IMMOFINANZ GROUP

Press Release | Corporate News **Vienna, 18 December 2013**

IMMOFINANZ Group increases net profit by more than 50% – five-year sales programme nearly completed

KEY FIGURES (in MEUR)	1 May 2013 - 31 October 2013	Δ in %	1 May 2012 - 31 October 2012
Rental income	**317.6**	**-2.8%**	**326.7**
Results of asset management	**260.8**	**-1.5%**	**264.7**
Results of property sales	**17.5**	**-4.3%**	**18.3**
Results of property development	**-1.4**	**n.a.**	**0.3**
Expenses not directly attributable	**-45.8**	**5.6%**	**-43.3**
Results of operations	**239.2**	**-5.4%**	**253.0**
Operating profit (EBIT)	**305.0**	**-7.1%**	**328.5**
Net profit	**159.9**	**53.1%**	**104.4**
Cash flow from operating activities	**184.7**	**11.8%**	**165.2**
Sustainable cash flow (FFO)	**139.8**	**-15.4%**	**165.3**

IMMOFINANZ increased its net profit in the first half of the 2013/14 financial year by more than 50%. Results of operations were down slightly due to extensive property sales.

Rental income was slightly lower year-on-year at EUR 317.6 million for the reporting period (H1 2012/13: EUR 326.7 million). The results of property sales reflected the previous year at EUR 17.5 million (EUR 18.3 million), and the results of property development totalled EUR -1.4 million (H1 2012/13: EUR 0.3 million). Property sales during the reporting year led to a 5.4% decline in the results of operations to EUR 239.2 million (H1 2012/13: EUR 253.0 million). Net profit rose by 53.1% to EUR 159.9 million due to positive effects from foreign currency translation and the valuation of derivatives.

"We can be more than pleased with the results to date of our sales programme. We sold properties with a combined value of EUR 2.375 billion between May 2010 and the end of October this year, roughly EUR 722 million alone in the first half of 2013/14. That means we have nearly completed our five-year programme after only three and a half years – just about EUR 125 million are needed to reach the EUR 2.5 billion target. Considering sales carried out in the last few weeks, we will reach our five-year target in the current financial year. Our real estate machine has reached the intended speed in the transaction area – faster than planned, and we intend to maintain this speed in the future", indicated Eduard Zehetner, CEO of IMMOFINANZ Group. "In the last few days we signed off on the sale of our 80% stake in the retail park Horn to a German institutional investor. The transaction was made above carrying value."

Cash flow from operating activities rose by 11.8% from EUR 165.2 million to EUR 184.7 million. The large number of property sales in recent months and the accompanying repayment of financing led to an increase in the equity ratio from 42.3% on 30 April 2013 to 44.0% and a reduction of EUR 538.0 million of the balance sheet's total liabilities as of 31 October 2013. Diluted net asset value (NAV) per share equalled EUR 5.48 as of 31 October

2013 and declined only slightly by EUR 0.03, or 0.6% per share, below the level on 30 April 2013 (EUR 5.51) despite the payment of a EUR 0.15 dividend per share at the beginning of October.

OUTLOOK:
The current growth and optimisation course will be continued during and after the current financial year. Activities will continue to focus on the reduction of operating costs after the successful restructuring of the BUWOG Group as well as cash flow generation. “Preparations for the separation of BUWOG over the capital market are now proceeding at full speed. With this division between the residential properties in Germany and Austria and our commercial real estate business and the therefore planned separation of BUWOG, we want to present IMMOFINANZ Group more focused. We currently cover different asset classes that are the focal point for different types of investors. Due to this diversification, these properties do not receive the market valuation they actually deserve“, added Zehetner. Plans call for the announcement of details during the first half of the calendar year 2014.

DEVELOPMENTS IN DETAIL:

Results of asset management
Rental income amounted to EUR 317.6 million for the first half of 2013/14. This represents a 2.8% decline in comparison with the previous year (EUR 326.7 million) and is attributable to properties sold during the reporting period. Results of asset management also declined as a result of the property sales, falling by a slight 1.5% below the comparable prior year level to EUR 260.8 million (H1 2012/13: EUR 264.7 million).

Results of property sales
Property sales, before foreign exchange effects, generated proceeds of EUR 17.5 million for the reporting period (H1 2012/13: EUR 18.3 million). As part of the portfolio optimisation, the Hilton Vienna Danube in Austria, the Silesia City Center in Poland, the Egerkingen logistics property in Switzerland and a number of smaller properties were sold during the first six months of 2013/14. The sale of the Silesia City Center for EUR 412 million to an international consortium of investors headed by Allianz represents one of the largest transactions on the East European real estate market in recent years. A major contribution to earnings was also made by the sale of properties in the BUWOG segment: among others, 48 properties in Upper Austria with 1,135 apartments and nearly 84,000 sqm of total space – representing most of the portfolio in this province – were sold. After the sale of the Vorarlberg portfolio and parts of the portfolio in Styria and Carinthia, this represents a further step by BUWOG in shifting the focus of its business to the core markets. The greater Vienna area represents the focal point for Austria, while the northern provinces and the capital city Berlin are the main focus of activities in Germany.

Results of property development
The sale of inventories and the valuation of active development projects generated results of EUR -12.7 million, before foreign exchange effects, during the reporting period (H1 2012/13: EUR -4.1 million). The negative result is attributable to the delays of the GOODZONE project. After taking currency effects into account, the income from property

development is EUR -1.4 million (H1 2012/13: EUR 0.3 million).

Administrative expenses

Administrative expenses that are not directly attributable (overhead costs and personnel expenses) rose from EUR -43.3 million in the first half of the previous year to EUR -45.8 million for the reporting period. This increase is attributed to the restructuring of BUWOG Group and to negative effects arising from the conclusion of legal proceedings concerning Aviso Zeta.

Results of operations, EBIT, EBT and net profit

Results of operations declined by 5.4% year-on-year to EUR 239.2 million due to the above-mentioned property sales (H1 2012/13: EUR 253.0 million).

Valuation results, adjusted for foreign exchange effects, were lower than the comparable prior year period at EUR -20.5 million for the first half of 2013/14 (H1 2012/13: EUR 25.2 million). This represents a fluctuation of 0.2% in the value of investment property totalling EUR 9,288.1 million. EBIT declined by 7.1% to EUR 305.0 million (H1 2012/13: EUR 328.5 million).

Financial results were substantially better in year-on–year comparison at EUR -102.5 million (EUR -205.5 million). This position includes non-cash foreign exchange accounting effects of EUR -11.9 million (H1 2012/13: EUR -58.0 million). Other financial results of EUR 29.8 million also contain, among others, positive effects from the non-cash valuation of derivatives that are held to hedge interest rate risk (H1 2012/13: EUR -32.5 million). Earnings before tax rose substantially from EUR 123.0 million in the first half of 2012/13 to EUR 202.6 million (+64.7%) for the reporting period.

The solid development of the operating business, taking into account property sales, positive effects from foreign currency translation and the valuation of derivatives led to a strong year-on-year increase of 53.1% in net profit from EUR 104.4 million to EUR 159.9 million.

Cash flow

Gross cash flow declined in year-on-year comparison to EUR 202.3 million (H1 2012/13: EUR 225.1 million). Sustainable cash flow* amounted to EUR 139.8 million (H1 2012/13: EUR 165.3 million), whereby the reduction is the result of property sales as well as higher tax expenses. Cash flow from operating activities rose by 11.8% from EUR 165.2 million to EUR 184.7 million, and cash flow from investing activities improved to EUR 384.8 million (H1 2012/13: EUR -99.8 million). Higher repayments of borrowings led to cash flow of EUR -671.1 million from financing activities (H1 2012/13: EUR 119.3 million). The large number of property sales in recent months and the accompanying repayment of financing led to an increase in the equity ratio from 42.3% on 30 April 2013 to 44.0% and a reduction of EUR

* *Sustainable cash flow: Gross cash flow (EUR 202.3 million [H1 2012/13: EUR 225.1 million]) + interest received on financial investments (EUR 6.9 million [H1 2012/13: EUR 7.2 million]) – interest paid (EUR 69.0 million [H1 2012/13: EUR 69.1 million]) – cash outflows for derivative transactions (EUR 17.9 million [H1 2012/13: EUR 16.2 million]) + results of property sales (EUR 17.5 million [H1 2012/13: EUR 18.3 million])*

538.0 million of the balance sheet's total liabilities as of 31 October 2013. The loan to value ratio (LTV) equalled 45.3% (net) after the deduction of cash and cash equivalents.

NAV per share and earnings per share

Diluted net asset value (NAV) per share equalled EUR 5.48 as of 31 October 2013 and declined only slightly by EUR 0.03, or 0.6% per share, below the level on 30 April 2013 (EUR 5.51) despite the payment of a EUR 0.15 dividend per share at the beginning of October.

Based on the share price as of 13 December 2013 (EUR 3.36), the IMMOFINANZ share traded at a discount of 38.7% to the diluted NAV per share price.

The current report on the first half-year 2013/14 will be available for download as of 19 December 2013 on our website (http://www.immofinanz.com) in the Investor Relations section under "Financial Reports".

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

For additional information please contact:

MEDIA INQUIRIES

Bettina Schragl
Head of Corporate Communications | Press Spokesperson
IMMOFINANZ Group
T +43 (0)1 88 090 2290
M +43 (0)699 1685 7290
communications@immofinanz.com

INVESTOR RELATIONS

Stefan Schönauer
Head of Corporate Finance & Investor Relations
IMMOFINANZ Group
T +43 (0)1 88 090 2312
M +43 (0)699 1685 7312
investor@immofinanz.com