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PRESS RELEASE

Another Jump in Profits for Schörghuber Corporate Group

The family-owned Munich company invests in all its business sectors, achieves a distinct increase in profits – as it did last year – and, in its 59th year of existence, is publishing an annual report for the first time.

Munich, 27 June 2012. In 2011, the company's total sales in its four business sectors – Construction and Real Estate, Beverages, Hotel and Seafood – amounted to 1.06 billion euros, or 12.4 percent below last year's total of 1.21 billion euros. By contrast, the Group achieved a healthy increase in profits. For instance, the EBIT rose by 72.0 million euros to 203.5 million euros (plus 54.7 percent). The jump was even more distinct for earnings after tax: In 2010, the figure was 72.5 million euros, but in 2011, the books show 117.7 million euros, which is a plus of 62.4 percent. The Group's equity ratio of 41.4 percent is also comfortable. "Our financial position, our powerful structure adapted to market requirements, and the know-how of our approximately 6,500 committed employees will continue to be the guarantee for the sustained profitable growth of our corporate group in the future," states Dr. Klaus N. Naeve, Chairman of the Managing Board of the Schörghuber Corporate Group.

Bayerische Hausbau plans and builds 3,600 apartments for Munich

The Construction and Real Estate division contributes substantially to the success of the Group. The much observed acquisition of HypoVereinsbank's headquarters, located in Munich's Kardinal-Faulhaber-Strasse, the completion of the – now fully leased – THE m.pire ensemble in the Parkstadt Schwabing area, the construction of the Joseph Pschorr Haus in Munich's pedestrian zone, and the revitalization of the Bikini Berlin complex in the City West area are all massive investments in the Group's inventory. Bayerische Hausbau is also more active than ever as a project developer. In Munich alone, it is currently planning and implementing about 3,600 apartments with floor space totaling about 380,000 sqm. In Germany as a whole, it even has more than



SCHÖRGHUBER
UNTERNEHMENSGRUPPE

4,500 units with total floor space approaching 500,000 sqm. On top of that about 250,000 sqm of commercial business space, including about 160,000 sqm in Munich. And, with more than two dozen development projects planned or under construction in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart, Bayerische Hausbau certainly has a lot in the pipeline. Despite the drop in sales to 263.1 million euros due to systemic reasons – sales from sold units can not be booked until handover to the purchaser – the “top dog in Munich” (Süddeutsche Zeitung) was able to increase its earnings after tax from 75.2 million euros in 2010 to 103.3 million euros in 2011 (plus 37.4 percent).

Growth driver number one at Brau Holding International is export

There is positive news to report from the Beverage division as well. In a steadily decreasing total market, the breweries of Southern Germany’s largest brewing association are a stronghold of stability. For instance, Brau Holding International was able to increase its beer production in 2011 by 0.5 percent to 5.34 million hl and its beverage production by 0.7 percent to 6.13 million hl. This was also reflected in sales, which rose by 2.1 percent to 588.4 million euros. Earnings after tax increased from 12.7 million euros to 13.4 million euros (plus 5.5 percent). The factors for this success, in addition to the frequently awarded premium quality of the beer varieties, were, above all, the growth of the nonalcoholic segment, the exploitation of new market opportunities via new products, and growth outside Germany. Export sales in now more than 70 countries are now not far from the one million hectoliter mark.

To meet the requirements of the domestic and international markets, particularly regarding the variety of packaging and products, and to ensure that they remain on a course for growth, the Paulaner Brewery will move its production and logistics operations to Langwied in the western part of the state capital by 2016. In the last suitable area within Munich’s city limits, they will build an energy-efficient, environmentally friendly brewery.

Realignment of the partnership with Starwood bears first fruits

The realignment implemented on 1 July 2011, of the partnership that had been started with Starwood Hotels & Resorts in 1998 enables Arabella Hospitality to concentrate on the asset management of the Group’s 22 owned or leased hotels and on the development of new hotel properties, and thus to focus on its core competencies. The first successes can already be seen – while sales slightly fell to 216.6 million euros – in



earnings after tax, which improved from -13.7 million euros in the previous year to 3.7 million euros.

Successful integration of the Seafood corporate division

Since 1 July 2011, the salmon production in Chile, under the name of Productos del Mar Ventisqueros S.A., has been fully consolidated in the balance sheet of the Schörghuber Corporate Group. Sales of 39.5 million euros in the second half of the year were accompanied by slightly negative earnings after tax of -0.4 million euros. With its new business division in Chile, considering the rapidly rising worldwide demand for protein, the Schörghuber Corporate Group is investing not only in a forward-looking business segment ripe with opportunity but also in a politically and economically stable country.

Schörghuber Corporate Group publishes annual report for the first time

Facts and figures of the past year can be found in an annual report, the first ever published by the Schörghuber Corporate Group in its nearly sixty-year history. The report – particularly considering the Group’s handsome equity capital of 1.26 billion euros – is not intended as a lever for expanded access to financial markets. Instead, Dr. Klaus N. Naeve justifies the decision of the holding company’s board to publish an annual report in the future as follows: “The understandability of our corporate decisions and their business effects is an indispensable prerequisite for their acceptance by our employees, customers, and business partners.” And he continues: “We are convinced that this form of transparency is the right path also for a mid-sized company not listed on the stock exchange.”

About the Schörghuber Corporate Group

The family-run Schörghuber Corporate Group, which was founded in 1954 and has its headquarters in Munich, is successfully involved in the business sectors real estate and construction, beverages and hotels in both the national and international arenas. Bayerische Hausbau, which bundles all the real estate, property development and prefabricated housing activities of the Schörghuber Corporate Group, is one of the largest full-service real estate companies in Germany. Brau Holding International, a joint venture with Heineken N.V., is one of Germany’s largest brewery groups and comprises the Paulaner Brewery Group, the Kulmbacher Group and the Südwest Group. The Hotels division, with the management company Arabella Hospitality Group, performs asset management for the 22 hotels owned and leased in Germany, Austria, Switzerland and on the Balearic island of Majorca and thus represents the interests of the Schörghuber Corporate Group vis-à-vis Starwood Hotels & Resorts, who is responsible for managing the majority of the hotels. Common values –



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diversity, quality and growth – forge a bond between the three business divisions. The group's approximately 6,500 employees ensure that customers enjoy the benefits provided by these shared values every single day. www.sug-munich.com.

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