website under <http://www.immofinanz.com/en/investor-relations/financial-reports> starting on 17 September 2015.

**On IMMOFINANZ**

*IMMOFINANZ is a commercial real estate company whose activities are currently focused on the retail, office and logistics segments of eight core markets in Europe: Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Moscow. The core business includes the management and development of properties. The company has a real estate portfolio of approx. EUR 6.6 billion that covers more than 440 properties. IMMOFINANZ is listed on the stock exchanges in Vienna (leading ATX index) and Warsaw. Further information under: <http://www.immofinanz.com>*

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