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PRESS RELEASE

Building and brewing continue to drive the growth of the Schörghuber Corporate Group

In 2015, the Construction & Real Estate and Beverages business sectors were once again the driver of the overall success of the Munich-based group. The positive trend in the Hotel sector continued, while the Seafood sector reported significant losses.

Munich, July 11, 2016. Overall, the Schörghuber Corporate Group can look back on a satisfactory 2015 financial year. In the Construction & Real Estate, Hotel and Seafood business sectors, the Group recorded total sales of 980.4 million euros, a 16 percent increase over the previous year (842.9 million euros). The fourth business sector, Beverages, is included in the consolidated financial statement at equity and is therefore excluded from sales. The higher sales revenues are also reflected in the results: The EBITDA amounted to 174.7 million euros (previous year: 159.4 million euros), the EBIT– including the effects of the fair-value assessment – increased to 189.5 million euros (previous year: 170.4 million euros). At 120.2 million euros, the consolidated results exceeded those of the previous year (97.7 million euros), as did the equity ratio, which increased by 2.4 points to 40.6 percent.

Construction & Real Estate business sector increases sales and earnings in both business areas

With a portfolio valued at approximately 2.5 billion euros and holdings centered in Munich, Bayerische Hausbau, one of Germany's largest integrated real estate companies, is divided into the business areas of Real Estate and Development.

In Real Estate, Bayerische Hausbau's portfolio management strategy led to the sale of the West 4 in Munich as well as several other smaller properties, generating sales revenues of 188.4 million euros (previous year: 7.9 million euros). Taking into account



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rental income, this business area recorded sales in the amount of 350.8 million euros (previous year: 172.4 million euros).

Several of the portfolio's development projects were concluded or made significant progress in 2015: August saw the completion of two central downtown hotel properties at the main railway station in Munich and on Mailänder Platz in Stuttgart. In December, following demolition and rebuilding, the Donisl tavern on Marienplatz in Munich returned to operation as scheduled. In addition, preparations began for the conversion of the commercial building on Marienplatz 22. Along with its established tenant, Hugendubel, the building will also house a flagship Telekom store and a boutique hotel. Finally, important steps toward building approval were made in the development of a local shopping center in the district of Schwanthalerhöhe and for the construction of a 5-star hotel at Kardinal-Faulhaber-Strasse 1 as well as nearly 40 apartments at Prannerstrasse 4, which previously served as the headquarters of the HypoVereinsbank.

In the business area of Development, sales of 250.6 million euros (previous year: 296.2 million) were recorded. In single sales alone, the divestment of 260 apartments (previous year: 204 apartments) resulted in a notarized volume of 140.5 million euros (previous year: 114.7 million euros).

Overall, the business sector generated sales of 601.4 million euros for the last financial year (previous year: 468.6 million euros). The EBITDA amounted to 192.5 million euros (previous year: 174.3 million euros), the EBIT (including the effects of the fair-value assessment) increased to 236.4 million euros (previous year: 210.0 million euros). The subgroup results (including the effects of the fair-value assessment) grew to 179.0 million euros (previous year: 134.0 million euros).

Beverages business sector improves both sales and market share

As in recent years, in 2015 the breweries of Brau Holding International focused on expanding growth segments such as alcohol-free beer while also playing to their strengths of successfully positioning and consistently expanding innovations in the market. As a result, Mönchshof NaturRadler was able to exceed 100,000 hectoliters. Overall, Brau Holding International increased its market shares in Bavaria and Baden-Württemberg by 0.1 points to 14.3 percent and its share of the national market by 0.2



points to 6.3 percent, showing the strongest growth among Germany's major brewery groups.

At 5.7 million hectoliters, Brau Holding International's own beer volume of alcoholic and alcohol-free beer held steady at last year's levels, despite an overall decline in the domestic market. Total sales including non-alcoholic beverages grew to around 6.6 million hectoliters (previous year: 6.5 million hectoliters).

With the start of production at the new brewery in Munich's Langwied district, the Paulaner Brauerei's monumental project took a huge step forward. The launch was carried out over several phases beginning in summer 2015. On August 27, the first beer was brewed in the new brewhouse, marking a significant milestone.

Thanks to successful price increases for several brands and a focus on high-volume markets and product groups, the subgroup's sales grew by nearly 20 million euros to 632.8 million euros (previous year: 613.6 million euros). The EBITDA amounted to 86.8 million euros (previous year: 166.4 million euros including the results from the sale of the Nockherberg site), while the EBIT increased to 42.6 million euros (previous year: 35.5 million euros excluding the results from the sale of the Nockherberg site). The consolidated results (before third-party shares) dropped to 31.9 million euros (previous year: 83.9 million euros including the results of the sale of the Nockherberg site).

Change in strategy in the Hotel sector pays off

Six years ago the executive board of Schörghuber Corporate Group opted to adjust its strategy for the Hotel sector: The decision was made to limit Arabella Hospitality SE's portfolio to its own hotel properties; management or leasing contracts for third party hotel properties were no longer to be concluded. The strategy's success is confirmed by the fact that two newly opened hotels in the company's own portfolio have already contributed to the sector's strong sales results in 2015. One of the two buildings – the Aloft hotel on Bayerstrasse – is located in Munich. The other – also an Aloft hotel – lies in the Milaneo district in Stuttgart. Part of Starwood Hotels & Resorts, the Aloft brand offers a design-oriented lifestyle concept at a mid-range price.



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Sales in the Hotel sector grew considerably to 240.6 million euros (previous year: 228.0 million euros). The EBITDA decreased from 13.3 million euros to 12.8 million euros. Though still 0.3 million in the red, the EBIT improved slightly over the previous year (-0.4 million euros). The subgroup results (before third-party shares and profit and loss transfer) also improved from -3.8 million euros to -3.2 million euros.

With the expiry of the lease for the Sheraton Offenbach Hotel on December 31, 2015, and the termination of three other leases for low-earning properties over the course of 2016, further improvements in the subgroup's results are expected.

Seafood business sector experiences another difficult year

In 2015, the Chilean salmon industry suffered significant losses for the second year in a row. This was partly due to a supply surplus, which caused prices to plummet, and which could only be somewhat absorbed by cost cuts. For much of the year, prices were below production costs. Although breeding success was improved and new sales markets were tapped into to mitigate price pressures in established markets, the development in prices resulted in a substantial decline in overall results as compared to the previous year.

Sales dropped to 157.5 million euros (previous year: 162.6 million euros), the EBITDA to -46.3 million euros (previous year: -8.7 million euros), the EBIT (in each case including the effects of the fair-value assessment) to -55.9 million euros (previous year: -16.6 million euros) and the subgroup results to -57.6 million euros (previous year: -15.2 million euros).

Record amount of donations marks the anniversary of the Josef Schörghuber Foundation for Munich Children

The twentieth anniversary of the Josef Schörghuber Foundation for Munich Children rounded out the generally satisfactory financial year. In 1995, a donation of three million marks from Josef Schörghuber facilitated the establishment of the foundation, which has since been registered with Munich's Social Welfare Office as an unincorporated foundation. Since its inception, the foundation has distributed more than 3.8 million euros for holiday and leisure activities for more than 88,000 children and teenagers on the basis of interest on its endowment and especially donations.



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The foundation, which has enjoyed some of the highest donation rates in Munich for years, saw donations reach new heights in its anniversary year. Thanks to donations of 922,542 euros, including a one-time special payment from the Schörghuber Corporate Group in the amount of 500,000 euros, the foundation nearly hit the one million euro mark.

About the Schörghuber Corporate Group

Founded in 1954 and headquartered in Munich, the family-run Schörghuber Corporate Group is a successful national and international player in the Construction & Real Estate, Beverages, Hotel and Seafood sectors. The Schörghuber Corporate Group's real estate and development activities are consolidated in Bayerische Hausbau, one of the largest integrated real estate companies in Germany. Brau Holding International, a joint venture with Heineken that comprises the Paulaner Brewery Group, the Kulmbacher Group and the Südwest Group, is one of the countries' largest brewers associations. Arabella Hospitality, the Group's holding company in the Hotel sector, operates 18 hotels in Germany, Switzerland and on the island of Mallorca, most of which are managed by Starwood Hotels & Resorts Worldwide. Salmon breeding and processing, which is consolidated in Productos del Mar Ventisqueros in Chile, constitutes the fourth business sector of the Schörghuber Corporate Group, Seafood. All of the sectors are united by the common values of diversity, quality and growth. Thanks to the Group's approximately 5,600 employees, customers can experience these values in action every day. www.sug-munich.com.

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