Press Release | Corporate News **Vienna, 20 March 2013**

IMMOFINANZ Group increases results of operations

KEY FIGURES (in MEUR)	**1 May 2012 - 31 January 2013**	**Δ in %**	**1 May 2011 - 31 January 2012**
Rental income	492.9	12.7%	437.3
Income from asset management	410.7	16.5%	352.6
Income from property sales*	62.8	51.1%	41.6
Income from property development *	3.0	-93.8%	48.2
Administrative expenses	106.3	3.9%	102.3
Results of operations	396.8	6.7%	372.0
Operating profit (EBIT)	444.7	-35.6%	690.9
Net profit	210.1	-22.0%	269.4
Net profit adjusted for currency effects and derivatives	162.1	-40.6%	272.9
Gross cash flow	315.3	8.9%	289.4

* before foreign exchange effects

IMMOFINANZ Group generated solid operating results in the first three quarters of the 2012/13 financial year. A comparison with the first three quarters of the previous year shows strong growth, above all through a significant 12.7% increase in rental income to EUR 492.9 million. A substantial improvement was also recorded in income from property sales before foreign exchange effects with a plus of 51.1% to EUR 62.8 million, which offset the year-on-year decline in income from property development. Operating earnings rose by 6.7% to EUR 396.8 million for the first three quarters of 2012/13 (Q1-3 2011/12: EUR 372.0 million). Net profit for the reporting period fell by 22.0% to EUR 210.1 million. After an adjustment for foreign exchange effects and derivatives, net profit was 40.6% lower at EUR 162.1 million. This decline is attributable to a significant year-on-year reduction in foreign exchange-adjusted revaluation results, which totalled EUR 24.7 million instead of EUR 160.8 million. Gross cash flow rose by 8.9% year-on-year to EUR 315.3 million.

“We continued our operating success series and can look back on the strongest quarter for rental income and income from property sales in this financial year. The portfolio’s ability to generate sustainable cash flows became stronger. In the development area we set a number of milestones and continued our expansion on the German residential market against the backdrop of a possible initial public offering by our BUWOG subsidiary. The non-cash revaluation of properties in the first three quarters was, as expected, lower than the previous year, but the many sales transactions confirm our conservative book values. In addition, our five-year sale programme is now substantially over target following the sale of the Swiss Grand Hotel“, says Eduard Zehetner, CEO of IMMOFINANZ Group. “For the fourth quarter, we are expecting further positive development in results of operations. Preparations are also underway for a second listing on the Warsaw Stock Exchange, which should increase the visibility and liquidity of the IMMOFINANZ share.“

Income from asset management
Rental income amounted to EUR 492.9 million for the first three quarters of 2012/13, which represents an increase of 12.7% over the comparable prior year period (EUR 437.3 million). This sound development was driven primarily by the retail segment, in particular through the acquisition of the second 50% stake in the *Golden Babylon Rostokino* shopping center. In comparison with the previous year, this asset class generated an increase of 32.5%, or EUR 51.0 million, in rental income to EUR 208.0 million. Rental income in the office and residential asset classes rose by 1.8% and 1.6%, respectively.

Income from asset management was 16.5% higher at EUR 410.7 million (Q1-3 2011/12: EUR 352.6 million), supported by the year-on-year increase in rental income and a slight decline in real estate expenses.

Income from property sales
Income of EUR 62.8 million, before foreign exchange effects, was recorded on the sale of properties during the reporting period (Q1-3 2011/12: EUR 41.6 million). Despite the generally low volume of transactions in Eastern Europe, IMMOFINANZ Group sold the *BB Centrum Building C* and *Diamont Point* office properties in the Czech Republic during the reporting period. The portfolio optimisation also led to the sale of the *Office Cube* and *Josefstädter Strasse 78* office buildings. Transactions in the logistics asset class covered three properties owned by the subsidiary Deutsche Lagerhaus as well as the *Nizza Quartier Saint Isidore*. A number of apartment buildings in Vienna were also sold during recent months, including the *Mariahilfer Strasse 53*. However, the largest contribution to earnings was made by the sale of 100% of the shares in the Swiss Les Bains de St. Moritz Holding AG, owner of the *Kempinski Grand Hotel des Bains*, after the reporting period. In accordance with IFRS, the revaluation gain on the sale of this investment was recognised as of 31 January 2013 and included in third quarter results, even though the cash inflows will only be received during the following quarter. The *Hotel Kempinski* was the most important property in the hotel asset class based on the carrying amount. IMMOFINANZ Group has also started the sale process for two recently renovated hotels, the *Hilton Danube* and the *Leonardo Vienna*, which represents the final step in the strategic exit from this asset class.

Income from property development
The sale of inventories and the valuation of active development projects generated income of EUR 3.0 million, before foreign exchange effects, during the reporting period (Q1-3 2011/12: EUR 48.2 million). The sale of BUWOG condominium apartments made the largest contribution to this income.

Administrative expenses
Administrative expenses (overhead costs and personnel expenses) rose slightly from EUR -102.3 million in the first three quarters of the prior year to EUR -106.3 for the reporting period. This shift resulted mainly from an increase in personnel expenses following the takeover of the Adama Group and additional hiring for development activities, above all in Germany.

Results of operations, EBIT, EBT, net profit

The strong rise in income from asset management and property sales offset the lower income from property development. This supported a 6.7% year-on-year increase in results of operations to EUR 396.8 million (Q1-3 2011/12: EUR 372.0 million). A decline in valuation results, including foreign exchange effects, from EUR 318.9 million in the comparable prior year period to EUR 47.9 million reduced operating profit (EBIT) to EUR 444.7 million (Q1-3 2011/12: EUR 690.9 million).

Financial results improved in year-on-year comparison, amounting to EUR -188.9 million for the reporting period (EUR -377.7 million). This position includes non-cash foreign exchange accounting effects of EUR -18.5 million (Q1-3 2011/12: EUR -166.2 million). Other financial results of EUR -22.7 million also include, among others, negative effects from the non-cash valuation of derivatives that are held to hedge interest rate risk (Q1-3 2011/12: EUR -75.8 million).

The substantial decline in positive foreign exchange effects (difference: EUR -11.4 million), lower income from property development before foreign exchange effects (difference: EUR -45.2 million) and a reduction in foreign exchange-adjusted revaluation results (difference: EUR -136.2 million) led to a year-on-year decline in net profit from EUR 269.4 million to EUR 210.1 million. Excluding the effects of foreign exchange rates and derivatives, net profit for the first three quarters of 2012/13 would have equalled EUR 162.1 million after EUR 272.9 million in Q1-3 2011/12 (higher revaluation results in the previous year).

Cash Flow and Outlook

Gross cash flow rose by 8.9% year-on-year to EUR 315.3 million. The cash flow from operating activities amounts to EUR 282.2 million (Q1-3 2011/12: EUR 304.4 million). The earnings component that had a substantial negative effect on profit for the reporting period – lower foreign exchange-adjusted revaluation results – is a non-cash item. Therefore, the sustainable cash flow generated by the IMMOFINANZ portfolio improved during the first three quarters of the 2012/13 financial year. Sustainable FFO (Funds from Operations) totalled EUR 253.0 million (previous year: EUR 216.0 million) for the reporting period. *)

IMMOFINANZ Group generated solid earnings and recorded a further improvement in results from operations during the first three quarters of 2012/13 in spite of the challenging economic environment. The current growth and optimisation course will be continued during and after the fourth quarter. Activities will also focus on the reduction of operating costs and cash flow generation. The BUWOG Group will be strengthened through further property acquisitions on the German market in preparation for a possible IPO and the positioning of IMMOFINANZ Group as one of the leading real estate companies in Europe and a specialist for retail and office properties will be improved with specially designed development activities.

NAV per share and earnings per share

Diluted net asset value (NAV) per share rose by 5.5% over the level at 30 April 2012 (EUR 5.33) to EUR 5.62 as of 31 January 2013. In addition, a dividend of EUR 0.15 per share was paid on 15 October 2012.

Based on the share price as of 19 March 2013 (EUR 3.163), the IMMOFINANZ share traded at a discount of 43.7% to the diluted NAV per share price.

The current report on the third quarter will be available for download as of 21 March under www.immofinanz.com in the Investor Relations section under "Financial Reports".

*) Sustainable FFO: Gross cash flow (EUR 315.3 million) + interest received on financial investments (EUR 14.4 million) – interest paid (EUR -116.1 million) – cash outflows from derivatives (EUR -23.5 million) + income from property sales (EUR 62.9 million)

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 increases rental income and, at the same time, reduces vacancies. The liquid funds generated by property 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

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