

Ad hoc-announcement

Vienna, 12 February 2014

**IMMOFINANZ subsidiary BUWOG acquires 18,000 apartments in Germany –
stock market listing of BUWOG via spin-off planned**

BUWOG, a wholly owned subsidiary of IMMOFINANZ Group, is going to acquire a residential property portfolio with approx. 18,000 units and 1.09 million sqm of lettable space in Northern Germany. The agreed purchase price for the portfolio amounts to roughly EUR 892 million (EUR 819,-/sqm). The gross yield equals 7.6% based on a vacancy rate of only 2.3%. The transaction will be executed through several share deals and is subject to customary closing conditions (e.g. approval of the antitrust authorities). The closing is expected to take place in the second quarter of 2014. The seller is Solaia RE, a joint venture between Prelios and an investment fund managed by Deutsche Asset & Wealth Management – Real Estate. BUWOG will also take over the residential asset and property management business of Prelios Deutschland with roughly 300 employees.

This transaction will increase the BUWOG portfolio to approx. 54,000 units. With this acquisition, BUWOG will reach its strategic goal to line up a portfolio of standing investments equally between the core markets of Austria (51% of the residential units) and Germany (49%).

The Executive Board and Supervisory Board of IMMOFINANZ AG have therefore approved a proposal that will be made to shareholders at an extraordinary general meeting, which calls for the spin-off of the wholly owned subsidiary BUWOG and the subsequent listing of BUWOG on the stock exchange. In connection with the spin-off, IMMOFINANZ shareholders will receive one BUWOG share for every 20 IMMOFINANZ shares, such that 51% of BUWOG will be owned by free float investors. This proposal to shareholders includes the admission of the BUWOG share for trading on the stock exchanges in Frankfurt (main listing), Vienna and Warsaw (in each case, the regulated market). After the spin-off IMMOFINANZ will hold a financial investment of 49% in BUWOG AG, which is expected to be reduced over the medium-term.

IMMOFINANZ AG will relinquish management control over the BUWOG Group with this transaction and, in this context, will conclude a de-domination agreement with BUWOG AG. This agreement requires IMMOFINANZ AG to observe certain restrictions in exercising its voting rights from the BUWOG shares.

The implementation of these plans is based on the assumption that the extraordinary general meeting of IMMOFINANZ AG, which is scheduled for 14 March 2014, will approve the spin-off by a three-fourths majority.

On IMMOFINANZ Group

IMMOFINANZ Group is one of the leading listed property companies in Europe. The company is included in the leading ATX index of the Vienna Stock Exchange and also trades on the Warsaw Stock Exchange. Since its founding in 1990, the company has compiled a high-quality property portfolio that now comprises more than 1,600 investment properties with a carrying amount of approx. EUR 10.1 billion. As a "real estate machine" the company concentrates on linking its three core business areas: the development of sustainable, specially designed prime properties in premium locations, the professional management of these properties and cycle-optimised sales. IMMOFINANZ Group concentrates its activities in the retail, office, logistics and residential segments of eight regional core markets: Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Russia. Further information under: <http://www.immofinanz.com> | <http://blog.immofinanz.com> | <http://properties.immofinanz.com>

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