

Press Release | Corporate News

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IMMOFINANZ Group subsidiary BUWOG sells residential portfolio in Carinthia to the ÖSW Group

BUWOG, a wholly owned subsidiary of the listed IMMOFINANZ AG, has successfully sold another major portfolio. In Carinthia, 35 properties with a total of 781 apartments were sold to the ÖSW Group, the largest private non-profit development company in Austria. Seven of these properties were owned directly by BUWOG and 28 by ESG, an affiliate managed by BUWOG. The transaction price exceeded the carrying amount.

“The sale of portfolios in Austria is generating the liquid funds required for our expansion on the promising German residential market, for example in Berlin. The profitable sale of part of our Carinthian properties represents a milestone toward an initial public offering by BUWOG and also confirms our conservative real estate valuation“, indicated Daniel Riedl, COO of IMMOFINANZ Group and Chairman of the BUWOG Supervisory Board.

The provincial capital of Klagenfurt represents the focal point of the sold portfolio with 515 apartments in 18 buildings. There are an additional 35 apartments in Villach as well as numerous other apartments in smaller buildings at other locations throughout Carinthia. The residential space in these properties totals approx. 59,000 sqm.

After the sale of the Vorarlberg portfolio and major parts of the portfolio in Styria to local investors, this transaction is a further step in BUWOG’s concentration on its core markets. The focus for the future market of Germany lies, above all, on the capital city Berlin, while activities in Austria are turning to the greater Vienna area. Further sales transactions by BUWOG in the other Austrian provinces should follow during the coming quarters.

“The residential property sector in Austria is currently an excellent seller’s market. The gradual shift in the portfolio to Germany will support an improvement in gross rental yields and clearer positioning in the ‘German Residential’ peer group“, explained BUWOG Managing Director Alexander Hoff.

IMMOFINANZ Group recently (as of 31 January 2013) recorded a yield of 7.5% on the German residential market and 4.8% in Austria. “With financing costs under 2%, a loan-to-value (LTV) ratio of approx. 50% and very long-term financing, BUWOG is very well positioned“, added Daniel Riedl.

ÖSW Management Board member Michael Pech, a native Carinthian, commented: “This acquisition is a positive step for us in that it will expand our portfolio in Carinthia. The ÖSW Group now manages over 6,300 apartments in Carinthia and almost 56,000 units in Austria.”

The sale of this residential property portfolio to the ÖSW Group is a win-win solution for BUWOG and for the Carinthian tenants. “For BUWOG, it is a further step on a course that will concentrate business activities on the core expertise in major cities. Tenants will benefit from the ÖSW Group and its long-standing activities in Carinthia. Together with the non-profit residential property construction companies Kärntner Siedlungswerk-KSW and Drau Wohnbau-DWB, the ÖSW Group is very familiar with processes and procedures in subsidised residential construction. Our former tenants will continue to have a competent and responsible owner as a partner“, explained Alexander Hoff.

On IMMOFINANZ Group

IMMOFINANZ Group is one of the leading listed property companies in Europe and is included in the leading ATX index of the Vienna Stock Exchange. Since its founding in 1990, the company has compiled a high-quality property portfolio that now comprises more than 1,810 investment properties with a carrying amount of approx. EUR 10.49 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. Active and decentralised asset management leads to an increase in rental income and the reduction of vacancies. The liquid funds generated by sales are reinvested in new development projects and, in this way, keep the machine running. The company’s goal is to generate greater profitability along the entire value chain with a clearly defined, standardised and industrialised process. 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: www.immofinanz.com

On BUWOG

The BUWOG Group, a subsidiary of the listed IMMOFINANZ AG, is the leading private residential property company in Austria with more than 32,000 rental and condominium apartments, including over 2,300 in Germany. With a new construction volume of 500 to 700 apartments each year in Vienna and Berlin, it is one of the most active residential property developers and builders in these two capital cities. Approx. 5,000 apartments in Vienna and Berlin are currently in the planning stage or under construction. Together with its facility management subsidiary BUWOG FM, the group manages 1,900 apartments, offices, retail and hotel properties with 3.8 million sqm of usable space - which also make BUWOG the leading private facility manager in Austria.

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