

**Statement by the Salaried Employees Works' Council**

**of**

**IMMOFINANZ AG**

**on the**

**voluntary takeover offer**

(§§ 4 ff of the Austrian Takeover Act)

by SOF-11 Starlight 10 EUR S.à.r.l.

## **Statement by the Salaries Employees Works' Council of IMMOFINANZ AG in accordance with §14 (3) of the Austrian Takeover Act**

SOF-11 Starlight 10 EUR S.à.r.l., a member company of the Starwood Capital Group ("Starwood"), announced its intent on 22.03.2018 to issue a voluntary public partial takeover offer for shares of IMMOFINANZ AG ("Immofinanz"). The relevant offer documents, including confirmation by the consulted experts at PwC Wirtschaftsprüfung GmbH, were received by the Executive Board and the chairman of the Supervisory Board of IMMOFINANZ AG on 18.04.2018 and, in accordance with § 11 (3) of the Austrian Takeover Act, immediately forwarded to the ("Works' Council") for information.

### Initial situation

On 17.04.2016 IMMOFINANZ AG acquired an investment of approximately 26% in CA Immobilien Anlagen AG ("CA Immo") through a share purchase agreement. The prospects of a possible merger of the two companies were also discussed at that time. Immofinanz continued its restructuring programme to realise this merger. The related activities included internal measures to increase efficiency as well as a broad range of external steps from the settlement of lawsuits with investors to the sale of the Russian shopping center portfolio. Since the necessary conditions for the merger were not reached in spite of these activities, Immofinanz announced the suspension of merger discussions with CA Immo on 28.02.2018 in order to evaluate possible alternatives. The next phase involved the announcement of the partial offer by Starwood and, on the same day, an announcement by Immofinanz of the purchase of a 29.14% investment in S IMMO AG ("S IMMO"). In addition, Starwood issued a voluntary partial takeover offer for 26% of CA Immo on 18.04.2018.

### I. Strategic and economic impact

The Works' Council generally welcomes all shareholders who wish to make a long-term contribution to the company's success and, for this reason, acquire an investment. This also applies to the current offer, as Starwood has the necessary know-how and appropriate capital.

Immofinanz has acquired significant investments in its Austrian competitors since 2016, also in the wake of rather difficult initial situations. Reference is made here to the partial takeover offer by CA Immo to Immofinanz on 25.03.2015 and the purchase of an 11.94% investment in Immofinanz by S Immo. These transactions led to investments in Immofinanz of 4.89% by CA Immo and the above-mentioned 11.94% by S Immo. The Works' Council can, unfortunately, not avoid the impression that, in light of the parallel offer for CA Immo shares, the current offer is directed more to unbundling the two companies and less to a serious attempt to become a long-term Immofinanz shareholder.

Point 7.2 of the partial takeover offer refers to the bidder's "financial means as well as the necessary branch know-how to support the target company in reaching its long-term goals ...". The same formulation is found in the partial takeover offer to CA Immo shareholders. We miss the mention of concrete plans as to how the financial means or branch know-how will benefit the company. Moreover, there are a number of competing relationships with Starwood.

## II. Social impact

The Works' Council and the Executive Board have undertaken measures to reduce the effects on employees since the merger plans with CA Immo were announced. These joint efforts have readied the workforce for a possible merger. No direct effects on Immofinanz employees are therefore expected from the current offer by Starwood.

## III. Summary

We welcome Starwood's plans to acquire an investment in Immofinanz, but have doubts as to the long-term nature of the intended investment. The strategic considerations presented in Starwood's offer are not sufficiently detailed. Since Immofinanz's future success can only be based on growth and profitability, we will continue to rely on the previously successful cooperation with management and continue our coordination and communication on behalf of Immofinanz employees.

Vienna, 25 April 2018

The Salaried Employees Works' Council of Immofinanz AG

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Philipp Amadeus Obermair  
Chairman

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Werner Ertelthalner  
Deputy Chairman