

IMMOFINANZ plans portfolio concentration on retail and office sectors – growth with focus on Germany, Austria and Poland

- **Plans approved for sale of logistics portfolio**
- **Sale of BUWOG investment in 2015/16**
- **Portfolio growth through acquisitions and project development**
- **Support for sustainable dividend policy**

Following the successful spin-off of BUWOG and the resulting reorientation of IMMOFINANZ as a pure commercial real estate company with a European focus, activities will now be concentrated on the further simplification and optimisation of the portfolio structure and on value-creating growth through acquisitions and project development to strengthen the standing investments and sustainable cash flow.

“We intend to concentrate the portfolio on our core retail and office sectors and further expand IMMOFINANZ’s competitive position in these areas“, explained IMMOFINANZ CEO Oliver Schumy. The Executive Board and Supervisory Board of IMMOFINANZ have therefore approved plans for the sale of the logistics portfolio with approx. 1 million sqm of rentable space. The sale process has already started. Logistics properties represent approx. 8% of the Group’s portfolio after the sale of City Box. “We are very pleased with the development of our logistics segment. However, our major competitors are nearly ten-times as large and this prevents us from gaining a leading position in our core region. The market is now seeing a strong shift in investors’ interest to logistics properties, a development that is also reflected in attractive price levels“, added the CEO.

After the planned sale of the logistics properties and the deduction of recent sales (the City Box self-storage chain in the Netherlands, residential properties and a hotel in Vienna), the structure of the IMMOFINANZ portfolio would be as follows: 48.8% Retail, 43.7% Office and 7.5% Other, whereby the sale of the non-core properties bundled in this last business area will be continued.

IMMOFINANZ also plans to divest its BUWOG shares, as previously announced. This should take place during the 2015/16 financial year.

Focus of investments

The liquid funds generated from the planned sales will be invested in acquisitions and the company’s own development projects in the retail and office asset classes. Austria, Germany and Poland will represent the geographic focal points for these efforts. “Growth will be directed towards improving sustainable profitability and creating a more balanced portfolio distribution between Western and Eastern Europe“, noted Schumy. At the present time, roughly 32% of the portfolio is located in Austria and Germany and 68% in Eastern Europe, including Moscow.

The geographic focus for the office segment will be placed exclusively on the capital cities in the core countries and on the “Big-7” cities in Germany (IMMOFINANZ currently covers Cologne and Düsseldorf). Expansion in the retail segment could include capital cities (prime shopping centers) as well as secondary and tertiary cities (VIVO! and STOP.SHOP.) with the goal to achieve the best possible coverage of the retail market in the individual core countries.

Activities will also include targeted measures for the standing investments, above all in the office segment, to maintain their high quality and improve occupancy and earnings. “With these measures, we not only want to approach new customers, but also remain an attractive partner for our current tenants. That is a very important competitive factor“, indicated Schumy.

Project development in 2015/16 will include, among others, the completion of the first phase of construction on the Gerling Quartier in Cologne, the first section of the Metrooffice complex in Bucharest and our VIVO! shopping center in the Polish city of Stalowa Wola. From the current point of view, the planned average investment volume is estimated at approx. EUR 300 million per year.

Dividend policy

The earnings situation in 2014/15 and the uncertainty connected with forecasts for economic developments in Russia are the reasons for the decision by the IMMOFINANZ Executive Board not to recommend a dividend for the 2014/15 financial year to the annual general meeting. However, IMMOFINANZ repurchased shares for approx. EUR 102 million, i.e. approx. EUR cents 10 per share, in connection with its 2014/15 and 2015 share buyback programmes.

The Executive Board is also planning measures to restore the company’s structural capability to pay dividends as quickly as possible and thereby support a sustainable dividend policy. Several options are currently being examined. The goal is to simplify the corporate structure, on the one hand, and to safeguard the generation of distributable balance sheet profit, on the other hand. A proposal covering the planned measures will be placed before the annual general meeting for voting. Since the necessary preparations are expected to take two to three months, the date for the 22nd annual general meeting of IMMOFINANZ AG will be postponed to 1 December 2015.

On IMMOFINANZ Group

IMMOFINANZ Group is a pure commercial property company with a focus on Europe. Since its founding in 1990, the company has developed a high-quality portfolio that now includes more than 470 properties with a carrying amount of approx. EUR 6.7 billion. IMMOFINANZ Group concentrates its activities in the retail, office and logistics segments of eight regional core markets: Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Russia. Its primary business covers the management and development of properties in these core markets. The goal is to create a diversified, risk-optimised and sustainable portfolio of standing investments. IMMOFINANZ AG is listed on the stock exchanges in Vienna (leading ATX index) and Warsaw. Further information under: <http://www.immofinanz.com> / <http://blog.immofinanz.com> / <http://properties.immofinanz.com>

For additional information please contact:

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