



# JOINT PARTIAL TENDER OFFER IMMOFINANZ

## FY 2014 PRELIMINARY RESULTS

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March 17, 2015



JOINT PARTIAL TENDER OFFER IMMOFINANZ

# Strategy

## Value-creating growth regains priority for CA Immo

Strategy 2012 - 2015

### Improved financial profile ✓

- Equity ratio increased from 30% to 53%
- Net LTV decreased from 58% to 39%
- Cost of debt >5% reduced to 4%
- Strong equity base underpins growth

### Enhanced portfolio focus ✓

- Enhanced portfolio focus on core offices
- Successful non-core sales (CEE logistics)
- Increased occupancy from 88% to 91%
- Higher earnings quality

### Improved platform efficiency ✓

- Administrative costs cut by 20%
- Streamlined corporate structure
- Reduced minority interests
- Lower complexities

Higher recurring earnings power

Mid-term dividend 2.5% of NAV

Strategy 2015 - 2017

### Conclude disposals of non-core assets

- Sale of non-strategic land plots in Germany
- Sale of non-office use assets and sub-scale assets in core markets
- Exit of non-core markets

### Replace non-strategic assets

- Development and transfer of core offices to the investment portfolio
- Buy-out of joint venture partners
- External growth

### Optimize financing structure

- Reduce average cost of debt <4%
- Restructure interest rate hedges
- Substitute expensive financings and further improve maturity profile

# Partial voluntary tender offer

## Key terms



### Offer terms

- Joint offer of CA Immo and O1 Group to acquire a long-term shareholding in Immofinanz.
- The bidders will finance the offer independently.
- The offer aims at acquiring of up to **150,893,280** no-par value bearer shares in Immofinanz (corresponds to approx. 13.5% of the total issued shares (including treasury shares) or approx. **15.0%** of the outstanding shares (excluding treasury shares held by Immofinanz).
- Shareholders in Immofinanz are offered a price of **EUR 2.80 per share** by the bidders.
- The **acceptance period** for the offer is expected to start in **March 2015** and last around **three weeks**.

### Shareholding

- CA Immo and the parties acting in concert with it control a total of **32,987,566 bearer shares** in Immofinanz (correspond to approx. 3.0% of the total issued shares or approx. **3.3%** of the outstanding shares excluding treasury shares).
- In the event the offer will be accepted up to its **maximum amount**, the bidders' stake in Immofinanz would increase to **183,880,846** bearer shares (representing approx. 16.5% of the total issued shares or approx. **18.3%** of the outstanding shares excluding treasury shares).

### Timeline

- All documents related to this voluntary partial offer are subject to prior clearance by the Austrian Takeover Commission and are expected to be published in **March 2015** on the bidders' websites ([www.caimmo.com](http://www.caimmo.com) and [www.o1group.ru/en](http://www.o1group.ru/en)) or on the website of the Austrian Takeover Commission ([www.takeover.at](http://www.takeover.at)).

# Partial voluntary tender offer

## Strategic rationale and objectives



### Key objectives

- Acquisition of a substantial **minority stake**
- **Support the Immofinanz management** in the consistent strategic realignment aimed at sharpening the group's **strategic focus**
- **Representation on the supervisory board** of the company
- **No plan for full takeover**

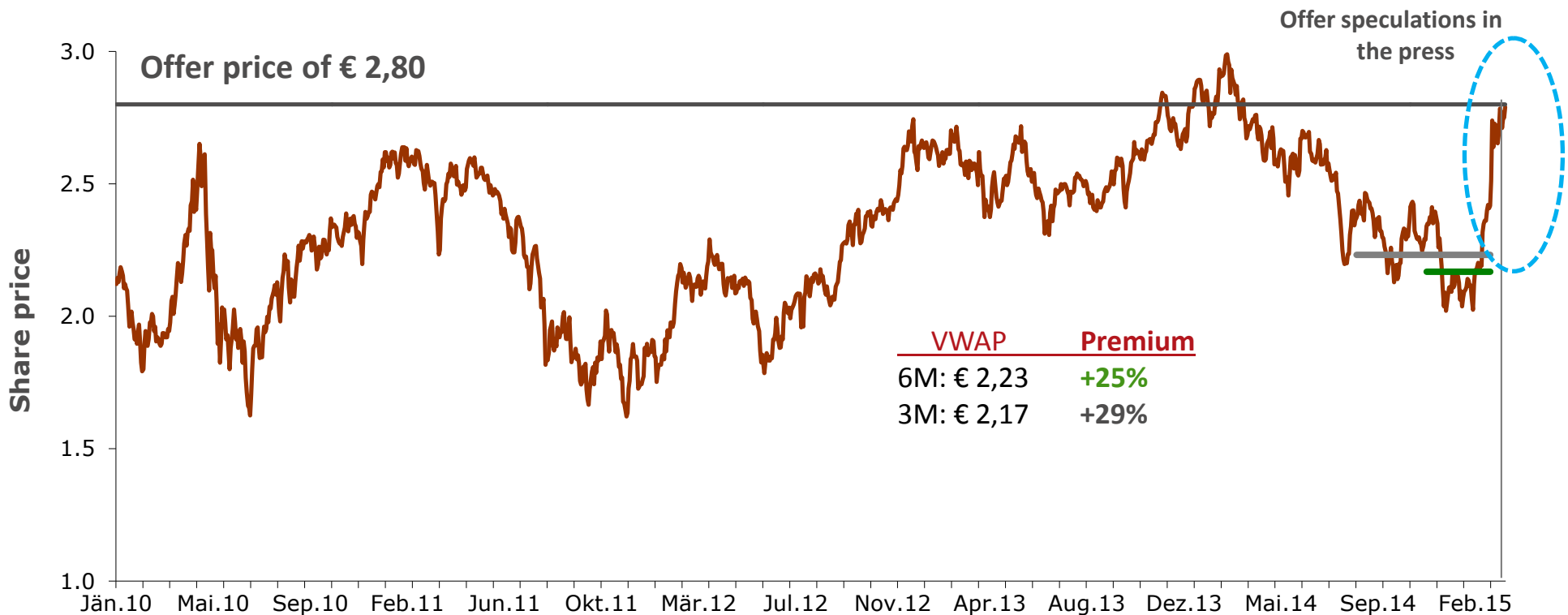
### Deal rationale

- Competitive property investment markets make value-accretive **acquisition of individual property assets challenging**
- **CA Immo:** financial investment which offers strategic options and an opportunity to unlock value in the longer term
- **O1 Group:** continuation of strategy to diversify and expand into Central and Eastern Europe
- The bidders have comprehensive **industry expertise** as well as a **deep understanding of the local markets** and segments in which Immofinanz operates

# Partial voluntary tender offer

Offer price reflects attractive premium over price prior to press rumours

## Immofinanz share price over last 5 years



- Immofinanz share was trading only temporarily above current market level before Buwog spin off
- Offer price reflects clear premium to the average price prior press speculations regarding an offer

# Partial voluntary tender offer



Immofinanz share price vs. USD/RUB: no fundamental improvement



# Partial voluntary tender offer

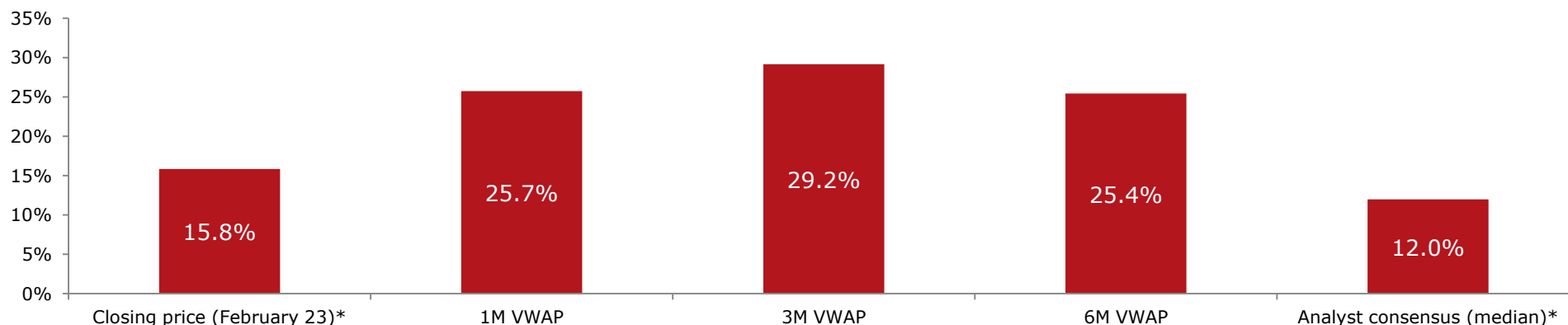
## Attractive premium to Immofinanz shareholders

Bloomberg	02/23/2015*		
Analyst	Date	TP	Rec.
HSBC	02/19/15	2.30	Underweight
AlphaValue	02/16/15	3.32	Buy
Kepler Cheuvreux	01/30/15	2.75	Buy
Société Générale	01/28/15	2.70	Buy
Barclays	01/27/15	2.39	Equalweight
Erste Group	01/21/15	2.50	Buy
Raiffeisen Centrobank	01/15/15	2.10	Hold
<b>Average</b>		<b>2.58</b>	
<b>Median</b>		<b>2.50</b>	

### ATTRACTIVE OFFER

- **Attractive offer price** premium to closing price prior to press speculations regarding an offer on February 24 (€ 2.417) and on volume weighted average prices (VWAP)
- Offer price reflects **premium of 12% to median target price** of analysts based on reports published prior to February 24, 2015
- Offer price reflects a **29% discount to the diluted book value (IFRS) per share of € 3.96**. Immofinanz reported an undiluted book value per share of € 4.11 as at 30 April 2014 (half year results 2014/2015) ⇒ convertible bonds 2011-2018 currently in the money (based on a Buwog share price of € 19.30 the strike price relating to the Immofinanz share is € 2.55) ⇒ **expected impairments of the Russian portfolio not yet factored in**

### Offer price premium over reference values (EUR)







FY 2014 PRELIMINARY RESULTS

# Preliminary balance sheet

## Solid equity ratio at 53%



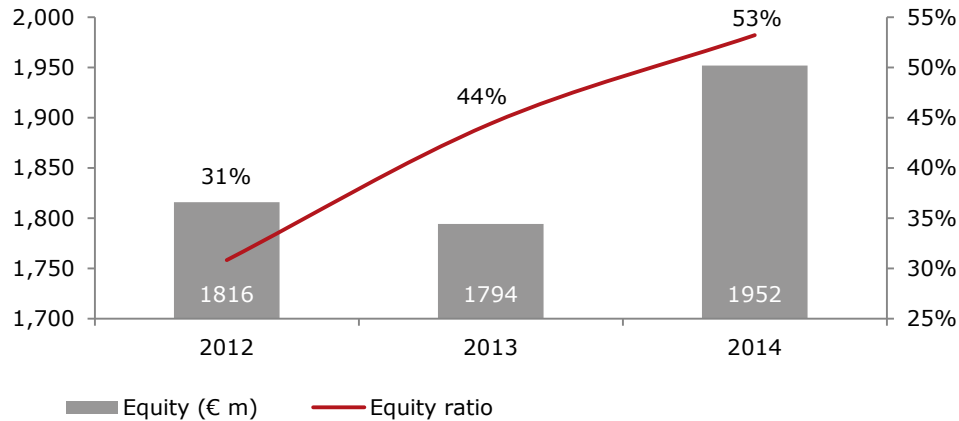
€ m	31.12.2014	31.12.2013	+/-	FY comments
Investment properties	2.092,9	2,139.6	-2.2%	Excl. properties held at equity (EBRD JV, Union JV, Tower 185 stake)
Properties under development	496.3	400.1	24.0%	Increase driven by development progress of active projects
Hotel and own-used properties	7.5	32.8	-77.0%	
Other long-term assets	17.3	60.5	-71.5%	
Investments in joint ventures	206.1	219.2	-6.0%	Net assets of investments in joint ventures*
Financial assets	385.4	299.7	28.6%	Loans to JV/associates and other investments
Deferred tax assets	4.3	4.3	0.0%	
Properties held for sale	91.5	114.5	-20.1%	
Properties held for trading	18.4	20.6	-10.3%	
Cash and cash equivalents	163.6	613.4	-73.3%	Excluding cash proceeds from CEE logistics disposal (> € 100 m)
Other short-term assets	187.6	136.0	37.9%	Receivables and other assets
<b>Total assets</b>	<b>3,670.9</b>	<b>4,040.6</b>	<b>-9.1%</b>	
<b>Shareholders' equity</b>	<b>1,951.7</b>	<b>1,794.3</b>	<b>8.8%</b>	No more minority interests in shareholders' equity
<b>Equity ratio</b>	<b>53.2%</b>	<b>44.4%</b>	<b>19.8%</b>	
Long-term financial liabilities	1,026.6	1,102.1	-6.9%	
Other long-term liabilities	170.1	211.9	-19.7%	Provisions, liabilities against authorities, JV partner and other
Short-term financial liabilities	202.5	140.3	-66.7%	
Other short-term liabilities	174.0	608.8	-66.7%	Provisions and tax liabilities
Deferred tax liabilities	146.0	140.3	4.1%	
<b>Liabilities + Equity</b>	<b>3,670.9</b>	<b>4,040.6</b>	<b>-9.1%</b>	

\* Assets and liabilities of the joint ventures are no longer shown in the single items of the consolidated balance sheet

# Balance sheet metrics

## Further enhancement of solid balance sheet and financing structure

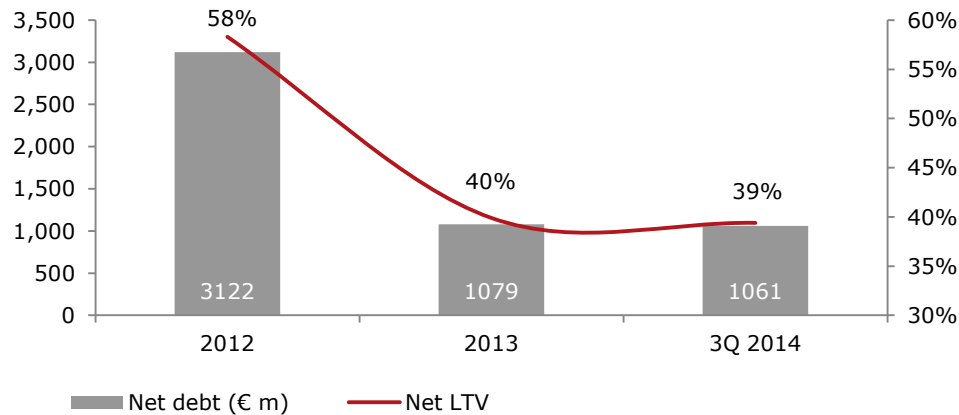
Equity ratio



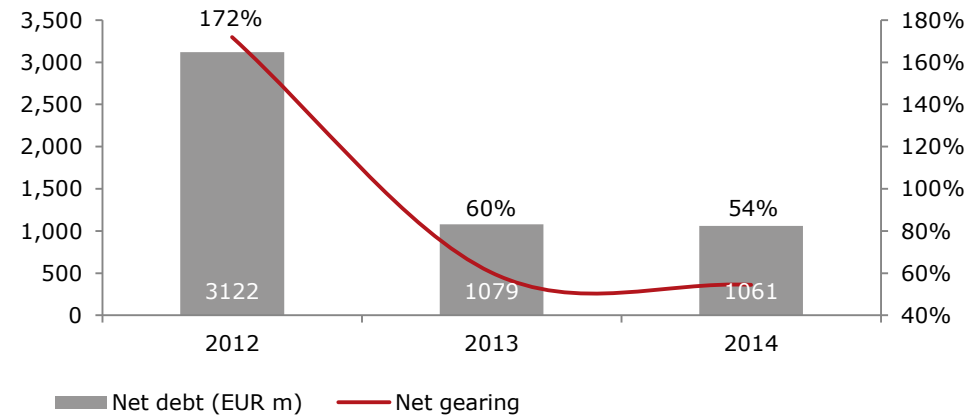
### SOLID FINANCIAL PROFILE

- **Strong equity ratio of 53%** above target corridor (45-50%) supports growth strategy
- **Net LTV below 40%** reflects conservative financing structure
- **Cash position** at year-end (€ 163.6 m) significantly topped up in 1Q 15
  - Closing of CEE logistics sale in January 2015 (> + € 100 m)
  - Bond issue in February 2015 (+ € 175 m)

Loan-to-value (LTV)



Gearing



# Preliminary profit and loss

FY 2014 concluded with strong quarterly result

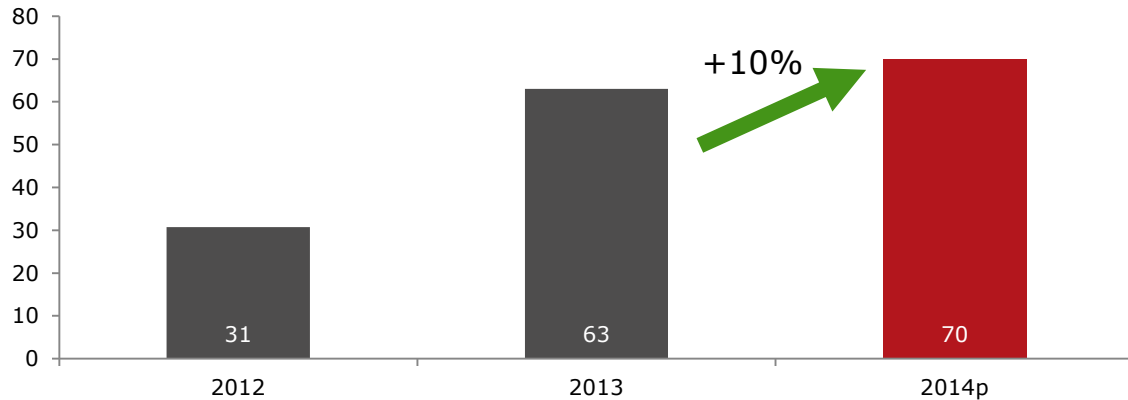


€ m	FY 14	FY 13	yoy	4Q 14	4Q 13	yoy	4Q 14 comments
Rental income	145.2	194.9	-25.5%	35.8	46.9	-23.6%	Decline results from high property disposal volume in 2013
<b>Net rental income (NRI)</b>	<b>128.8</b>	<b>172.4</b>	<b>-25.3%</b>	<b>32.4</b>	<b>39.1</b>	<b>-17.1%</b>	
Result from hotel operations	1.8	1.5	15.8%	0.5	0.3	61.0%	
Other development expenses	-3.2	-2.8	14.1%	-0.3	-0.4	-29.5%	
Result from property sales	8.7	9.9	-12.2%	10.2	8.7	16.9%	
Income from services	16.0	14.0	14.2%	4.7	5.5	-13.8%	
Indirect expenses	-44.4	-40.7	9.0%	-15.0	-9.9	51.9%	Contains expenditure counterbalancing income from services
Other operating income	11.5	3.0	278.4%	0.2	2.3	-91.3%	
<b>EBITDA</b>	<b>149.1</b>	<b>216.0</b>	<b>-31.0%</b>	<b>52.7</b>	<b>93.3</b>	<b>-43.5%</b>	
Depreciation and impairments	-10.1	-5.5	83.6%	-6.9	-2.2	222.8%	
Result from revaluation	-4.2	6.8	n.m.	-6.7	-37.8	-82.3%	
Result from investments in JV	8.2	26.3	-69.0%	7.1	17.7	-60.0%	
<b>EBIT</b>	<b>142.9</b>	<b>243.6</b>	<b>-41.3%</b>	<b>46.2</b>	<b>71.0</b>	<b>-35.0%</b>	
Financing costs	-81.8	-118.9	-31.2%	-18.7	-29.7	-37.2%	Significant reduction in line with previous quarters
Result from derivatives	-13.3	-32.8	-59.6%	-0.8	2.2	n.m.	
Result from fin. investments	47.4	12.0	295.3%	12.9	4.6	179.1%	Increase due to accumulated interest on repurchased JV loans
Other financial result	-10.7	-0.3	n.m.	0.2	-1.6	-114.5%	
<b>Earnings before tax (EBT)</b>	<b>84.6</b>	<b>103.7</b>	<b>-18.5%</b>	<b>39.9</b>	<b>46.5</b>	<b>-14.1%</b>	
Income tax	-13.8	-27.9	-50.6%	-4.1	-9.8	-57.8%	
<b>Net profit</b>	<b>70.8</b>	<b>75.8</b>	<b>-6.6%</b>	<b>35.8</b>	<b>36.7</b>	<b>-2.5%</b>	
Earnings per share (basic)	0.76	0.86	-11.6%	0.39	0.42	-7.1%	
Earnings per share (diluted)	0.76	0.82	-7.3%	0.39	0.38	2.6%	

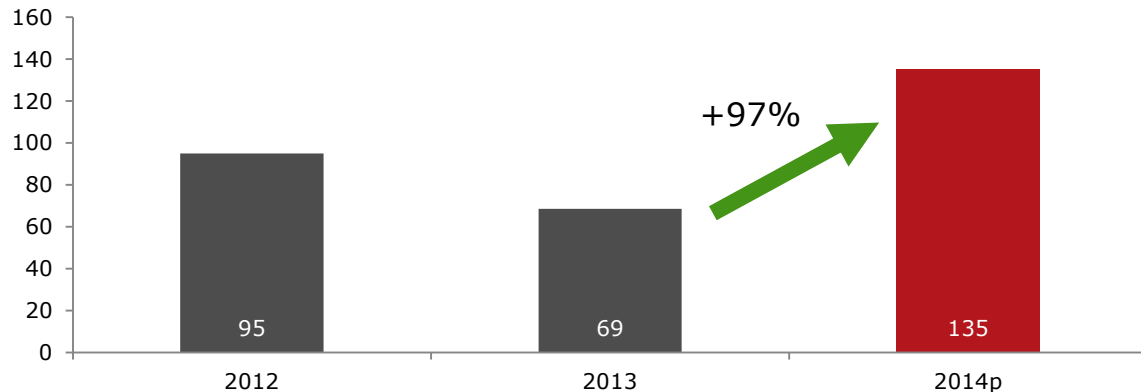
# Funds from operations (FFO)

Operational earnings power on record level, dividend increase


FFO I (€ m)



FFO II (€ m)



## STRONG OPERATIONAL RESULT

- **Improved recurring earnings power** despite extensive property sales in 2013 and corresponding rental revenue decline in 2014
  - **FFO I** increase by 10% yoy and **well above the 2014 target** of € 63 m (+11% yoy)
  - Significantly reduced **financing expenses** (-31% yoy) major recurring earnings driver in 2014
  - **Portfolio occupancy** increased to 91% (2013: 88%)
  - **FFO II** almost doubled on the previous year's value to € 135.1 m (+96.9% yoy)
  - **FFO II** result translates into a return on average equity of **7.2%** in 2014
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- **Dividend increase to 45 cent per share (2013: 40 cent per share) will be proposed to the AGM**

# Funds from operations (FFO)

FFO I beats FY 14 guidance of € 63 m by 11%

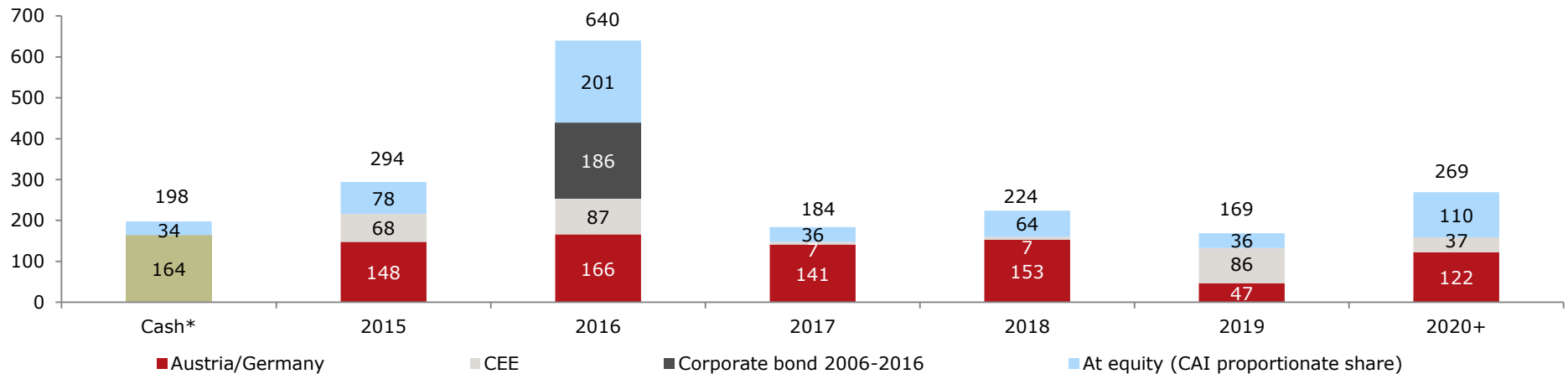
€ m	FY 14	FY 13	yoy	4Q 14	4Q 13	yoy	4Q 14 comments
Net rental income (NRI)	128.8	172.4	-25.3%	32.4	39.1	-17.1%	
Result from hotel operations	1.8	1.5	15.7%	0.5	0.3	60.3%	
Income from services	16.0	14.0	14.2%	4.7	5.5	-13.8%	
Other development expenses	-3.2	-2.8	14.1%	-0.3	-0.4	-29.6%	
Other operating income	11.5	3.8	201%	0.2	3.1	-93.4%	
Other operating income/expenses	26.00	16.5	57.4%	5.1	8.4	-39.9%	
Indirect expenses	-44.4	-41.5	6.9%	-15.0	-10.7	40.8%	
Result from investments in JV	18.6	24.9	-25.4%	2.6	4.2	-38.2%	P&L figure adjusted for non-recurring/non-cash items
Financing costs	-81.8	-118.9	-31.2%	-18.7	-29.7	-37.2%	
Result from financial investments	47.4	12.0	295.3%	12.9	4.6	179.1%	Incl. € 3.3 m related to disposal of CEE logistics
Non-recurring adjustments	-24.7	-2.1	n.m.	-3.3	0.0	n.m.	Adjustment of result from financial investments
<b>FFO I (recurring, pre tax)</b>	<b>70.0</b>	<b>63.4</b>	<b>14.4%</b>	<b>16.0</b>	<b>15.9</b>	<b>0.5%</b>	
Result from trading property sales	8.7	9.9	-12.2	10.2	8.7	-16.8%	
Result from LT property sales	29.8	58.6	-49.1%	20.1	47.7	-57.9%	
Result from JV sales	8.1	12.9	-37.3	3.8	13.0	-71.1%	
Result from property sales	46.6	81.4	-42.7%	34.0	69.4	-51.0%	
Other financial result	2.4	0.0	n.m.	0.0	0.0	n.m.	
Current income tax	-7.5	-22.8	-67.3%	-6.7	-20.3	-67.1%	
Current income tax of JV	-1.2	-3.1	-61.7%	-0.5	-1.8	-73.3%	
Non-recurring readjustmens	22.2	-50.3	n.m.	0.8	-52.4	n.m.	
<b>FFO II</b>	<b>135.1</b>	<b>68.6</b>	<b>96.9%</b>	<b>46.2</b>	<b>10.9</b>	<b>323.8%</b>	

# Financing

## Weighted average cost of debt and maturities (December 31, 2014)

€ m	Outstanding financial debt	Outstanding nominal value	Nominal value swaps	Ø Cost of debt excl. derivatives	Ø Cost of debt incl. derivatives	Ø Debt maturity	Ø Swap maturity
Austria	217,2	219,6	140,2	2.0%	4.4%	5.2	8.3
Germany	405,2	399	181,6	1.9%	3.5%	5.1	3.1
Czech Republic	93,6	93,7	42,5	2.3%	2.6%	2.6	1.8
Hungary	102,3	102,6	0,0	3.7%	3.7%	4.7	0.0
Poland	203,6	203,8	23,0	2.6%	2.6%	3.0	1.5
Romania	60,2	59,8	0,0	3.6%	3.6%	3.8	0.0
Other	93,4	91,3	33,5	3.6%	4.5%	3.4	1.5
<b>Investment portfolio</b>	<b>1,175,5</b>	<b>1,169,9</b>	<b>419,7</b>	<b>2.4%</b>	<b>3.6%</b>	<b>4.3</b>	<b>4.5</b>
Development projects	174,1	175,7	0,0	1.9%	1.9%	1.5	0.0
Short-term properties	75	75,2	0,0	2.3%	2.3%	1.3	0.0
Group financing	365,5	359,1	0,0	4.1%	4.1%	2.8	0.0
<b>Total portfolio</b>	<b>1,790,1</b>	<b>1,779,9</b>	<b>419,7</b>	<b>2.7%</b>	<b>3.4%</b>	<b>3.6</b>	<b>4.5</b>
Corporate swaps Austria			109,0		4.3%		8.0
Corporate swaps Germany			159,8		4.2%		2.3
Corporate swaps other			8,5		4.4%		1.2
<b>Total group</b>	<b>1,790</b>	<b>1,779,9</b>	<b>696,9</b>		<b>4.1%</b>		<b>4.5</b>

Maturity profile (4Q 14, € m)



### FINANCING KEY FACTS

- **Average cost of funding** reduced to 4.1% (1H 2014: 5.1%)
- **Almost 100%** of interest-bearing financial liabilities are in **euros**
- **Hedging ratio** approx. 75% (fixed + variable liabilities hedged)
- **Average debt maturity** 3.6 years

### NEW BOND ISSUE

- **Corporate bond 2015-2022** issued in February 2015
- Volume € 175 m
- Coupon 2.75%
- 7-year term



# Net asset value (NAV)

Book value per share (IFRS) € 19.75

€ m	31.12.2014 diluted	31.12.2014 undiluted	31.12.2013 diluted	31.12.2013 undiluted
NAV (IFRS equity)	1,951.7	1,1.951.7	1,794.3	1,794.3
Exercise of options	0.0	0.0	114.5	0.0
<b>NAV after exercise of options</b>	<b>1,951.7</b>	<b>1,951.7</b>	<b>1,908.8</b>	<b>1,794.3</b>
<b>NAV per share</b>	<b>19.75</b>	<b>19.75</b>	<b>19.36</b>	<b>20.42</b>
Value adjustment for*				
Own use properties	4.2	4.2	4.2	4.2
Properties held as current assets	12.3	12.3	10.9	10.9
Financial instruments	27.5	27.5	34.9	34.9
Deferred taxes**	152.5	152.5	185.7	185.7
<b>EPRA NAV</b>	<b>2,148.2</b>	<b>2,148.2</b>	<b>2,144.4</b>	<b>2,029.9</b>
<b>EPRA NAV per share</b>	<b>21.74</b>	<b>21.74</b>	<b>21.75</b>	<b>23.11</b>
Value adjustment for*				
Financial instruments	-27.5	-27.5	-34.9	-34.9
Liabilities	-10.7	-10.7	-8.6	-8.6
Deferred taxes***	-98.5	-98.5	-119.9	-119.9
<b>EPRA NNAV</b>	<b>2,011.6</b>	<b>2,011.6</b>	<b>1,981.0</b>	<b>1866.5</b>
<b>EPRA NNAV per share</b>	<b>20.36</b>	<b>20.36</b>	<b>20.09</b>	<b>21.24</b>
Change vs. 31.12.2013	1.3%	-4.2%		
P/NAV (31.12.2014)	-23.9	-23.9	-35.9	39.4
Number of shares	98,808,336	98,808,336	98,595,133	87,856,060

\* Including proportional values of joint ventures \*\* Deferred tax assets net of tax goodwill \*\*\* Discounted

Q&A



CA IMMO

URBAN  
BENCHMARKS.



# Investor relations

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