

# Q1-3

## PRESENTATION OF RESULTS

# Q1-3 2017 – HIGHLIGHTS

## SIGNIFICANTLY INCREASED PORTFOLIO EFFICIENCY

- > Occupancy rate raised by 3.3 percentage points to record level of 92.9%
- > Adjusted rental income (like-for-like) increased by 3.9%
- > Results of Asset Management improve significantly by 11.3%
- > Completion of fully let development projects:  
Cluster Produktionstechnik (DE) with 28,000 sqm, VIVO! Krosno (PL) with 21,000 sqm, STOP SHOP Lazarevac (SR) with 10,100 sqm

## STRENGTHENED BALANCE SHEET

- > Solid basis established for further growth: real estate portfolio of approx. EUR 4.2 billion, CA Immo shareholding of MEUR 660, cash and cash equivalents of around MEUR 580 at end-November 2017
- > Settlement of historical issues: end of all historical legal disputes at shareholder level

## FURTHER CREDIT PROFILE IMPROVEMENT

- > Debt levels significantly lowered: loan-to-value<sup>1</sup> improves to 42.3%<sup>1</sup>
- > Reduction in historical high-cost financial liabilities:
  - > 4.25% convertible bond 2018 almost completely converted
  - > Full repayment of 5.25% corporate bond 2017
  - > Issuance of new 2.0% convertible bond 2024 (with step-down to 1.5%<sup>2</sup>)
  - > Full repayment of convertible bond 2017 after the reporting period
  - > Significant reduction in financing costs<sup>1</sup>: 2.39% incl. derivatives and 2.05% excl. derivatives (31.12.2016: 3.02% and 2.64%, respectively)

<sup>1</sup> Data based on IMMOFINANZ continuing operations excluding Russia and including second incentivised conversion of the 2018 convertible bond completed in October

<sup>2</sup> On receipt of investment grade rating

# SALE OF MOSCOW RETAIL PORTFOLIO

## STRATEGY-BASED TRANSACTION

- > Very difficult market environment for a number of years in Russia
- > Substantial negative effect on the Group's financial and earnings position in the past years

## DETAILS

- > Purchase contract with FORT Group signed on 13 November, closing expected in December 2017
- > Buyer is acquiring the entire retail portfolio in Moscow in a share deal
- > Negative valuation effect of MEUR -157.8 on Group equity recognised in Q3 and EUR -0.15 on EPRA NAV per share; upside from earn-outs and tax refunds of up to around MEUR 145.0<sup>1</sup>

## OUTCOME

- > No further burden on liquidity through equity contributions (approx. MEUR 250.0) for debt service and shopping center repositioning
- > Immediate liquidity impact of approx. MEUR 71.9 on closing; significant reduction in financial liabilities and financing costs
- > Clear portfolio focus on Western Europe and CEE

<sup>1</sup> Calculated at the Group exchange rate of EUR/RUB 69.0220 as of 30 September 2017

# P&L Q1-3 2017 VS. Q1-3 2016

AMOUNTS IN MEUR AS OF 30 SEPTEMBER 2017		Q1-3 2017	Q1-3 2016	CHANGE ABSOLUTE	CHANGE IN %
<b>Rental income</b>	1	174.1	174.0	0.1	0.0%
Operating costs charged to tenants		62.9	59.9	2.9	4.9%
Other revenues		4.9	5.2	-0.3	-5.5%
<b>Revenues</b>		<b>241.9</b>	<b>239.2</b>	<b>2.7</b>	<b>1.1%</b>
Expenses from investment property	2	-60.2	-71.4	11.3	15.8%
Operating expenses		-59.1	-57.6	-1.5	-2.6%
<b>Results of asset management</b>		<b>122.6</b>	<b>110.2</b>	<b>12.4</b>	<b>11.3%</b>
<b>Results of property sales</b>		<b>2.7</b>	<b>-28.4</b>	<b>31.1</b>	<b>n/a</b>
<b>Results of property development</b>	3	<b>-26.1</b>	<b>18.4</b>	<b>-44.5</b>	<b>n/a</b>
Other operating income		7.0	10.3	-3.3	-32.0%
Other operating expenses	4	-39.9	-36.5	-3.4	-9.3%
<b>Results of operations</b>		<b>66.2</b>	<b>73.9</b>	<b>-7.7</b>	<b>-10.4%</b>
Revaluation of investment properties adjusted for foreign exchange effects	5	1.4	-119.5	120.9	n/a
Revaluation of investment properties resulting from foreign exchange effects		-1.5	0.2	-1.7	n/a
Goodwill impairment and other revaluation results		-0.7	-26.5	25.7	97.2%
<b>Operating profit (EBIT)</b>		<b>65.4</b>	<b>-71.9</b>	<b>137.3</b>	<b>n/a</b>
Net financing costs	6	-71.0	-75.0	4.0	5.4%
Foreign exchange differences		-5.4	-5.1	-0.2	-4.4%
Other financial results	7	-10.1	-20.4	10.3	50.4%
Gains/losses from equity-accounted investments	8	175.1	-43.4	218.5	n/a
Taxes	9	-37.7	-1.9	-35.8	≤ -100.0%
<b>Net profit for the period from continuing operations</b>		<b>116.3</b>	<b>-217.8</b>	<b>334.1</b>	<b>n/a</b>
Net profit for the period from discontinued operations	10	-175.4	-191.7	16.3	8.5%
<b>Net profit for the period</b>		<b>-59.1</b>	<b>-409.5</b>	<b>350.4</b>	<b>85.6%</b>

## COMMENTS

1. Sale-related decline offset by completions and new leases
2. Decrease in maintenance costs (Δ MEUR 4.7), operating costs charged to building owners (Δ MEUR 4.6) and vacancy costs (Δ MEUR 1.1). Extension costs up (Δ MEUR -3.1) due to rental performance
3. Revaluation gains of MEUR 24.1 in Germany offset by additional costs in Gerling Quartier and open obligations resulting from sale of Cologne property
4. Temporary increase in expenses due to rollout of various specific projects to improve efficiency, e.g. in IT (MEUR -2.6 vs. MEUR -1.4)
5. Prior year: negative effects predominantly in Romania, Poland and non-core countries
6. Lower financing costs due to partial conversion and exchange of CB 2018 (MEUR 3.1); corporate bond repayment (MEUR 1.4)
7. Incentivised conversion of CB 2018 (MEUR -12.6); valuations of derivatives
8. Proportional share of earnings from CA Immo (MEUR 38.8) plus increase in value (MEUR 91.9), sale of 4.5 million BUWOG shares and revaluation of BUWOG stake (MEUR 43.9)
9. Current income tax: MEUR -14.0; deferred taxes: MEUR -23.7, thereof MEUR -20.8 from write-off inter-company receivables from Gerling Quartier
10. Negative valuation effect of MEUR -157.8 due to sale of Moscow portfolio (of which MEUR -56.1 goodwill impairment, MEUR -123.8 revaluation losses on investment property, MEUR 22.2 deferred taxes)

# LIKE-FOR-LIKE – RENTAL INCOME INCREASED

On a like-for-like basis, rental income in the first three quarters of 2017 rose 3.9% to MEUR 138.4. Higher occupancy rates led to an increase in rental income of 5.1% in Romania, 8.3% in Hungary, 2.0% in Austria, 3.4% in Poland and 3.3% in the Czech Republic.

STANDING INVESTMENTS <sup>1</sup> , AMOUNTS IN MEUR AS OF 30 SEPTEMBER 2017	NUMBER OF PROPERTIES	CARRYING AMOUNT 30 SEPTEMBER 2017	CARRYING AMOUNT IN PERCENT	RENTAL INCOME Q1-3 2017	RENTAL INCOME Q1-3 2016	Q1-3 2017 VS. Q1-3 2016
Austria	32	853.7	28.9%	34.2	33.5	0.7
Germany	1	40.3	1.4%	1.4	1.4	0.1
Czech Republic	19	363.2	12.3%	16.6	16.1	0.5
Hungary	23	444.9	15.1%	20.6	19.0	1.6
Poland	14	376.9	12.8%	17.0	16.4	0.6
Romania	18	618.3	21.0%	35.2	33.5	1.7
Slovakia	12	181.9	6.2%	9.9	9.7	0.2
Non-core countries	7	71.4	2.4%	3.6	3.7	-0.1
<b>IMMOFINANZ</b>	<b>126</b>	<b>2,950.6</b>	<b>100.0%</b>	<b>138.4</b>	<b>133.2</b>	<b>5.2</b>
Rental income from properties sold/acquired and development projects				35.6		
<b>IMMOFINANZ</b>				<b>174.0</b>		
Russia	5	792.8		62.1	54.9	7.2
Office	56	1,932.7	65.5%	80.9	78.0	2.8
Retail	64	1,009.5	34.2%	57.2	55.0	2.2
Others	6	8.3	0.3%	0.4	0.2	0.2
<b>IMMOFINANZ</b>	<b>126</b>	<b>2,950.6</b>	<b>100.0%</b>	<b>138.4</b>	<b>133.2</b>	<b>5.2</b>

1 This calculation only includes the properties which were fully owned by IMMOFINANZ during both time periods. In other words, the calculation excludes new acquisitions, completions and sales.

# LIKE-FOR-LIKE – PROPERTY VALUATION

Like-for-like valuation results totalled MEUR 7.1 in the first three quarters of 2017. Revaluation gains in Hungary, Czech Republic and Slovakia resulting from an improved market environment or higher retail occupancy contrasted with valuation declines in Poland and Romania (mainly due to expenses related to the myhive rollout).

STANDING INVESTMENTS <sup>1</sup> , AMOUNTS IN MEUR AS OF 30 SEPTEMBER 2017	NUMBER OF PROPERTIES	CARRYING AMOUNT 30 SEPTEMBER 2017	VALUATION RESULT Q1-3 2017	COMMENTS
Austria	32	853.7	-3.2	Move out of a large office tenant – new rental in progress
Germany	1	40.3	0.1	
Czech Republic	19	363.2	5.3	Improved market environment and good operational performance
Hungary	23	444.9	7.4	Improved market environment and good operational performance
Poland	14	376.9	-3.6	Investments related to the myhive rollout
Romania	18	618.3	-4.0	Move out of a large office tenant (new rental in progress) and investments related to the myhive rollout
Slovakia	12	181.9	4.4	Improved market environment and good operational performance
Non-core countries	7	71.4	0.6	
<b>IMMOFINANZ</b>	<b>126</b>	<b>2,950.6</b>	<b>7.1</b>	
Russia	5	792.8	-118.7	
Office	56	1,932.7	-3.2	Move out of a large tenant in Austria – new rental in progress
Retail	64	1,009.5	10.3	Improved market environment particularly in Slovakia and good operational performance
Others	6	8.3	0.0	
<b>IMMOFINANZ</b>	<b>126</b>	<b>2,950.6</b>	<b>7.1</b>	

1 This calculation only includes the properties which were fully owned by IMMOFINANZ during both time periods. In other words, the calculation excludes new acquisitions, completions and sales.

# FUNDS FROM OPERATIONS I & II POST STRONG IMPROVEMENT

AMOUNTS IN MEUR AS OF 30 SEPTEMBER 2017	Q1-3 2017	Q1-3 2016 <sup>1</sup>	CHANGE ABSOLUTE	CHANGE IN %
Gross cash flow before tax	128.4	110.2	18.2	16.5%
Gross cash flow before tax from discontinued operations	-41.9	-24.7	-17.2	-69.8%
<b>Gross cash flow before tax from continuing operations</b>	<b>86.5</b>	<b>85.5</b>	<b>1.0</b>	<b>1.1%</b>
Ancillary costs for property sales (included in gross cash flow, recognised through profit or loss)	0.2	3.4	-3.2	-93.1%
Results of property development (included in gross cash flow, recognised through profit or loss)	0.9	10.0	-9.1	-91.0%
Dividends received from equity-accounted investments	1.7	0.0	1.7	n/a
Economic interest in FFO I of CA Immo Group <sup>2</sup>	23.4	0.0	23.4	n/a
Interest or dividends received from financial instruments	2.0	4.5	-2.5	-56.1%
Interest paid	-55.5	-62.1	6.6	10.7%
Derivatives	-10.5	-22.0	11.5	52.2%
<b>FFO1</b>	<b>48.6</b>	<b>19.3</b>	<b>29.3</b>	<b>≥ +100.0%</b>
Results of property sales	2.7	-28.4	31.1	n/a
<b>FFO2</b>	<b>51.3</b>	<b>-9.1</b>	<b>60.4</b>	<b>n/a</b>

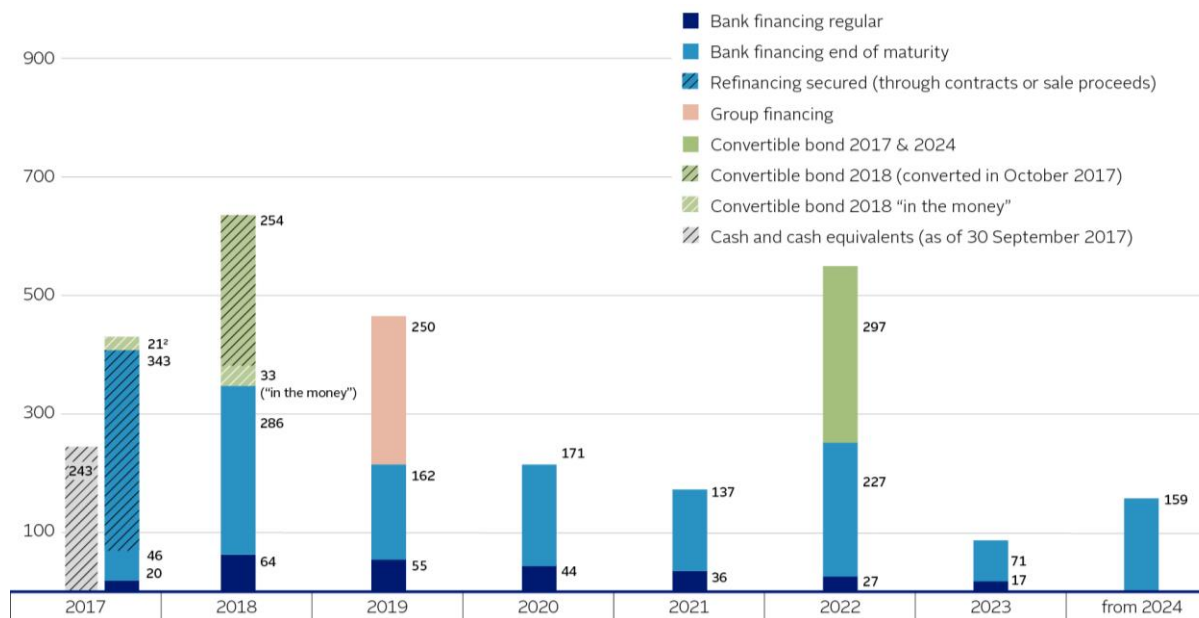
In order to show sustainable FFO I from standing investments, results of property sales and property development have been deducted in full

<sup>1</sup> The comparative data have been adjusted

<sup>2</sup> The economic interest in the CA Immo Group is based on the investment held by IMMOFINANZ in relation to the number of CA Immo shares outstanding and on a nine-month period – similar to the recognition of the proportional share of earnings under the equity method

# FINANCING – MATURITY SCHEDULES

## TERM STRUCTURE OF FINANCIAL LIABILITIES BY FINANCIAL YEARS AS OF 30 SEPTEMBER 2017<sup>1</sup>



### AVERAGE FINANCING COSTS AS OF 30 SEPTEMBER 2017

Including derivatives

Excluding derivatives

Including derivatives & incentivised conversion invitation<sup>3</sup>Excluding derivatives & incl. incentivised conversion invitation<sup>3</sup>Net LTV<sup>4</sup>Net LTV<sup>4</sup> (incl. second incentivised conversion of CB 2018)

Average weighted term to maturity

### IMMOFINANZ CONTINUING

2.56%

2.25%

2.39%

2.05%

46.3%

42.3%

2.98 (3.24<sup>5</sup>) years

### INCL. RUSSIA

3.62%

3.37%

3.57%

3.30%

50.5%

47.2%

3.14 (3.36<sup>5</sup>) years

<sup>1</sup> Excl. the discontinued operation Russia

<sup>2</sup> Convertible bond 2017 was redeemed as of 19 November 2017

<sup>3</sup> Incentivised conversion completed in October 2017

<sup>4</sup> Net LTV = Total debt less cash and cash equivalents in relation to property value plus market value of BUWOG and EPRA NAV of CA Immo shares

<sup>5</sup> Includes incentivised conversion of CB 2018 in October



## OUTLOOK

### COMBINATION OF IMMOFINANZ AND CA IMMO

- > Resumption of detailed work with CA Immo after closing of Russian portfolio sale
- > Coordination with CA Immo to present new schedule

### DISTRIBUTION POLICY

- > Sustainable dividend policy:  
Ordinary dividend of EUR 0.06 per share for FY 2017 planned (after EUR 0.06 each for 2015/16 and 2016A)
- > Share buyback programme for 20 million shares ended in September 2017, treasury shares were used for the settlement of the IMMOFINANZ/IMMOEAST exchange ratio and for the CB 2018 incentivised conversion

# APPENDIX

# OPERATIONAL UPDATE DEVELOPMENTS

## PROJECTS IN GERMANY REACH COMPLETION STAGE



- > trivago headquarters, Düsseldorf (DE)
- > Office; 26,000 sqm
- > Completion: Q3 2018
- > Occupancy rate: 100%



- > FLOAT (HQ Uniper), Düsseldorf (DE)
- > Office; 30,000 sqm
- > Completion: Q3 2018
- > Occupancy rate: 95%



- > Production Technology Cluster, Aachen (DE)
- > Office (Coop. RWTH Aachen); 28,000 sqm
- > Completion: Q2 2017
- > Occupancy rate: 97% (as of 08/2017)

### DEVELOPMENT PROJECTS BY CORE MARKET

DEVELOPMENT PROJECTS	NUMBER OF PROPERTIES	CARRYING AMOUNT IN MEUR	CARRYING AMOUNT IN %	OUTSTANDING CONSTRUCTION COSTS IN MEUR	PLANNED RENTABLE SPACE IN SQM	EXPECTED FAIR VALUE AFTER COMPLETION IN MEUR	EXPECTED RENTAL INCOME AT FULL OCCUPANCY IN MEUR <sup>2</sup>	YIELD ON COST IN % <sup>1</sup>
Austria <sup>3</sup>	1	10.9	2.9%	n/a	n/a	10.9	n/a	n/a
Germany	3	247.8	65.1%	75.4	62,789	342.4	16.0	5.0%
Poland	7	45.5	11.9%	3.1	41,695	48.6	3.5	7.1%
Romania	3	49.0	12.9%	9.7	30,793	58.7	5.2	8.8%
Slovakia	1	24.7	6.5%	4.5	18,744	29.2	2.8	9.5%
Non-core countries <sup>3</sup>	3	3.0	0.8%	n/a	n/a	3.0	n/a	n/a
<b>IMMOFINANZ</b>	<b>18</b>	<b>380.9</b>	<b>100.0%</b>	<b>92.6</b>	<b>154,021</b>	<b>492.8</b>	<b>27.4</b>	<b>5.8%</b>

<sup>1</sup> Expected rental income after completion in relation to current carrying amount, including outstanding construction costs

<sup>2</sup> Of which EUR 1.3 million in Q3 2017

<sup>3</sup> Projects in the planning stage, therefore no outstanding construction costs; rental income based on current use

# OPERATIONAL UPDATE – MEDIUM-TERM SALES PROGRAMME

## PLANNED SALES (excluding Russia)

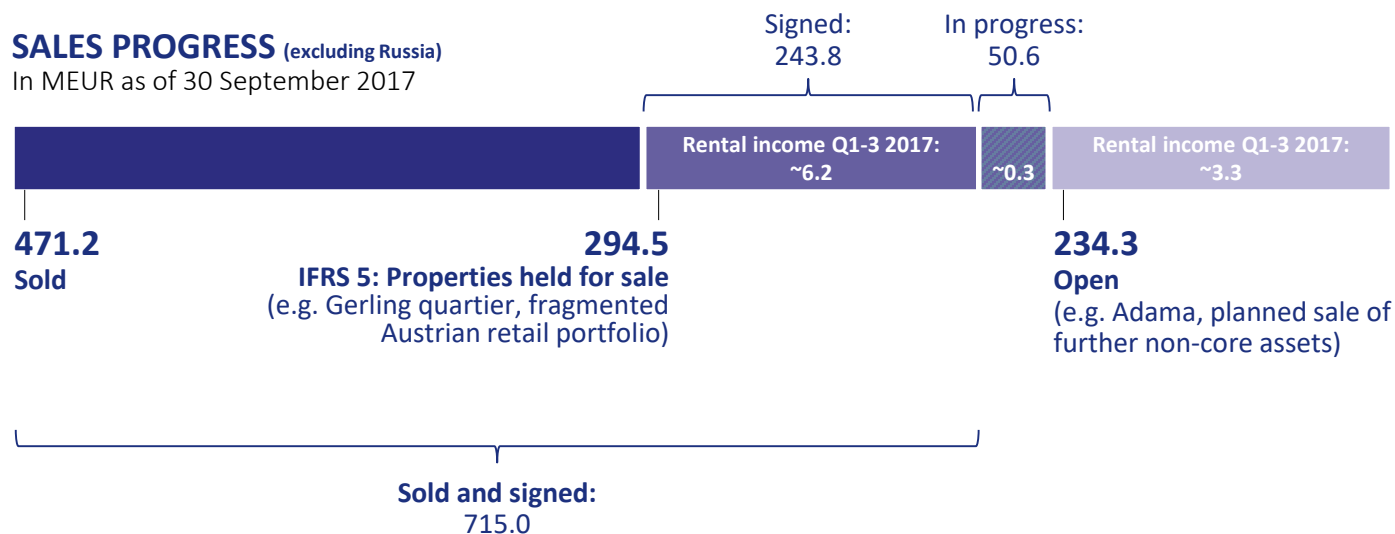
In MEUR as of 30 April 2016



Total  
MEUR  
~1,000.0

## SALES PROGRESS (excluding Russia)

In MEUR as of 30 September 2017



> Proceeds finance development activities & portfolio growth

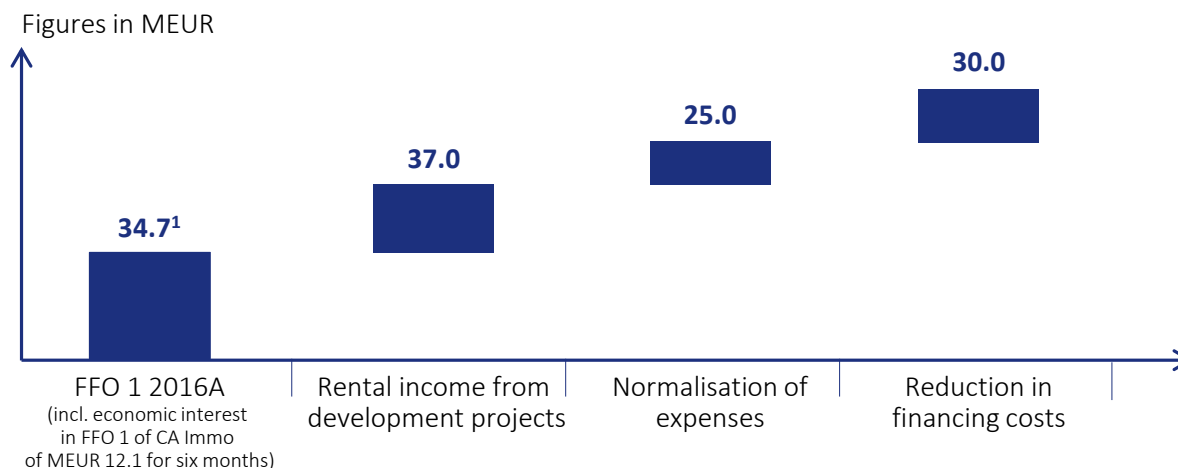
# MEDIUM TERM FFO GROWTH DRIVERS

Guidance  
as of April 2017

FFO 1 2016A

MEUR 34.7<sup>1</sup>

- > Reduction in rental income (sale of non-core assets) offset by purchases, indexation and increase in occupancy rate
- > Additional rental income from active development projects of approximately MEUR 37.0
- > Normalization of temporarily higher property expenses and other operating expenses results in positive FFO impact of around MEUR 25.0
- > Reduction in financing costs of around MEUR 30.0 following (already secured) redemption of bonds maturing in 2017 and 2018, property sales and further optimization of existing property financing
- > CA Immo Group FFO 1 guidance for 2017 is “at least MEUR 100.0”



Future growth drivers represent the expected medium term increase resulting from measures already implemented and are subject to general business risks; FFO before tax

<sup>1</sup> FFO 2016R including economic share of CA Immo Group for six months MEUR 12.1

# CONTACT AND FINANCIAL CALENDAR

## INVESTOR RELATIONS

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## FINANCIAL CALENDAR

<b>Q3 2017 Results</b>	28 November 2017 <sup>1</sup>
<b>Q3 2017 Report</b>	29 November 2017
<b>FY 2017 Results</b>	04 April 2018 <sup>1</sup>
<b>FY 2017 Report</b>	05 April 2018
<b>Q1 2018 Results</b>	29 May 2018 <sup>1</sup>
<b>Q1 2018 Report</b>	30 May 2018
<b>Q1-2 2018 Results</b>	29 August 2018 <sup>1</sup>
<b>Q1-2 2018 Report</b>	30 August 2018
<b>Q1-3 2018 Results</b>	28 November 2018 <sup>1</sup>
<b>Q1-3 2018 Report</b>	29 November 2018

## TICKER SYMBOLS

Vienna Stock Exchange	IIA
Warsaw Stock Exchange	IIA
ISIN	AT0000809058
Reuters	IMFI.VI
Bloomberg	IIA AV

<sup>1</sup> Publication is scheduled after the close of trading on the Vienna Stock Exchange