

Press release

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Immoconsult finances Forstinger stores in Slovakia

Tax-optimized "Finance Leasing" for all five new locations

Forstinger is expanding to Slovakia and plans to achieve fast growth there. Using the so-called "finance Leasing" based on Slovakian law, Immoconsult

Leasinggesellschaft m.b.H., a subsidiary of the Investkredit-Volksbanken Group, has developed a customized tax-optimized financing solution for Forstinger. The first of five own-built locations will be opening this month.

Forstinger is the market leader in Austria in the car accessories and spare parts sector and currently operates over 115 outlets with a total staff of almost 900 people. In March of last year, Forstinger opened its first outlet in Slovakia, taking the first step toward international expansion. Forstinger's expansion is supported by the Austrian Immoconsult Leasinggesellschaft m.b.H., a competent financing partner with over 14 years of experience in Central and European Markets.

Forstinger to build five new stores

Following its successful entry in the Slovakian market with the opening of an outlet in Bratislava, Forstinger decided to open five more specialized stores in Slovakia in cooperation with Immoconsult. The first specialized store in the central Slovakian city of Zvolen will go into operation this October. Construction of the next store in Martin is already more than half way over, and operation may begin by November. Another three stores will be built and start operation next year, the first of a total of 15 stores that Forstinger is planning to open in Slovakia. The volume for the construction of the five stores financed by Immoconsult amounts to approximately 5.6 million Euros. Construction is carried out jointly, and Immoconsult will lease the buildings to Forstinger in accordance with Slovakian laws after their completion.

Immoconsult develops financing

For this purpose, leasing expert Immoconsult has chosen a so-called finance leasing scheme for Forstinger according to Slovakian national provisions. Based on the sales and profit expectations for Forstinger, this financing solution has proven to be the ideal alternative. Finance leasing based on Slovakian law is a tax-optimized leasing model for companies planning to make a real-estate investment, or for companies that intend to create tax-optimized free capital using their real estate (e.g. by sale and lease back). Maturity-congruent, long-term financing helps Forstinger protect its equity capital, thus creating free liquidity for its daily core business.

As Gerhard Höfler, the Managing Director of Immoconsult Leasinggesellschaft m.b.H. explains, “using the Slovakian finance leasing model, Forstinger can write off its real estate over a period of just twelve years.” This accelerated depreciation through finance leasing goes hand in hand with a more rapid creation of hidden reserves from the value of the buildings. “If I can write off a building in twelve years, that doesn’t mean it is worth nothing after this period”, says Höfler. Immoconsult has been active in Central and Eastern Europe with its own operative units since 1992, also providing support in the expansion of other retail chains such as Kaufland or Billa in Slovakia with customized financing solutions. As Gerhard Höfler sums it up “leasing is a very interesting form of financing, especially for trade companies that want to expand rapidly, since it protects their equity capital and improves their rating”.

Short profile of Investkredit Bank AG and Immoconsult Leasingges.m.b.H.:

Investkredit Bank AG is the competence centre for the companies and commercial real estate of the Volksbanken group. The real estate segment offers a wide range of expertise-based services on all issues relating to commercial real estate ranging from financing, independent development activities, own investment, and asset management to professional consulting, brokerage, and agency services. Real estate leasing is provided by Immoconsult Leasinggesellschaft m.b.H. Immoconsult offers a comprehensive service ranging from location search to construction and utilization. Operating from local branch offices, the company fully covers the dynamic growth markets in Central, Eastern, and South Eastern Europe.

Immoconsult Leasing GmbH was established in Vienna in 1987 as a fully-owned subsidiary of Österreichische Volksbanken-AG (ÖVAG). The objective of the establishment of Immoconsult was to concentrate the own real estate activities of the Österreichischen Volksbanken AG and thus create a service centre for ÖVAG customers.

Immoconsult began expanding in neighbouring countries back in 1992, making it one of the pioneers in Central and Eastern Europe. Immoconsult currently has operative units and branch offices in Bulgaria, Romania, Slovakia, the Czech Republic, Hungary, and Poland.

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