

Press release

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Immoconsult finances commercial expansion in the Czech Republic

KIKA, Horova Immo, and Spar exploit the benefits of leasing for their expansion

If you want to expand quickly, you need quick financing. Yet this was not the only reason why companies like KIKA/Leiner, Horova Immo, and Spar opted for financing solutions by Immoconsult Leasingges.m.b.H. for their expansion in the Czech Republic. The benefits of real-estate leasing also include off-balance-sheet financing, compliance with Basel II, as well as higher equity and a better rating.

The KIKA/Leiner group currently operates 50 furniture stores in Austria, three in Hungary, two in the Czech Republic, one in Slovakia, and one in Croatia. In Hungary, three more locations will be added by 2007. Just like KIKA's first furniture store in Prague Pruhonice, the furniture store that opened in Prague Letnany on March 31, 2006 was financed through leasing. Just as it did in the case of Prague Pruhonice, KIKA relied once again on the financing competence and local market knowledge of Immoconsult Leasingges.m.b.H., an example imitated by Spar and other trade companies who also appreciate the Austrian leasing expert's know-how while expanding in Central and Eastern Europe.

KIKA uses leasing to settle in Prague,

The Tesco company group has been operating a shopping centre for a few years in the North of Prague, in the Letnany district, consisting of a Tesco hypermarket, a shopping mall with over 130 shops on two levels, a cinema centre, and a food court. Comprising a total shop floor space of currently approx. 38,000 square metres, the Tesco-Letnany shopping centre in the North of Prague is already the largest shopping agglomeration there, with an average of 680,000 visitors each month. In the course of the shopping centre's enlargement, KIKA has now used an area of approx. 32,000 square metres on four levels and an underground garage with some 250 car parking places to create a very attractive environment for buying home furnishings.

The project, involving a total investment of approx. 25 million Euros, was financed using real-estate leasing by Immoconsult Leasingges.m.b.H. As Managing Director Dr. Helmut Tomanec explains, "we have already been working with the KIKA/LEINER group for many years, providing special real-estate financing tailored to the needs of the furniture retail chain, and we are happy to be able to support them in their expansion to Central and Eastern Europe as well." The Austrian leasing specialist has been active in Central and Eastern Europe with its own operating units since 1992, and now provides its services in seven countries with the same quality as back home.

Horova Immo uses leasing to expand,

Just as KIKA/Leiner, Horova Immo also uses leasing solutions for the financing of products for its new customers in the Czech Republic. Together with Immoconsult Leasingges.m.b.H., Horova Immo is now building a DIY hypermarket in Ceska Lipa, acting as a developer and lessee. The tenant of the leasing property is the German DIY chain OBI, already the second largest in the expanding Czech DIY market behind Baumax, followed by Hornbach, Bauhaus, and Globus. Česká Lípa will soon accommodate the 21st OBI market with a total usable space of approx. 8,365 square metres. The real estate developer has been focusing on the development of commercial property for international customers since 1991.

In their joint property development project in Ceska Lipa, Horova and Immoconsult have purchased the said plot and are now building a leasing-financed DIY hypermarket for OBI Czechia. As a result of its position on the main traffic route I/9 to Prague and Dresden/Liberec, the location is very well visible and the most highly frequented site in the district. In addition, positive synergies can be expected from the site's proximity to a large residential area and the adjacent Interspar project currently under construction, which is also being financed by Immoconsult.

..and SPAR saves equity using leasing

Following a supermarket in Brno and the recently opened supermarket in Tabor, Ceska Lipa will be the next Interspar project to materialize in such a short time. The speed can be easily understood, considering that Spar intends to increase the number of its supermarkets in the Czech Republic to 24 by the end of 2006. Spar opened its first Interspar supermarket in the Czech Republic in 1997, and currently operates 22 Interspar supermarkets with shop floor areas between 4,000 and 6,000 square metres. The new Interspar in Ceska Lipa will reach a total usable space of 8,150 square metres.

Off-balance sheet financing saves equity

KIKA, Horova Immo, Spar – Immoconsult's Managing Director Tomanec is convinced about the benefits of real-estate leasing, especially for very rapidly expanding trading companies: "Trading companies that want to expand quickly need financing schemes that do not reduce credit lines vital for their operation. Especially during the expansion phase, investments using company capital would lead to a dramatic deterioration of the balance-sheet ratios - and, above all, a reduction of equity capital. Especially trading companies that want to be faster than their competitors need off-balance financing that spares their equity capital and has a positive impact on their rating. That's exactly what real-estate leasing does."

For more information, visit www.immoconsult.biz; www.investkredit.at.