

# Franconofurt

- ▶ Sector: Residential
- ▶ Operations: Portfolio Management, Apartment Privatisation

## Overview

Price (EUR)	15.01	Share price	(EUR)	Turnover*	30,000
Mcap (EURm)	99				
NAV/share	N.A.	FY2006	11.60		
Free float	58%	FY2005	6.22	Index weight DIMAX	0.4%
Bloomberg	FFM GR	FY2004	N.A.	Index weight SDAX	N.A.
Reuters	FFMG.DE	FY2003	N.A.	Index weight EPRA	N.A.

Note: \*Turnover in number of shares traded per day (daily six-month average)  
Source: Bloomberg, Company data, Ellwanger & Geiger, Reuters, Thomson Financial Datastream, HSBC

## Description

Franconofurt AG was established in 2000 in Frankfurt. The company has emerged from being an historically active investor in the residential market in the Frankfurt area, which has one of the highest GDPs per capita in Germany and is rolling out its business model across the country.

Franconofurt acquires multi-tenant homes “piece-by-piece” i.e. in off-market transactions from private individuals.

The company offers the whole value chain of activities in the residential sector like acquisition, portfolio management, facility management and apartment privatisation. In addition, the company offers renovation services to new owners of apartments previously sold by Franconofurt. In the past, the company has achieved gross margins of up to 40% on apartment privatisation.

Franconofurt expanded its business by setting up subsidiaries active in portfolio management. Its first subsidiary ‘FranconoRheinMain’ (FRM) is focused into investing in the commuter belt surrounding Frankfurt and was floated in 2006. Franconofurt owns 64% in FranconoRheinMain and intends to increase the free float in FRM to 50%.

In the meantime, Franconofurt has also set up the subsidiary FranconoWest, which it plans to float in summer 2007. Franconofurt aims for FranconoWest to accumulate an asset portfolio worth EUR150m in 2007 with the aim of ramping up the total volume to at least EUR0.5bn in 2-3 years time. As a group Franconofurt aims to set up a minimum EUR1bn multi tenant residential portfolio. The company plans to set up subsidiaries focused on specific German regions like FranconoNorth-East & FranconoSouth over the next two years.

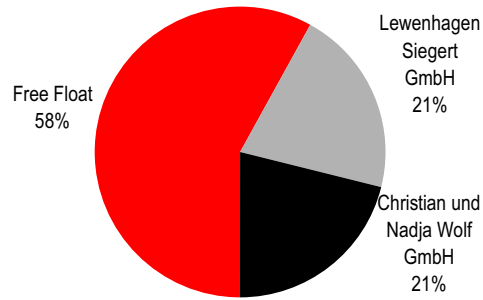
## Charts

Share price (EUR)



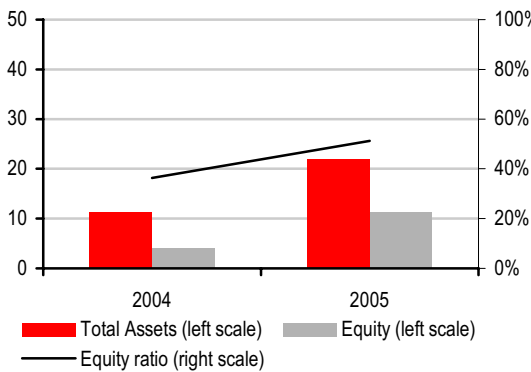
Source: Thomson Financial Datastream, HSBC

Shareholder structure (February 2007)



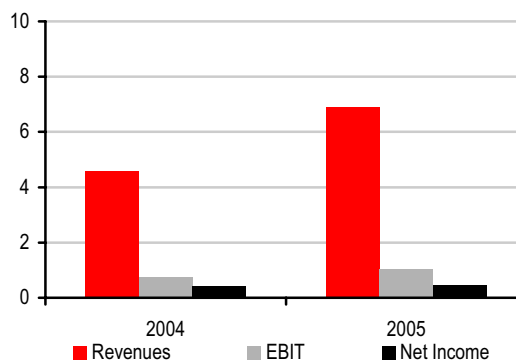
Note: rounding errors  
Source: Company data, HSBC

Balance sheet (EURm)



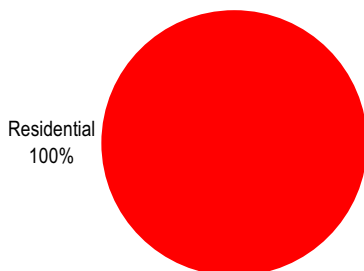
Source: Company data, HSBC

P&L (EURm)



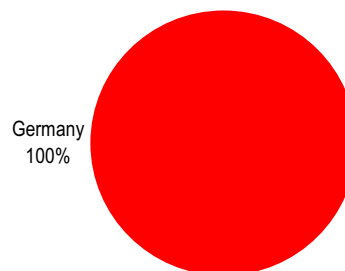
Source: Company data, HSBC

Assets by sector (FY2006)



Source: Company data, HSBC

Assets by region (FY2006)



Source: Company data, HSBC