IMMOFINANZ
GROUP

# IMMOFINANZ GROUP 2012/13

# ANNUAL REPORT

# Earnings Data

| | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Rental income in EUR mill. | 655.8 | 12.0% | 585.7 |
| Results of operations in EUR mill. | 542.1 | 15.3% | 470.1 |
| EBIT in EUR mill. | 508.9 | -26.6% | 692.9 |
| EBT in EUR mill. | 195.0 | -38.8% | 318.5 |
| Net profit for the period in EUR mill. | 110.8 | -59.1% | 271.2 |
| Earnings per share in EUR | 0.11 | -60,1% | 0.27 |
| Sustainable cash flow per share in EUR[1] | 0.33 | 23.6% | 0.27 |
| Interest coverage ratio in % | 209.6% | 11.4% | 188.3% |
| Gross cash flow in EUR mill. | 408.5 | 8.0% | 378.3 |
| Cash flow from operating activities in EUR mill. | 396.3 | 16.7% | 339.6 |
| Enterprise Value/Results of operations in EUR mill. | 14.5 | -10.2% | 16.1 |

[1] *Gross cash flow (EUR 408.5 million) + interest received (EUR 20.8 million) – interest paid (EUR –166.5 million) – cash outflows for derivative transactions (EUR –32.5 million) + results of property sales (EUR 110.8 million) = Subtotal/Average number of shares during the reporting period, excl. treasury shares (1,031,823,676)*

# Asset Data

| | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Balance sheet total in EUR mill. | 12,580.7 | 2.0% | 12.331.8 |
| Equity as a % of the balance sheet total | 42.3% | -5.4% | 44.7% |
| Loan to value ratio in % | 54.2%[1] | 4.9% | 51.6% |
| Gearing in % | 87.8% | 0.6% | 87.3% |

[1] *Including cash and cash equivalents of EUR 738.5 million, the loan to value ratio equals 47.1%.*

## The IMMOFINANZ share

**€ 5.51**

**NAV**
(diluted) per share,
as of 30 April 2013

**€ 3.505** bill.

**MARKET CAPITALISATION**
based on the share price of
EUR 3,11 on 30 April 2013

**1.129** bill.

**NUMBER OF SHARES**
as of 30 April 2013

# Property Data

| | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Number of properties | 1,759 | -3,4% | 1,821 |
| Lettable space in sqm | 6,526,550 | -2.5% | 6,695,769 |
| Occupancy rate in % | 89.5% | -0.7% | 90.1% |
| Carrying amount of investment properties in EUR mill. | 9,297.4 | -5.7% | 9,864.1 |
| Carrying amount of properties under construction in EUR mill. | 344.2 | 14.5% | 300.6 |
| Carrying amount of inventories in EUR mill. | 262.6 | 77.1% | 148.3 |

# Stock Exchange Data

| | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Book value per share in EUR | 5.23 | 3.7% | 5.05 |
| Net asset value per share diluted in EUR | 5.51 | 4.9% | 5.25 |
| Share price at end of period in EUR | 3.11 | 16.9% | 2.66 |
| Discount of share price to diluted NAV per share in % | 43.6% | -11.7% | 49.4% |
| Number of shares | 1,128,952,687 | -1.0% | 1,140,479,102 |
| Number of treasury shares | 112,895,268 | 8.1% | 104,421,683 |
| Market capitalisation at end of period in EUR mill. | 3,505.4 | 15.7% | 3,029.1 |

## Standing Investments

**9.361** bill.

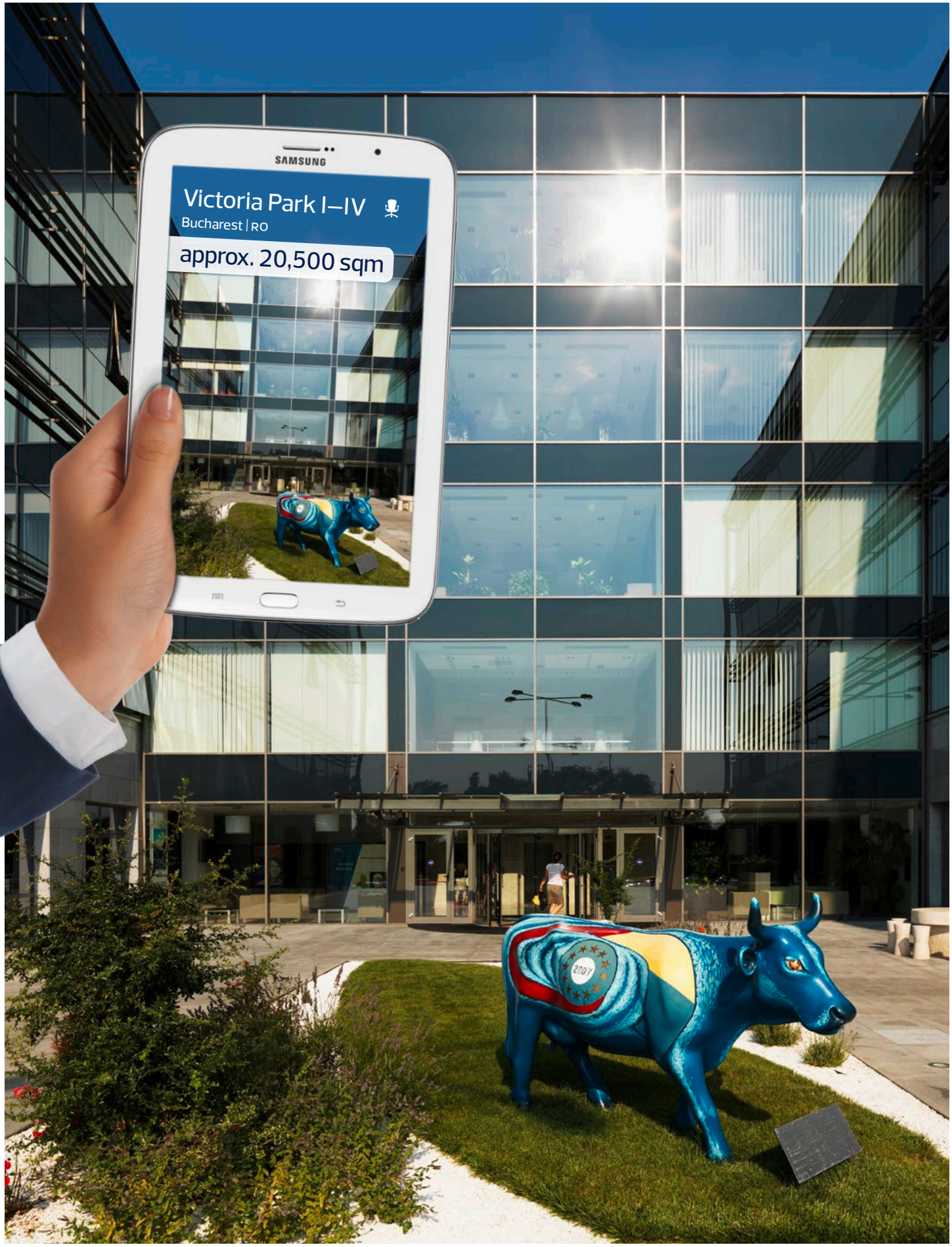
**STANDING INVESTMENTS**
carrying amount
as of 30 April 2013

**1,542**

**STANDING INVESTMENTS**
Number of properties
as of 30 April 2013

**6.527** mill.

**RENTABLE SPACE**
in the standing investments
in sqm as of 30 April 2013


SAMSUNG
Victoria Park I–IV
Bucharest | RO
approx. 20,500 sqm
2007

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From left to right: Eduard Zehetner, Birgit Noggler, Daniel Riedl FRICS

# Dear Ladies and Gentlemen,

"Just a normal company" – that is how we were described in reports by a number of journalists, authors and even analysts in recent quarters. This phrase may sound unspectacular, perhaps even boring, but we see it as recognition that should not be underestimated. It reflects the success of the course that IMMOFINANZ Group has followed in recent years.

Recovery on CEE transaction market

### Indicators reach new record levels

Key operating indicators for our business – rental income, results of operations and sustainable cash flow – climbed to new record levels in 2012/13. Property sales, which are a major source of power for our **real estate machine**, rose to the highest point since the start of our sales programme. These transactions involved all asset classes and regions: the sale of our *Silesia City Center* in the Polish city of Katowice for more than EUR 400.0 million (the closing is expected in September 2013) is an impressive example of the recovery on the transaction market in Eastern Europe. Based on the total volume of sales, we not only recorded a double-digit increase over the book value, but also met our strategic targets for the optimisation of the portfolio (exit from non-core countries, sale of a further property in the hotel segment).

### Occupancy increased in difficult markets

In the area of asset management, we were able to hold the occupancy in our properties generally stable, and in some cases record a slight improvement, even though the market environment remained challenging. For example, the occupancy rate in our standing investments rose from 82.6% to 88.9% in Romania and from 76.0% to 77.8% in Hungary. Here a number of successful results from our portfolio: in Poland, we set a new record for rentals in the office and logistics segments. Rental contracts for over 60,000 sqm were closed or extended in 2012/13 – more than ever before in a single financial year. In contrast to the market trend, the occupancy rate in our Austrian office properties also increased – despite the sale of fully rented properties. Our achievements in the retail segment in Hungary included the addition of international prime tenants like H&M and new rentals of 17,000 sqm. And our shopping centers in Poland and Russia are more or less fully occupied.

### Development projects strengthen portfolio

Our development business also set a number of milestones during the past year: in November 2012 we celebrated the topping off ceremony at the *Gerling Quartier*, the third largest inner city development project in Germany with residential and office space. The first apartments are scheduled for transfer to their new owners at year-end 2013. In Poland, construction started on the modern *Tarasy Zamkowe* shopping center in Lublin and on the *Nimbus* office building in Warsaw. Poland is also a future market for our STOP.SHOP. retail warehouse chain – where we are planning further expansion.

### BUWOG pipeline expanded in Berlin

With the takeover of the operating business of Chamartín Meermann Immobilien AG (CMI, now BUWOG Meermann) in 2012/13, our BUWOG subsidiary not only entered the promising Berlin residential development market, but also significantly expanded its activities and pipeline in this city during recent months. Further acquisitions in Germany are under evaluation at the

present time. BUWOG's strategy calls for concentration on the core markets of Vienna and Germany (Berlin and the northern provinces). This will be accompanied by the reduction of activities at peripheral locations in Austria. BUWOG has therefore followed portfolio sales in the Austrian provinces of Vorarlberg and Styria with the profitable sale of part of its Carinthian residential properties and most of the residential properties in Upper Austria.

### Dividend payment planned

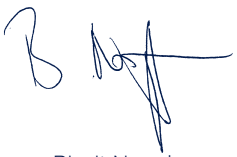
A substantial year-on-year reduction in positive, non-cash effects from property valuation during 2012/13 led to a decline in net profit for the year. However, this will have no influence on the planned dividend – in this respect, we are basing our recommendation on sustainable cash flow, which rose by EUR 0.06 per share to EUR 0.33 and reflects the real development of our business. Subject to the approval of the annual general meeting, we will distribute a dividend of EUR 0.15 for the 2012/13 financial year.

### Capital market plans for BUWOG

One of the most important focal points for the coming financial year is the seperation of BUWOG via the capital market. In the future, we intend to position ourselves more simply for our investors. IMMOFINANZ and BUWOG address different types of investors – and when they are presented together as a single corporation, they do not receive the individual market valuation they really deserve.

IMMOFINANZ and BUWOG address different investors

Our activities in the coming year will also focus on the further optimisation of the portfolio, the implementation of our sales programme and the expansion of development work. In this way, we want to increase the value of IMMOFINANZ Group and generate growing, risk-optimised cash flow.



Birgit Noggler
CFO

Eduard Zehetner
CEO

Daniel Riedl FRICS
COO

Interview with the Executive Board

# "We are definitely not going to lean back and relax"

***The last few years were influenced by key words that included coming to terms with the past, the end of restructuring and reorganisation, transformation from a real estate owner to a real estate machine and the shift to an optimisation course – how would you summarise the 2012/13 financial year?***

**Eduard Zehetner:** It was a further year of normality when we concentrated on managing and improving the operating business and recorded double-digit growth in a number of areas – and that with little or no support from the economy. Of course, stronger economic growth would have been a big help but, given the current environment, we are satisfied with the results. Rental income, results of operations and sustainable cash flow climbed to record levels in the Group's history. But that doesn't mean we've reached the peak.

**Birgit Noggler:** As an illustration: if you compare the 2006/07 financial year – in other words, before the financial crisis – with this last year, you see an increase of roughly 75% in rental income, nearly 140% in EBITDA and more than 55% in sustainable cash flow.

**Zehetner:** We also set a record with our property sales, which substantially exceeded expectations. In relation to the sale volume, we generated a double-digit margin over the book value. We can also say, with good reason, that our valuation approach is very conservative – last, but not least also in Eastern Europe.

**Daniel Riedl:** We're also very pleased with the development of the operating business at BUWOG. Income from asset management was nearly 20% higher than the previous year, and trading results were up 50% due to an increase in sales. In total, results of operations rose by more than 40% to EUR 115 million.

***But in the area of property development, IMMOFINANZ Group has not performed so well ...***

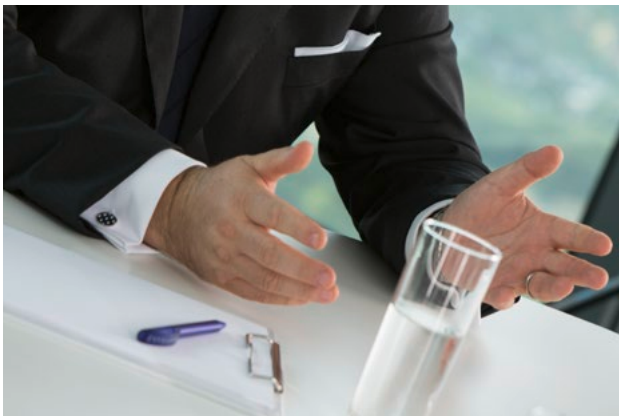
**Zehetner:** No, you can't really say that. We set a number of milestones with our projects and, for the most part, are on schedule. When you look at the income from this business, you need to remember two things: on the one hand, we completed fewer development projects during the past year. In 2011/12 the completion of the *Silesia City Center* and *Maritimo Shopping Center* made a sizeable positive contribution. And as a rule, we can only realise most of the development gains on these types of projects at the end, that is to say when they open for business.
On the other hand, 2012/13 brought a negative earnings contribution, above all from the *GOODZONE*. The bankruptcy of the general contractor for this Moscow shopping center postponed the opening by a full year and led to higher costs which, in turn, had an effect on the valuation. Now everything is on track: the *GOODZONE* is scheduled to open in our 2013/14 financial year, and we are making good progress with rentals.

***You mean that was an exception?***
**Noggler:** The development business, which involves the realisation of large-scale projects, in many cases over a period of several years, is by definition connected with a certain degree of volatility. However, our target structure remains intact: we want to generate roughly 80% of our earnings from asset management and 10% each – meaning EUR 50 million to EUR 60 million – from property sales and development projects. We were roughly 100% over this level in the transaction area during the past year, but missed our goal for property development. From that point of view, you could also say that income from property sales is a positive exception. You can't assume we will generate over EUR 110 million of income each year.

***But do you expect the tailwinds in the transaction area, meaning the rising demand by investors, will continue?***

“Our model is more than just a rental business.“

Daniel Riedl FRICS, COO



**Zehetner:** The atmosphere is good, and I'm optimistic that it won't change in the coming quarters. I sense the institutional investors are currently in an adjustment phase. The stock markets are volatile and a number of investors were hit hard, both before and during the crisis. At the same time, interest rates are low and there is a lot of capital looking for investments. These factors help to drive the real estate market, which offers comparatively stable returns based on relatively manageable risk for long-term investors: real estate is "in" again.
**Riedl:** For residential property companies, the situation in our core countries of Austria and Germany is nearly ideal at the present time. The market is clearly demand driven – in the condominium segment, for rental apartments and on the investing market. We benefit from rents and sale prices that have an upward potential.
**Zehetner:** Our sales programme also remained in high gear after 30 April 2013, with the assets held for sale totalling nearly EUR 600 million. If we only close these transactions, we will have already met our goal for an average of EUR 500 million in property sales each year. And by this time, many of these properties have been sold or the contract has been signed.

*That means you have almost met your sales target for 2013/14?*
**Zehetner:** With respect to volume, yes. From the earnings side, not yet. IFRS require us to report the revaluation gains on these sales together with 2012/13 earnings, even though the cash flows will come later – so we certainly aren't going to lean back and relax.

*Valuation results were influenced, above all, by a non-recurring effect related to your flagship property, the* Golden Babylon Rostokino*. What are the details behind this?*
*Noggler:* The sensational success of our Moscow shopping center...
**Zehetner:** A contradiction, so to speak ...
**Noggler:** The *Rostokino* is more or less fully rented. That increased valuation results by roughly EUR 131 million during the past year. However, we must pass on most of this positive effect due to an earn-out agreement, which is a performance-related clause. We therefore made an adjustment to the expected purchase price for the *Rostokino* because this price is dependent on the net operating income (NOI) generated in the 2013 calendar year. And this EUR 106 million effect reduces valuation results. But below the line, the overall effect from *Rostokino* was positive in 2012/13.

*Why did you make this price adjustment now?*
**Noggler:** Because net operating income has risen substantially in recent months. Previous calculations were based on an occupancy rate of 95% for the rentable space. We have now reached 99% and assume this will also be the case on 31 December 2013. We couldn't make the adjustment earlier because NOI hadn't reached that level. When the *Rostokino* opened in 2009, the occupancy rate was about 66%.
**Zehetner:** And if we had prepared a valuation based on 99% occupancy when we acquired the second 50% of *Rostokino* in May 2012 and set the purchase price accordingly, the appraisers and auditors would have asked us, quite rightly, if we were crazy.

*Tell us a bit more about property valuation ...*
**Noggler:** Our positive revaluation results were lower than the previous year. That was the main reason for the decline in net profit. The revaluation process led to only a slight increase for our investment properties, whereby positive results were recorded for our Russia, BUWOG and Austria segments.
**Zehetner:** With regard to the valuations in Eastern Europe, international appraisers tend to be more cautious – although we have seen an opposite shift on the market with a substantial increase in transactions in recent quarters. However, property valuation also includes expectations for future developments. And these expectations are dependent on the state of the economy – which is not forecasted to improve significantly, at least in the near future. We have, however, recorded a net valuation increase every year since 30 April 2009, also in 2012/13.
Our CEE properties recently received an award from IPD (Investment Property Databank[1]) that highlights their development: in 2012 our performance was the best in a survey of 49 portfolios. Most of this performance was based on the rental return, which speaks for our asset management. The increase in value, in turn, documents our realistic-conservative valuation approach during the crisis.

*At the present time, that isn't honoured by many shareholders. The consolidated financial statements were recently expanded to include another segment, not least for this reason.*
**Riedl:** Yes, we are now reporting BUWOG as a separate segment and, in this way, reflect the announced separation of our residential property subsidiary over the capital market.

*What is the basis for BUWOG's investment story?*
**Riedl:** Generally speaking, the same three major areas of business that represent the main sources of income for IMMOFINANZ: standing investments, sales and development. It's the combination that makes the difference. On the one hand, we are optimising by strengthening the average return on the rental portfolio through property sales in Austria and purchases in Germany. On the other hand, we want to expand the high-margin sale of individual apartments in Austria to also cover the German market. The resulting cash flows are supplemented by a profitable development business that is concentrated in Vienna and Berlin. That makes for a well-rounded business and an attractive story for investors.

[1] *Source: www.ipd.com*

“Bank financing is available at normal conditions.“

Birgit Noggler, CFO

*In Germany, a number of residential property companies have already discovered the stock exchange.*
**Riedl:** BUWOG stands out from this peer group, above all because it not only lives from tenants, but also generates sustainable cash flows from the above-mentioned three areas. And our FFO (Funds from Operations) is really nothing to hide, it proves that our model is more than just a rental business.

*In Austria, the portfolio consists mainly of subsidised, rent controlled housing. How would you describe the life cycle of a subsidised residential property at BUWOG?*
**Riedl:** We generally cover all aspects of the business, not only subsidised but also freely financed apartments. We plan and build either for our own portfolio or for a designated buyer.
When we build subsidised apartments, we make use of low-cost subsidised loans and comparatively low equity. We then manage the apartments and, normally beginning in the tenth year, start to ready them for sale at a later date. The cycle for conventional condominiums is shorter: build, sell at a profit and then invest the proceeds in new projects. The **real estate machine** at BUWOG runs just as smoothly as at IMMOFINANZ. Both forms of development – subsidised and freely financed residential construction – make an important contribution to our sustainable cash flow.

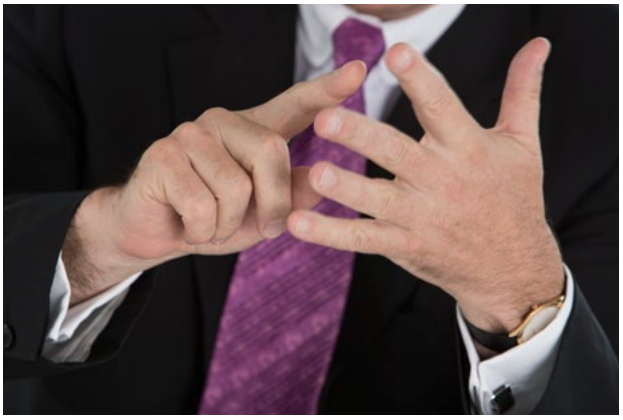
*On the sale of individual apartments and portfolios, you realised in part substantial margins over the book value. Why don't you continue this course instead of placing BUWOG on the capital market?*
**Riedl:** As I just said, we intend to continue this course. However, there is a strong demand for companies whose business is concentrated on the real estate market in Germany and on the residential sector, so-called "safe havens", because this represents a defensive, relatively safe and predictable investment. At the present time these investors don't have a lot of alternatives, for example on the bond market.
**Zehetner:** And our decision is also based on an important strategic goal: the separation of two asset classes that are valued very differently by investors. On the one hand, we have conservative and relatively safe residential properties in Western Europe and, on the other hand, a commercial portfolio that is focused on Eastern Europe and Russia. These two parts combined don't receive the market valuation they deserve.
**Noggler:** The market is valuing German residential property portfolios by and large at the NAV, or with a slight discount or premium. The separation of these two parts would also lead to an improvement in IMMOFINANZ's key indicators – the split between commercial and residential would give the company one of the highest average returns in Europe.
**Riedl:** Investors tend to prefer so-called "pure play" specialists, they want to create their own portfolio mix. With this separation, we would shift the allocation issue from the real estate company to the investor. In the past, the idea was to diversify and combine all asset classes under a single portfolio. That approach has gone out of style.

*In order to give BUWOG a stronger positioning as a German residential property company, you need to make a fair number of acquisitions. Are there enough properties on the market, and can you buy at the returns you want?*
**Riedl:** We have compiled a reasonable pipeline of smaller and larger transactions. For that reason, we don't need to buy huge portfolios that cover the whole of Germany, we can concentrate on a few selected regions. In addition to Berlin, where we already have over 4,000 units, our preferred markets include Dresden/Leipzig, northern Schleswig-Holstein and Lower Saxony. Here we can find more than enough investment opportunities at attractive returns.
**Noggler:** Based on the net basic rent (excluding heating), we can buy between 3.5% and 6% in Austria and between 7% and 10% in Germany. In this way, we can strengthen BUWOG's cash flow substantially and sustainably.
**Riedl:** BUWOG has also produced sound results in the sales area – we recently sold a large package of apartments in Carinthia and most of our Upper Austrian portfolio at a profit. Further deals are in the initial stages. In other words, we have been very successful in using the current high demand for residential properties in Austria – both currently and previously subsidised. When I look back five years ago, no one could imagine these types of portfolio transactions or property sales. And today they not only generate reasonable revenues, but similarly high margins.

*IMMOFINANZ has set a goal to significantly increase its development activities in the 2013/14 financial year. In particular, what are your plans?*
**Zehetner:** Here you need to differentiate between two things: the projects already in our pipeline and the projects we are in the process of completing. The projects completed in a particular year are what generate earnings. Everything else – especially in the inventory area – is first connected with costs and capital input ...
**Riedl:** ... and a lot of work ... (laughs)
**Zehetner:** In 2013/14 we will complete and open a number of projects, including the *GOODZONE*, our largest retail development project at the present time, as well as the *Panta Rhei* office building in Düsseldorf and one or the other STOP.SHOP. retail warehouses in Poland. We will also be working to complete further sections of the *Gerling Quartier*, but this project involves mainly inventories. According to the accounting rules, that means we can only record the income when we sell an apartment and transfer it to the new owner. We have two other office projects in the planning stage in Düsseldorf and three properties under construction in Prague. At the end of 2014, we are scheduled to open the *Tarasy Zamkowe*, a large shopping center in Lublin. We are also developing residential prop-

“Of course, that doesn’t mean we‘ve reached the peak.“

Eduard Zehetner, CEO



erties in Katowice, Krakow and Bucharest, and are looking at further residential options in Poland and Russia.
**Riedl:** Concerning BUWOG, no other company has built up a similarly extensive development pipeline on the Vienna market in recent years. We own sites for roughly 3,700 apartments – some are already under construction or development, others were purchased as inventories. Roughly 1,500 more apartments are under planning and development in Berlin. That's how we create the basis for future income.
**Zehetner:** Here it is important to understand just how long BUWOG's development process really is: we are talking about a timeframe of several years in which these apartments are completed and can make a contribution to earnings. Our pipeline for the near future is already secured.
**Riedl:** The advantage is that we have now reached a level where we can realise steady profits from this business based on the properties developed in earlier years. But of course, that doesn't mean we've reached the peak.

*Have we seen the end of price increases in the residential segment?*
**Riedl:** No. I see in part sound price increases, for example in the luxury segment in Vienna. However, that is only a very small market niche. Apartment houses are an attractive vehicle for many foundations or family offices that want to invest equity – and these buyers are currently looking for security and at least moderate returns as a substitute for their money market investments. And that will remain an important issue for the time-being.
On the residential market in Germany, prices have only recently returned to the 2006 and 2007 level. A price increase only becomes a bubble when it isn't justified by underlying supply and demand factors, but is based on debt. And I don't see this type of situation at the present time.
**Noggler:** Exactly. You must bear in mind that the price base has become much healthier. The structure of transactions has changed, debt has been replaced by equity.

*When you look at the coming years, where is the fantasy in commercial development?*
**Zehetner:** In addition to the above-mentioned properties, the fantasy lies in identifying development opportunities that promise reasonable, risk-optimised income. You can find fantasy in the sale of inventory apartments in Eastern Europe, but also in the retail, office and logistics segments.

*How is the refinancing situation?*
**Noggler:** More than good. The banks have a great deal of available liquidity that they are interested in lending at reasonable conditions. Our portfolio is, in fact, completely financed, and we have secured or concluded refinancing for all our development projects.
**Zehetner:** We also offer the banks products that are eligible to serve as coverage for mortgage bonds, which makes refinancing easier and more profitable for the banks.

*Back to the numbers: Earnings per share declined in 2012/13, but the dividend remains constant – without taking the funds for the share buyback into account. How do you explain that?*
**Zehetner:** With sustainable cash flow that increased substantially during the year. For us, cash flow is the decisive indicator. It shows you the underlying quality of business operations. And there we generated a sustainable EUR 0.33 per share – or 6 cents more than the previous year. That shows the real business, not the non-cash changes in earnings on the income statement, for example like revaluation results. We are recommending a dividend of EUR 0.15 subject, of course, to the approval of the annual general meeting, and even if you also deduct the EUR 0.05 we spent on the share buyback from sustainable cash flow for the year, EUR 0.13 still remain for investments and/or debt reduction.

*What will your dividend policy look like in the future?*
**Zehetner:** One major strategic goal is the separation of BUWOG over the capital market. This step and the procedure we choose – IPO or spin-off – will determine how much cash is available for dividends and share buybacks. The consequences for liquidity will, in any event, be balanced fairly between the company and shareholders.
**Riedl:** We will find a well-balanced solution.

*After the separation of BUWOG, IMMOFINANZ intends to concentrate on the CEE region. However, this is no longer a hot growth story, international investors seem to have lost interest some time ago. That means IMMOFINANZ is, not least, betting on recovery in that region ...*
**Zehetner:** As a single company, we won't be able to serve as the trigger ...
**Riedl:** ... or otherwise make it happen ...
**Zehetner:** ... What we mean is – when the European Union plans to evolve further – that won't happen in Spain, Portugal or Greece, but in Poland and Romania and in the other countries of Eastern Europe. That's where investments are needed in infrastructure, offices and the retail sector, and one basic human need: housing. And, in that respect, we are perfectly positioned.

# IMMOFINANZ Group – a profitable, stable and risk-optimised real estate company

## A real estate machine with a sustainable dividend policy

### Who we are

IMMOFINANZ Group is a real estate investment and development corporation that is listed on the Vienna and Warsaw Stock Exchanges. Since its founding in 1990, the company has compiled a high-quality property portfolio that now includes more than 1,500 standing investments with a carrying amount of approx. EUR 9.4 billion. We currently manage 6,526,550 sqm of rentable space. The occupancy rate in these properties equals 89.5%, which confirms the quality of our portfolio.

### What we do

We generate sustainable income for our shareholders with high-quality properties. Our activities are concentrated on prime properties in four asset classes – retail, office, logistics and residential. At the same time, our geographic portfolio in eight core countries – Austria, Germany, Poland, Czech Republic, Slovakia, Romania, Hungary and Russia creates a balanced diversification of risk.

### What we work on every day

As a **real estate machine**, we concentrate on linking our three core business areas: the development of sustainable, specially designed prime properties in premium locations, the professional management of these properties and cycle-optimised sales. Our active and decentralised asset management increases rental income and, at the same time, reduces vacancies. The liquid funds generated by property sales are reinvested in new development projects. That's how we keep the machine running. Our goal is to generate greater profitability along the entire value chain with a clearly defined, standardised and industrialised process.

### Why we believe in CEE

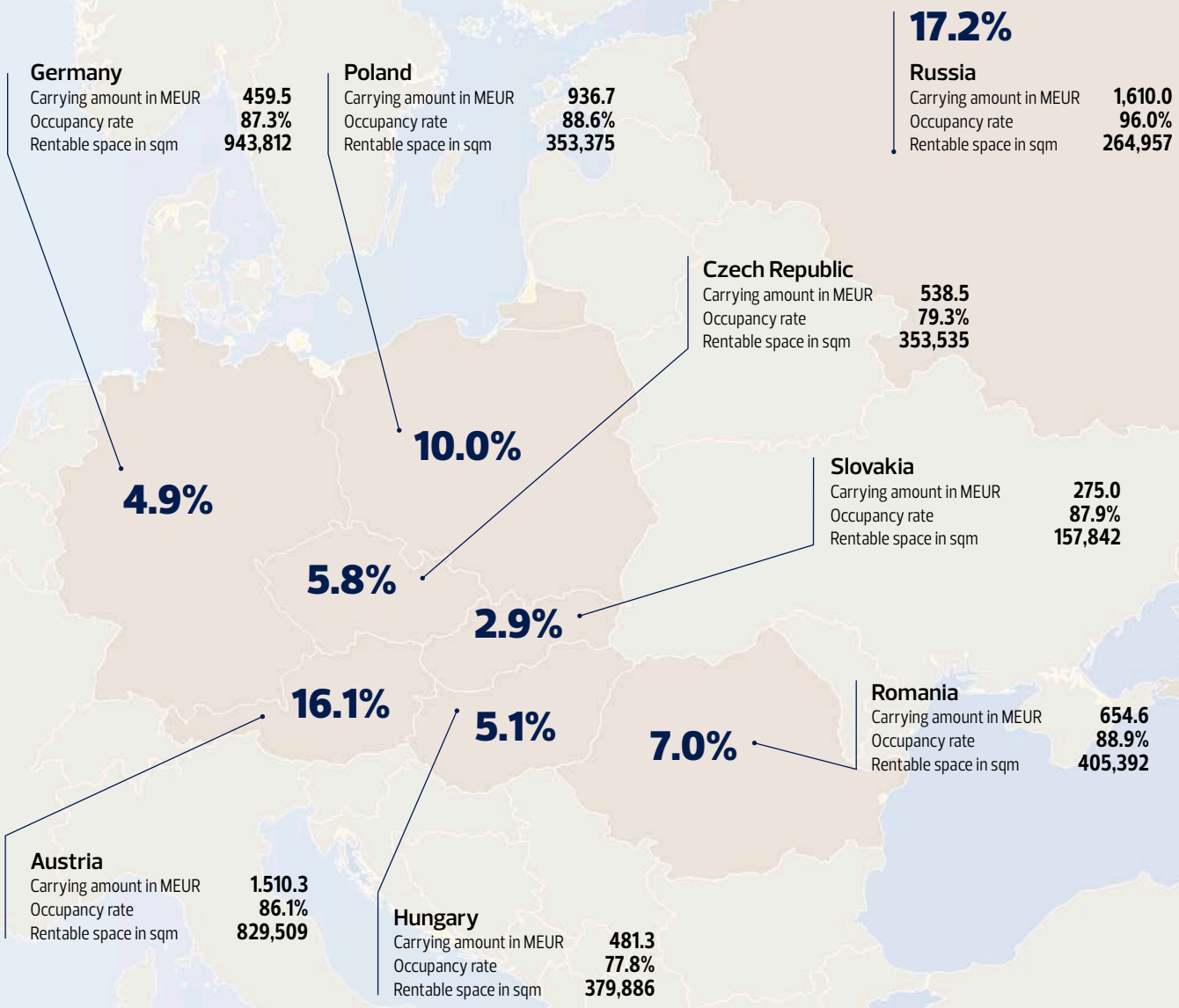
The IMMOFINANZ portfolio is divided nearly equally between Eastern and Western Europe. Our earnings in CEE are substantially higher than in the west, and we believe in the long-term growth story and the convergence potential of this region. The total return on our CEE properties from 2010 to 2012 brought us the "IPD Property Investment Award in Central & Eastern Europe for balanced funds".

Trade

Development

Asset Management

# Carrying amounts, occupancy rates and rentable spaces in the standing investments as of 30 April 2013




**26.6%**

**BUWOG[1]**

| | |
|---|---|
| Carrying amount in MEUR | 2,494.3 |
| Occupancy rate | 95.9% |
| Rentable space in sqm | 2,465,161 |

**4.3%**

**Non-core countries**

| | |
|---|---|
| Carrying amount in MEUR | 400.7 |
| Occupancy rate | 79.7% |
| Rentable space in sqm | 373,081 |

**100%**

**IMMOFINANZ Group**

| | |
|---|---|
| Carrying amount in MEUR | 9,360.8 |
| Occupancy rate | 89.5% |
| Rentable space in sqm | 6,526,550 |

[1] *The BUWOG residential properties are located in Austria (carrying amount: EUR 2,243.8 million) and Germany (carrying amount: EUR 250.4 million).*

**Share of the standing investment portfolio (based on the carrying amount)**

*Distribution of standing investments as of 30 April 2013*
*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

Interview Trade

# "We can serve a wide variety of interests"

***IMMOFINANZ Group announced a number of major property sales in recent months. Which do you see as the highlights?***

**Marco Kohla:** Without a doubt, the sale of the *Silesia City Center* in Poland. This transaction – the closing is expected to take place in September 2013 – tops everything else with a volume of over EUR 400 million. The sale of the *Grand Hotel Kempinski* in St. Moritz was also a very nice deal – not only because of the proceeds, but also because it helped us to meet our strategic goals – the exit from a non-core country and a further divestment in the hotel segment.

***The transactions in 2012/13 involved all asset classes and regions. Did you see any preferences among investors?***

We are pleased that we are in a position to cover the entire range: from office buildings in Prague and a shopping center in a regional city in Poland to hotels and logistics properties in a number of countries and apartment buildings in Vienna. That underscores our ability to close profitable deals in all areas of the portfolio. With respect to investors' preferences, they are really quite different. The ones who buy top properties in Vienna aren't really focused on Eastern Europe. And the ones who invest in Eastern Europe see the return in Germany and Austria as too low. The good thing is: we can serve a wide variety of interests.

"We closed profitable deals in all portfolio segments."

Marco Kohla MRICS, Director Transactions

***In which markets do you see the strongest interest?***

The demand in Austria is still high, on the one hand from local investors like foundations and family offices. On the other hand, German funds and insurance companies are actively looking for investment opportunities – above all in Vienna. We sold a number of properties to buyers from this group during the past year. In Eastern Europe, Poland is currently the hot spot for investors. Prague is also very attractive. As you move toward the south-east, demand weakens. However, there are reasons to view the region with a certain degree of optimism and we are confident that these countries will again move into the focus of interest as soon as a stronger economic recovery takes hold.

***Was there a further increase in the interest of investors in Poland during the past year?***

Yes, we are seeing more and larger transactions. Actually, this is true for all of Eastern Europe and is a sign that institutional investors are playing a stronger role in the market. They normally have a minimum size for deals, for example EUR 10 million, 50 million or even 100 million. The fact that we are seeing transactions in that range shows that these investors are back and can find the right products. In this sense you could speak of a recovery, which is what the market reports are also saying.

***Can we assume the recovery will continue?***

At the moment there are no reasons why it shouldn't continue. Of course, you must consider the fact that the total volume in CEE is still comparatively low and, as a rule, is driven by a few large deals like our *Silesia* sale. The volatility is therefore high.

**Silesia *will certainly help the statistics.***

(laughs) In any event, the end of the beginning recovery in CEE wouldn't be our fault.

***Let's return briefly to the interest of institutional investors. Are the former investors returning or do you also see new market players and new products?***

There are a number of new investors. One of them, for example, is Allianz, which acquired its first shopping center in Poland with the *Silesia City Center* and also bought a number of office buildings. Up to two years ago, Poland was a blank spot on their map. New funds with a focus on CEE have also been launched – by both Anglo-Saxon and local firms, especially in Poland but also in the Czech Republic. That, in turn, is a positive signal and points to a maturing market. The greater the influence of domestic investors on the market, the more stable it becomes. This element has been missing in CEE up to now.

***Will this also have a positive effect on selling prices?***

It should over the medium-term. At the moment we are seeing a sharp rise in volumes. If these volumes stabilise at a higher level, we can expect an increase in prices over the medium-term. A stronger market would definitely be welcome: we have a lot in the pipeline and our development experts are working hard to keep it full.

**Marco Kohla MRICS**
Director Transactions

Marco Kohla, born in 1978, received a master degree from the European Business School. Following positions with fund management companies and investment banks, he joined IMMOFINANZ Group in March 2009. Here he began as Head of Portfolio Strategy and was appointed Director of Transactions in January 2012.

***You refer to the real estate machine. A number of development projects are scheduled for completion in the coming year. When will we see them on the market?***

As soon as the timing is right. When is that the case? When we believe we have reached the peak of the cycle for the particular property. That could be at the point of completion, or two years later or even longer after that. We evaluate each case individually together with asset management, and then decide whether it is a good time to sell or whether the property could be optimised.

***On average, how many transactions do you have on your radar?***

If you include all the different stages of negotiations and closing, roughly 15 to 20.

***How does this compare with the situation one or two years ago?***

There are more deals and they tend to be larger. That is certainly due to the fact that we have become better and more efficient, the team has learned to work together and the sale machine has come up to speed. Since the start of our 2.5 billion Euro sale programme at the beginning of the 2010/11 financial year, our market penetration has expanded substantially. We have a large pipeline of possible transactions and have also become a lot faster in separating the deals that currently have less potential from the ones we want to actively pursue.

***What criteria are decisive for your decisions?***

I need the investor who will pay top price for a specific property because he or she believes it has the best value. That's the case when the buyer and the property have a good strategic and structural fit and the timing is right – the entire package must work. The faster we can determine this, the more efficient we can act.

***In addition to the sale price, what else is important?***

Reliability and the probability of closing the transaction. In other words, that means: how optimistic am I that a buyer can and will actually pay a certain price. We invest our time, and we want to see results at the end of the day. And here, trust and experience are important.

***The purchase price for a property isn't always specified in external communications. Why not?***

That generally depends on the agreement with the buyer. Of course, we would prefer to communicate the purchase price and indicate how much it exceeded the book value. But some of the new owners prefer not to release this information because they don't want the conditions to become known. Then you see the standard phrase "... have agreed not to disclose any further information on the transaction".

***Acquisitions are also part of your transaction activities. What are you working on here?***

The IMMOFINANZ business model has a strong focus on our own development projects. However, we still evaluate opportunistic acquisitions. When a property can be purchased below our development costs or an acquisition makes sense from a strategic standpoint, then we take a good look.

Earnings Driver Trade

# Record year for property sales

IMMOFINANZ Group sold properties with a total value of EUR 661.3 million during the 2012/13 financial year – and that means a new record. The targets for the five-year sale programme were topped, and the portfolio turnover increased speed. These transactions closed over the book value, which again confirmed the value of the Group's properties – in both Western and Eastern Europe.

Our goal is to make the portfolio stronger and more profitable over the long-term through selective, cycle-optimised sales that reflect the IMMOFINANZ strategy. In this way we release equity and create liquidity to invest in new development projects. The sale programme also covers properties that do not fit in with the target portfolio because of their size, quality or location – for example, properties in secondary or tertiary cities or locations outside the core countries – or use (e.g. hotels). In line with this focus, we continued our exit from the asset class hotels and the market in Switzerland. We completed our exit from the market in Bosnia-Herzegovina in May 2012 and from the French market in December 2012.

The sale of the *Silesia City Center* in Katowice, Poland, is expected to close in September 2013. At over EUR 400.0 million, it not only sets a milestone in the Group's history, but also represents the largest single transaction to date in Poland and CEE (excl. Russia) during 2013.

Sale programme exceeds targets

With the sale of the Swiss Les Bains de St. Moritz Holding AG, owner of the *Kempinski Grand Hotel des Bains*, in February 2013, we took advantage of an attractive seller's market to continue our exit from Switzerland and the asset class hotels. The hotel segment (based on the main use of the property) now includes only two properties in Vienna that will be offered to investors after their renovation is completed.

In the office segment, we reported on profitable transactions in Austria and Eastern Europe. We sold a number of office properties in Vienna, including the buildings at *Gaudenzdorfer Gürtel 67* and *Josefstädter Strasse 78*. In Prague, we sold the *Diamond Point* and *BBC Centrum C*.

The sale of a logistics property in Nice completed our exit from the French market. We also sold one logistics property in Switzerland and three in Germany.

### Residential properties: focus on core markets

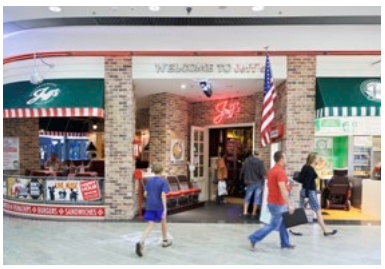
IMMOFINANZ Group also continued to implement its portfolio strategy in the residential segment by reducing its commitment at peripheral locations and concentrating its investments in Vienna and Germany. BUWOG, a wholly owned subsidiary, sold 467 apartments in individual transactions during 2012/13. The sales in this segment also included properties and real estate packages with a total of 1,199 apartments in the Austrian provinces. In April 2013 we announced the profitable sale of 35 properties in Carinthia with a total of 781 apartments and 59,000 sqm of living space to the ÖSW Group. After the sale of the Vorarlberg portfolio and parts of the properties in Styria, this marked a further step toward concentration on the IMMOFINANZ core markets in the greater Vienna area and Germany.

BUWOG also acquired a residential portfolio with 1,916 apartments and 126,233 sqm of rentable space in Berlin-Neukölln during April 2013. This portfolio covers 40 buildings that form a large residential complex. The units are roomy and ideally suited for families, and each has a balcony or terrace.

### The 2010–2015 sale programme

IMMOFINANZ Group's strategy calls for the generation of approx. 10% of income from the sale of commercial and residential properties. A five-year, EUR 2.5 billion sale programme was launched at the beginning of the 2010/11 financial year to optimise the property portfolio and improve the balance sheet structure.

This programme has resulted in property sales of EUR 1.4 billion and fund sales of EUR 231.6 million since 1 May 2010. By 30 April 2013 IMMOFINANZ Group had generated proceeds on sale totalling approx. EUR 1.7 billion. Compared with the proportional target value for the first three years, the Group had exceeded its objective by EUR 153.2 million, or 10.2%, as of the balance sheet date. This figure does not include properties of EUR 583.4 million that were classified as held for sale as of 30 April 2013.



**Silesia City Center | KATOWICE | PL**

Closing of sale expected in September 2013

89,000 sqm of selling space

approx. 340 shops

over 400 mill. € sale price

Interview Commercial Development

# "A wide range of exciting projects"

***Which commercial development projects are scheduled for completion in 2013/14?***

**Andreas Thamm:** Here we have been able to transfer a number of properties to asset management: for example, several sections of the *Gerling Quartier* in Cologne have now been completed. We have already set important milestones in the first stage of construction for this new urban quarter, which includes residential and office space. The first apartments will be turned over to their new owners at the end of the 2013 calendar year. And at the turn of the year, tenants will be moving into the *Panta Rhei* office building at Düsseldorf Airport – which is located at the best site in the Airport City. In the Czech Republic work is proceeding to complete our joint venture project *Na Příkopě 14*, which includes 17,000 sqm of office and retail space on one of the best known shopping streets in Prague. Another highlight in our schedule is, of course, the opening of the *GOODZONE*, our prime shopping center in Moscow. That will give us a total of five large shopping centers with almost 280,000 sqm of rentable retail space in Russia.

And don't forget: the expansion of our STOP.SHOP retail warehouse chain in Poland has started as planned. We expect to open two new locations, in Mława und in Kętrzyn, at the end of 2013.

"There is a clear profile for projects: what do we want and for whom."

Andreas Thamm, Director Commercial Development

***What are your focal points – geographically speaking and in the individual asset classes?***

As seen over the coming years, Germany, Poland and Russia will definitely be the core areas for development projects. These countries promise a wide-range of exciting projects. Romania could also join this group, depending on the development of the economy.

In Germany, we will continue to concentrate on the office segment for the time-being. The approval phase is starting for our *Casa Stupenda* office project in Düsseldorf, presumably the largest plus energy house in the world. At the *Gerling Quartier* the first office buildings will be ready for tenants at the end of 2013, and by mid-2014 we plan to complete all of the space in the first section. In addition to Cologne and Düsseldorf, we also intend to take a look at the office markets in Berlin and Hamburg. I still see demand in these cities, above all in the prime, higher-priced segment – and exactly that is the focal point of our office properties.

Our focus in Poland will remain on prime retail and office projects. We are currently developing the *Nimbus* office building in Warsaw and the *Tarasy Zamkowe*, a shopping center with an extensive entertainment and recreational offering in Lublin. We also want to investigate opportunities in the secondary cities.

***And what are your thoughts on Romania?***

IMMOFINANZ Group owns numerous building sites in this country that were acquired many years ago and are now well-suited, among others, for logistics projects. It pays to regularly review the available opportunities, depending on the state of the economy. I'm thinking, for example, of special logistics like cool and cold storage. The interest of companies in logistics space has, of course, declined due to the crisis. But I expect the trend in Romania will be similar to Russia. As soon as a major pharmaceutical or retail corporation starts looking for special facilities, it will see that there is a substantial volume of space on the market but most of the buildings were built during the past century and are not up to current standards. IMMOFINANZ has the power and the opportunities to play in this league. Our goal is to develop, and then sell, properties for and with the end customers. That also allows for greater standardisation. But first, we need to take a good look at possible niches.

***Key word standardisation: Have you reached this point with the STOP.SHOP. retail warehouses?***

Yes, STOP.SHOP. is a great retail product that can be duplicated as often as you like. The most important features of these retail warehouses are their uniform quality standards, their functionality and their high market recognition. That is what I have in mind when I talk about a high degree of standardisation. Of course, it would be desirable to develop other similar concepts. We already have a few good ideas.

***How do you make sure the development pipeline is always full?***

We obviously receive project recommendations from various sources, in part from local brokers and scouts who work with us. The size and presence of IMMOFINANZ in its core countries guarantee that market opportunities don't pass by unnoticed. In this respect we want to become more efficient by reacting even faster – and here I mean within three weeks – with a qualified answer, even if we're not interested in a project. And then we

**Andreas Thamm**
Director Commercial Development

Andreas Thamm, born in 1967, has been with IMMOFINANZ Group since June 2013 and is responsible for Commercial Development in the core countries. He is an experienced real estate specialist whose interests are concentrated, above all, on the realisation and growth of commercial development projects.

have our portfolio pipeline projects, which are regularly reviewed for possible (re)activation.

***How does your decision process work?***

In the end, a project must be profitable. And profitability depends on a number of factors: the construction costs, financing, the market environment and rentals. This last aspect is, naturally, a key driver. That's why the asset management team is also involved in projects from the very start. The requirements of future tenants represent an important point for our work. There is a clear profile for projects: what do we want and for whom?

***Apart from that, what factor is most important for the development business?***

That depends on the stage. Normally, there are three stages in a project: acquisition or development, realisation and initial rental, which is the responsibility of asset management. In the acquisition phase, a good local network is important. You also need contact partners and the capability to correctly evaluate the opportunities and circumstances. For the development of a retail property, two sites on the same street that are only a few hundred metres apart can have entirely different values. The project realisation stage is different – here you need more technical experts.

The key points are to assemble a team that covers both areas and to make sure we have the best experts on location in the core countries designated for our development projects.

***You are also responsible for engineering. What are your focal points here?***

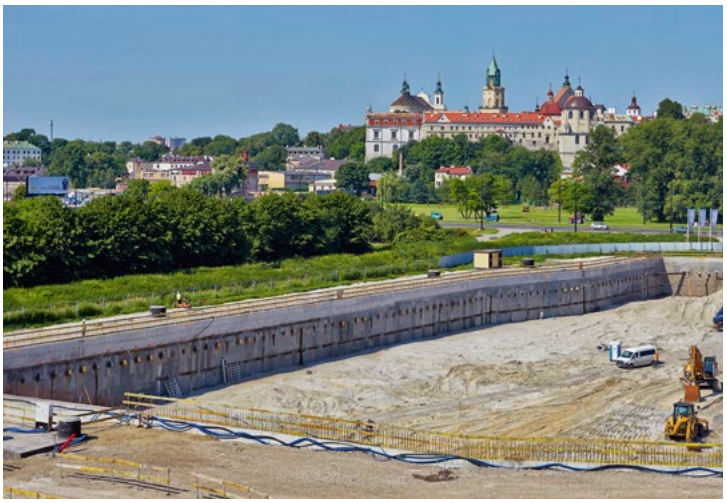
This area reflects the integration of additional technical know-how in IMMOFINANZ Group. The department serves as a competence center for sustainable, energy-efficient construction. And here we also want to be as close as possible to our customers. We are currently working to identify opportunities to further reduce ancillary expenses. Energy and technical maintenance are the main drivers for the square metre price of space. Energy covers issues like procurement and the optimisation of consumption up to generation, whereby we concentrate on the first two areas. Every kWh I don't need is the best kWh. Our goal is to reduce these added rental expenses. We can't pass on all the ancillary expenses to our tenants. That means when we do good work here, we have happy tenants and an even more profitable IMMOFINANZ.

Earnings Driver Development

# Panorama

## 104,000 sqm
## Building site

is the size of our *Tarasy Zamkowe* development project, which is as large as 15 football fields. This modern shopping center in the heart of Lublin is scheduled to open in autumn 2014. It will offer high-quality service and include, among others, a rooftop green area with a fantastic view of the old city and the historic castle. The construction site is a very busy place – "I expect we have the largest excavation pit in the history of Lublin", smiled Jacek Wesolowski, Country Manager Poland for Commercial Developments.



## 300
## Construction workers

are the guarantee for fast progress on the *Gerling Quartier* development project. In a separate "Veedel" in the heart of Cologne, 15 buildings for condominium apartments and offices are currently under construction. A total of 40,000 cubic metres of rubble has already been removed from the site, 10,000 cubic metres alone when the core of the landmarked Gerling high-rise was gutted. At the topping off ceremony on 6 November 2012, Cologne's Lord Mayor Jürgen Roters commented: "The fusion of this historical building and modern architecture makes the *Gerling Quartier* truly unique."

## 44
## STOP.SHOP.s

in six countries. The design promises high recognition – regardless of the location. On 1 October 2012 the roll out of our successful retail warehouse chain started in Austria, IMMOFINANZ Group converted nine existing retail parks into STOP.SHOP.s. Further expansion is planned for the brand over the coming years, above all on the Polish market: No. 45 and 46 will open in Kętrzyn and Mława this year, and up to ten other locations in Poland will follow.

# 40 ml Vodka

and 20 ml of sour apple liquor, 10 ml of lemon juice, 5 ml of green apple syrup, 30 ml of apple juice plus cucumber or green apple slices for decoration. These are the ingredients for the cocktail named after our *Dębowe Tarasy* residential development project. Together with Lemoniada, the most popular bar in Katowice, Poland, IMMOFINANZ Group held an open cocktail competition and, in this way, significantly increased the number of Facebook friends for the *Dębowe Tarasy*.

# 1A Location

and unusual architecture are the highlights of our *Panta Rhei* office development project in Düsseldorf's Airport City. Nearly seven months to the day after the cornerstone was laid, the topping off ceremony was held on 6 June 2013. Construction manager Jörg Sondern recited a poem in keeping with the tradition for this occasion, paying tribute to this ambitious project and its even so ambitious developer.

# 1 Time capsule

with the cornerstone certificate, a few coins and two newspapers was cemented into the foundation at the cornerstone ceremony for our *Nimbus* office building in Warsaw on 16 May 2013. This project, which will have over 19,000 sqm of rentable space, is scheduled for completion in August 2014. With nearly 200,000 sqm, IMMOFINANZ Group is one of the largest investors on the Warsaw office market.

Interview Asset Management Office

# "We have more to offer than just office space"

***When you look back at the past year, what makes you particularly satisfied?***

**Dietmar Reindl:** One very important step was to concentrate our office management activities even more on our tenants. The outlook for economic growth is still reserved, and that has a direct effect on the demand for office space. General pressure on prices is the result. Our aim is to counter this development by increasing our services for customers and potential tenants, by offering them more than just space in our buildings. We also want to improve our contacts with potential tenants via the Internet: for example, we launched an office search machine in seven languages together with the marketing department (**office.immofinanz.com**) and have already seen the first successful results. The direct inquiries over this website cover space ranging from roughly 100 sqm to several thousand sqm. We work very well together with brokers in all our core countries, but there is a target group that prefers to deal directly with the owner. The new website gives us better and faster access to this group – and also strengthens the positioning of the IMMOFINANZ brand in the office segment.

"In Warsaw, we set a new record for rentals."

Dietmar Reindl, Director Office, Logistics, Hotels

***You mentioned the economic environment. The office segment is more cyclical than other sectors of the real estate market. How was business in the IMMOFINANZ countries during the past year?***

With the exception of Germany, we had little support from the economy in Austria, Romania, Hungary and the Czech Republic. However, IMMOFINANZ benefits from many years of experience and a wide-ranging portfolio in these markets. Tenants are still looking for space – even though the demand is lower than in boom times. In the current phase of the cycle, investors are starting fewer development projects. There is less competition – for example in Romania, where we extended or signed new leases for nearly 80,000 sqm in 2012/13. As of 30 April, we had an occupancy rate of over 91% in that country – and the trend is pointing upward. We are on the market and we have the space.

The situation in Hungary is similar. There are simply no development projects on the market at the present time. The IMMOFINANZ projects that came under pressure because of the economic downturn – together with the rest of the market – are now enjoying sound demand. For example, we recently rented several thousand square metres in the *Haller Gardens* in Budapest.

***Does this decline in competition also apply to the office markets in Vienna and Warsaw?***

A number of people see Warsaw as the largest construction site in Europe (smiles). But in the end, not every project that is announced is actually built. In Warsaw, we closed or extended rental contracts for more than 60,000 sqm during the past year – that represents roughly 30% of our office and logistics space in Poland: a new record.

In Vienna, we have reached a size where we can position IMMOFINANZ Group as an office rental expert with a large offering and substantial flexibility. Other companies don't have this possibility. We are becoming better in developing the current market. We are becoming better in working with brokers and in direct contact with customers. What helps here is that we have completely integrated the previously outsourced asset management and are now even closer to the market and tenants. The real estate business is a local business, and a local presence is important.

***What does IMMOFINANZ mean by active asset management?***

The headline reads: the customer comes first. In all our markets, we want to maintain continuous contact with our tenants so we can solve their office problems quickly and efficiently. Regardless of whether their business is growing or shrinking, we are flexible and can offer options in various price categories.

***Based on nearly 100 office properties, that sounds like a lot of customer service?***

Of course. We have roughly 1,000 tenants in our offices, including some with locations in more than one building, for example from the IT business. They value the quality and security provided by a large real estate company. In the future, we want to increase our focus on companies with international activities. We can offer them standardised solutions for all their markets.

***IMMOFINANZ office customers can rely on a service package. What does it include?***

Quite a lot. In a first step, we provide interested companies with an Internet-based platform to plan their requirements. The customer enters the number of employees, ideal concepts for the individual rooms and other factors,

**Dietmar Reindl**
Director Office, Logistics, Hotels

Dietmar Reindl, born in 1969, has been with IMMOFINANZ Group since July 2012 and heads the Asset Management Department for Office, Logistics and Hotels in the core countries. He can look back on many years of experience in the development, management, marketing and sale of real estate – from shopping centers to office buildings, hotels and luxury apartments.

and receives preliminary recommendations for space and room allocation. After a first on site tour, we prepare a suggested layout free of charge. For daily operations, we prepare a catalogue with recommended service companies for each location that ranges from dry cleaners to florists, taxis and shopping alternatives. And as the property owner, we can, of course, always be reached.

***And the competition can't offer the same types of services?***

As far as I know, no one can match this – above all not for an entire portfolio. We offer this service package in all our core markets.

***How was the development of occupancy in 2012/13?***

The overall occupancy rate rose from 80.7 to 81.8% and in Austria from 77.5 to 81.8% – that is just the opposite of the market trend and proves that our strategy is correct. This rate also reflects the sale of several fully rented office buildings during the past year, which had a negative effect on the calculation.

***What is your strategy for vacancies?***

Actually, we have several strategies: When the quality and location of a property fit, we first work on our local market presentation, for example with sample offices, decoration etc., and then start active marketing together with a broker. For buildings that will probably not be competitive over the medium- to long-term, we consider modernisation and repositioning or another use. In Vienna, for example, rezoning as residential space is an option because of the high demand for apartments. IMMOFINANZ has a number of projects like this in progress, such as the building at *Altmannsdorfer Strasse 104*. That will be a very nice residential project. And since the average size of rentals in the office segment is declining – with the exception of the market in Romania – we are also prepared to rent smaller areas. Through our cooperation with Clusterhaus, we are supporting not only young, innovative companies, but also want to develop them as long-term customers. Clusterhaus gives start-ups access to centrally located offices and a complete package of services that includes short-term, flexible leases. Here these men and women can pursue their business ideas together with other entrepreneurs. The rents are held intentionally at the lower end of the scale. The Clusterhaus offices in Cologne and Vienna will soon be followed by a third location in Bratislava. The goal is to support these companies in the start-up phase and then accompany them as the preferred office partner for their further development.

***What trends do you see for the coming year?***

In Austria the focus is on the further optimisation of the portfolio, for Poland and the Czech Republic I see a slight increase in rentals. In Romania, the continuing shortage of prime office space should allow us to benefit from the strong demand and our standing as an international office expert. For Hungary, I expect an improvement, but below the level in the other countries. And in Germany, we will transfer our *Panta Rhei* development project in Düsseldorf – where the first tenants are scheduled to move in at the beginning of 2014 to the IMMOFINANZ asset management specialists. We have also started to market the office space in the *Gerling Quartier* in Cologne.

Segments in the Asset Class Office

# More than just offices: places to work with a focus on tenants

IMMOFINANZ Group has been active in the office asset class since 1990. At the end of April 2013, our portfolio in this segment covered 100 standing investments. These assets have a combined carrying amount of EUR 2.6 billion, which represents 28.0% of our standing investment portfolio. Activities in the office asset class are concentrated in Austria, Germany, Poland, Czech Republic, Romania, Hungary and Slovakia.

Flexible realisation to meet customer needs

Our office portfolio comprises prime properties in good and excellent locations. The successful management and development of these properties is based on our extensive know-how and many years of experience in very diverse markets. One of our most important success factors is our ability to meet the needs of our customers, a quality that is closely linked to our high flexibility and the continuous improvement of our portfolio structure (among others through increased turnover, targeted new developments and selective acquisitions).

**Focus on three business segments:**

The **International High-Class Office** segment includes prime properties at premium locations for superior demands. With approx. 12.0% of the standing investment portfolio, these high-quality offices represent an important source of revenues and a major source of stability for IMMOFINANZ Group. Plans call for the further strengthening and expansion of this segment in the future.

The **Secondary Office AT/DE** portfolio is concentrated in the stable markets of Austria and Germany and has a 6.1% share of the standing investment portfolio. It includes good, functional properties for cost-conscious tenants. The strategic objectives for this segment are to improve occupancy and to transform these buildings into prime properties through targeted investments.

The properties in the **Secondary Office East** segment comprise 7.8% of the standing investment portfolio and are all located in the capital cities of Central and Eastern Europe. These good B-class properties are ideally suited for cost-conscious tenants. The goals for this segment are to strengthen the market position, increase occupancy and develop selected projects.

Office buildings outside the above three business segments are classified as **Opportunistic Office** properties. This category represents 2.2% of the standing investment portfolio and includes properties with conceptual challenges like size, location or quality. The plans for these properties include repositioning or sale.

Our **own developments** in the asset class office include innovative high-class projects such as the *Jungmannova 15* and *Jindřišská 16* – both in Prague – as well as the *Nimbus* in Warsaw, the *Panta Rhei* in Düsseldorf and the *Gerling Quartier* in Cologne.

## Key Figures

**100**
**STANDING INVESTMENTS**
number of properties
as of 30 April 2013

**2,616.9 mill.**
**STANDING INVESTMENTS**
carrying amount
as of 30 April 2013

**1.3 mill.**
**RENTABLE SPACE**
in the standing investments in sqm
as of 30 April 2013

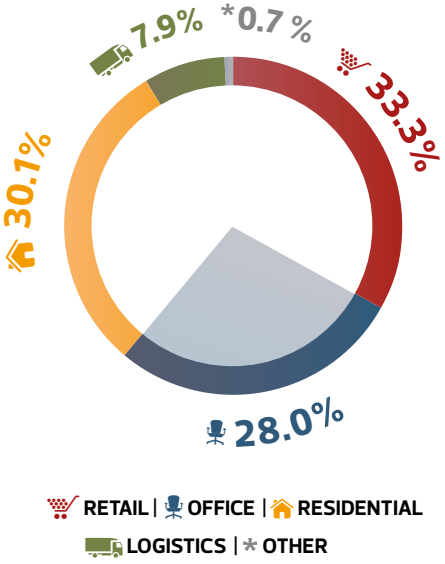
**81.8%**
**OCCUPANCY**
as of 30 April 2013

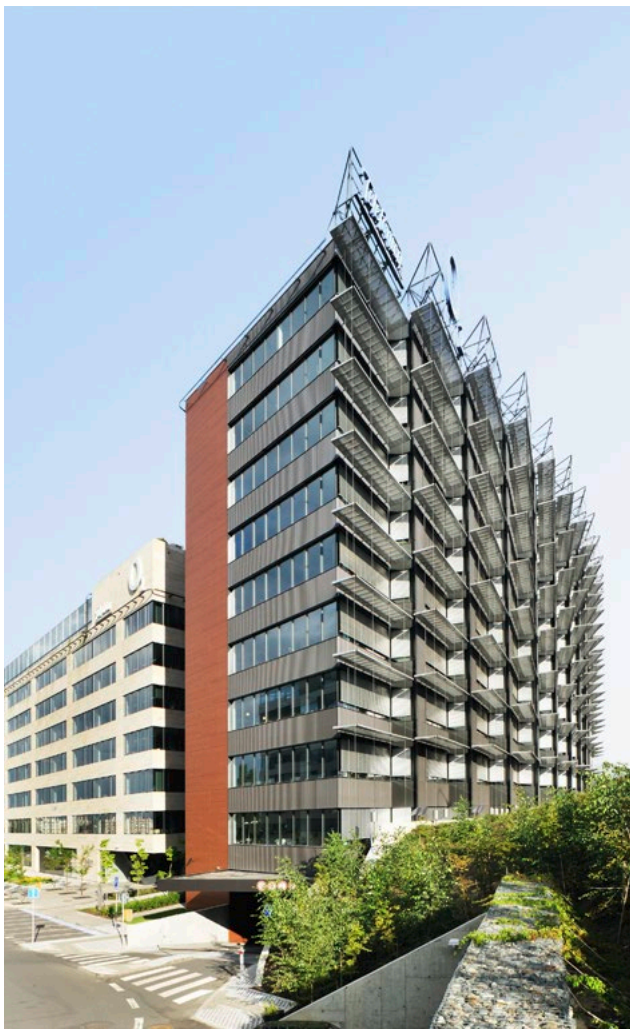
**41.6 mill.**
**RENTAL INCOME**[1]
in Q4 2012/13

**6.4%**
**GROSS RETURN**
based on rental income
in Q4 2012/13

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

## Asset Classes





**BB Centrum Gamma | PRAGUE | CZ**

A modern, urbane, 10-storey office center located in Prague's fourth district

30,200 sqm rentable space

500 P underground parking spaces

Asset Management Office

# Panorama

## 40,000
## Welcome packages

will be delivered by IMMOFINANZ to new staff in its customers' offices during the coming financial year. The packages contain useful items for an (at least at the beginning) empty desk: a notepad, pens, Post-its, paper clips, peppermint drops etc. In that way, the employees will know from the very first day that they work in an IMMOFINANZ office – and will hopefully enjoy it.

## 9,500
## Chocolate Easter bunnies

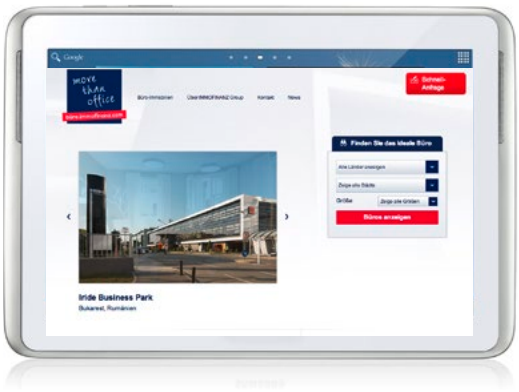
were distributed by 13 messengers to 32 IMMOFINANZ office buildings throughout Austria at the end of March. Most of them – 3,500 Easter bunnies in total – were delivered to the *Businesspark Vienna*. These sweet, melt-in-your-mouth greetings gave us an excellent opportunity to highlight our slogan "More than office". Several hundred Easter bunnies were also donated to the SOS-Kinderdorf children's villages.

## 3,600
## Breakfast bags

were distributed by promoters near our Vienna Office properties in April. With the content – croissants and beverages – we wanted to create an increased appetite for new offices and make potential tenants aware, in a tasty way, that IMMOFINANZ provides a lot more than just inviting space. But the way to a tenant's heart and to modern offices with top service – involves more than just breakfast. As a special add-on to this promotion, all tenants who sign up for an IMMOFINANZ office by the end of this year will receive flower arrangements for six months free of charge.

# 100
## Office properties

in 10 countries on a clear and transparent web platform: at **office.immofinanz.com** potential customers can find their new, ideal office. This website was designed especially for users and is available in seven languages with an interactive design. Direct contacts to the responsible asset managers create optimal customer relations. Investors have also found this service – which is the leader in branch comparison – to be a useful tool to get to know our international office portfolio.



# 45
## Days

is the length of time given to innovative companies from the fields of architecture and creative design to submit their ideas for the YouCreate 2013 competition. IMMOFINANZ Group is looking for unconventional ideas for the future use of its *Airport Business Centre* office building in Prague. The winner will receive EUR 10,000 and the opportunity to realise his or her concept together with IMMOFINANZ.

# The
# 1st Address

for many start-ups is one of our three Cluster houses. In these buildings, young entrepreneurs can rent offices with flexible leases and pursue their business plans. In the Clusterhaus Cologne, more than 80 start-ups had rented 90% of the 6,400 sqm of office space within one year. In the Clusterhaus Vienna (*Siebenbrunnengasse 17*) more than 80% of the 1,200 sqm are currently occupied. The third start-up hub will open soon in the *Millennium Tower Bratislava*. The goal is to support innovative companies and win them over as long-term tenants.

Interview Asset Management Retail

# "We made the cut for the Europa Cup"

***The occupancy rate in the retail properties rose steadily in all countries during the past financial year, and even reached 100% and 99%, respectively, in Poland and Russia. Can you now lean back and relax?***

**Wolfgang Idl:** No, definitely not. Our approach to customer-oriented asset management doesn't include taking it easy. But we can be satisfied. The occupancy rate is very high and rents are stable. Business in Russia and Poland is excellent – and here we still see significant potential. We have also successfully defended, and in some cases, extended our positions in challenging markets.

***Give us an example.***

In Bratislava, there has been a massive increase in competition over recent years due to the opening of new shopping centers. And last autumn a competitor started operations close to our *Polus City Center*. We were not only able to hold the customer frequency constant, but even recorded an increase of 3% year-on-year in May 2013. I really didn't expect that, not least because a number of our competitors were faced with a sharp drop in customer traffic. The occupancy rate in this shopping center is stable at a high 97%. We work hard to create strong customer ties with marketing campaigns and events. Our customer card programme already has 5,000 members, and our "Elvis Live" exhibition with original memorabilia from the "King of Rock 'n Roll" and performances by cover bands brought us the Solal Award in Silver from the International Council of Shopping Centers, the leading global branch association.

"In our customer-oriented asset management, you can't lean back and relax."

Wolfgang Idl, Director Retail

With a great deal of commitment and lots of hard work, we not only stabilised, but also slightly improved the situation in a very difficult environment. That's an excellent example of what active asset management can and must do.

***Does that also help in a difficult market like Hungary?***

Definitely. Hungary is still one of the most challenging markets. Our retail business in that country is concentrated in the STOP.SHOP. retail warehouse chain, and we are the only provider who focuses on active, regular marketing and organises several events at our locations each year. We also started a Facebook page roughly six months ago and have already received more than 30,000 Likes – in other words, all these people told us they like what they see. Our new rental activities were also successful, and we were able to acquire new major international tenants like H&M. That increases the value of our locations and distances us substantially from the competition. In total, we closed new rental contracts for 17,000 sqm during the past year. That raised the occupancy rate in Hungary to over 89%.

***In general, how satisfied are you with the STOP.SHOP.s?***

These retail warehouses perform extremely well and are stable in all six CEE countries where they operate. During the 2012/13 financial year, we also brought Austria into the STOP.SHOP. family and carried out an extensive rebranding of our existing retail parks. That was very well received by the market and further strengthened the brand recognition.

In January 2013 we insourced the management of the retail warehouse portfolio in the Czech Republic, Slovakia and Hungary and installed a separate property management department. That not only had a positive effect on the staff's motivation, but also on rentals. It also adds to our cost advantages: we cut operating costs by 10% across the entire portfolio through new tenders. Energy contracts were bundled and new offers were collected – we were able to use economies of scale in a number of areas.

***In Russia, specifically in Moscow, IMMOFINANZ will have five large shopping centers once the GOODZONE is completed. How high is the demand from western retailers?***

The Russian market is becoming increasingly important for a growing number of brands. We are currently in the process of bringing Deichmann to Moscow – you could actually say that IMMOFINANZ was the trigger for this leading European shoe company's expansion into Russia. Takko also decided in favour of one of our shopping centers for its debut in this market.

In summary: the development of business in Russia is sensational, we are almost fully rented and rents are stable to slightly higher. You must bear in mind: IMMOFINANZ has an approx. 8% share of the total retail space on the Moscow market. The *Golden Babylon Rostokino*, the flagship among our shopping centers,

**Wolfgang Idl**
Director Retail

Wolfgang Idl, born in 1967, joined IMMOFINANZ Group in 2006 and has been the Director of the Retail Department since 2009. He has over 15 years of experience in retail property management which he gained, among others, in his functions with Gerngross Kaufhaus AG and Jones Lang LaSalle.

is visited by roughly 24 million people each year. And we are expanding the *Silesia City Center* in the Polish city of Katowice to make it one of the top five shopping centers in the country. From early 2012 to mid-2013, 29 new shops opened there and 12 brand retailers chose our location for their debut in Upper Silesia. Included here is COS – Collection of Style, which only operates in a few top locations worldwide. In other words, our efforts are recognised by the market.

***You mean IMMOFINANZ Retail has become an international name?***

Yes. The numbers show that we are now recognised as an international player. It would perhaps be slightly overconfident to say that we have entered the Champions League. But we have, in any case, made the cut from the Austrian national league to the Europa Cup. That's a nice achievement and, of course, makes rentals easier.

***How is business in Romania?***

The portfolio is now on the right course. Our *Polus Center Cluj* expanded its leading position in Transylvania: we were able to add H&M as a tenant, and Deichmann and C&A increased their space. We launched a new marketing concept for the *Gold Plaza* in Baia Mare and are working hard to improve the tenant mix: Intersport and H&M opened in the first quarter of 2013. In addition, 16 tenants were relocated within the shopping center. The first interim assessment: customer frequency rose by 11% year-on-year in March and by nearly 28% in April. Here you can also see that we are continuously working to improve the product.

***Apart from a good product, what factors are important?***

Experience, the size of the network and, of course, nonstop support. Every asset manager knows his or her tenants. When there are problems, they are solved personally and quickly. That's a claim we have worked hard to meet for many years.

***Online retailing is registering strong growth rates. Does that mean the traditional shopping center has an expiration date?***

No, e-commerce shouldn't be seen as a general threat, but as a source of change. In certain areas it is increasing the demand for smaller space, for example in electronics or book retailing. It will also create new demand, for example for showroom concepts – think of the Apple stores or for delivery options via shopping centers.

One important fact: shopping centers are no longer just a place to meet purchasing needs. They are increasingly becoming a meeting point, above all in Eastern Europe. Entertainment and atmosphere are factors that the Internet can't supply in this form. The role of center management and the availability of services are also becoming more important. We are therefore positioning our shopping centers as a high-quality "place to be".

Segments in the Asset Class Retail

# Retail – customer orientation as the key success factor

We create shopping centers that generate maximum revenues

IMMOFINANZ Group has been active in the retail sector since 1990. At the end of April 2013 our portfolio included 186 standing investments with a combined carrying amount of EUR 3.1 billion. That represents 33.3% of our standing investment portfolio. Russia, or to be more precise Moscow, is our single most important retail market – followed by Austria, Poland, Romania, Slovakia, Czech Republic and Hungary.

Many years of experience and well-established connections with international retail chains and partners in relevant markets are two of our success factors for the successful management of shopping centers. And above all this stands our basic approach: customer-oriented asset management. Through a balanced tenant mix and the integration of leisure activities and entertainment alternatives, we bring people into the shopping centers and create an environment that allows our tenants to maximise their revenues. We also rely on this potential for the development of our own projects.

Excellent connections and know-how compiled over decades set us apart from the competition and form a solid foundation for our retail business segments:

In the **Quality Shopping Center** segment, we bundle large, modern, ideally located retail properties that meet superior demands. As of 30 April 2013 these properties comprised 26.4% of the standing investment portfolio – steady high occupancy and stable earnings confirm our strategy to strengthen and expand this segment.

The properties in our **STOP.SHOP./Retail Warehouse** segment represent standardised solutions for everyday needs: our STOP.SHOP. retail warehouses are located in areas with good traffic connections in regional population centers throughout Central and Eastern Europe. This concept was introduced in Austria during autumn 2012, and STOP.SHOP. is now represented in six countries. The success of this strong, recognised brand is based on a high degree of standardisation that creates cost efficiency and synergy effects for our tenants. These properties represent 4.7% of the standing investment portfolio.

The properties outside these two segments are combined under **Opportunistic Retail**. This category represents 2.2% of the standing investment portfolio and includes properties with conceptual challenges like size, location or quality. The plans for these properties include repositioning or sale.

Our **own developments** include a number of exciting, high-quality projects in the Quality Shopping Center segment: with the *Tarasy Zamkowe* in Lublin, Poland, and the *GOODZONE* in Moscow, we are currently setting benchmarks for these two regions.

## Key Figures

**186**
**STANDING INVESTMENTS**
number of properties as of 30 April 2013

**€ 3,120.4 mill.**
**STANDING INVESTMENTS**
carrying amount as of 30 April 2013

**sqm 1.1 mill.**
**RENTABLE SPACE**
in the standing investments in sqm as of 30 April 2013

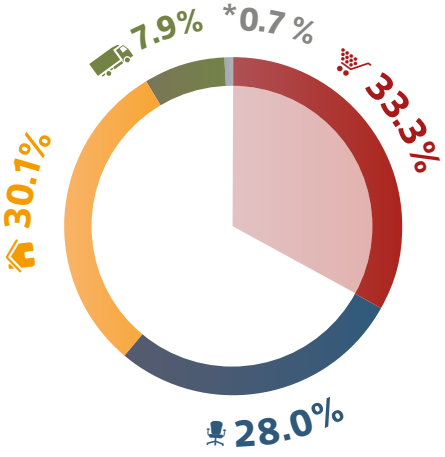
**% 94.2%**
**OCCUPANCY**
as of 30 April 2013

**€ 72.0 mill.**
**RENTAL INCOME[1]**
in Q4 2012/13

**% 9.2%**
**GROSS RETURN**
based on rental income in Q4 2012/13

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

## Asset Classes




RETAIL | OFFICE | RESIDENTIAL
LOGISTICS | * OTHER

**Polus City Center & Millennium Towers**
**BRATISLAVA | SK**

A shopping and entertainment center with twin office complexes

24,700 sqm rentable space retail

42,700 sqm rentable space office

Asset Management Retail

# Panorama

## 100,000,000
## Visitors

per year come to our shopping centers. Most of them, namely 24 million, can be counted in the Moscow *Golden Babylon Rostokino* – that equals the combined population of Austria, the Czech Republic and Slovakia.

## 65,000,000
## Years

have passed since the dinosaurs became extinct. In the *Golden Babylon Rostokino* shopping center visitors can take a close-up look at animated, life-sized examples. The *Golden Babylon Rostokino* has an area equal to 24 football fields, and 10 indoor rounds through the mall are the equivalent of a marathon.

## 48,000
## Facebook fans

like the *Silesia City Center*. This great popularity is also due to Paris Hilton, who came to Katowice for the opening of the center expansion and triggered enormous media interest. In the Facebook popularity scale, the *Polus City Center* Bratislava follows with 28,000 fans, the *Maritimo Shopping Center* with 27,000 and the *Polus Center Cluj* with 19,000.

# 8
# Movie theatres

with 1,800 seats, a food court with 550 seats, a 1,500 sqm fitness studio, several beauty salons and, in total, over 190 shops: There are many good reasons to visit the *Polus Center Cluj*, which is more than just a shopping center – and has established a firm position as a modern meeting point for the entire region. Roughly 8 million visitors per year are the key to steadily growing revenues.

# 4
# Excavators

4 teams with 9 persons each and a single goal: to set up a wall with IMMOFINANZ Group building blocks. The winning team in this competition at the 2012 IMMOFINANZ Group Retail Day in Vienna had a great recipe for success: good teamwork.

# 3
# Awards

were presented to the *Silesia City Center* in 2012/13. In a ranking of Polish shopping centers – which was carried out by the Polish Association of Retail Tenants and the GfK Polonia Institute – it was rated first in the categories "tenant mix attractiveness" and "marketing activities". The International Council of Shopping Centers, the leading global branch association, also presented our Silesian shopping center with an award in the category "Refurbishments and/or Expansion".

*ICSC award in the category "Refurbishments and/or Expansion"*

# 3
# Weeks

at the *Polus City Center* (Bratislava) were focused entirely on Elvis Presley. The event included an exhibit of personal memorabilia from the "King of Rock 'n Roll", numerous info stands and a fan shop. Elvis imitators and Presley melodies over the loudspeakers created just the right atmosphere. With marketing events like this, IMMOFINANZ Group creates added value for the visitors to its shopping centers and, at the same time, strengthens customer ties. The result: a stable occupancy rate of 97%.

Segments in the Asset Class Logistics

# Logistics with a full-service approach

IMMOFINANZ Group has been active in the logistics sector since 1991. At the end of April 2013 our logistics portfolio covered 67 standing investments with a combined carrying amount of EUR 742.1 million. That represents 7.9% of our standing investment portfolio. Our most important logistics market is Germany, and the focal point of our activities is the active asset management of our standing investments. Our goals are to continuously increase occupancy and optimise the portfolio. We also want to utilise the available market opportunities and expand our project pipeline in Germany.

Online retailing adds new momentum to the logistics market

The logistics sector in Germany is a dynamic asset class that is characterised by high returns and an expected substantial increase in demand due to the expansion of online retailing. Deutsche Lagerhaus (DLG), a wholly owned subsidiary of IMMOFINANZ Group, has developed a strong position and serves as our logistics competence center for further growth. The 2012/13 financial year brought another series of successful rentals and cycle-optimised sales and continued our withdrawal from non-core countries like France and Switzerland.

The **Logistics West** business segment combines our investments in Germany, Switzerland and the Benelux countries. Together with our DLG and City Box subsidiaries, we have developed a comprehensive logistics network – with a full-service approach at the core of our activities. This category covers 6.0% of the standing investment portfolio. Our strategy calls for the stronger positioning of DLG as a logistics specialist in Germany.

The **Logistics East** portfolio, which has a share of 2.0% in the standing investment portfolio, includes our properties at central locations in Eastern Europe. Close cooperation with our West European competence center gives us access to extensive know-how.

In June 2013 we launched our new website **www.log-center.com/en** – an information and marketing channel for our logistics properties in Eastern Europe. LOG CENTER is the strong international umbrella brand for our logistics properties in Romania, Hungary and Slovakia. Our plans call for the continued utilisation of opportunities and strengthening of our position in these niche markets.

## Key Figures

**67**
**STANDING INVESTMENTS**
number of properties as of 30 April 2013

**742.1 mill.**
**STANDING INVESTMENTS**
carrying amount as of 30 April 2013

**1.5 mill.**
**RENTABLE SPACE**
in the standing investments in sqm as of 30 April 2013

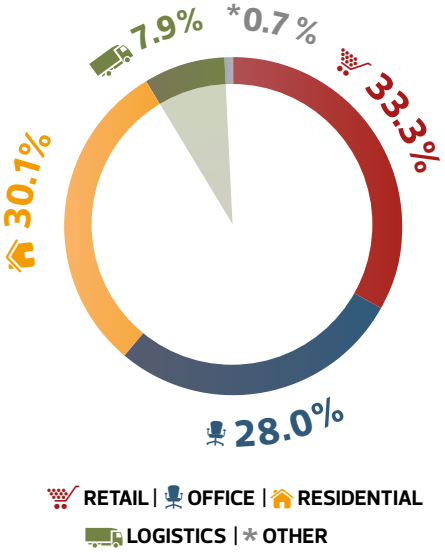
**82.1%**
**OCCUPANCY**
as of 30 April 2013

**16.6 mill.**
**RENTAL INCOME**[1]
in Q4 2012/13

**9.0%**
**GROSS RETURN**
based on rental income in Q4 2012/13

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

## Asset Classes



**LOG CENTER Nové Mesto | BRATISLAVA | SK**

Modern prime property from the IMMOFINANZ logistics portfolio

24,800 sqm rentable space

Units from 2,000 to 8,000 sqm

Segments in the Asset Class Residential

# Housing – stable earnings and great potential

IMMOFINANZ Group has been active in the residential sector since 1990. By the end of April 2013 our residential portfolio had grown to include 1,187 standing investments with a combined carrying amount of EUR 2.8 billion. Our most important markets are Austria and Germany. This portfolio has a very high occupancy rate of 95.3%.

BUWOG can look back on decades of experience

Our wholly owned subsidiary BUWOG can look back on 60 years of experience in the development, construction and management of residential properties. Rental prices in Austria and Germany are stable and, in some cases, have a significant upward potential. The demand for apartments is high in both markets, above all due to demographic trends, and forecasts point to a further widening in the gap between supply and demand. The attractive market environment also promises steady high margins in apartment privatisation. Through the sale of parts of its regional portfolio in Austria to local investors, BUWOG is continuing its concentration on the core markets. Activities in the future market of Germany are focused, above all, on the capital city of Berlin, and the provinces of Schleswig-Holstein and Lower Saxony, while the business in Austria is concentrated on the greater Vienna area.

The know-how developed by BUWOG also helps us in Eastern Europe. Our future residential development activities in CEE/SEE will be located primarily in Poland, Romania, Slovakia and Russia. With Adama, one of the leading property developers in Romania, we have an ideal platform to expand our residential construction and development activities in this region.

The **Residential West** segment includes specially designed rental and condominium apartments in Austria and Germany. With a 30.1% share of the standing investment portfolio, this segment has high occupancy and low tenant turnover. Our goals for this segment are to increase the focus on large-scale residential projects, expand development projects for rental and condominium apartments, increase the volume of standing investments in Germany and intensify acquisitions and sales.

In the **Residential East** segment, we bundle our residential construction activities in Eastern Europe. These projects generally represent large-scale new condominium construction for the growing middle class. The housing market in many countries of this region is characterised by substantial pent-up demand, and we can benefit from this demand with BUWOG's know-how and the expertise of local partners or subsidiaries like the Romanian Adama. Our goals are to realise new residential projects on available land reserves and gradually acquire new sites for the development of condominium apartments.

With the *Dębowe Tarasy* Residential Estate (Phase III), we are currently constructing an innovative development project in Katowice, Poland. This impressive project covers four similar construction stages with a total of 1,040 apartments. In Vienna and Berlin, BUWOG has more than 5,000 apartments under construction or planning.

## Key Figures

**1,187**
**STANDING INVESTMENTS**
number of properties
as of 30 April 2013

**€ 2.814,1 mill.**
**STANDING INVESTMENTS**
carrying amount
as of 30 April 2013

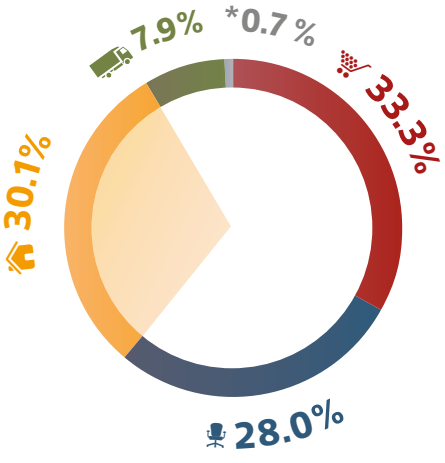
**sqm 2.6 mill.**
**RENTAL INCOME**
in the standing investments
in sqm as of 30 April 2013

**% 95.3%**
**OCCUPANCY**
as of 30 April 2013

**€ 28.4 mill.**
**RENTAL INCOME[1]**
in Q4 2012/13

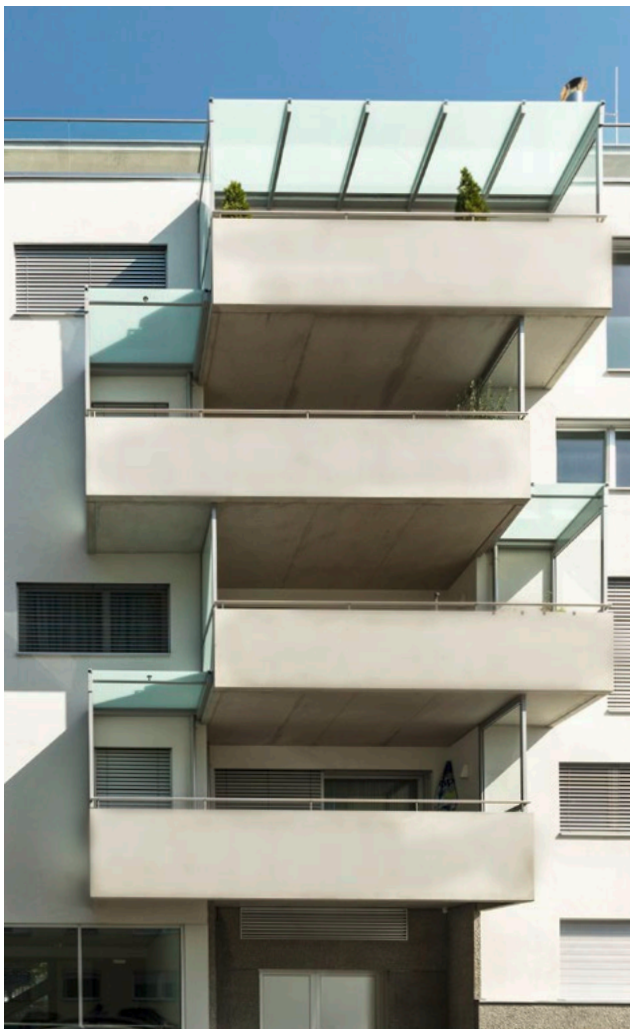
**% 4.0% (5.1%[2])**
**GROSS RETURN**
based on rental income
in Q4 2012/13

## Asset Classes




RETAIL | OFFICE | RESIDENTIAL
LOGISTICS | * OTHER

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*
[2] *Annualised rental income for Q4 2012/13, including properties purchased during the financial year and an adjustment of EUR 5.1 million to reflect a non-recurring effect from a change in accounting methods*



**Stephensongasse | BUWOG | VIENNA | AT**

Freely financed condominiums with a view of the Alte Donau and the city skyline

80 units

61–149 m² of living space

Asset Management Residential

# Panorama

## 14.1 million Euros

will flow into the second phase of the *Edenia Titan* and *Evocasa Optima* residential construction projects in Bucharest's Titan district. This area is becoming a second, increasingly important focal point for the Romanian capital. More than 200 new apartments will be built in these two complexes, which meet residents' demands for high quality at a reasonable price. In November 2012 the cornerstone ceremony for the *Edenia Titan II* was held together with a number of prominent guests. By the way, it also represents the first residential construction project for this district in nearly 3.5 years. The topping off ceremony was celebrated on 24 April 2013.

## 220,000 Cars

actually the annual carbon dioxide emissions from all these vehicles have been saved to date by the partners in klima:aktiv pakt2020, the Austrian climate protection alliance for large companies. BUWOG is one of them – and is responsible for annual $CO_2$ savings of 13,300 tonnes – that means roughly 6,200 cars per year. These nine Austrian model businesses plan to reduce $CO_2$ emissions by more than 1.3 million tonnes by 2020. Their progress is measured annually by the Austrian Energy Agency and the Environment Agency. The latest report by the environmental minister: "right on course" to reach the climate goals for 2020.

## 80 Pages

is the length of the report on the housing market in Vienna ("1. Wiener Wohnungsmarktbericht", **www.wohnungsmarktbericht.at)** that was prepared by BUWOG and EHL to close a substantial gap in information on the real estate market. The report provides a wide range of information on the overall market development as well as detailed facts and figures on the housing markets in the 23 Vienna districts. Other important focal points cover demographic trends (development of the population, changes in household structures) and fiscal data (residential construction subsidies) that are decisive for the long-term development of the housing market. The well-organised presentation of key data at the district level provides a solid foundation for decisions by property developers and investors as well as for the city managers in charge of residential construction and urban development.

# 40
# Buildings

with 126,233 sqm of rental space were purchased by BUWOG in Berlin-Neukölln during April 2013. The portfolio has a gross return of 8% and a vacancy rate of only 2%. These 1,916 apartments form a large complex, the High-Deck-Siedlung on the Sonnenallee. The apartments are large and family-oriented, each with a balcony or terrace.

# 4
# Segments

make up the BUWOG business model: development, rental, apartment sales and property management. And that makes this IMMOFINANZ subsidiary a full-service provider for residential properties. The company stands out from its listed competitors in Germany, above all through its own development projects, which are concentrated in Vienna and Berlin. With a project pipeline of more than 5,000 units, BUWOG is one of the top residential property developers in these two major cities. In Austria, the company is also one of the largest private residential property investors and the number one facility manager.

# 3
# Sections

with a total of 317 apartments will be built in the third phase of the *Dębowe Tarasy* residential construction project in the Polish city of Katowice. The cornerstone ceremony took place in June 2012, and completion is scheduled for winter 2013. The future owners can choose from one- to four-room apartments with 27 to 110 sqm of space. As in the first two phases of the project, the buildings include spacious terraces, gardens or balconies, underground parking, elevators and storage areas.

From left to right standing : Vitus Eckert, Christian Böhm, Nick J. M. van Ommen, Rudolf Fries

# Report of the Supervisory Board

The Supervisory Board of IMMOFINANZ AG can look back on a productive and successful year in 2012/13. In a total of six meetings, we discussed the financial position and strategy of IMMOFINANZ Group as well as market conditions and the latest developments.

In accordance with the articles of association, the Supervisory Board held an organisational session immediately after the 19th annual general meeting of shareholders in October 2012. The structures of the presidium and committees were changed at this meeting following the resignation of Guido Schmidt-Chiari from the Supervisory Board.

### Successful issue of 2017 corporate bond

In May 2012 the Supervisory Board approved the issue of a five-year corporate bond with a minimum volume of EUR 100 million. The bond was successfully issued in July 2012 with a volume of EUR 100 million and an interest rate of 5.25%.

### *Casa Stupenda* Project

The Supervisory Board approved the participation of IMMOFINANZ Group in the *Casa Stupenda* development project in Düsseldorf at its August 2012 meeting. This project, which will be realised through a joint venture, involves the construction of a plus energy building based on sustainability principles.

### Share buyback programme 2012/13

The repurchase of up to 20 million IMMOFINANZ shares at a maximum price of EUR 3.00 per share was approved by the Supervisory Board in September 2012. In the December 2012 meeting, the Supervisory Board agreed

From left to right seated: Michael Knap, Herbert Kofler, Klaus Hübner

to a change in the existing share buyback programme. The maximum repurchase price was raised to EUR 3.33 per share based on an unchanged volume.

### Innovative financing with use of treasury shares

In January 2013 the Supervisory Board approved the use of approx. 9% of share capital as collateral for financing of EUR 150 million. The shares were sold to financial institutions, with IMMOFINANZ agreeing to repurchase the shares at the end of the term of up to three years.

### Sale of Kempinski Residences and Hotel in St. Moritz

The Supervisory Board also approved the sale of the investment in Les Bains de St. Moritz Holding AG, owner of the *Kempinski Grand Hotel des Bains* in Switzerland, during January 2013.

### Budget for the 2013/14 financial year

The budget for the 2013/14 financial year was presented by the Executive Board and approved by the Supervisory Board during the April 2013 meeting. The revised medium-term planning was also presented to and approved by the Supervisory Board.

### Amendment of the rules of procedure for the Executive Board

At the April 2013 meeting, the distribution of duties among the members of the Executive Board of IMMOFINANZ AG was amended following the resignation of Manfred Wiltschnigg (as of 31 March 2013).

Eduard Zehetner took over the areas of the business previously managed by Manfred Wiltschnigg. The responsibilities of the individual Executive Board

From left to right: Herbert Kofler, Klaus Hübner

members are listed in the corporate governance report on page 51.

### Extension of Executive Board contracts

The term of office for Birgit Noggler as chief financial officer was extended by four years. Her contract as a member of the Executive Board now runs to 30 September 2017.

### Audit Committee

The Audit Committee of the Supervisory Board, which met twice during the reporting year, is responsible among others for monitoring accounting processes and overseeing the audit of the annual and consolidated financial statements. This committee also monitors the effectiveness of the company's internal control system, the internal audit system and the risk management system.

At the March meeting, the Supervisory Board received an interim report on the results of internal audits as well as a schedule for the implementation of audit recommendations in the company.

The Audit Committee meeting in August 2013 covered the following topics: preparations for a recommendation on the selection of an auditor; a review of the annual financial statements and management report of IMMOFINANZ AG; a review of the consolidated financial statements and group management report; a recommendation for the distribution of profit; and the corporate governance report, each for the 2012/13 financial year. The results of this review were presented to the full Supervisory Board.

### Strategy Committee

The Strategy Committee is responsible for the company's strategic orientation, investments and divestments.

### Personnel and Nominating Committee

The duties of the Personnel and Nominating Committee of the Supervisory Board cover the appointment and remuneration of the Executive Board members as well as their employment contracts. This committee met once during the reporting year.

### Extensive information from the Executive Board

The Executive Board provided the Supervisory Board with comprehensive, regular and timely information on the development and financial position of the company. In addition to the above-mentioned issues, the Supervisory Board held extensive discussions on the company's strategic orientation, financial position and developments in the target markets as well as capital market trends. Special focus was placed on the optimisation and financing of the property portfolio. Selected topical issues were also handled outside these meetings in direct

From left to right: Michael Knap, Rudolf Fries

discussions between the Executive Board and the chairman and members of the Supervisory Board.

### Approval of the annual financial statements for 2012/13

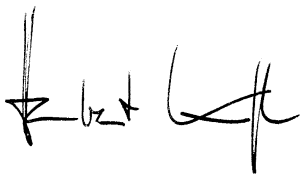
The Executive Board presented the Supervisory Board with the following documents: the annual financial statements for 2012/13, which were prepared in accordance with the Austrian Commercial Code, and the management report; the consolidated financial statements for 2012/13, which were prepared in accordance with International Financial Reporting Standards (IFRS), and the group management report; the recommendation of the Executive Board for the distribution of profit and the corporate governance report for 2012/13. The annual financial statements for 2012/13 and the management report as well as the consolidated financial statements for 2012/13 and the group management report were audited by Deloitte Audit Wirtschaftsprüfungs GmbH and each awarded an unqualified opinion.

The annual financial statements and consolidated financial statements as well as the auditor's reports were discussed by the Audit Committee in detail in the presence of the auditor and the Executive Board and reviewed in accordance with § 96 of the Austrian Stock Corporation Act. Following this examination and discussion, the members of the Audit Committee unanimously agreed to recommend the unqualified acceptance of these documents to the Supervisory Board. The Supervisory Board accepted the annual financial statements as of 30 April 2013, which are considered approved in accordance with § 96 (4) of the Austrian Stock Corporation Act.

The Supervisory Board would like to thank the members of the Executive Board and the employees of IMMOFINANZ Group for their outstanding commitment and also express its gratitude to shareholders for their confidence.

Vienna, 2 August 2013

For the Supervisory Board



Herbert Kofler
Chairman

# Corporate Governance Report of IMMOFINANZ AG for 2012/13

## Commitment to compliance with the Austrian Corporate Governance Code

The Executive Board and Supervisory Board of IMMOFINANZ AG confirm their intent to comply with the rules of the Austrian Corporate Governance Code and underscore their commitment to transparency and good corporate management. The Austrian Corporate Governance Code, which was developed by the Austrian Working Group for Corporate Governance in 2002, represents a vital component of the Austrian capital market system as well as an essential tool for strengthening investors' confidence in the management and monitoring of companies. It is a voluntary self-imposed obligation for listed companies, which exceeds legal requirements and is reviewed and adapted each year to reflect national and international developments. The code (in the version dated July 2012) is published on the IMMOFINANZ AG website and on the website of the Austrian Working Group for Corporate Governance under **www.corporate-governance.at.**

Voluntary commitment to transparency and good corporate management

The Corporate Governance Code includes legal requirements (L-Rules) as well as standard international regulations that must be met or explained and justified (comply or explain, C-Rules). It also includes rules with a recommendation attribute (R-Rules).

IMMOFINANZ AG complied with the Austrian Corporate Governance Code during the 2012/13 financial year, and there were no deviations from the comply or explain rules.

## Shareholders and annual general meeting

The share capital of IMMOFINANZ AG was divided into 1,128,952,687 shares as of 30 April 2013.

Most of the IMMOFINANZ shares are held in free float. The company was notified that the shareholder Rudolf Fries held over 5% of the shares (5.8%) directly and indirectly as of 30 April 2013. In connection with financing through the use of treasury shares, IMMOFINANZ AG sold 67,737,161 IMMOFINANZ shares to J.P. Morgan Securities plc, London, during January 2013. On 11 January 2013 JPMorgan Chase & Co. notified the company that it – together with companies under its control – held an investment representing 6.1% of the voting rights in the share capital of IMMOFINANZ AG.

Support for shareholders in the exercise of their rights

All Supervisory Board members were elected by the annual general meeting. IMMOFINANZ AG endeavours to provide its shareholders with the best possible support for attending the annual general meeting and exercising their rights. In accordance with the 2009 Austrian Stock Corporation Amendment Act and the Austrian Corporate Governance Code, annual general meetings are announced at least four weeks in advance and extraordinary general meetings at least three weeks in advance. Documents are also published on the company's website three weeks before an annual general meeting wherever possible, and remain on the website for one month after the meeting. The results of voting and any amendments to the articles of association are published immediately on the website.

## Executive Board

The Executive Board of IMMOFINANZ AG had four members up to 31 March 2013 and three members as of 1 April 2013. Manfred Wiltschnigg left the board voluntarily as of 31 March 2013. Following his resignation, the rules of the procedure for the Executive Board were amended to restructure the cooperation between and responsibilities of the individual board members. The following table lists the responsibilities defined by these rules of procedure. Eduard Zehetner currently serves as the chief executive officer of IMMOFINANZ AG. In 2012/13 the Supervisory Board approved new rules of procedure for the Executive Board and updated the assignment of responsibilities.

After the end of the reporting year, the term of office for Birgit Noggler as chief financial officer was extended for four years to 30 September 2017.

| | |
|---|---|
| Personal data | **Eduard Zehetner**, born on 9 August 1951 |
| Term of office | Appointed from 21 November 2008 to 30 November 2014 |
| Responsibilities | Chief executive officer, development and management of commercial office and retail properties, corporate finance, legal, investor and public relations, commercial and strategic investments and funds<br>*as of 1 April 2013 also:*<br>management of commercial logistics properties including operating investments, portfolio strategy and management, commercial property transactions |
| Other supervisory board positions[1] | › A.M.I Agency for Medical Innovation GmbH – Member of the Supervisory Board<br>› "HSF" Vermögensverwaltung GmbH – Geschäftsführer<br>› Privatstiftung Sparkasse Niederösterreich – member of the Supervisory Board<br>› Sparkasse Niederösterreich Mitte West Aktiengesellschaft – member of the Supervisory Board<br>› Up to 12 November 2012: GriffnerHaus AG – vice-chairman of the Supervisory Board |

[1] *or comparable functions in other domestic or foreign companies not included in the consolidated financial statements*

| | |
|---|---|
| Personal data | **Birgit Noggler**, born on 10 September 1974 |
| Term of office | Appointed from 1 October 2011 to 30 September 2017 |
| Responsibilities | Accounting and reporting, controlling, taxes, general procurement, property financing, treasury; internal audit, internal control system and risk management, whereby the full Executive Board carries the overall responsibility for these areas, process development |

| | |
|---|---|
| Personal data | **Daniel Riedl** FRICS, born on 7 September 1969 |
| Term of office | Appointed from 1 July 2008 to 30 June 2014 |
| Responsibilities | Property development, management and transactions in the residential sector (including investments such as BUWOG, ESG and Adama), personnel, IT, marketing |

| | |
|---|---|
| Personal data | **Manfred Wiltschnigg** MRICS, born on 28 April 1962 |
| Term of office | Appointed from 29 April 2010 up to 31 March 2013 |
| Responsibilities | Management of commercial logistics properties including operating investments, portfolio strategy and management, commercial property transactions |

### Cooperation between the Executive Board and Supervisory Board

The cooperation between the two bodies is based on open and constructive discussions. The Executive Board provides the Supervisory Board with regular, timely and comprehensive information on all issues related to the development of business. In addition, the presidium of the Supervisory Board is immediately informed of all important events – also outside of the meetings – that could influence the profitability or liquidity of IMMOFINANZ Group.

### Remuneration of the Executive Board and Supervisory Board

The remuneration of the Executive Board members includes a fixed component as well a performance-based, or variable, component that currently equals up to 75% of fixed remuneration. The performance-based payment is tied to the fulfilment of qualitative and quantitative targets. In contrast, the variable component of remuneration for the chief executive officer equals 0.5% of the dividend (before the deduction of the respective withholding tax). The contracts with all members of the Executive Board include a change of control clause that defines the entitlements in the event of premature termination.

A defined contribution pension scheme equalling up to 10% of annual fixed remuneration was also established for the members of the Executive Board. The amount of these contributions is disclosed in the notes to the consolidated financial statements.

A directors' and officers' insurance policy (D&O insurance) with coverage of EUR 40 million was concluded for the corporate bodies of IMMOFINANZ AG. This policy does not include any deductible for the insured persons.

In May 2012 EUR 3 million of turnaround bonuses were granted to the three Executive Board members who were active during the reorganisation phase from 2008 to 2011 and are still employed by the company. IMMOFINANZ Group was successfully directed out of the life-threatening crisis in the 2008/09 financial year, and equity and the NAV were substantially increased. Furthermore, dividend payments were made possible.

| IMMOFINANZ AG Executive Board Renumeration for 2012/13 in TEUR | Fixed | Variable | Turnaround bonus | Total |
|---|---|---|---|---|
| Eduard Zehetner | 1,400 | 776 | 1,000 | 3,176 |
| Daniel Riedl FRICS | 720 | 270 | 1,000 | 1,990 |
| Birigit Noggler | 300 | 193 | | 493 |
| Manfred Wiltschnigg MRICS [1] | 719 | 253 | 1,000 | 1,972 |
| | **3,139** | **1,492** | **3,000** | **7,631** |

[1] *Up to 31 March 2013*

Performance-based remuneration for the Supervisory Board

The 10th annual general meeting on 5 October 2012 approved remuneration of EUR 300,300.00 for the members of the Supervisory Board for the 2011/12 financial year. This remuneration is voted on each year by the annual general meeting. Therefore, remuneration for the 2012/13 financial year will be the subject of voting by the 20th annual general meeting on 2 October 2013. The remuneration for the Supervisory Board of IMMOFINANZ AG in 2011/12 was based on a fixed payment of EUR 25,000.00 plus EUR 3,588.57 for services performed on a committee. The remuneration for the chairman and vice-chairman of the Supervisory Board equals twice and one and a half times this amount, respectively.

| IMMOFINANZ AG renumeration Supervisory Board 2011/12 | Fixed payment | Committee work in EUR[1] | Number of committees | Subtotal | Chairman/ vice-chairman[2] | Total |
|---|---|---|---|---|---|---|
| Herbert Kofler | 25,000 | 3,588.57 | 3 | 35,765.71 | 2.00 | 71,531.42 |
| Michael Knap | 25,000 | 3,588.57 | 3 | 35,765.71 | 1.50 | 53,648.57 |
| Christian Böhm | 25,000 | 3,588.57 | 1 | 28,588.57 | 1.00 | 28,588.57 |
| Vitus Eckert | 25,000 | 3,588.57 | 1 | 28,588.57 | 1.00 | 28,588.57 |
| Rudolf Fries | 25,000 | 3,588.57 | 2 | 32,177.14 | 1.00 | 32,177.14 |
| Klaus Hübner | 25,000 | 3,588.57 | 1 | 28,588.57 | 1.00 | 28,588.57 |
| Guido Schmidt-Chiari | 25,000 | 3,588.57 | 1 | 28,588.57 | 1.00 | 28,588.57 |
| Nick J. M. van Ommen | 25,000 | 3,588.57 | 1 | 28,588.57 | 1.00 | 28,588.57 |
| | **200,000** | **28,708.56** | **13** | **246,651.41** | | **300,299.98** |

[1] *Member of a committee in 2011/12*
[2] *Chairman/vice-chairman of the Supervisory Board in 2011/12*

## Supervisory Board and Committees

The Supervisory Board monitors the Executive Board and provides support for the management of the company, particularly on decisions of fundamental importance. In addition to its primary function as a monitoring and support body, the Supervisory Board constantly strives to further increase the efficiency of its work through self-evaluation. The Supervisory Board currently has seven members, all of whom were elected by the annual general meeting. One organisational session and six regular meetings were held during the 2012/13 financial year.

**The Supervisory Board has established three committees:**

**Audit Committee**

Herbert Kofler – Chairman and financial expert
Michael Knap – Vice-Chairman
Christian Böhm
Rudolf Fries

The Audit Committee deals with accounting issues as well as the audit of the company and the Group. It is responsible for examining and preparing the approval of the annual financial statements and management report, the consolidated financial statements and group management report, the recommendation for the distribution of profit and the corporate governance report. Other duties include the monitoring of accounting, the effectiveness of the internal control system and the audit of the annual and consolidated financial statements as well as the verification and control of the auditor's independence. The Audit Committee held two meetings during the 2012/13 financial year. In accordance with legal requirements and the provisions of the code, the Audit Committee includes at least one financial expert.

**Strategy Committee**

Herbert Kofler – Chairman
Michael Knap – Vice-Chairman
Vitus Eckert
Rudolf Fries
Nick J. M. van Ommen

The Strategy Committee is responsible for the regular evaluation of the Group's strategy and consultations with the Executive Board on the definition of this strategy. It evaluates strategic opportunities for development, with the aim of improving the Group's competitive position and increasing the sustainable creation of value for shareholders. The Strategy Committee is also authorised to make decisions in urgent cases, when a decision by the full Supervisory Board is not possible for scheduling reasons. Any such approvals are discussed at the next meeting of the Supervisory Board.

**Personnel and Nominating Committee**

Herbert Kofler – Chairman
Michael Knap – Vice-Chairman
Klaus Hübner
Vitus Eckert

The Personnel and Nominating Committee handles issues related to the remuneration of the Executive Board members and the content of their employment contracts. It also prepares recommendations for the Supervisory Board on appointments to fill vacant positions on the Executive and Supervisory Boards. The Personnel and Nominating Committee held one meeting during the 2012/13 financial year.

## Independence and Avoidance of Conflicts of Interest

The members of the Executive Board are required to make their decisions independent of any personal interests or the interests of controlling shareholders. Moreover, these decisions must be based on well-founded knowledge and comply with all relevant legal regulations. The members of the Executive Board must disclose any personal interests in the company's transactions or other conflicts of interest to the Supervisory Board without delay and also inform their colleagues on the board. Persons serving on the Executive Board may only accept appointments to the supervisory bodies of non-Group companies with the consent of the Supervisory Board. The legal prohibition on competition was not revoked.

The members of the Supervisory Board are also required to represent the interests of the company and must disclose any conflicts of interest. They may not accept positions on the corporate bodies of any companies that compete with IMMOFINANZ AG.

Rudolf Fries and Vitus Eckert, who are members of the Supervisory Board of IMMOFINANZ AG, are partners in Eckert Fries Prokopp Rechtsanwälte GmbH, a law firm located in Baden near Vienna. This law firm charged fees of EUR 53,130.70 for legal advising provided to IMMOFINANZ Group companies in 2012/13. The terms of these fees, above all the hourly rates, reflect standard market conditions.

A subsidiary of IMMOFINANZ Group (BUWOG-Facility Management GmbH) manages properties owned by ARSENAL Immobilien Development GmbH. Rudolf Fries, a member of the Supervisory Board, is the managing director of this company and Dr. Rudolf FRIES Familienprivatstiftung is an indirect shareholder of this company. The property management fees reflect standard market rates. In 2012/13 these property management fees totalled EUR 316,474.74.

As part of the remuneration for the members of the Executive Board, IMMOFINANZ AG makes payments to APK Pensionskasse AG. These payments are related to company pensions for the Executive Board members and reflect standard market conditions. Christian Böhm, a member of the Supervisory Board, is a member of the management board of this company. The contributions made in 2012/13 are reported in the notes.

Apart from the above business relationships, there are no contracts in the sense of Rule L-48 between the members of the Supervisory Board or companies in which a member of the Supervisory Board holds a significant financial interest and IMMOFINANZ AG or one of its subsidiaries.

The members of the IMMOFINANZ AG Supervisory Board have defined rule C-53 and the guidelines presented in Appendix 1 of the Austrian Corporate Governance Code as the criteria for their independence. All members have declared their independence in accordance with these criteria. Investment companies attributable to Supervisory Board member Rudolf Fries held approx. 5.8% of the voting rights in IMMOFINANZ AG as of 30 April 2013. No Supervisory Board member represents a shareholder with a stake of more than 10% or his/her interests. The Supervisory Board does not include any former members of the Executive Board or key employees of the company

Clear criteria regulate the independence of the Supervisory Board members

**Criteria for the independence of the Supervisory Board**

A Supervisory Board member is deemed independent if he/she has no professional or personal relationship with the company or its Executive Board that could constitute a material conflict of interest, and thus be likely to influence the behaviour of the member.

The Supervisory Board has defined the following guidelines, which are included in Appendix 1 to the Austrian Corporate Governance Code, as decisive for determining the independence of a Supervisory Board member:

- The Supervisory Board member may not have been a member of the Executive Board or a key employee of the company or a subsidiary of the company during the past five years.
- The Supervisory Board member may not presently have/or have had in the previous year any business relations with the company or a subsidiary of the company of a scale that is significant for the Supervisory Board member. This also applies to business relationships with companies in which the Supervisory Board member holds a significant financial interest, but does not include positions on corporate bodies. The approval of individual transactions by the Supervisory Board in accordance with L-Rule 48 does not automatically result in qualification as not independent.
- The Supervisory Board member may not have been an auditor of the company or a participant in or employee of the examining audit company during the previous three years.
- The Supervisory Board member may not be an executive board member in another company in which an Executive Board member serves on the supervisory board.
- The Supervisory Board member may not serve on this body for more than 15 years. This criterion does not apply to Supervisory Board members who are shareholders with an entrepreneurial interest or who represent the interests of such shareholders.
- The Supervisory Board member may not be a close family member (direct descendant, spouse, life partner, parent, uncle/aunt, brother/sister, nephew/niece) of an Executive Board member or a person in one of the positions described above.

### Compliance

In accordance with the Austrian Issuer Compliance Guidelines, the Executive Board has issued an internal directive for the distribution of information in order to prevent insider violations. The rules defined in these compliance guidelines apply to all employees and corporate bodies working for IMMOFINANZ AG. This underscores the efforts of the Executive Board to ensure the equal treatment of all shareholders, to prevent conflicts of interest and to represent the interests of all stakeholder groups. Adherence to the compliance guidelines is monitored on an on-going basis.

### Directors' Dealings

Full transparency in all transactions

In accordance with section 48d (4) of the Austrian Stock Exchange Act, members of management and persons closely related to these members are required to report all purchases and sales of IMMOFINANZ shares to the Financial Market Authority. These transaction reports are disclosed on the IMMOFINANZ AG website via a link to the relevant section of the Financial Market Authority homepage. The following tables present an overview of the direct and indirect shareholdings by members of the corporate bodies.

**Executive Board as of 30 April 2013**

| Name | IMMOFINANZ shares |
|---|---|
| Eduard Zehetner | 1,676,788 |
| Birgit Noggler | 220,000 |
| Daniel Riedl FRICS | 400,942 |

**Supervisory Board as of 30 April 2013**

| Name | IMMOFINANZ shares |
|---|---|
| Herbert Kofler | 65,400 |
| Michael Knap | 1,250 |
| Christian Böhm | 0 |
| Vitus Eckert | 20,000 |
| Investment companies attributed to Rudolf Fries | 65,006,048 |
| Klaus Hübner | 80,000 |
| Nick J. M. van Ommen | 40,000 |

## Internal audit and risk management

In agreement with C-Rule 18 of the Austrian Corporate Governance Code, internal audit was established as a separate staff department reporting directly to the Executive Board. The Audit Committee of the Supervisory Board receives at least one report each year on the audit schedule and the results of these reviews.

## External evaluation

Compliance with the provisions of the Austrian Corporate Governance Code by IMMOFINANZ AG was evaluated and confirmed by Deloitte Audit Wirtschaftsprüfungs GmbH. The results of this evaluation are available for download under **www.immofinanz.com.**

## Women in IMMOFINANZ AG

IMMOFINANZ AG offers equal compensation, equal opportunities for promotion and equal working conditions to male and female employees. Women filled 25% of the management positions and represented 63% of the total workforce in 2012/13. IMMOFINANZ Group has implemented coaching measures that focus on specialised professional training and personal development to further increase the share of women in management positions.

With Birgit Noggler, IMMOFINANZ Group appointed its first female member to the Executive Board in September 2011. She was the only female CFO in an ATX company at the time of her appointment.

From the left to right standing : Nick J. M. van Ommen, Vitus Eckert, Michael Knap, Rudolf Fries

### Herbert Kofler

born on 14 May 1949

**Chairman of the Supervisory Board**

First appointed in: 2008
Term of office ends in: 2017

*Chairman of the supervisory board of the listed:*

› B+S Banksysteme AG, Germany
› Professor Emeritus (former head of the Institute for Financial Management, Alpen Adria University of Klagenfurt)

### Christian Böhm

born on 20 September 1958

**Member**

First appointed in: 2010
Term of office ends in: 2014

*Chairman of the management board of:*

› APK Pensionskasse AG
› APK Versicherung AG
› APK Vorsorgekasse AG

### Michael Knap

born on 18 May 1944

**Vice-Chairman of the Supervisory Board**

First appointed in: 2008
Term of office ends in: 2016

› Vice-president of IVA Interessenverband für Anleger, Vienna

### Vitus Eckert

born on 14 July 1969

**Member**

First appointed in: 2008
Term of office ends in: 2016

› Attorney, partner of Eckert Fries Prokopp Rechtsanwälte GmbH, Baden near Vienna

From the left to right seated: Christian Böhm, Klaus Hübner, Herbert Kofler

**Rudolf Fries**
born on 9 May 1958
**Member**
First appointed in: 2008
Term of office ends in: 2016

*Chairman of the supervisory board of the listed:*
› EAG-Beteiligungs Aktiengesellschaft, Austria
› Attorney, partner of Eckert Fries Prokopp Rechts-anwälte GmbH, Baden near Vienna

**Guido Schmidt-Chiari**
born on 13 September 1932
**Member up to 5 October 2012**
First appointed in: 1998
Term of office ended in: 2012

› Former chairman of the management board of Creditanstalt-Bankverein AG

**Klaus Hübner**
born on 9 November 1952
**Member**
First appointed in: 2010
Term of office ends in: 2014

› Austrian Chartered Accountant
› Chairman of the Chamber of Austrian Chartered Accountants

**Nick J. M. van Ommen**
born on 17 August 1946
**Member**
First appointed in: 2008
Term of office ends in: 2016

*Member of the supervisory boards of the following listed companies:*
› BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A., Greece
› Intervest Retail Actions au Port. O.N., Belgium
› Intervest Offices SICAFI Actions Nom. O.N., Belgium
› W.P. Carey & Co. LLC, USA
› Former chief executive officer of the European Public Real Estate Association (EPRA)

# Investor Relations

## The capital markets and share development

The international debt crisis and its effects on the real economy remain the dominating theme on capital markets. Prices were influenced by concerns over the stability of the banking sector and the stagnating to recessionary economy, above all during the first months of the 2012/13 financial year. However, the second quarter brought a number of positive impulses. Announcements of further liquidity injections by the European Central Bank and the US Federal Reserve drove share prices sharply upward. This development continued into the third and fourth quarters, and also after that time. Hopes for stabilisation in the global economy, combined with continuing loose monetary policies by national banks, led to an increase in share prices on European and US markets during the first half of 2013.

The ATX, which started the reporting year at 2,118.94 points, closed at 2,414.25 points on 30 April 2013. The IATX rose from 149.33 to 169.00 points, and the Euro STOXX 50 from 2,306.69 to 2,712.00. The EPRA/NAREIT Emerging Europe Index climbed from 905.26 to 1.037,87 points, and the EPRA/NAREIT Developed Europe Index from 1,314.56 to 1,553.33 points.

### The IMMOFINANZ share

IMMOFINANZ AG trades in the leading index of the Vienna Stock Exchange with approx. 1.1 billion zero par value, voting shares (bearer shares, no preferred or registered shares). The price of the IMMOFINANZ share showed sound development in Vienna during 2012/13, rising from EUR 2.66 to EUR 3.11.The reporting year low of EUR 2.22 was reached on 4 June 2012, and the high of EUR 3.42 was recorded on 19 December 2012.

### Listing in Warsaw

One of the most liquid CEE property shares

The IMMOFINANZ share has also traded in the Main Segment of the Warsaw Stock Exchange since 7 May 2013 and was added to the WIG Index on 24 June. This represents a second listing without the issue of new shares and is intended to make it easier for Polish investors, above all pension funds, to invest in IMMOFINANZ. The share now trades on the two most important stock exchanges in CEE – Warsaw and Vienna – and is one of the most liquid property stocks in the region. The IMMOFINANZ share started trading in Warsaw with an opening price of PLN 13.31 and reached a clos-

ing price of PLN 13.36 by 16 August 2013. The volume since the start of trading as of 16 August represents 9.1% of the total trading volume of the IMMOFINANZ share on the Vienna and Warsaw Stock Exchanges.

### Dividend for shareholders

The 19th annual general meeting of IMMOFINANZ AG was held on 5 October 2012 in Vienna's Austria Center. It approved a dividend of EUR 0.15 per share for the 2011/12 financial year, which was paid on 15 October.

### Further dividend payment planned

Based on the company's sound development and the improvement in operating earnings, IMMOFINANZ Group will recommend that the annual general meeting – which will be held on 2 October 2013 in Vienna's Austria Center approve a dividend of EUR 0.15 per share for the 2012/13 financial year. If the annual general meeting classifies the dividend as a repayment of capital in accordance with § 4 (12) of the Austrian Income Tax Act, it will be tax-free for natural persons resident in Austria who hold IMMOFINANZ shares as part of their private assets.

### Share buyback programme 2012/13

The Executive Board of IMMOFINANZ AG carried out a share buyback programme for IMMOFINANZ shares (ISIN AT0000809058) in 2012/13, based on the approval of the Supervisory Board. This share buyback programme was scheduled to close at the end of the 2012/13 financial year and was limited to a maximum of 20 million shares. That volume was reached on 25 February 2013, and the share buyback programme was successfully ended. The average price for the repurchased shares equalled EUR 3.12.

### IMMOFINANZ launches ADR programme

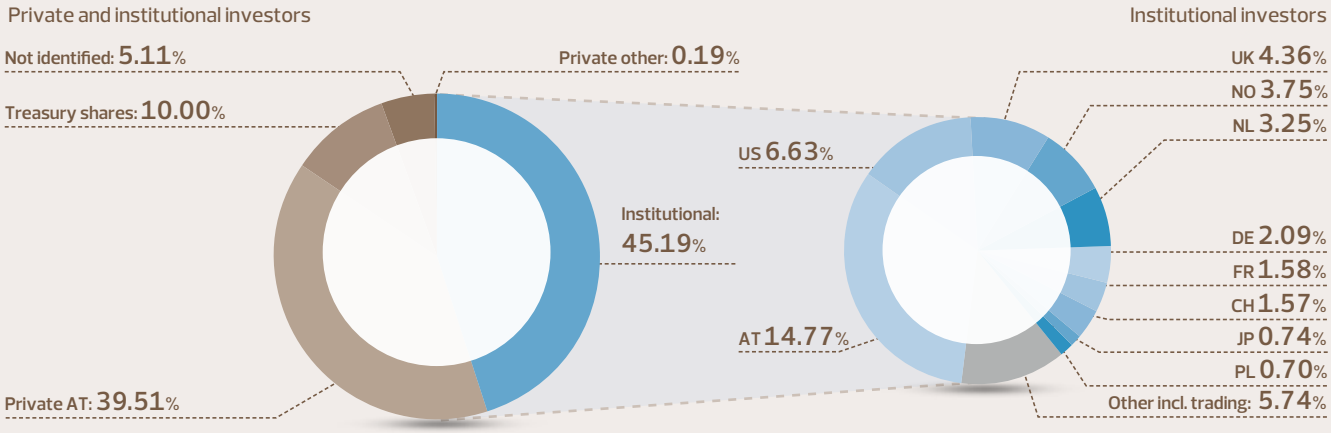
In order to attract new investors in the USA, IMMOFINANZ AG started a sponsored Level 1 American Depositary Receipt programme (ISIN US45253U2015) on 4 May 2012. American Depositary Receipts are securities denominated in US Dollars, which allow US investors to indirectly purchase shares of IMMOFINANZ AG that are listed on the Vienna Stock Exchange. The depositary bank for this IMMOFINANZ ADR programme is Deutsche Bank Trust Company Americas.

### Analysis of shareholder structure

With market capitalisation of EUR 3.5 billion as of 30 April 2013, IMMOFINANZ AG is one of the leading listed property companies in Europe. It serves as the parent company of IMMOFINANZ Group and is a public company whose shares are held in free float. This free float is distributed, for the most part, among Austrian private investors and national and international institutional investors.

Austrian private investors hold 39.51% of the shares, or slightly less than institutional investors with approx. 45.19%. Most of the institutional investors come from Austria (14.77%), followed by North America (6.63%) and Great Britain (4.36%). Norwegian investors now rank fourth with approx. 3.75%, ahead of the Netherlands (3.25%).

## Private and institutional investors by country




*Data as of July 2013, IPREO*

The company was informed that FRIES Familien-Privatstiftung, Dr. Rudolf FRIES Familien-Privatstiftung, Mr. and Mrs. Rudolf Fries and other closely related persons (together the "Fries Group") have directly and indirectly held over 5% of the shares since 15 April 2011. As of 30 April 2011, the Fries Group held approx. 5.8% of the voting rights in IMMOFINANZ AG.

On 11 January 2013 the US bank JPMorgan Chase & Co. announced that, together with the holdings of companies under its control, it held a relevant stake in IMMOFINANZ, which represented approx. 6.1% of the total voting shares.

There are no further reports of holding over 4%.

### Indexes

As of 30 April 2013 the IMMOFINANZ share was included, among others, in the following indexes:

| Index | Index manager |
|---|---|
| ATX | Vienna Stock Exchange |
| ATX five | Vienna Stock Exchange |
| ATX Prime | Vienna Stock Exchange |
| Immobilien-ATX | Vienna Stock Exchange |
| NTX (New Europe Blue Chip Index) | Vienna Stock Exchange |
| WBI | Vienna Stock Exchange |
| EMEA Real Estate Index | Bloomberg |
| Europe 500 Real Estate Index | Bloomberg |
| World Real Estate Index | Bloomberg |
| Emerging Europe Index | EPRA/NAREIT |
| EURO STOXX Real Estate (Price) EUR | STOXX Ltd. |
| STOXX EUROPE 600 Real Estate (Price) EUR | STOXX Ltd. |

### The IMMOFINANZ securities

The following securities issued by IMMOFINANZ AG are traded on public exchanges:

| Description | ISIN | Type of security |
|---|---|---|
| IMMOFINANZ share | AT0000809058 | Share |
| Convertible bond 2007–2014 | XS0283649977 | Convertible bond |
| Convertible bond 2007–2017 | XS0332046043 | Convertible bond |
| Convertible bond 2011–2018 | XS0592528870 | Convertible bond |
| Corporate bond 2012–2017 | AT0000A0VDP8 | Corporate bond |

### Convertible bond 2017: end of put period

The put period for the premature repayment of the 1.25% convertible bond 2017 (CB 2017) issued by IMMOFINANZ AG ended on 9 November 2012. The holders of 1,443 CB 2017 bond certificates (nominal value per certificate: EUR 100,000) filed for redemption. The respective principal of EUR 144.3 million plus accrued interest was redeemed with internally available funds. The outstanding amount after the redemption totalled EUR 35.1 million. It will be repaid on 19 November 2017 if there are no conversions into IMMOFINANZ shares before that time and the second window for premature redemption is not used (19 November 2014).

## External analyses

Corporate analyses by well-known institutions are an important decision tool for institutional investors. Accordingly, the provision of information for well-substantiated corporate analyses represents a focal point of activities for the IMMOFINANZ investor relations team. The following brokers publish regular analyses on IMMOFINANZ and its share:

| Institution | Date | Recommendation | Target Price |
|---|---|---|---|
| Kepler Cheuvreux | 6 August 2013 | Buy | 4.10 |
| Morgan Stanley | 6 August 2013 | Equal-weight | 3.30 |
| Wood & Company | 5 August 2013 | Buy | 4.08 |
| Kempen & Co | 5 August 2013 | Neutral | 3.10 |
| Baader Bank | 5 August 2013 | Hold | 3.20 |
| Erste Group | 1 August 2013 | Buy | 4.00 |
| Alpha Value | 1 August 2013 | Buy | 3.90 |
| ABN Amro | 25 July 2013 | Hold | 3.00 |
| HSBC | 3 July 2013 | Overweight | 4.40 |
| Société Generale | 19 June 2013 | Hold | 3.25 |
| Raiffeisen Centrobank[1] | 2 April 2013 | Buy | 3.50 |
| Credit Suisse | 9 January 2013 | Neutral | 3.10 |
| Deutsche Bank | 7 August 2012 | Hold | 3.00 |

[1] *RCB interrupts coverage of all property shares.*

The average target price in the analysts' reports is EUR 3.53, which is 13.1% higher than the share price on 16 August 2013 (EUR 3.12).

## Target group communications

The investor relations and corporate communications teams of IMMOFINANZ Group further intensified communications with financial analysts, institutional investors, private investors, business and contract partners, employees and representative of the media during the 2012/13 financial year. Their goal is to provide timely and transparent information on the corporate strategy, current developments and results.

### Strong presence at road shows and conferences

Direct contact, transparency & dialogue

The CEO, CFO and Head of Corporate Finance & Investor Relations took part in numerous road shows and conferences during the reporting year, for example in Boston, New York, London, Edinburgh, Zurich, Amsterdam, Paris, Prague, Warsaw, Frankfurt, Munich, Tallinn, Helsinki, Oslo, Stockholm, Copenhagen, Madrid and Vienna. These meetings give institutional investors an opportunity to remain up to date on the development of the company and its activities through personal contacts.

### An evening with management

Nearly 400 shareholders and other interested persons spent an evening with IMMOFINANZ management in the *Vienna Twin Tower* on 8 and 9 April 2013. The Executive Board used this road show for private investors to discuss operating issues, strategies and results. The visitors were also provided with detailed information on the individual asset classes as well as development projects that are in progress or in the planning stage.

At the 4th Capital Markets Day on 4 June 2013 in Vienna, roughly 35 institutional investors and analysts were given an opportunity to visit the IMMOFINANZ Group's Vienna portfolio on a property tour.

### Increased focus on online communications

IMMOFINANZ shareholders are always up-to-date

IMMOFINANZ Group expanded its online communications during the reporting year to include a comprehensive, multilingual presentation of its property portfolio under **properties.immofinanz.com**, the office search machine **office.immofinanz.com** and the IMMOFINANZ newsletter. As the proud winner of the Smeil Award 2013 ("Stockmarket, Media, Entrepreneur, Internet und Leadership") for its blog (**blog.immofinanz.com**), IMMOFINANZ also carries the title of "Finance Blogger of the Year".

### Overview of share performance

In addition to extensive information on the IMMOFINANZ share, the Investor Relations section of the company's website also offers two new tools under the menu point "Our Share". The "Performance Calculator" allows investors to calculate the previous return on their investment based on the amount initially invested and the dividend. The "Chart" tool allows investors to compare share prices with benchmark indexes and shows detailed price trends for intraday as well as long-term trading.

Investor Relations

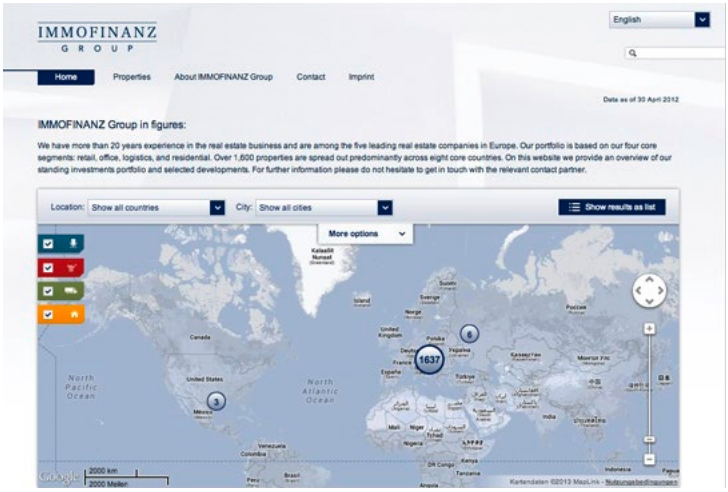
# Panorama

## 1st Place
## blog.immofinanz.com

The platform Stockmarket Media Enterpreneur Internet Leadership, an initiative of **christian-drastil.com**, Brokerjet and **wikifolio.com**, tested 113 German-language financial blogs and arranged for their evaluation by a specialist jury and Internet users. The IMMOFINANZ company blog received the most votes – it was selected as the best corporate finance blog and subsequently presented with the SMEIL Award 2013 (''Stockmarket, Media, Entrepreneur, Internet und Leadership''). Our blog also received a compliment from co-winner Dirk Elsner, who indicated that most of the other corporate blogs are dominated by ''image branding and PR''. Not IMMOFINANZ. See for yourself: **blog.immofinanz.com**

## 1,600
## Standing investments

and selected development projects in 16 countries are presented on our properties website in eight languages and different views: on an interactive map or in the form of a list, sorted by country or city and asset class. The detailed view provides a brief description of the property, contact data for asset management, factsheets to download and photos. See for yourself! **properties.immofinanz.com**



## 500
## Subscribers

registered for our bilingual newsletter service during the first few weeks. The road show in April provided an optimal setting for brainstorming and resulted in the idea to supply private investors with direct and timely information and blogpost. That was the starting point for the IMMOFINANZ newsletter. Registration is easy, just use our corporate website: **www.immofinanz.com/en/press/newsletter/**

## 4th Capital Markets Day

At the 4th Capital Markets Day, which was held this year in Vienna, 35 investors and analysts covered a wide range of topics with the Executive Board. Many of the questions focused on IMMOFINANZ Group's expansion on the German housing market, the BUWOG subsidiary and the dividend policy. The answers can be found on the event video: **www.immofinanz.com/capitalmarketsday-vienna**

# PLN 13.31

was the closing price for the IMMOFINANZ share in Warsaw on Tuesday, 7 May 2013. At the listing debut, CEO Zehetner sounded the opening bell and received a crystal bull as a gift. In addition to Erste Group, RCB and Wood & Co. serve as the marketmakers in Warsaw.

# 2 Movies

273 photos and presentations from the private investor road show in the *Vienna Twin Tower* are now online. If you were unable to attend or want to review the facts and impressions one more time, visit: **privatanleger.immofinanz.com**

# 10.3%
## Total return

was generated by the IMMOFINANZ properties in Eastern Europe during 2012. This brought the IMMOFINANZ CEE portfolio first place in the annual benchmark ranking by Investment Property Databank (IPD). For the total return on our CEE properties from 2010 to 2012, we received the IPD Property Investment Award in Central & Eastern Europe for balanced funds. The IMMOFINANZ portfolio produced an average return of 10.9% during this three-year period.

# Highlights of the 2012/13 Financial Year

## May 2012

IMMOFINANZ AG launches ADR programme in the USA
*4 May 2012*

New tenant for the *Office Cube* – successful completion of marketing
*7 May 2012*

IMMOFINANZ Group successfully continues portfolio optimisation: Four properties sold in Austria
*8 May 2012*

Takeover of *Golden Babylon Rostokino* in Moscow finalised
*16 May 2012*

*Panta Rhei:*
IMMOFINANZ Group launches first internal development project in Germany with spectacular construction project at Düsseldorf Airport
*24 May 2012*

## June

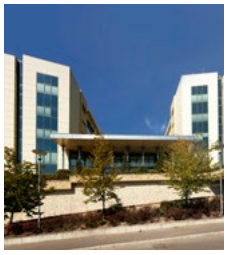
*Dębowe Tarasy* (Phase III): IMMOFINANZ Group realises first own residential development project in Poland
*6 June 2012*

IMMOFINANZ AG starts road show for corporate bond
*13 June 2012*

Conclusion of book-building and pricing for corporate bond
*14 June 2012*

IMMOFINANZ Group acquires self-storage property in the Dutch city of Den Bosch
*15 June 2012*

## July



Successful international tenant for *Szépvölgyi Business Park* in Hungary
*11 July 2012*

## August

IMMOFINANZ Group presents 2011/12 financial year results with improvement in results of operations despite volatile environment
*6 August 2012*

IMMOFINANZ Group signs anchor tenant for *Panta Rhei* office development project
*9 August 2012*

Proceeds of over EUR 33 million on apartment house sale in Vienna
*20 August 2012*

## September

*Gerling Quartier* in Cologne now owned by IMMOFINANZ Group
*5 September 2012*

Share repurchase programme 2012–2013 resolved
*24 September 2012*

IMMOFINANZ Group with strong operating results in Q1 2012/13: significant increase in rental income and cash flow
*25 September 2012*

*Silesia City Center* ranked among the top shopping centers in Poland
*28 September 2012*

## October

IMMOFINANZ Group brings STOP.SHOP. to Austria
*1 October 2012*

IMMOFINANZ Group starts prestigious retail development project *Tarasy Zamkowe* in Poland
*2 October 2012*

Dividend distribution of 15 cents per share for the 2011/12 financial year
*5 October 2012*

IMMOFINANZ Group has received long-term refinancing of about EUR 80 million from Helaba for two office buildings in Warsaw
*9 October 2012*

Start of construction on the second phase of two residential projects in Romania
*15 October 2012*

Portfolio optimisation: sale of apartment houses in Vienna, Austria
*30 October 2012*

## November

IMMOFINANZ Group celebrates topping off ceremony in *Gerling Quartier*
*6 November 2012*

The foundation stone is laid for the *Panta Rhei* office building at Düsseldorf Airport
*7 November 2012*

IMMOFINANZ Group concludes one of the biggest logistics leasing transactions of the year in Hungary
*15 November 2012*

## December

Extension of three leases covering 18,000 sqm at *Atrium Park* in Budapest
*4 December 2012*

IMMOFINANZ Group to develop plus-energy building: presentation of *Casa Stupenda* in Germany
*6 December 2012*

IMMOFINANZ Group expands activities in Poland: Start of construction on *Nimbus* office development project
*13 December 2012*

IMMOFINANZ AG intends to use treasury shares as collateral for bank financing
*17 December 2012*

IMMOFINANZ Group increases rental income and cash flow in the first half-year of 2012/13
*19 December 2012*

## January 2013

IMMOFINANZ Group sells office building in Prague
*7 January 2013*

BUWOG to strongly expand business in Berlin
*10 January 2013*

Sale and purchase of IMMOFINANZ shares in connection with financing transaction based on use of treasury shares
*11 January 2013*

BUWOG acquires property in Berlin-Charlottenburg
*21 January 2013*

IMMOFINANZ Group expands web presence: Information and photos on over 1,600 properties now online
*23 January 2013*

## February

IMMOFINANZ Group sells two office properties in Vienna, three logistics properties in Germany and one logistics property in France
*Jan.–Feb. 2013*

IMMOFINANZ Group sells the *Kempinski Residences* and *Grand Hotel* in St. Moritz, Switzerland
*18 February 2013*

BUWOG subsidiary reduces $CO_2$ emissions by 13,300 tonnes per year
*18 February 2013*

Closing for the sale of the *Kempinski Grand Hotel des Bains* in St. Moritz
*22 February 2013*

## March

IMMOFINANZ Group gains H&M as a new anchor tenant for the retail segment in Hungary
*7 March 2013*

IMMOFINANZ Group increases results of operations in the first three quarters of 2012/13
*20 March 2013*

## April

BUWOG subsidiary sells residential portfolio in Carinthia to the ÖSW Group
*8 April 2013*

IMMOFINANZ Group holds road show for private investors
*8 and 9 April 2013*

*Silesia City Center* is among the winners at the ICSC European Shopping Center Awards 2013
*19 April 2013*

BUWOG subsidiary purchases residential portfolio in Berlin-Neukölln, Germany
*22 April 2013*

# Group Management Report

ЗОЛОТОЙ
ВАВИЛОН
ТОРГОВЫЙ ЦЕНТР

# Economic Developments in the Core Countries of IMMOFINANZ Group

## Analyses and outlook

Stronger growth forecasted starting in 2014

Despite short-term signs of improvement, the global economic recovery appears to be a slow, long-term process. The Organisation for Economic Cooperation and Development (OECD) estimated the growth in the worldwide gross domestic product (GDP) at 3.1% in May 2013, which represents a further downward revision from the 3.4% expected in November 2012. This forecast roughly reflects the results generated in 2011 (3.7%) and 2012 (3.0%), but is still clearly below the 5% recorded in 2010. The slow recovery in the industrialised countries has proven to be the weak point, since the economies in the developing and emerging countries have already started to regain speed. However, an improved climate on the global financial markets owing to the support of monetary policies and slowly returning confidence in the economy should provide key impulses for stronger growth beginning in 2014 (OECD forecast: 4.0%).

## Developments on the European markets

Forecasts also point to stronger recovery beginning in 2014 for the European Union (EU) and, above all, for the Euro zone, both of which were heavily affected by the Euro crisis. Budget consolidation programmes, restrictive lending conditions and weak confidence in the economy should then become a thing of the past. The easing of cost-cutting measures and the partial restructuring of the financial markets are expected to bring a return to confidence in the European economy. According to the Economist Intelligence Unit (EIU), the 0.7% GDP decline for the Euro zone in 2013 should be followed by an increase of 0.6% in 2014.

Experts see the danger of a Euro zone collapse as more and more unlikely. The prevention of a renewed outbreak of the Euro crisis and steady progress in the restructuring of banks and government budgets are considered to be the key factors for long-term stability.

### Overview of the IMMOFINANZ Group core markets

The financial and economic crisis continues to have a negative effect on a number of IMMOFINANZ Group's core markets. However, other countries where IMMOFINANZ actively benefited from the crisis: for example, Austria and Germany, which are viewed as safe havens for investors, and Russia, which confirmed its underlying growth potential and recorded positive development due to its low economic dependence on the West European EU states. Private consumption in the EU remained fragile throughout the 2012/13 financial year and reflected the debt reduction policies of many member countries. The OECD has projected a further decline of 0.8% in private consumption for the Euro zone in 2013, but a return to growth is expected for 2014 with +0.4%.

According to the EIU, the average GDP in the EU will follow the 0.2% decline in 2012 with a further drop of 0.3% in 2013. Developments in the CEE region are significantly better: the average GDP for the CEE core countries of IMMOFINANZ Group, weighted by fair value, should rise by 0.8% in 2013 (2012: +0.9%). The most important drivers for this growth will be Romania (+2.0%) and Russia (+2.8%). This development confirms IMMOFINANZ Group's strategic focus on the growth markets in CEE.

IMMOFINANZ Group: positive development in core countries

Weak economic development and falling raw material prices continue to dampen inflation in the European Union, whereby the EIU has forecasted a decline to 1.6% in 2013 (2012: 2.6%). The average unemployment rate in the EU has increased further in recent months according to EuroStat and equalled 10.9% in May 2013. However, unemployment is substantially lower in the core countries of IMMOFINANZ Group, with the exception of Slovakia. Sovereign debt in the CEE region is also much lower than the EU average: at year-end 2012 the gross national debt averaged 87.0% in the EU member states and 92.8% for the Euro zone countries according to EIU. The IMMOFINANZ core countries show substantially lower values, e.g. Romania with 33.3% and the Czech Republic with 45.7%.

| | Unemployment rate in May 2013 in % | Annual inflation rate in May 2013 in %[1] | Gross national debt 2012 in % of GDP | Deficit/surplus in % of GDP in 2012 | GDP growth rate 2012 in %[2] | Forecasted GDP growth rate 2013 in %[2] | Forecasted GDP growth rate 2014 in %[2] |
|---|---|---|---|---|---|---|---|
| Austria | 4.7% | 2.4%p | 73.4% | -2.5% | 0.8% | 0.2% | 1.2% |
| Germany | 5.3% | 1.6% | 81.9% | 0.2% | 0.9% | 0.2% | 1.0% |
| Poland | 10.7% | 0.5% | 57.1% | -1.9% | 2.0% | 1.0% | 2.3% |
| Czech Republic | 7.2% | 1.2% | 45.7% | -4.4% | -1.2% | -0.7% | 1.3% |
| Slovakia | 14.2% | 1.8% | 52.1% | -4.3% | 2.0% | 0.7% | 2.3% |
| Hungary | 10.5a% | 1.8% | 79.2% | -2.1% | -1.7% | 0.8% | 1.4% |
| Romania | 7.5% | 4.4% | 33.3% | -2.5% | 0.7% | 2.0% | 3.0% |
| Russia | 5.6% | 7.2% | 7.7% | -0.1% | 3.4% | 2.8% | 3.5% |
| EU-27 | 10.9% | 1.6%p | 87.0% | -4.0% | -0.2% | -0.3% | 0.8% |
| Euro zone (17 countries) | 12.1% | 1.4%p | 92.8% | -3.4% | -0.5% | -0.7% | 0.6% |

[1] *Change in the annual average of the harmonised index of consumer prices (HICP)*
[2] *Growth in GDP volume – per cent change in relation to the prior year*
*EU = EuroStat; Economist Intelligence Unit (EIU)*
*RU = Rosstat; EIU*
*p = Preliminary*
*a = April*

### Austria

- GDP forecast for 2013: 0.2%[1]
- National debt/deficit in 2012: 73.4%/-2.5% (in relation to GDP)[1]
- Unemployment rate in May 2013: 4.7%; May 2012: 4.4%[1]

The Austrian economy outpaced the EU average of -0.2% with GDP growth of 0.8% in 2012 according to the EIU. For 2013, the EIU is forecasting an increase of 0.2%. This momentum is slower than the previous years, but the Euro crisis has also left its mark on Austria. The country's labour market remains sound, with an unemployment rate of only 4.7% in May 2013. That represents the lowest level in the entire European Union – and is a sign of healthy economic performance in spite of the prevailing Euro crisis. In comparison, the unemployment rate averaged 10.9% for the EU member states and 12.1% for the Euro zone in May 2013.

### Germany

- GDP forecast for 2013: 0.2%[1]
- National debt/deficit in 2012: 81.9%/0.2% (in relation to GDP)[1]
- Unemployment rate in May 2013: 5.3%; May 2012: 5.3%[1]

Germany is the driver for the European economy

Germany, the economic driver for Europe, was not left untouched by the Euro crisis. However, this stable economy also benefited in several respects from events in the crisis countries. One example is the growing interest of foreign investors in (real estate) investments in this safe haven. EIU statistics show an increase of only 0.9% in the German economy for 2012 and further limited growth of 0.2% in 2013. The employment market in Germany has shown moderately positive development with an unemployment rate of 5.3%, which is relatively low in EU comparison (status: May 2013, EuroStat).

### Czech Republic

- GDP forecast for 2013: -0.7%[1]
- National debt/deficit in 2012: 45.7%/-4.4% (in relation to GDP)[1]
- Unemployment rate in May 2013: 7.2%; May 2012: 6.8%[1]

The Czech Republic continues to benefit from a high per capita GDP (2012: EUR 14,600) in comparison with the other CEE member states in the EU. However, the country's high dependency on exports – above all to West European states that were weakened by the Euro crisis – has also led to a weak market environment. EuroStat reported an unemployment rate of 7.2% in May 2013, which is still low in European comparison. EIU projections indicate that the GDP decline of 1.2% in 2012 should be followed by a slight drop of 0.7% in 2013. As in nearly all other CEE countries, the Czech Republic should also see clear recovery starting in 2014 with the EIU estimating GDP growth at 1.3%.

### Slovakia

- GDP forecast for 2013: 0.7%[1]
- National debt/deficit in 2012: 52.1%/-4.3% (in relation to GDP)[1]
- Unemployment rate in May 2013: 14.2%; May 2012: 13.8%[1]

Low sovereign debt in Slovakia

With GDP growth of 2.0% according to the EIU, Slovakia exceeded the EU average of -0.2% by a substantial margin in 2012. Forecasts for 2013 are projecting an increase of 0.7%. Per capita GDP equalled approx. EUR 13,160 in 2012, which reflects the average for the IMMOFINANZ Group core countries. Unemployment rose sharply, above all during the final months of 2012 and the beginning of 2013. The latest EuroStat survey showed an unemployment rate of 14.2% in May 2013, which is substantially higher than the EU average of 10.9%.

### Hungary

- GDP forecast for 2013: 0.8%[1]
- National debt/deficit in 2012: 79.2%/-2.1% (in relation to GDP)[1]
- Unemployment rate in April 2013: 10.5%; April 2012: 11.1%[1]

The Hungarian GDP fell by 1% in 2012, but is expected to rise by 0.8% in 2013. In spite of this limited growth, experts are predicting an end to the recession in this country. The level of sovereign debt reached 79.2% in 2012, which is comparatively high for the CEE region. Hungary must therefore introduce the necessary measures to cut costs and collect more taxes, as frequently demanded by the International Monetary Fund and the EU, in order to minimise the risk of bankruptcy. However, these steps are not advantageous for growth and would have a negative effect on the country's competitive position in Europe. Numerous actions by the Hungarian Prime Minister Viktor Orban have also created further uncertainty on the part of investors and led to declining confidence in the Hungarian economy.

### Romania

- GDP forecast for 2013: 2.0%[1]
- National debt/deficit in 2012: 33.3%/-2.5% (in relation to GDP)[1]
- Unemployment rate in May 2013: 7.5%; May 2012: 7.2%[1]

The EIU reported GDP growth of 0.7% for Romania in 2012, which is slightly higher than the EU average of -0.2%. According to EIU forecasts, GDP growth should reach 2.0% in 2013 and stronger momentum is not to be expected before 2014. The unemployment rate equalled 7.5% according to the latest survey published by EuroStat in May 2013, which is relatively low in comparison with the European Union average.

### Poland

- GDP forecast for 2013: 1.0%[1]
- National debt/deficit in 2012: 57.1%/-1.9% (in relation to GDP)[1]
- Unemployment rate in May 2013: 10.7%; May 2012: 10.0%[1]

Poland remains the driver for growth in the CEE region

Poland, one of the largest countries in the European Union based on population, continues to generate sound growth. The economy outpaced the EU average of -0.2% with an increase of 2.0% in 2012 according to the EIU. In comparison with the other CEE countries, Poland recorded the strongest growth of the IMMOFINANZ core countries (after Russia). The Polish economy is forecasted to generate growth of 1.0% in 2013 according to the EIU – and again outperform the other EU member states. The country recorded a recent rise in the unemployment rate to 10.7% in May 2013, which reflects the European average.

### Russia

+ GDP forecast for 2013: 2.8%[1]
+ National debt/deficit in 2012: 7.7%/-0.1% (in relation to GDP)[1]
+ Unemployment rate in May 2013: 5.6%; May 2012: 5.8%[2]

Continued growth in Russia

Russia's economy continued its strong growth in 2012 with a 3.4% rise in the GDP according to the EIU. Above-average growth of 2.8% is also forecasted for 2013. The unemployment rate equalled 5.6% in May 2013 and remains substantially lower than many countries in the European Union. As in previous years, the momentum in the Russian economy has been significantly stronger than in the EU. A sound domestic market and fast-developing population represent further positive factors for the strength of the Russian economy.

[1] *Source: GDP forecast for national debt/deficit: EIU, unemployment rate: EuroStat*
[2] *RUS = Rosstat*

# The Property Markets in the Core Regions of IMMOFINANZ Group

## Developments. Results. Outlook.

The real estate markets stabilised in 2012 and started 2013 on a positive note. However, their future development is still dependent on economic growth in the individual countries. The recovery of the European market is confirmed, above all, by the rising volume of transactions.

Sharp rise in transaction volumes on European markets

The volume of transactions in Europe increased significantly during the last quarter of 2012: according to Jones Lang LaSalle (JLL) real estate with a total volume of EUR 61 billion was traded during that time. This represents approx. 40% of the total annual volume of EUR 160 billion (compared with EUR 166 billion in 2011). This development also continued during the first quarter of 2013 as reported by JLL: property transactions in Europe during these three months amounted to EUR 40 billion (+28% over the first quarter of 2012). Demand continued to rise in so-called "safe havens", i.e. stable markets like Germany. The situation also improved in a number of CEE countries and brought the return of investors. A report by CB Richard Ellis (CBRE) placed the transaction volume in CEE from January to May 2013 at more than 30% over the comparable value for the first half of 2012.

The market indicators remained stable and, in some cases, turned very positive in the asset classes and core countries of IMMOFINANZ Group during the reporting year. The Group continues to benefit from its commitment in Eastern Europe because a number of these economies still show substantially better development and greater growth potential than the countries in Western Europe. The core countries of IMMOFINANZ Group in Western Europe, Austria and Germany have also been affected by the Euro crisis and the related rescue measures, but are still considered safe and stable by investors.

## Office

| Capital city/core market | Vacancy rate in Q1 2013 for office properties in % | Prime yields in Q1 2013 for office properties in % |
|---|---|---|
| Bratislava, Slovakia | 14.3% | 7.0%–7.3% |
| Budapest, Hungary | 19.6% | 7.5%–7.8% |
| Bucharest, Romania | 15.8% | 8.3% |
| Düsseldorf, Germany | 11.2% | 4.7%–5.7% |
| Moscow, Russia | 14.3% | 8.8% |
| Prague, Czech Republic | 12.0% | 6.3% |
| Warsaw, Poland | 9.9% | 6.3% |
| Vienna, Austria | 7.0% | 5.3% |

*Source: JLL, EHL (Vienna data)*

The office asset class remains popular with investors. CBRE indicates that roughly half the European transaction volume in 2012 can be attributed to office properties. This trend continued during the first quarter of 2013 with 44% of the volume.

The office rental market in Europe is characterised by stable development. The average vacancy rate for office properties in the EMEA (Europe, Middle East, Africa) region amounted to 9.7% in the first quarter of 2013 according to JLL, which reflects a slight increase over the previous quarter. Office vacancies in Western Europe were slightly lower at 9.3%, while the CEE region was notably higher at 13.9%. However, the vacancy rate in many of the IMMOFINANZ core office markets, such as Prague and Warsaw, is substantially lower than this average.

Active new construction is expected to lead to a further increase in vacancies in a number of countries during 2013. The volume of new construction in Europe returned to the ten-year average after subdued development in 2011 and 2012, and is now nearly 25% higher than the previous year. In CEE, demand by tenants was reflected in a 17% increase in take-up according to JLL, with a large part of the new space absorbed by the market.

EHL indicates that the **Vienna** office market continues to benefit from a vacancy rate that is reputedly very low in European comparison (7.0%), even if the level of vacancies has risen slightly in recent quarters due to completions. A total of 338,000 sqm were completed in 2012 (including completed re-development projects) according to CBRE, which represents nearly twice the prior year volume (2011: 178,000 sqm). The total take-up, including first-time rents and re-letting, rose by approx. 34% to 345,000 sqm, which means at least part of the new space was absorbed by the market. The take-up volumes on the top six office markets in **Germany** totalled 3.03 million sqm in 2012, but declined slightly by 6% in comparison with the record 2011 level according to Savills. The demand for space is generally healthy, and the low level of new construction should be reflected in stable market development during 2013.

Office properties in Europe – increase in new construction

In **Eastern Europe,** developments on the office markets differ significantly in the individual core countries. The office market in **Budapest** stabilised at a low level in 2012. Colliers estimated the take-up at 350,000 sqm (–11% versus 2011), half of which represented lease extensions. Tenants benefited from low rents and high vacancies in the 2012/13 financial year and relocated frequently from B-properties to core properties in better locations. The vacancy rate equalled 19.6% during the first quarter of 2013 as reported by JLL. The office market in **Prague** remains very stable. The vacancy rate, which equalled 12.0% at the end of the first quarter of 2013 according to JLL, is constant, but varies significantly in the individual submarkets. Colliers reported the completion of 98,000 sqm of space in 11 newly constructed office buildings during 2012. Approximately the same amount of space is currently under construction, but no new office buildings were completed during the first quarter of 2013. Colliers estimated the take-up in 2012 at approx. 270,000 sqm, which represents a decline of roughly 16% compared with 2011, and signs point to a similar trend in 2013. The office market in **Warsaw** also recorded sound development in 2012, with the take-up rising by 6% to approx. 600,000 sqm according to Colliers. This positive trend also continued during the first quarter of 2013, and is a good sign for a region with extensive construction activity. A substantial amount of new space was added to the market not only in Warsaw, but also in many secondary cities like Wroclaw, Krakow and Szczecin. A total of 245,000 sqm was completed in regional cities and 268,000 sqm in Warsaw during 2012. Colliers' statistics show approx. 630,000 sqm of office space under construction in Poland at the beginning of 2013, including 320,000 sqm in Warsaw, which will probably be completed this year. The office market in **Bucharest,** which currently comprises approx. 1.5 million sqm of modern space, shows stable development. The lowest volume of new construction on this market since 2004 was recorded in 2012, with the production of new space amounting to only approx. 62,000 sqm according to Colliers. A decline in the take-up volume during recent quarters led to a slight increase in the vacancy rate, which equalled 15.8% at the end of the first quarter of 2013 as reported by JLL. However, the vacancy rates in the individual submarkets are substantially different. Areas that are not connected to the underground network, like Pipera, have a vacancy rate slightly over 50%, in contrast to approx. 5% in the well-connected western part of the city according to Colliers. Colliers estimates the volume of modern office space in **Bratislava** at over 1.5 million sqm, with only 60,000 sqm added in 2012. Prime rents remained relatively constant and equalled EUR 15 pro sqm and month at the end of the first quarter of 2013 as reported by JLL. The vacancy rate continued to increase, similar to the trend at year-end 2012 and equalled 14.3% for the first quarter of 2013. The take-up volume totalled approx. 102,500 sqm in 2012 according to Colliers and approx. 20,000 sqm in the first quarter of 2013 according to JLL, which represents a decline in comparison with the previous quarters.

## Retail

| City/core market | Vacancy rate in Q1 2013 for shopping centers in % | Prime yields in Q1 2013 for shopping centers in % |
|---|---|---|
| Bratislava, Slovakia | 7.5% | 6.8% |
| Budapest, Hungary | 10.0% | 7.3% |
| Bucharest, Romania | 8.0–9.0% | 8.5% |
| Düsseldorf, Germany | n.a. | 4.8%–5.3% |
| Moscow, Russia | 2.5% | 9.0%–9.5% |
| Prague, Czech Republic | 4.0% | 6.3% |
| Warsaw, Poland | 2.0% | 5.8% |
| Vienna, Austria | n.a. | 5.8% |

*Source: JLL, EHL (Vienna data)*

After a record year of retail property transactions in 2011, when the volume reached EUR 37.2 billion according to CBRE, the market declined substantially in the first three quarters of 2012. Transactions totalling approx. EUR 14 billion were recorded in the fourth quarter. Retail property transactions amounted to EUR 32.7 billion in 2012. CBRE reported retail property sales of EUR 7.9 billion in the first three months of 2013, which represents an increase of 26% over the first quarter of 2012 as well as a continuation of the positive trend that was noted at the end of the year. The more robust

economies like Germany and Poland not only registered higher investor demand for office properties, but also benefited from increased interest in retail properties – with demand exceeding the supply in a number of markets.

The indicators for **Austria's** retail park and shopping center segment remained generally stable during the 2012/13 financial year. The demand by tenants is still very high and increases have been noted in individual subsegments. However, tenants have become more cost-conscious and risk-averse due the weaker economic development. In Vienna 120,000 sqm of retail space were completed in 2012.

Positive development in retail sector of IMMOFINANZ core markets

The retail market in **Hungary** stagnated during the 2012/13 financial year and has shown few signs of recovery to date. This situation was worsened by a decline in per capita consumer spending and uncertainty over the future direction of the Hungarian economy. No new retail space was added to the market in 2012, but a number of retailers including Hublot and Massimo Dutti used the weak tenant demand for market entry. The retail market in the **Czech Republic** remains dynamic. Colliers reported the opening of three new shopping centers with 145,000 sqm of rentable space in 2012, and approx. 200,000 sqm of new space are expected to be added in 2013. In **Poland,** the sound development of the retail sector is supported by the stable economic upturn and emergent society with rising disposable per capita income. However, there are significant regional differences in the development of the retail property sector: a number of regions can already be classified as saturated with increasing competition. Retail parks are becoming more and more popular, above all in smaller cities and population centers, and are viewed as an alternative to traditional shopping centers by consumers, developers and tenants. The volume of modern retail space on the Polish market has already exceeded 9 million sqm. Colliers reported the addition of approx. 500,000 sqm in 2012, or only 22% less than in 2011. Of the total new space, only approx. 30% was realised in the eight largest Polish cities and roughly 60% were completed in small and medium-sized municipalities. The market for shopping centers in **Romania** shows stable development. According to Colliers, approx. 140,000 sqm of new space were produced in 2012, or nearly one-third less than in 2011. Prime rents declined slightly and equalled roughly EUR 65 in the first quarter of 2013 as reported by JLL. Rental prices came under pressure as a result of rising vacancy rates and a large number of leases from pre-crisis years that expired in 2012. Construction activity in the retail sector continues, with approx. 107,000 sqm in progress at the beginning of 2013. The retail market in **Slovakia** also shows stable development. Rental prices remained unchanged in attractive shopping centers and good high-street locations, but declined slightly in less favourable areas. In 2012 only one new shopping center (55,000 sqm) was completed in Bratislava and a second in the secondary city Banská Bystrica. Colliers estimates the volume of modern space on the Slovakian retail market at approx. 1.2 million sqm. The relatively low volume of new construction in **Russia** continued to fuel the demand for space by international retailers, especially in Moscow and St. Petersburg, but also in secondary cities. The volume of modern shopping areas in the Russian capital totalled approx. 3.9 million sqm at the end of 2012, with only approx. 165,000 sqm completed in that year. A further 500,000 sqm will open in 2013 according to JLL. The vacancy rate, which equalled 2.5% in the first quarter of 2013, is not expected to rise as a result of the strong demand. Rents increased roughly 5–10% during the past year, above all in the top segment, and the trend is pointing upward for 2013. IMMOFINANZ Group will participate in this positive trend on the Moscow market following the completion of its own development project, the Goodzone shopping center, in 2012/13.

## Logistics

| City/core market | Vacancy rate in Q1 2013 for logistics properties in % | Prime yields in Q1 2013 for logistics properties in % |
|---|---|---|
| Bratislava, Slovakia | 4.8% | 8.5%–8.8% |
| Budapest, Hungary | 21.7% | 9.3%–9.5% |
| Bucharest, Romania | 12.0% | 10.0%–10.5% |
| Düsseldorf, Germany | n.a. | 6.7%–7.8% |
| Moscow, Russia | 1.1% | 11.3% |
| Prague, Czech Republic | 8.8% | 8.0%–8.3% |
| Warsaw, Poland | 10.2% | 8.0% |
| Vienna, Austria | n.a. | 7.5% |

*Source: JLL, EHL (Vienna data)*

The logistics property market in Europe is changing continuously as a result of the on-going crisis in the Euro zone and the steadily increasing popularity of online retailing. The demand for space is dynamic, but the offering in many parts of the continent is very limited. There is little interest by developers in the speculative construction of logistics space, but a substantial focus on so-called build-to-suit properties, i.e. buildings constructed for a tenant who has already signed a lease. Developments on the logistics investment market were very positive in 2012, above all through increased interest in

portfolio sales. CBRE estimated the volume of logistics property sales at EUR 9.6 billion in 2012, or approx. 8% of the total investment volume in Europe. The increasing interest of investors in logistics properties was particularly strong on the German market.

In **Germany** the logistics segment recorded the second highest level of rentals in the last ten years during 2012 according to JLL. Take-up amounted to 4.7 million sqm, including approx. 1.8 million sqm in the top five markets of Berlin, Düsseldorf, Frankfurt am Main, Hamburg and Munich. The logistics investment market rose by a record 41% to EUR 1.7 billion.

Logistics: dynamic demand in Europe

A total of 892,000 sqm was rented on the logistics market in the **Czech Republic** during 2012 as reported by Colliers, which represents an increase over 2011. JLL estimates the vacancy rate at 8.8% for the first quarter of 2013, while prime rents were stable at EUR 3.9. Approx. 212,000 sqm of new space were added in 2012, and a further increase of 250,000 sqm is expected in 2013. At the end of 2012 the prime space on the **Romanian** logistics market totalled approx. 940,000 sqm according to Colliers, with approx. 19,000 sqm representing new additions. The low level of new construction and short-term (3–6 months) rentals supported a reduction in the vacancy rate in Bucharest, which now equals roughly 12.0% according to JLL. The level of rentals has declined slightly, and JLL now estimates prime rents at approx. EUR 4.0. The logistics market in **Slovakia** comprised approx. 1.2 million sqm at the beginning of 2013 as indicated by Colliers, of which approx. 134,000 sqm were added in 2012, above all in the region in and around Bratislava. Colliers' statistics show an increase in the take-up volume to approx. 225,000 sqm in 2012. The vacancy rate equalled 4.8% in the first quarter of 2013 according to JLL. The volume of new construction is expected to remain low in 2013, whereby project developers are concentrating above all on secondary cities like Zlina or Kosice. The **Hungarian** logistics market also produced solid development in 2012. Supply and demand remained stable, and resulted in constant rental prices. According to Colliers, the volume of space on the Hungarian market totalled 1.8 million sqm at year-end 2012. Only 16,500 sqm were added in Budapest during the previous year. The vacancy rate in the Hungarian capital was a comparatively high 21.7% at the end of the first quarter of 2013 as reported by JLL. In **Moscow** the volume of space completed in 2012 equalled 1.7-times the comparable figure for 2011 and, together with the newly added 717,000 sqm, had grown to 8.3 million sqm by the end of 2012 according to Colliers. The vacancy rate is stable at a low level, which equalled 1.1% in the first quarter of 2013 as indicated by JLL. Additions of approx. 1.2 million sqm are projected for 2013, but should be largely absorbed due to the sound demand. Prime rents were constant at USD 11.7 per sqm.

## Residential

Investments in residential properties are considered particularly safe, especially in the stable economies of Austria and Germany. Not only national, but also international investors see these countries as "safe investment havens", above all when the market environment is uncertain. Residential properties are in high demand by private and institutional investors. This has led to an increase in both the volume of transactions and the market prices for residential properties. In 2012 alone, residential property portfolios (packages of 100 units or more) with a value of over EUR 11.3 billion were traded in **Germany** according to CBRE. In **Austria,** the Austrian Federal Economic Chamber reported an average increase of 3.9% in the prices for condominium apartments (first owners) and an average increase of 4.6% for previously occupied apartments during 2012. An above-average increase was noted in Vienna, with a 9.1% rise in the price of new condominium apartments and 8.8% in previously occupied apartments.

The demand for housing has, to date, not been reflected in an appropriate increase in the supply. This situation led, among others, to a sharp average increase of 3.5% in the rental price for apartments in Austria (Vienna: 3.8%) during 2012. Population and household forecasts published by Statistik Austria show an increase of 10.5% in the number of Austrian households by 2030 and, consequently, a further rise in the demand for housing. Germany, the country with the largest housing supply in Europe, is also projected to see a rise in the number of households by 2025 despite stagnation or a decline in the population. Berlin has recorded above-average, positive development with an increase of 13.8% in the median offered rent per square metre in 2012 according to CBRE. In order to optimally utilise this development, IMMOFINANZ Group is selling residential portfolios in the Austrian provinces outside Vienna and investing the proceeds to gradually shift the portfolio of its BUWOG subsidiary to Germany. The residential markets in the CEE region stabilised with slow but steady growth in 2012. A number of developers have returned to the region since 2011, where they are realising economically reasonable projects and adjusting to local requirements. Activities in Eastern Europe are related above all to local investors, whereby the strongest demand is registered in the lower to middle segment with very small apartments. In Prague and Bratislava, prices stabilised during 2012 according to JLL. Prices declined slightly in Warsaw because of the substantial offering and fell sharply in Bucharest. The demand for apartments increased significantly in Warsaw, followed by Prague. The largest number of new apartment completions was also recorded in these two capital cities. In Warsaw, supply exceeded the demand.

# Developments on the Financial Markets

## Interest rates & refinancing in the core markets

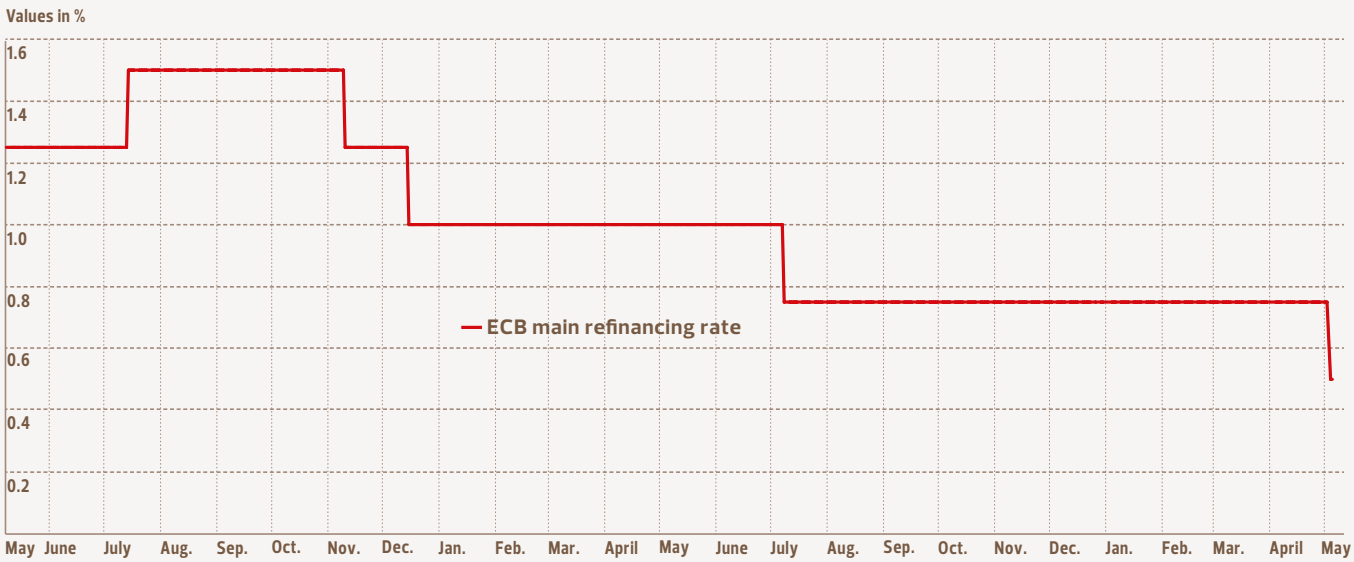
Interest rates remained at a historical low throughout the 2012/13 financial year. The European Central Bank (ECB) reduced its base rate (main refinancing rate) to 1.00% in several steps by April 2009 as a reaction to the economic and financial crisis and made no further changes for two years. The first tenuous steps were implemented in mid-2011 when the ECB raised the base rate in two steps to 1.50%. However, this level was only transitory: in early November 2011 the increase was retracted and, shortly thereafter in December 2011, followed by a cut to the original level of 1.00%.

After another reduction in July 2012, the European Central Bank set the base rate at the lowest level in its history – namely 0.50% at the beginning of May 2013 (after the end of the reporting year). This decision represents a continuation of the strategy to alleviate the Euro crisis by increasing bank liquidity, stimulating investments and providing the crisis countries with lower-cost loans.

The situation on the economic front has eased somewhat since the interest rate reduction in May. The business climate has improved, and consumer confidence in the Euro zone rose to the highest level in nearly two years during June. Low interest rates should lead to an increase in investments and thereby stimulate the economy. The pressure on prices remains low and, consequently, interest rates are not expected to increase for the time being. Therefore, an end to the loose monetary policies in the Euro zone is still not in sight.

**ECB main refinancing rate**

Source: Thomson Reuters Eikon

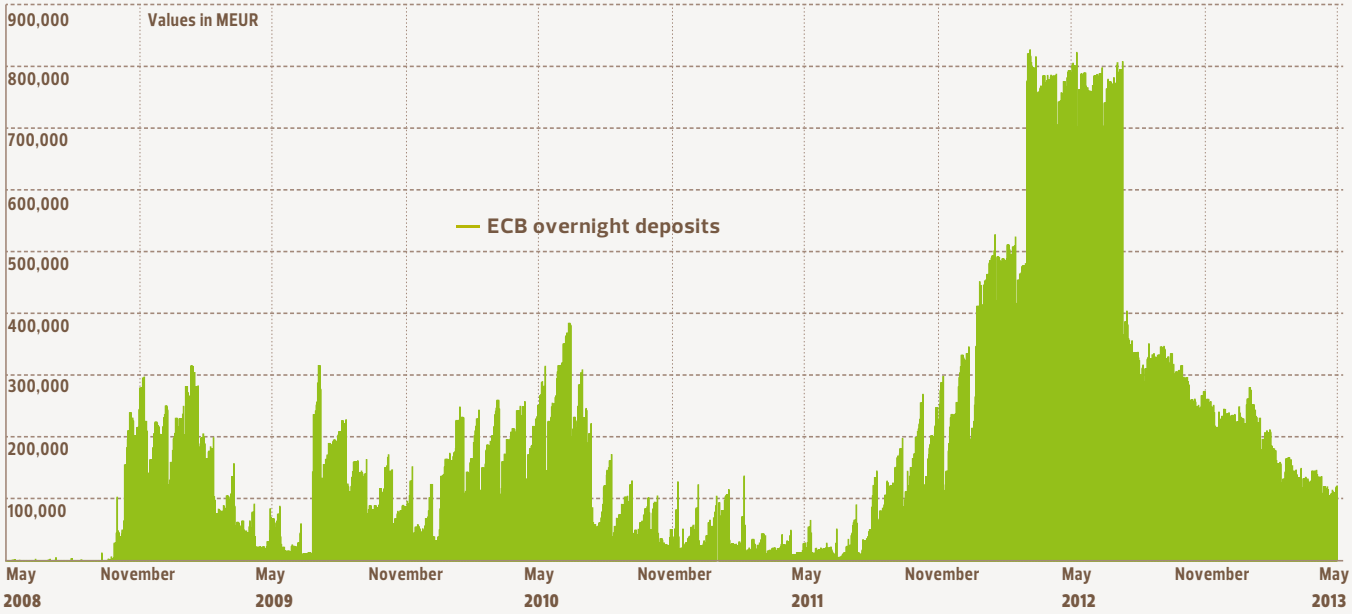



The liquidity offensive by the European Central Bank represents another measure to provide relief for the credit markets. Against the backdrop of the sovereign debt crisis in the Euro zone, the ECB carried out a number of longer-term refinancing transactions to support the normalisation process and the functioning of the Euro money market. The ECB made unlimited liquidity available through two three-year tenders, whereby the interest rate payable by the banks at maturity equals the ECB base rate (main refinancing rate) prevailing during the term of the loan. This rate equalled only 1.00% at the time of the three-year basis tender. In December 2011 a total of 523 banks drew EUR 498 billion from the ECB, and in February 2012 roughly 800 banks drew a further EUR 529.5 billion.

This ECB liquidity offensive was intended to prevent a credit shortage in the Euro zone. However, a large component of these funds flowed back to the European Central Bank and overnight deposits reached a record high of over EUR 800 billion in mid-2012. A 25-basis point reduction in the interest rate for overnight bank deposits by the ECB from 0.25% to 0.00% in July 2012 removed any incentive for banks to park excess billions with the ECB over the short-term. This measure was successful in that it triggered a sharp drop of more than half in overnight deposits to approx. EUR 325 billion within only few days. The downward trend continued, however at a slower pace, with deposits totalling "only" approx. EUR 100 billion at the end of the reporting year in April 2013. After one year, banks used the opportunity for the premature repayment of roughly one billion Euros in long-term loans at the beginning of 2013.

**ECB overnight deposits**

Source: European Central Bank

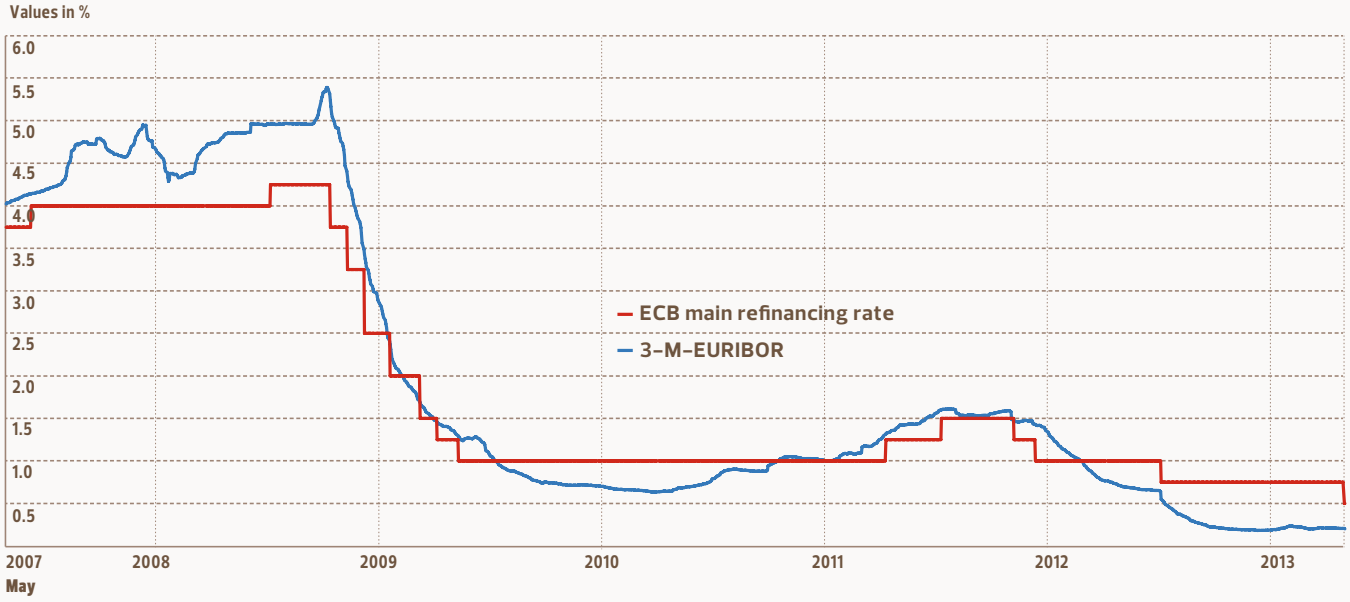



The European Central Bank establishes not only one, but three base rates for the Euro zone. The most important base rate is the above-mentioned **main refinancing rate,** which the ECB applies to one-week loans for commercial banks. Changes in this rate normally have a direct influence on money market and capital market interest rates. Short-term borrowings by banks are generally based on the **marginal lending rate,** which usually lies one percentage point over the main refinancing rate. These loans have a term of one day. When banks decide to deposit surplus funds with the ECB until the next business day, interest is paid at the **deposit facility rate.** The lower this rate, the lower the incentive for banks to deposit funds with the ECB, and the higher the probability that they will lend these funds and thereby supply liquidity to the real economy.

The development of the three-month EURIBOR (3-M-EURIBOR), the reference rate for most floating rate financing, was similar to the base rate. It fell from a high of 5.39% in October 2008 to less than 1.00% for the first time in July 2009 to less than 1.00% – and thereby below the ECB base rate – for the first time in July 2009. This decline continued up to the end of March 2010 when the historical low of 0.63% was reached. The three-month EURIBOR then rose steadily to break the base rate "hurdle" of 1.00% in mid-October 2010. The first signs of normalisation since the onset of the financial crisis were noted towards the end of the first quarter of 2011, when the 3-M-EURIBOR exceeded the base rate by 20 basis points. In anticipation of the expected interest rate cuts, the EURIBOR started along a downward trend in mid-October 2011 that continued up to and after the end of the reporting year. At the end of February 2012 the EURIBOR again broke the base rate "hurdle", but has since fallen below this rate. Even after the historical base rate cut in May 2013, the EURIBOR has not exceeded ECB base rate.

## Development of ECB main refinancing rate and 3-M-EURIBOR

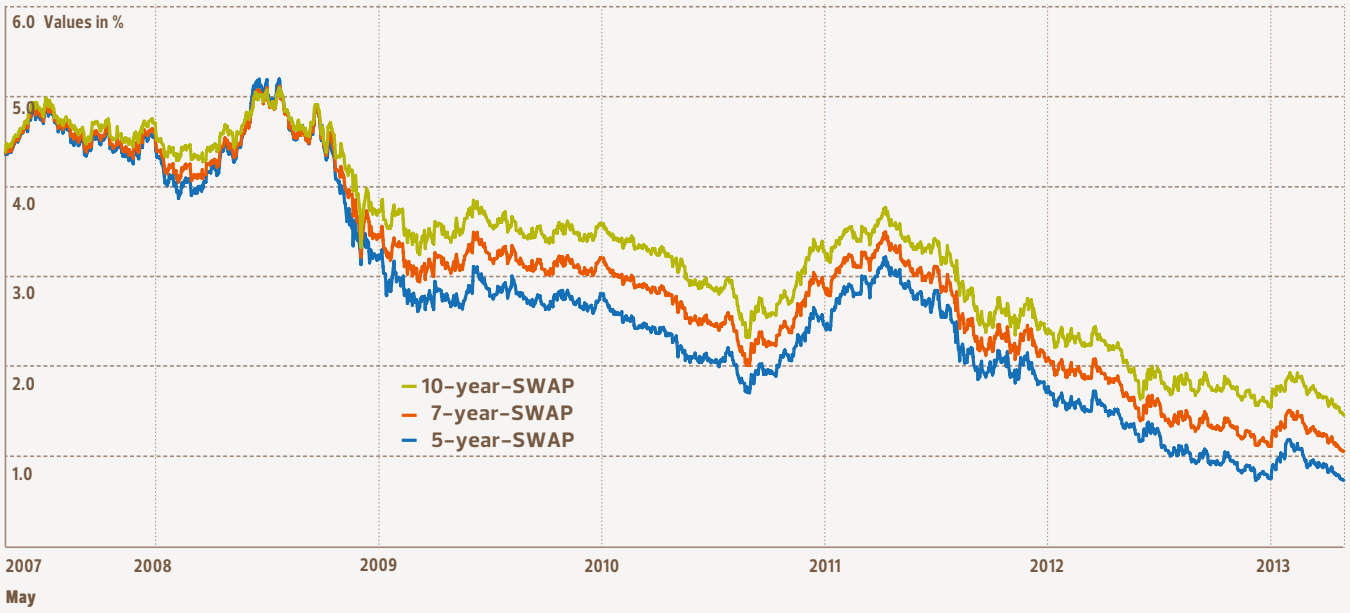
Source: Thomson Reuters Eikon




A slight downward trend was noted in medium- and long-term interest rates at the beginning of 2012/13, but this decline was interrupted by a shift in the opposite direction during the first calendar quarter of 2013. As seen over the long-term, the curves are moving more or less sideward within a very narrow range of approx. 50bp. Of special note is the stabilisation of the interest rate spread: the gap between the interest rate curves was narrow before the financial crisis in 2007, but shifted to an inverse structure in 2008 at the high point of the liquidity shortage. A further countermovement took hold after the end of the reporting year, with interest rates returning to levels that reflected the beginning of the 2012/13 financial year and an increase in the interest rate gap.

## Development of EUR-SWAP rates 1 May 2007–30 April 2013

Source: Thomson Reuters Eikon



Financing arrangements for standing investments continue to focus on the eligibility of loans to serve as coverage for mortgage bonds. This leads to slightly more favourable refinancing costs on the "covered" portion, but also to a lower loan-to-value ratio.

The availability and terms of financing are still heavily dependent on the asset class and the market. Attractive terms are available for high-quality properties in established markets such as Austria and Germany, while stable markets like the Czech Republic and Poland are again approaching the pre-crisis level. In contrast, significant downgrades in the country ratings for Hungary and Romania have limited the availability of financing and led to comparatively high margins. Russia remains a special case: although financing conditions have deteriorated, they are still more favourable than in the other IMMOFINANZ Group core markets. Financing in Russia is still very attractive because of the difference to the realisable double-digit yields.

Financing volumes are currently related less to market value (loan-to-value ratio) and more to cash flow or net operating income (NOI), whereby a key objective is to ensure that the related financial liabilities can be served over the long-term. The extremely low interest rates are offset (in part) by higher margins.

Sufficient debt financing is available for development projects, even though it is limited to certain requirements. Margins during the construction phase are higher than the comparable mark-ups for standing investment financing. However, the combination of development financing with previously arranged follow-up financing creates a potential for optimisation. The decisive factors are the reliable estimation of costs and secured, evidenced pre-letting of the property in advance to ensure that at least interest payments can be met after completion.

# Portfolio Report

The core activities of IMMOFINANZ Group cover the rental of standing investments and the development of real estate in the countries of Central and Eastern Europe. These activities are designed to create a diversified, risk-optimised, sustainable portfolio of standing investments. The objective is to maximise profitability along the entire value chain – from the in-house development of properties to optimisation through active asset management and sale.

IMMOFINANZ Group's activities are concentrated in the office, retail, residential and logistics asset classes of the core markets in Austria, Germany, the Czech Republic, Poland, Hungary, Romania, Slovakia and Russia. BUWOG, a wholly owned subsidiary, is the competence center for the residential asset class. IMMOFINANZ Group has reported the BUWOG properties as a separate segment since 30 April 2013. Residential properties in Austria that are not attributable to BUWOG or its subsidiaries are reported under Residential Austria. In order to allow for more efficient and targeted actions in these different markets, IMMOFINANZ Group's activities are further divided into 12 strategic business segments based on homogeneous product groups.

## Property portfolio

The property portfolio of IMMOFINANZ Group is reported on the balance sheet under the following positions: investment property, property under construction, properties held for sale and inventories.

"Investment property" consists of standing investments as well as temporarily suspended development projects and undeveloped land.

"Property under construction" consists solely of development projects currently in progress, which will be reclassified by IMMOFINANZ Group as standing investment properties after completion.

"Inventories" comprise properties that are developed for sale after completion. The classic example of an inventory property is a condominium apartment.

"Properties held for sale" represent standing assets for which the Group had concrete sale plans as of 30 April 2013 that were realised after the balance sheet date. In the portfolio report, these properties are included under standing investments at a total of EUR 583.4 million.

The portfolio report covers all properties held by IMMOFINANZ Group, independent of the balance sheet classification. These properties are reported as standing investments (properties that generate rental income), development projects (projects under construction and completed condominium apartments) or pipeline projects (temporarily suspended projects and undeveloped land).

The following charts reconcile the property assets of IMMOFINANZ Group as reported on the balance sheet as of 30 April 2013 with the presentation in this portfolio report:

Amounts in MEUR

| Balance sheet classification of the property portfolio | | | Description | | Classification in portfolio report | |
|---|---|---|---|---|---|---|
| Non-current assets | Investment property | 9,297 | 8,777 | Standing investments | 9,361 | Standing investments |
| | | | 520 | Pipeline projects | | |
| | Property under construction | 344 | 344 | Development projects | 529 | Development projects |
| Current assets | Properties held for sale | 583 | 583 | Standing investments | | |
| | Inventories | 263 | 185 | Development projects | 598 | Pipeline projects |
| | | | 78 | Pipeline projects | | |
| Property portfolio | | 10,488 | 10,488 | | 10,488 | |

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

The following table shows the carrying amount of IMMOFINANZ Group's property portfolio as of 30 April 2013:

| Property portfolio | Number of properties | Standing investments in MEUR | Development projects in MEUR | Pipeline projects in MEUR | Property portfolio in MEUR | Property portfolio in % |
|---|---|---|---|---|---|---|
| Austria | 220 | 1,510.3 | 3.3 | 10.4 | 1,524.0 | 14.5% |
| Germany | 37 | 459.5 | 128.1 | 0.0 | 587.6 | 5.6% |
| BUWOG | 1,228 | 2,494.3 | 105.2 | 142.8 | 2,742.3 | 26.1% |
| Czech Republic | 31 | 538.5 | 47.9 | 4.7 | 591.1 | 5.6% |
| Hungary | 34 | 481.3 | 0.0 | 36.2 | 517.5 | 4.9% |
| Poland | 36 | 936.7 | 42.7 | 11.8 | 991.1 | 9.5% |
| Romania | 88 | 654.6 | 38.4 | 308.7 | 1,001.7 | 9.6% |
| Russia | 6 | 1,610.0 | 160.0 | 0.0 | 1,770.0 | 16.9% |
| Slovakia | 19 | 275.0 | 0.0 | 18.2 | 293.2 | 2.8% |
| Non-core countries | 60 | 400.7 | 3.5 | 64.9 | 469.1 | 4.5% |
| **IMMOFINANZ Group** | **1,759** | **9,360.8** | **529.1** | **597.8** | **10,487.7** | **100.0%** |
| | | **89.3%** | **5.0%** | **5.7%** | **100.0%** | |

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

The IMMOFINANZ Group property portfolio had a carrying amount of EUR 10,487.7 million as of 30 April 2013. Of this total, standing investments represent the largest component at EUR 9,360.8 million or 89.3%. Active development projects comprise EUR 529.1 million or 5.0% of the carrying amount of the property portfolio. A carrying amount of EUR 597.8 million or 5.7% is attributable to the project pipeline, which comprises temporarily suspended development projects and undeveloped land.

An analysis shows the main focus of IMMOFINANZ Group's portfolio on the BUWOG segment with 26.1%, followed by Russia with 16.9%, Austria with 14.5% and Romania with 9.6%. Poland ranks fifth with 9.5% fo the total portfolio.

As indicated above, IMMOFINANZ Group has developed and implemented a product group classification based on strategic criteria. This classification supports the analysis and management of the property portfolio at the international level according to standardised parameters. The property portfolio is divided into 12 homogeneous business segments within the individual asset classes. This process improves goal-oriented actions in different markets and also increases transparency.

### Office

The business segment **International High-Class Office** consists solely of prime office properties in the most attractive European markets. Outstanding quality and a top location are the basic requirements for this business segment. The properties are selected, above all, with a view to meeting international standards. With 12.1% of the total portfolio, the International High-Class Office portfolio represents an important source of revenues and can be seen as the main source of stability for IMMOFINANZ Group. This group of properties includes, among others, the *City Tower Vienna* (Vienna, Austria) and the *Park Postepu* (Warsaw, Poland), both of which are fully rented.

The **Secondary Office AT/DE** portfolio comprises good quality, functional office properties. The target group consists primarily of cost-conscious tenants. With 5.5% of the total portfolio, the focal points of this business segment are the stable markets in Austria and Germany.

The properties in the **Secondary Office CEE** portfolio are located in the capital cities of Central and Eastern Europe. With 7.7% of the total portfolio, this business segment also concentrates primarily on cost-conscious tenants and is intended to strengthen the market position in Eastern Europe.

A focus on high-quality properties at good locations also requires the sale of assets that have a sizeable potential for repositioning, but do not match the target portfolio of IMMOFINANZ Group with respect to size, location, quality or other features. These properties are designated for sale over the medium-term and are combined under the business segment **Opportunistic Office.** This category represents 2.0% of the entire portfolio.

### Retail

Retail activities are concentrated in the **Quality Shopping Center** segment. With a 25.3% share of the total portfolio, these prime shopping facilities with international tenants are found exclusively in large, strong locations. The demands on size, quality, location and an international tenant mix are very high in this segment. Substantial retail expertise and an extensive international network make it possible for IMMOFINANZ Group to generate sustainable competitive advantages in this area. The properties in this segment include, among others, the *Silesia City Center* (Katowice, Poland) and the *Golden Babylon Rostokino* (Moscow, Russia). With approx. 168,000 sqm of rentable retail space, the *Golden Babylon Rostokino* is the largest and most profitable property in IMMOFINANZ Group's retail portfolio.

The business segment **STOP.SHOP./Retail Warehouse** with a 4.3% share in the total portfolio, comprises retail warehouses in Austria and Eastern Europe that are characterised by a standardised format and an attractive tenant mix. These properties are situated mainly at top locations in catchment areas with 30,000 to 150,000 residents. In this segment IMMOFINANZ Group created the STOP.SHOP. brand in 2002 and has since successfully established it in CEE and Austria. Following the successful rebranding of selected Austrian retail warehouses at the end of 2012, the STOP.SHOP. brand is now represented with a total of 44 locations in six of the IMMOFINANZ core markets. These retail warehouses offer convincing benefits, above all, with uniform quality standards, functionality and high recognition. Plans call for the further expansion of this chain in the future with a focus on the Polish market.

A concentration on high-quality properties at good locations also requires the sale of assets that have a sizeable potential for repositioning, but do not match the target portfolio of IMMOFINANZ Group with respect to size, location, quality or other features. These retail properties are designated for sale over the short- to medium-term and are combined under the business segment **Opportunistic Retail.** They comprise 3.1% of the total portfolio.

### Logistics

Logistics activities in Western Europe are located primarily in Germany, Switzerland and the Benelux countries and are combined in the **Logistics West** business segment. IMMOFINANZ Group has successfully developed a strong position in the logistics market with its subsidiaries Deutsche Lagerhaus and Citybox. This market is characterised by outstanding growth forecasts and is considered one of the most dynamic asset classes in Western Europe. This category represents 5.3% of the total portfolio.

The **Logistics East** portfolio, with a share of 2.3%, is concentrated mainly in the promising Central and East European region and covers all logistics activities in the Czech Republic, Romania, Hungary, Russia, Poland and Slovakia. Close cooperation with the Logistics West portfolio creates a strong competitive advantage, which also allows IMMOFINANZ Group to offer logistics space from a single hand to tenants in large parts of Europe.

### Residential

The **Residential West** portfolio consists primarily of rental apartments in Austria and Germany. With 29.3% of the total portfolio, this business segment is a major focal point and stabilising factor for IMMOFINANZ Group. BUWOG concentrates on the rental and sale of existing apartments, the development of rental and condominium apartments and property management. The BUWOG Group develops and manages a wide range of individual housing solutions throughout Austria and Germany. Included here are architectonically demanding subsidised apartments as well as financed, individually designed apartments and sustainably constructed terraced or semi-detached houses. BUWOG is also active as a residential property developer in Germany. Plans call for the further expansion of the residential property segment in Germany through acquisitions. The Residential West portfolio is extremely stable and low-risk due to its high level of occupancy and low tenant turnover.

The **Residential East** business segment comprises residential construction projects in Eastern Europe. Activities in this segment are focused on the development of condominium apartments for sale, whereby IMMOFINANZ Group plans to benefit from the high pent-up demand for new housing by the emerging middle class in these regions and from the growing interest in new housing. With a large number of residential construction sites already in its portfolio, IMMOFINANZ Group is well positioned to meet this goal. An excellent example is the *Dębowe Tarasy* (Katowice, Poland), one of the most prestigious state-of-the-art residential development projects in Katowice. *Dębowe Tarasy* covers four similar construction steps with a total of 1,040 apartments. This residential project received the coveted CNBC European Property Award in 2008 as the best development project in Poland and the construction industry "Oscar" in the category for residential construction. In addition, the full takeover of the leading Romanian residential property developer Adama in November 2011 has created an ideal platform for the expansion of residential construction and development in the CEE and SEE regions that will also allow for the utilisation of existing land reserves. The Residential East category represents 2.4% of the total portfolio.

### Hotels

The business segment **Hotels** is not part of the Group's core business. IMMOFINANZ Group successfully completed the sale of 100% of the shares in the Swiss Les Bains de St. Moritz Holding AG, owner of the *Kempinski Grand Hotel des Bains* in Switzerland, on 22 February 2013 (closing). As of 30 April 2013 this segment only included two properties in Vienna, Austria. In line with IMMOFINANZ Group's strategy, the remaining properties are also designated for sale over the short- to medium-term.

The following table shows the carrying amount of IMMOFINANZ Group's property portfolio as of 30 April 2013:

| Property portfolio | Number of properties | Standing investments in MEUR | Development projects in MEUR | Pipeline projects in MEUR | Property portfolio in MEUR | Property portfolio in % |
|---|---|---|---|---|---|---|
| Intern. High-Class Office | 26 | 1,120.3 | 146.7 | 1.1 | 1,268.0 | 12.1% |
| Secondary Office AT/DE | 25 | 566.8 | 0.0 | 15.1 | 581.9 | 5.5% |
| Secondary Office CEE | 45 | 725.5 | 0.0 | 82.9 | 808.4 | 7.7% |
| Opportunistic Office | 26 | 204.3 | 0.0 | 4.4 | 208.7 | 2.0% |
| **Office** | **122** | **2,616.9** | **146.7** | **103.4** | **2,867.0** | **27.3%** |
| | | | | | | |
| Quality Shopping Center | 21 | 2,473.4 | 180.1 | 0.0 | 2,653.5 | 25.3% |
| STOP.SHOP./Retail Warehouse | 53 | 441.5 | 4.6 | 0.0 | 446.0 | 4.3% |
| Opportunistic Retail | 137 | 205.6 | 0.0 | 122.4 | 328.0 | 3.1% |
| **Retail** | **211** | **3,120.4** | **184.6** | **122.4** | **3,427.5** | **32.7%** |
| | | | | | | |
| Logistics West | 53 | 559.1 | 0.0 | 0.0 | 559.1 | 5.3% |
| Logistics East | 31 | 183.0 | 0.0 | 58.4 | 241.4 | 2.3% |
| **Logistics** | **84** | **742.1** | **0.0** | **58.4** | **800.5** | **7.6%** |
| | | | | | | |
| Residential West | 1,272 | 2,814.1 | 146.4 | 114.9 | 3,075.4 | 29.3% |
| Residential East | 68 | 0.0 | 51.4 | 198.7 | 250.1 | 2.4% |
| **Residential** | **1,340** | **2,814.1** | **197.8** | **313.6** | **3,325.5** | **31.7%** |
| | | | | | | |
| Hotels | 2 | 67.2 | 0.0 | 0.0 | 67.2 | 0.6% |
| **IMMOFINANZ Group** | **1,759** | **9,360.8** | **529.1** | **597.8** | **10,487.7** | **100.0%** |

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

The IMMOFINANZ Group portfolio had a carrying amount of EUR 10,487.7 million as of 30 April 2013. An analysis by carrying amount ranks the Residential West business segment first with 29.3%, followed by the segments Quality Shopping Centers with 25.3% and International High-Class Office with 12.1%.

## Standing investments

Standing investments are properties held by IMMOFINANZ Group as of 30 April 2013 for the purpose of generating rental income. The standing investment portfolio represents a carrying amount of EUR 9,360.8 million, or 89.3% of the total property portfolio.

| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|---|---|---|---|---|---|---|
| Austria | 210 | 1,510.3 | 16.1% | 829,509 | 714,020 | 86.1% |
| Germany | 33 | 459.5 | 4.9% | 943,812 | 823,718 | 87.3% |
| BUWOG | 1,150 | 2,494.3 | 26.6% | 2,465,161 | 2,364,936 | 95.9% |
| Czech Republic | 25 | 538.5 | 5.8% | 353,535 | 280,397 | 79.3% |
| Hungary | 28 | 481.3 | 5.1% | 379,886 | 295,534 | 77.8% |
| Poland | 24 | 936.7 | 10.0% | 353,375 | 313,020 | 88.6% |
| Romania | 17 | 654.6 | 7.0% | 405,392 | 360,524 | 88.9% |
| Russia | 5 | 1,610.0 | 17.2% | 264,957 | 254,296 | 96.0% |
| Slovakia | 15 | 275.0 | 2.9% | 157,842 | 138,693 | 87.9% |
| Non-core countries | 35 | 400.7 | 4.3% | 373,081 | 297,344 | 79.7% |
| **IMMOFINANZ Group** | **1,542** | **9,360.8** | **100.0%** | **6,526,550** | **5,842,483** | **89.5%** |

| | Rental income Q4 2012/13 in MEUR[1] | Gross return in % | Remaining liability on existing financing in MEUR | Financing costs in % | Financing costs incl. derivatives in % | LTV in %[2] |
|---|---|---|---|---|---|---|
| Austria | 23.4 | 6.2% | 534.4 | 2.5% | 3.2% | 35.4% |
| Germany | 9.5 | 8.3% | 319.1 | 2.3% | 3.9% | 69.4% |
| BUWOG | 23.2 | 3.7% (4.9%[3]) | 1,160.9 | 1.5% | 2.3% | 46.5% |
| Czech Republic | 9.4 | 7.0% | 216.5 | 2.1% | 2.4% | 40.2% |
| Hungary | 7.2 | 6.0% | 209.5 | 2.2% | 2.6% | 43.5% |
| Poland | 14.9 | 6.4% | 519.4 | 2.5% | 3.9% | 55.5% |
| Romania | 13.3 | 8.1% | 281.7 | 3.4% | 4.2% | 43.0% |
| Russia | 44.2 | 11.0% | 664.2 | 7.3% | 7.3% | 41.3% |
| Slovakia | 5.4 | 7.9% | 159.7 | 3.0% | 3.6% | 58.1% |
| Non-core countries | 9.0 | 9.0% | 201.0 | 2.4% | 3.3% | 50.2% |
| **IMMOFINANZ Group** | **159.7** | **6.8% (7.1%[3])** | **4,266.5** | **3.0%** | **3.7%** | **45.6%** |
| Development and pipeline projects | 0.7 | | 206.5 | 3.8% | 3.8% | |
| Properties sold in Q4 2012/13 | 2.5 | | 0.0 | 0.0% | 0.0% | |
| Investment financing | 0.0 | | 280.6 | 1.0% | 1.7% | |
| Group financing | 0.0 | | 993.0 | 3.8% | 3.9% | |
| **IMMOFINANZ Group** | **162.9** | | **5,746.6** | **3.1%** | **3.7%** | **47.8%[4]** |

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*
[2] *LTV = Actual remaining debt (nominal debt) divided by fair value as of the reporting date*
[3] *Annualised rental income for Q4 2012/13, including properties purchased during the financial year and an adjustment of EUR 5.1 million to reflect a non-recurring effect from a change in accounting methods*
[4] *Excluding cash and cash equivalents of EUR 738.5 million, the LTV equals 54.8%*
*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

IMMOFINANZ Group held 1,542 standing investments with a carrying amount of EUR 9,360.8 million and a return of 6.8% as of 30 April 2013.

Rental income for the fourth quarter of 2012/13 includes a non-recurring negative effect of EUR 5.1 million in the BUWOG segment, which resulted from a change in the accounting treatment of maintenance and improvement investments. The inclusion of properties acquired during the reporting year (residential property portfolio in Berlin-Neukölln) based on the actual rental income would result in a return of 7.1% for the IMMOFINANZ standing investment portfolio and 4.9% for the BUWOG segment.

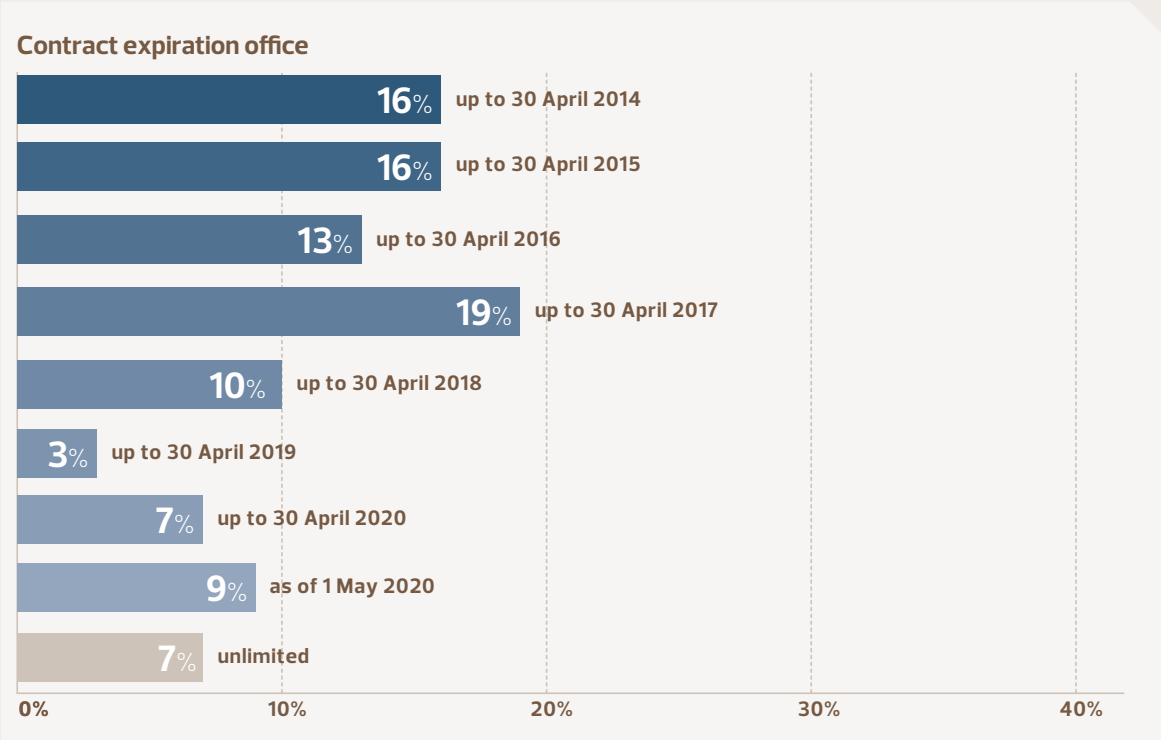
The occupancy rate in the IMMOFINANZ Group's standing investments was 89.5% as of 30 April 2013. Based on the carrying amount, the main focus of the standing investments is the BUWOG segment (EUR 2,494.3 million) followed by Russia (EUR 1,610.0 million), Austria (EUR 1,510.3 million) and Poland (EUR 936.7 million).

The standing investments in the non-core countries amount to EUR 400.7 million, including EUR 122.2 million in the USA, EUR 116.4 million in the Netherlands and EUR 95.0 million in Switzerland. IMMOFINANZ Group also owns standing investments in Croatia, Slovenia, Bulgaria and Italy.

# Office

The 100 office standing investments had a combined carrying amount of EUR 2,616.9 million as of 30 April 2013, which represents 28.0% of the standing investment portfolio of IMMOFINANZ Group. This office portfolio has 1,288,331 sqm of rentable space and an occupancy rate of 81.8%. Rental income for the fourth quarter of the reporting year amounted to EUR 41.6 million, which reflects a return of 6.4%.

The regional focus of the office standing investments portfolio of IMMOFINANZ Group is formed by the core markets of Austria (EUR 926.6 million), Poland (EUR 465.6 million) and the Czech Republic (EUR 392.4 million). The most important properties in this portfolio include the *City Tower Vienna* in Vienna, Austria, and the *Park Postepu* in Warsaw, Poland.




Key data on the individual business segments as of 30 April 2013 is presented in the following table:

| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|---|---|---|---|---|---|---|
| Intern. High-Class Office | 18 | 1,120.3 | 42.8% | 460,286 | 401,056 | 87.1% |
| Secondary Office AT/DE | 22 | 566.8 | 21.7% | 251,707 | 198,890 | 79.0% |
| Secondary Office CEE | 36 | 725.5 | 27.7% | 424,443 | 342,998 | 80.8% |
| Opportunistic Office | 24 | 204.3 | 7.8% | 151,896 | 110,435 | 72.7% |
| **IMMOFINANZ Group** | **100** | **2,616.9** | **100.0%** | **1,288,331** | **1,053,379** | **81.8%** |

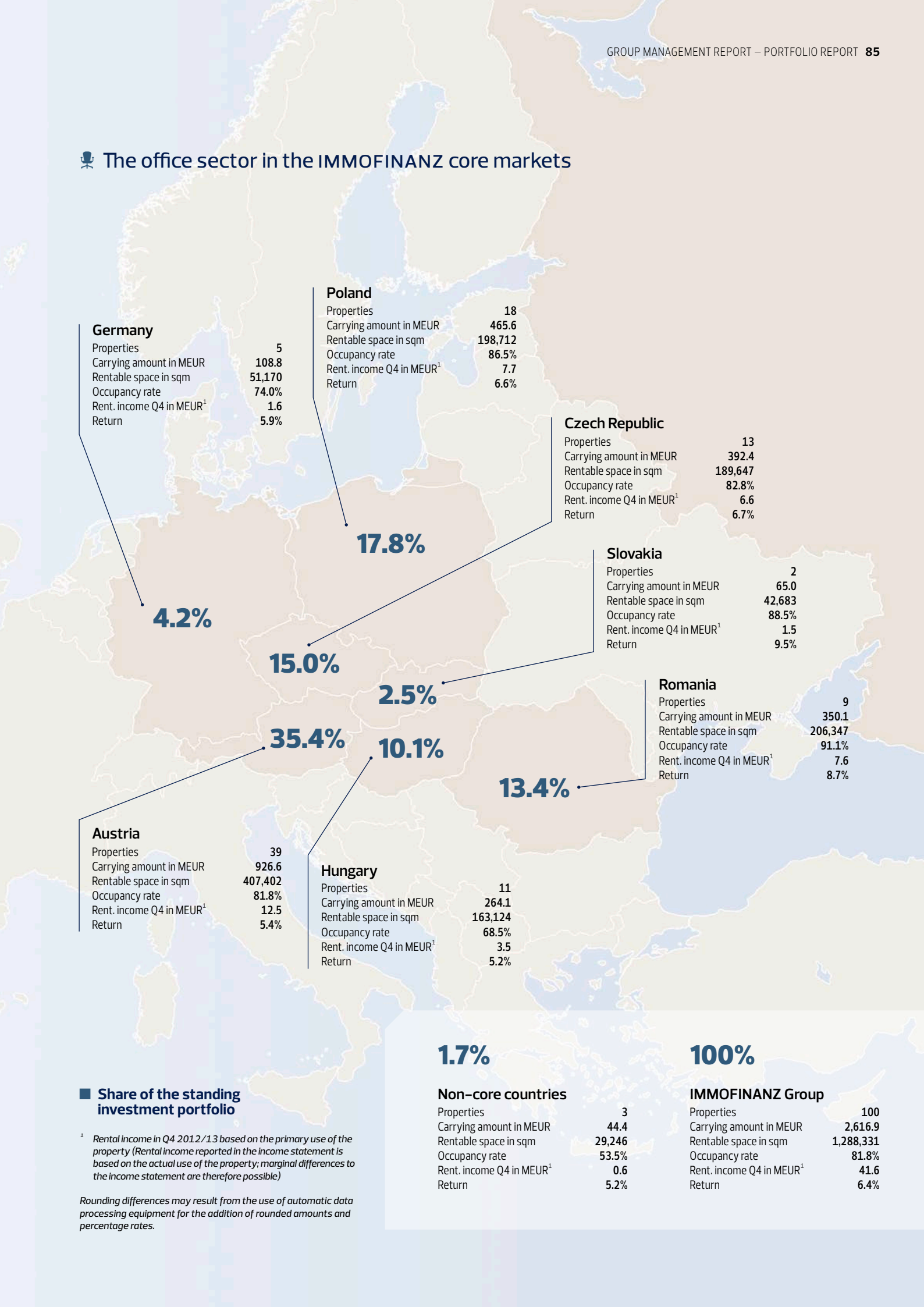
| | Rental income Q4 2012/13 in MEUR[1] | Gross return in % | Remaining liability on existing financing in MEUR | Financing costs in % | Financing costs incl. derivatives in % | LTV in %[2] |
|---|---|---|---|---|---|---|
| Intern. High-Class Office | 17.9 | 6.4% | 548.2 | 2.3% | 3.5% | 48.9% |
| Secondary Office AT/DE | 7.6 | 5.3% | 257.4 | 2.2% | 2.8% | 45.4% |
| Secondary Office CEE | 12.9 | 7.1% | 289.0 | 2.6% | 3.6% | 39.8% |
| Opportunistic Office | 3.3 | 6.5% | 96.8 | 3.2% | 3.9% | 47.4% |
| **IMMOFINANZ Group** | **41.6** | **6.4%** | **1,191.5** | **2.4%** | **3.4%** | **45.5%** |

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

[2] *LTV = Actual remaining debt (nominal debt) divided by fair value as of the reporting date*

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

# The office sector in the IMMOFINANZ core markets



### Germany

| | |
|---|---|
| Properties | 5 |
| Carrying amount in MEUR | 108.8 |
| Rentable space in sqm | 51,170 |
| Occupancy rate | 74.0% |
| Rent. income Q4 in MEUR[1] | 1.6 |
| Return | 5.9% |

4.2%

### Poland

| | |
|---|---|
| Properties | 18 |
| Carrying amount in MEUR | 465.6 |
| Rentable space in sqm | 198,712 |
| Occupancy rate | 86.5% |
| Rent. income Q4 in MEUR[1] | 7.7 |
| Return | 6.6% |

17.8%

### Czech Republic

| | |
|---|---|
| Properties | 13 |
| Carrying amount in MEUR | 392.4 |
| Rentable space in sqm | 189,647 |
| Occupancy rate | 82.8% |
| Rent. income Q4 in MEUR[1] | 6.6 |
| Return | 6.7% |

15.0%

### Slovakia

| | |
|---|---|
| Properties | 2 |
| Carrying amount in MEUR | 65.0 |
| Rentable space in sqm | 42,683 |
| Occupancy rate | 88.5% |
| Rent. income Q4 in MEUR[1] | 1.5 |
| Return | 9.5% |

2.5%

### Romania

| | |
|---|---|
| Properties | 9 |
| Carrying amount in MEUR | 350.1 |
| Rentable space in sqm | 206,347 |
| Occupancy rate | 91.1% |
| Rent. income Q4 in MEUR[1] | 7.6 |
| Return | 8.7% |

13.4%

35.4%

10.1%

### Austria

| | |
|---|---|
| Properties | 39 |
| Carrying amount in MEUR | 926.6 |
| Rentable space in sqm | 407,402 |
| Occupancy rate | 81.8% |
| Rent. income Q4 in MEUR[1] | 12.5 |
| Return | 5.4% |

### Hungary

| | |
|---|---|
| Properties | 11 |
| Carrying amount in MEUR | 264.1 |
| Rentable space in sqm | 163,124 |
| Occupancy rate | 68.5% |
| Rent. income Q4 in MEUR[1] | 3.5 |
| Return | 5.2% |

## Share of the standing investment portfolio

1.7%

### Non-core countries

| | |
|---|---|
| Properties | 3 |
| Carrying amount in MEUR | 44.4 |
| Rentable space in sqm | 29,246 |
| Occupancy rate | 53.5% |
| Rent. income Q4 in MEUR[1] | 0.6 |
| Return | 5.2% |

100%

### IMMOFINANZ Group

| | |
|---|---|
| Properties | 100 |
| Carrying amount in MEUR | 2,616.9 |
| Rentable space in sqm | 1,288,331 |
| Occupancy rate | 81.8% |
| Rent. income Q4 in MEUR[1] | 41.6 |
| Return | 6.4% |

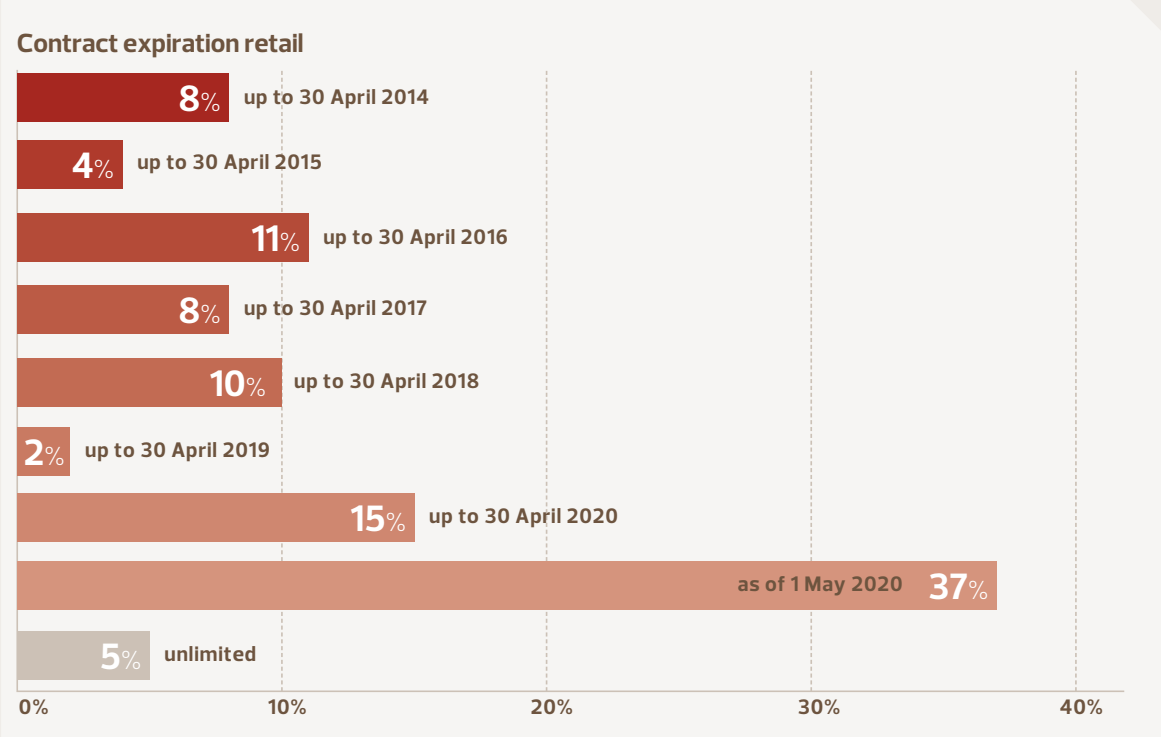
[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

# Retail

The 186 retail standing investments have a combined carrying amount of EUR 3,120.4 million, which represents 33.3% of the standing investment portfolio. The occupancy rate equalled 94.2% as of 30 April 2013. Rental income amounted to EUR 72.0 million in the fourth quarter of the reporting year, which represents a return of 9.2%. The highest return was recorded in Russia with 11.0% followed by Austria with 9.6% and the Czech Republic with 8.1%.

Based on the carrying amount as of 30 April 2013, the most important markets in the retail asset class are the core markets of Russia with EUR 1,575.4 million, Poland with EUR 439.5 million and Austria with EUR 318.8 million. The most important retail properties in this portfolio based on the carrying amount are the *Golden Babylon Rostokino* in Moscow, Russia, the *Silesia City Center* in Katowice, Poland, and the *Golden Babylon I* in Moscow, Russia.




Key data on the individual business segments as of 30 April 2013 is presented in the following table::

| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|---|---|---|---|---|---|---|
| Quality Shopping Center | 19 | 2,473.4 | 79.3% | 552,167 | 536,853 | 97.2% |
| STOP.SHOP./Retail Warehouse | 48 | 441.5 | 14.1% | 323,284 | 302,086 | 93.4% |
| Opportunistic Retail | 119 | 205.6 | 6.6% | 236,431 | 208,878 | 88.3% |
| **IMMOFINANZ Group** | **186** | **3,120.4** | **100.0%** | **1,111,882** | **1,047,818** | **94.2%** |

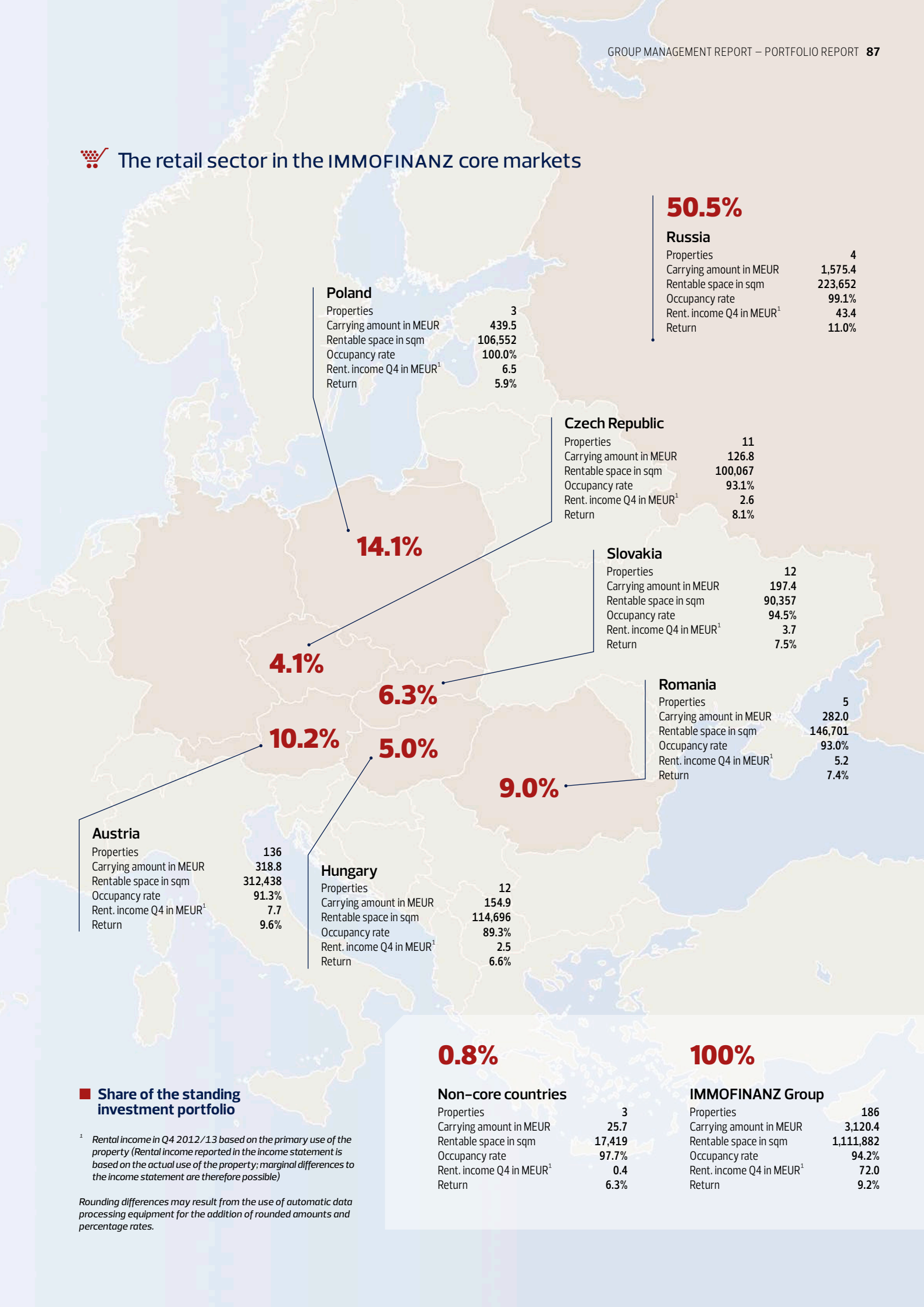
| | Rental income Q4 2012/13 in MEUR[1] | Gross return in % | Remaining liability on existing financing in MEUR | Financing costs in % | Financing costs incl. derivatives in % | LTV in %[2] |
|---|---|---|---|---|---|---|
| Quality Shopping Center | 58.5 | 9.5% | 1,067.1 | 5.6% | 5.9% | 43.1% |
| STOP.SHOP./Retail Warehouse | 8.5 | 7.7% | 220.4 | 2.7% | 2.9% | 49.9% |
| Opportunistic Retail | 5.0 | 9.8% | 33.6 | 2.6% | 2.9% | 16.3% |
| **IMMOFINANZ Group** | **72.0** | **9.2%** | **1,321.1** | **5.0%** | **5.3%** | **42.3%** |

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

[2] *LTV = Actual remaining debt (nominal debt) divided by fair value as of the reporting date*

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

# The retail sector in the IMMOFINANZ core markets



**50.5%**

### Russia

| | |
|---|---|
| Properties | 4 |
| Carrying amount in MEUR | 1,575.4 |
| Rentable space in sqm | 223,652 |
| Occupancy rate | 99.1% |
| Rent. income Q4 in MEUR[1] | 43.4 |
| Return | 11.0% |

### Poland

| | |
|---|---|
| Properties | 3 |
| Carrying amount in MEUR | 439.5 |
| Rentable space in sqm | 106,552 |
| Occupancy rate | 100.0% |
| Rent. income Q4 in MEUR[1] | 6.5 |
| Return | 5.9% |

**14.1%**

### Czech Republic

| | |
|---|---|
| Properties | 11 |
| Carrying amount in MEUR | 126.8 |
| Rentable space in sqm | 100,067 |
| Occupancy rate | 93.1% |
| Rent. income Q4 in MEUR[1] | 2.6 |
| Return | 8.1% |

**4.1%**

### Slovakia

| | |
|---|---|
| Properties | 12 |
| Carrying amount in MEUR | 197.4 |
| Rentable space in sqm | 90,357 |
| Occupancy rate | 94.5% |
| Rent. income Q4 in MEUR[1] | 3.7 |
| Return | 7.5% |

**6.3%**

### Romania

| | |
|---|---|
| Properties | 5 |
| Carrying amount in MEUR | 282.0 |
| Rentable space in sqm | 146,701 |
| Occupancy rate | 93.0% |
| Rent. income Q4 in MEUR[1] | 5.2 |
| Return | 7.4% |

**10.2%**

**5.0%**

**9.0%**

### Austria

| | |
|---|---|
| Properties | 136 |
| Carrying amount in MEUR | 318.8 |
| Rentable space in sqm | 312,438 |
| Occupancy rate | 91.3% |
| Rent. income Q4 in MEUR[1] | 7.7 |
| Return | 9.6% |

### Hungary

| | |
|---|---|
| Properties | 12 |
| Carrying amount in MEUR | 154.9 |
| Rentable space in sqm | 114,696 |
| Occupancy rate | 89.3% |
| Rent. income Q4 in MEUR[1] | 2.5 |
| Return | 6.6% |

**0.8%**

### Non-core countries

| | |
|---|---|
| Properties | 3 |
| Carrying amount in MEUR | 25.7 |
| Rentable space in sqm | 17,419 |
| Occupancy rate | 97.7% |
| Rent. income Q4 in MEUR[1] | 0.4 |
| Return | 6.3% |

**100%**

### IMMOFINANZ Group

| | |
|---|---|
| Properties | 186 |
| Carrying amount in MEUR | 3,120.4 |
| Rentable space in sqm | 1,111,882 |
| Occupancy rate | 94.2% |
| Rent. income Q4 in MEUR[1] | 72.0 |
| Return | 9.2% |

**Share of the standing investment portfolio**

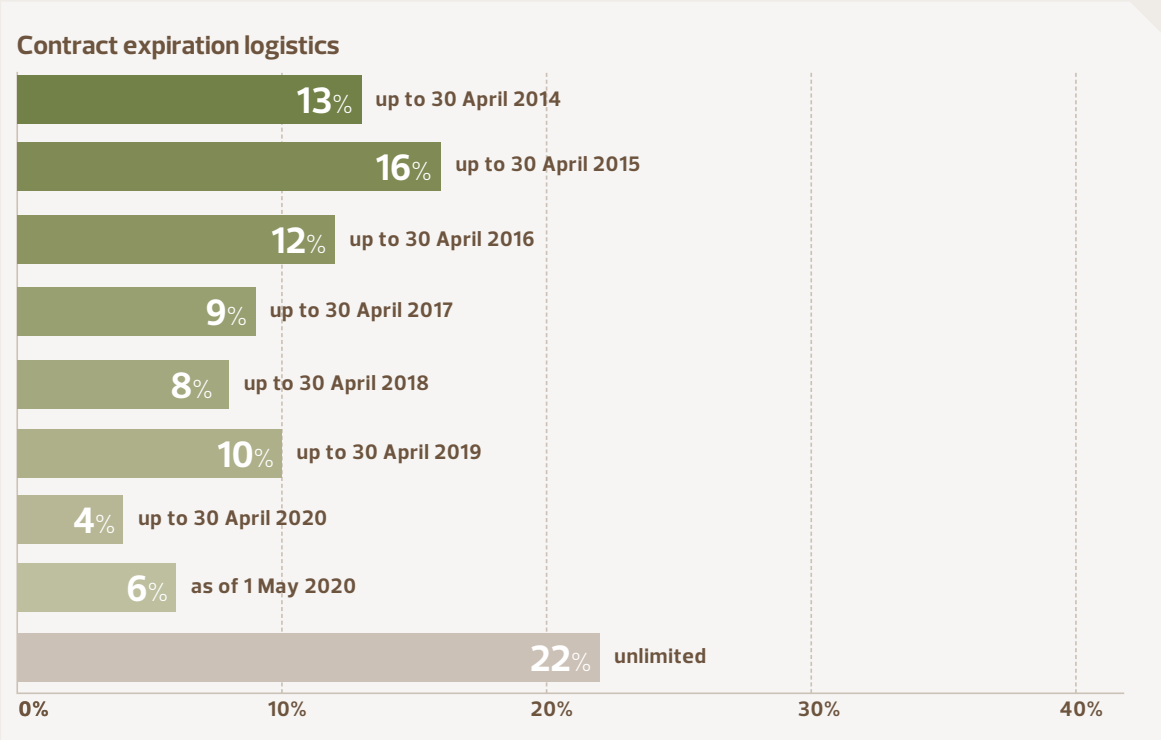
[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

# Logistics

The 67 logistics standing investments have a total carrying amount of EUR 742.1 million, which represents 7.9% of the standing investment portfolio. The highest return among the core markets is recorded in Russia at 10.0%. The occupancy rate in the logistics portfolio was 82.1% as of 30 April 2013.

The main focal point of the logistics portfolio is Germany where, based on the carrying amount, 47.3% of the logistics standing properties are located. The other core markets of IMMOFINANZ Group each represent less than 9% of the portfolio. Important logistics portfolios in non-core countries are located in the Netherlands (EUR 113.4 million) and Switzerland (EUR 95.0 million).



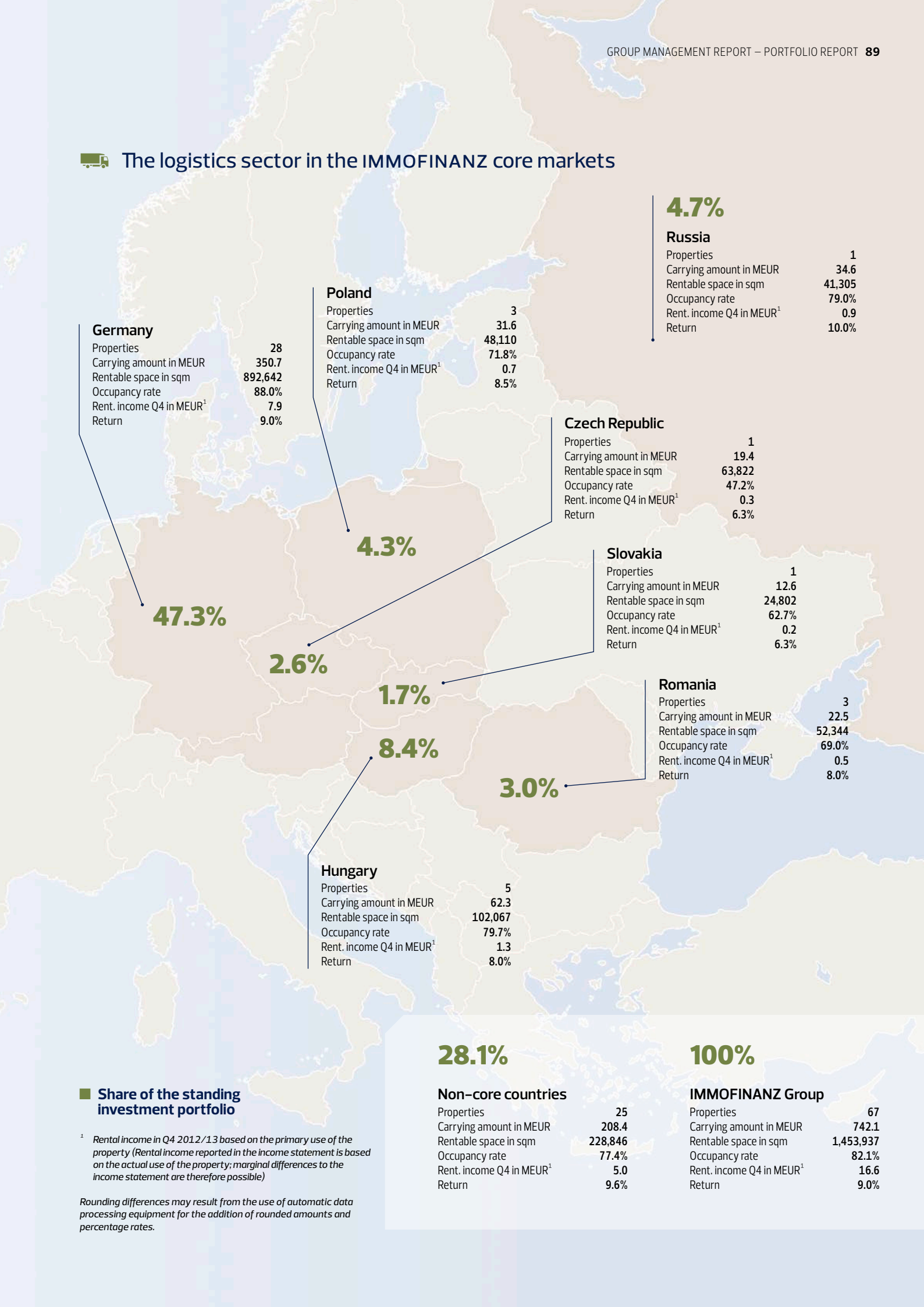

Key data on the individual business segments as of 30 April 2013 is presented in the following table:

| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|---|---|---|---|---|---|---|
| Logistics West | 53 | 559.1 | 75.3% | 1,121,487 | 963,009 | 85.9% |
| Logistics East | 14 | 183.0 | 24.7% | 332,450 | 230,268 | 69.3% |
| **IMMOFINANZ Group** | **67** | **742.1** | **100.0%** | **1,453,937** | **1,193,277** | **82.1%** |

| | Rental income Q4 2012/13 in MEUR[1] | Gross return in % | Remaining liability on existing financing in MEUR | Financing costs in % | Financing costs incl. derivatives in % | LTV in %[2] |
|---|---|---|---|---|---|---|
| Logistics West | 12.9 | 9.2% | 310.7 | 1.9% | 3.6% | 55.6% |
| Logistics East | 3.7 | 8.2% | 99.9 | 3.2% | 3.9% | 54.6% |
| **IMMOFINANZ Group** | **16.6** | **9.0%** | **410.6** | **2.2%** | **3.7%** | **55.3%** |

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*
[2] *LTV = Actual remaining debt (nominal debt) divided by fair value as of the reporting date*
*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

# The logistics sector in the IMMOFINANZ core markets




## Share of the standing investment portfolio

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

**28.1%**

### Non-core countries

| | |
|---|---|
| Properties | 25 |
| Carrying amount in MEUR | 208.4 |
| Rentable space in sqm | 228,846 |
| Occupancy rate | 77.4% |
| Rent. income Q4 in MEUR[1] | 5.0 |
| Return | 9.6% |

**100%**

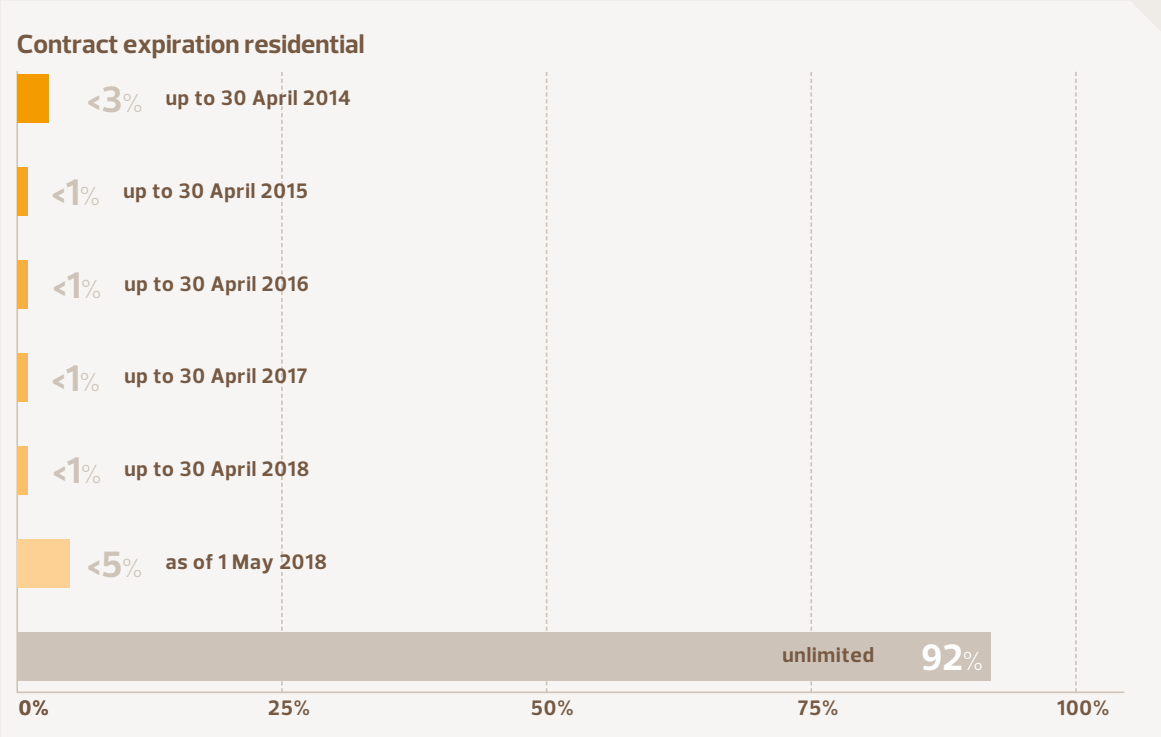
### IMMOFINANZ Group

| | |
|---|---|
| Properties | 67 |
| Carrying amount in MEUR | 742.1 |
| Rentable space in sqm | 1,453,937 |
| Occupancy rate | 82.1% |
| Rent. income Q4 in MEUR[1] | 16.6 |
| Return | 9.0% |

# Residential

The 1,187 residential standing investments have a combined carrying amount of EUR 2,814.1 million, which represents 30.1% of the standing investment portfolio. Rental income equalled EUR 28.4 million in the fourth quarter of the reporting year, for a return of 4.0%. Rental income for the fourth quarter of 2012/13 includes a non-recurring negative effect of EUR 5.1 million in the BUWOG segment, which resulted from a change in the accounting treatment of maintenance and improvement investments. The inclusion of properties acquired during the reporting year (residential property portfolio in Berlin-Neukölln) based on the actual rental income would result in a return of 5.1%. The occupancy rate remains constant at a high 95.3% and has been stable for a number of quarters.

The BUWOG segment (EUR 2,494.3 million) represents the primary regional focus of the residential properties, followed by Austria (EUR 197.7 million).



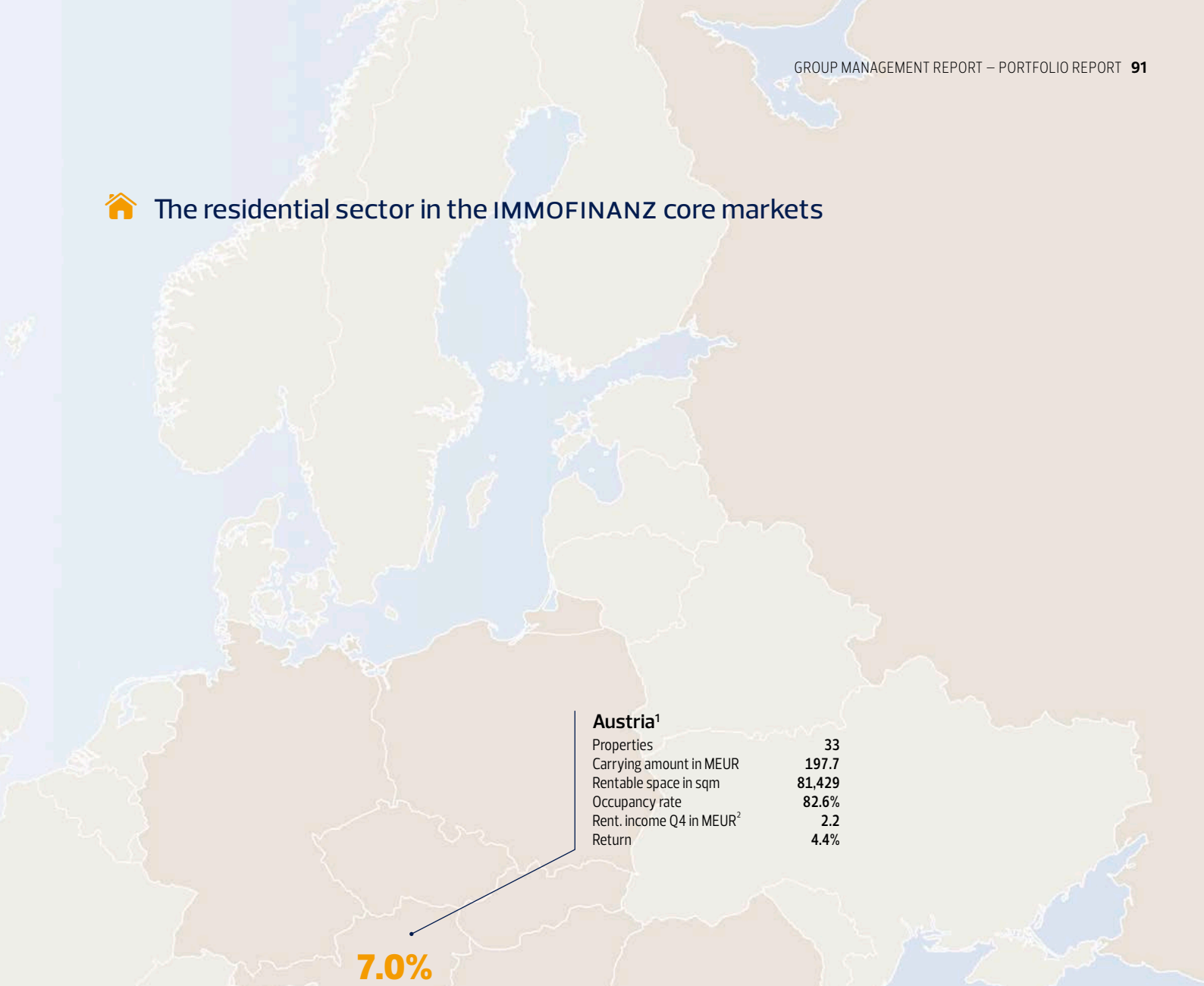

Key data on the individual business segments as of 30 April 2013 is presented in the following table:

| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|---|---|---|---|---|---|---|
| Residential West | 1,187 | 2,814.1 | 100.0% | 2,644,160 | 2,519,769 | 95.3% |
| **IMMOFINANZ Group** | **1,187** | **2,814.1** | **100.0%** | **2,644,160** | **2,519,769** | **95.3%** |

| | Rental income Q4 2012/13 in MEUR[1] | Gross return in % | Remaining liability on existing financing in MEUR | Financing costs in % | Financing costs incl. derivatives in % | LTV in %[3] |
|---|---|---|---|---|---|---|
| Residential West | 28.4 | 4.0% (5.1%[2]) | 1,312.1 | 1.7% | 2.4% | 46.6% |
| **IMMOFINANZ Group** | **28.4** | **4.0% (5.1%[2])** | **1,312.1** | **1.7%** | **2.4%** | **46.6%** |

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*
[2] *Annualised rental income for Q4 2012/13, including properties purchased during the financial year and an adjustment of EUR 5.1 million to reflect a non-recurring effect from a change in accounting methods*
[3] *LTV = Actual remaining debt (nominal debt) divided by fair value as of the reporting date*
*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

# The residential sector in the IMMOFINANZ core markets



### Austria[1]

| | |
|---|---|
| Properties | 33 |
| Carrying amount in MEUR | 197.7 |
| Rentable space in sqm | 81,429 |
| Occupancy rate | 82.6% |
| Rent. income Q4 in MEUR[2] | 2.2 |
| Return | 4.4% |

**7.0%**

## Share of the standing investment portfolio

**88.6%**

### BUWOG[3]

| | |
|---|---|
| Properties | 1,150 |
| Carrying amount in MEUR | 2,494.3 |
| Rentable space in sqm | 2,465,161 |
| Occupancy rate | 95.9% |
| Rent. income Q4 in MEUR[2] | 23.2 |
| Return | 3.7% (4.9%[4]) |

**4.3%**

### Non-core countries

| | |
|---|---|
| Properties | 4 |
| Carrying amount in MEUR | 122.2 |
| Rentable space in sqm | 97,571 |
| Occupancy rate | 89.7% |
| Rent. income Q4 in MEUR[2] | 3.0 |
| Return | 9.9% |

**100%**

### IMMOFINANZ Group

| | |
|---|---|
| Properties | 1,187 |
| Carrying amount in MEUR | 2,814.1 |
| Rentable space in sqm | 2,644,160 |
| Occupancy rate | 95.3% |
| Rent. income Q4 in MEUR[2] | 28.4 |
| Return | 4.0% (5.1%[4]) |

[1] *Residential properties in Austria that are not attributable to BUWOG or its subsidiaries are reported under Residential Austria.*
[2] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*
[3] *The BUWOG residential properties are located in Austria (carrying amount: EUR 2,243.8 million) and Germany (carrying amount: EUR 250.4 million).*
[4] *Annualised rental income for Q4 2012/13, including properties purchased during the financial year and an adjustment of EUR 5.1 million to reflect a non-recurring effect from a change in accounting methods*

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

### Hotels

The carrying amount of the business segment "Hotels" amounts to EUR 67.2 million, or 0.7% of the standing investment portfolio. The two hotels in Vienna, Austria, had rentable space totalling 28,240 sqm as of 30 April 2013 and are leased to the Hilton and the Leonardo Group.

Plans call for the sale of these hotels over the short- to medium-term because they do not fit in with the strategic focus of IMMOFINANZ Group.

Key data on the Hotel segment as of 30 April 2013 is presented in the following table:

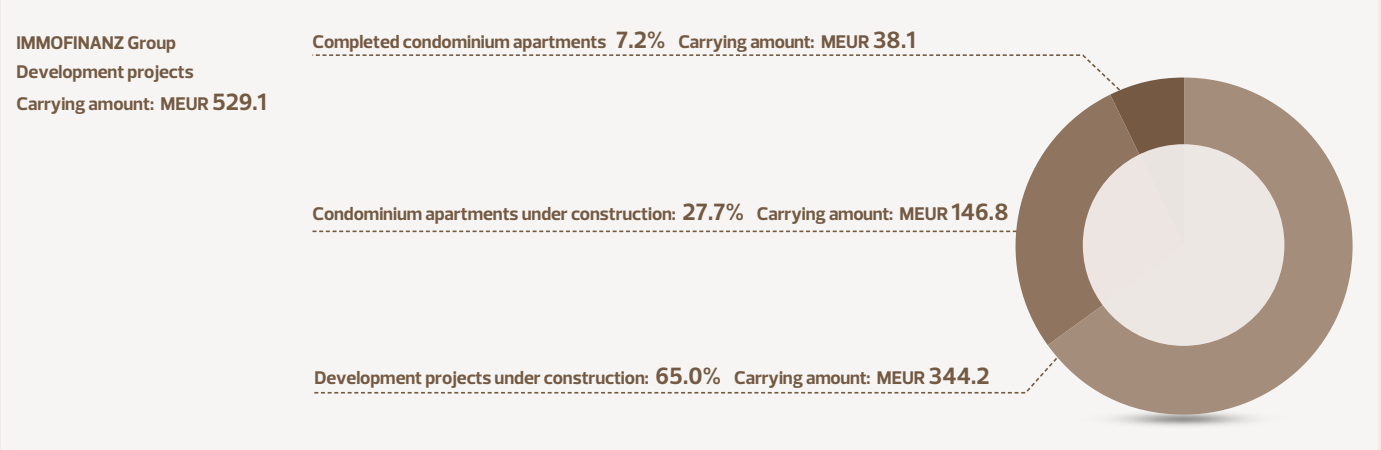
| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|---|---|---|---|---|---|---|
| Hotels | 2 | 67.2 | 100.0% | 28,240 | 28,240 | 100.0% |
| **IMMOFINANZ Group** | **2** | **67.2** | **100.0%** | **28,240** | **28,240** | **100.0%** |

| | Rental income Q4 2012/13 in MEUR[1] | Gross return in % | Remaining liability on existing financing in MEUR | Financing costs in % | Financing costs incl. derivatives in % | LTV in %[2] |
|---|---|---|---|---|---|---|
| Hotels | 1.1 | 6.3% | 31.2 | 2.9% | 4.1% | 46.3% |
| **IMMOFINANZ Group** | **1.1** | **6.3%** | **31.2** | **2.9%** | **4.1%** | **46.3%** |

[1] *Rental income in Q4 2012/13 based on the primary use of the property (Rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)*
[2] *LTV = Actual remaining debt (nominal debt) divided by fair value as of the reporting date*
*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

## Development projects

Development projects comprise real estate projects currently under construction by IMMOFINANZ Group as well as completed condominium apartments. These properties are reported on the balance sheet under property under construction and inventories.




The properties currently under construction have a carrying amount of EUR 344.2 million, which represents 65.0% of all development projects. These properties are designated for rental after completion and will be held as standing investments. A share of 27.7% is attributable to condominium apartments under construction and the remaining 7.2% represent completed condominium apartments.

| Development projects | Number of properties | Thereof completed residential development projects | Carrying amount in MEUR | Carrying amount in % | Outstanding construction costs in MEUR | Planned rentable/ sellable space in sqm | Expected fair value upon completion in MEUR |
|---|---|---|---|---|---|---|---|
| Austria | 2 | 1 | 3.3 | 0.6% | 0.2 | 885 | 4.3 |
| Germany | 4 | 0 | 128.1 | 24.2% | 214.1 | 87,803 | 381.2 |
| BUWOG | 22 | 3 | 105.2 | 19.9% | 68.6 | 67,505 | 208.2 |
| Czech Republic | 5 | 0 | 47.9 | 9.0% | 44.3 | 38,010 | 111.3 |
| Hungary | 1 | 0 | 0.0[1] | 0.0% | 0.0 | 0 | 0 |
| Poland | 6 | 1 | 42.7 | 8.1% | 133.1 | 75,571 | 214.6 |
| Romania | 11 | 9 | 38.4 | 7.3% | 4.2 | 74,280 | 44.9 |
| Russia | 1 | 0 | 160.0 | 30.2% | 105.1 | 56,000 | 275.4 |
| Non-core countries | 2 | 2 | 3.5 | 0.7% | 0.0 | 4,800 | 3.7 |
| **IMMOFINANZ Group** | **54** | **16** | **529.1** | **100.0%** | **569.6** | **404,854** | **1,243.6** |

[1] *Capitalised start-up costs of TEUR 28.5 for the construction of a STOP.SHOP. project*

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

Property development is currently focused on the core markets of Russia, Germany and the BUWOG segment – for example, the topping off ceremony for IMMOFINANZ Group's *Panta Rhei* development project in Düsseldorf's Airport City was celebrated in June 2013. Poland is also a focal point of development activity: in 2012/13 work started on *Tarasy Zamkowe*, a prestigious retail development project in the center of Lublin, and the cornerstone was laid for the *Nimbus* office development project in Warsaw during May 2013.

The development projects include 16 completed residential projects with a carrying amount of EUR 38.1 million. Of these, nine projects represent completed, but not yet fully sold residential developments in Romania with a carrying amount of EUR 30.7 million. The development projects in non-core countries are also completed condominium apartments.

Based on the expected fair value after completion, the most important development projects are located in Germany with EUR 381.2 million, Russia with EUR 275.4 million and Poland with EUR 214.6 million.

| Development projects | Number of properties | Thereof completed residential development projects | Carrying amount in MEUR | Carrying amount in % | Outstanding construction costs in MEUR | Planned rentable/ sellable space in sqm | Expected fair value upon completion in MEUR |
|---|---|---|---|---|---|---|---|
| Intern. High-Class Office | 7 | 0 | 146.7 | 27.7% | 193.3 | 100,250 | 392.1 |
| Quality Shopping Center | 2 | 0 | 180.1 | 34.0% | 202.0 | 93,000 | 412.3 |
| STOP.SHOP./Retail Warehouse | 5 | 0 | 4.6 | 0.9% | 11.4 | 15,934 | 19.2 |
| Residential West | 25 | 4 | 146.4 | 27.7% | 150.3 | 98,502 | 346.0 |
| Residential East | 15 | 12 | 51.4 | 9.7% | 12.5 | 97,168 | 74.1 |
| **IMMOFINANZ Group** | **54** | **16** | **529.1** | **100.0%** | **569.6** | **404,854** | **1,243.6** |

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

As of 30 April 2013, the most important property development projects based on the expected fair value after completion are as follows:

| Project | Country | Primary use | Planned rentable/ sellable space in sqm (rounded)[1] | Consolidation quote of the project in % |
|---|---|---|---|---|
| Gerling Quartier | Germany | Office/Residential | 74,000 | 100.0% |
| BUWOG | Austria/Germany | Residential | 66,000 | 100.0% |
| GOODZONE | Russia | Retail | 56,000 | 100.0% |
| Tarasy Zamkowe | Poland | Retail | 37,000 | 100.0% |
| Nimbus | Poland | Office | 19,000 | 100.0% |
| Dębowe Tarasy | Poland | Residential | 18,000 | 100.0% |
| CSOB Na Příkopě 14 | Czech Republic | Office/Residential | 17,000 | 50.0% |
| Expansion STOP.SHOP. Trebic | Czech Republic | Retail | 13,000 | 100.0% |
| ADAMA Titan | Romania | Residential | 11,000 | 100.0% |
| Panta Rhei | Germany | Office | 10,000 | 100.0% |
| CSOB Jungmannova 15 | Czech Republic | Office | 8,000 | 100.0% |
| CSOB Jindřišská 16 | Czech Republic | Office | 7,000 | 100.0% |

[1] *These amounts are based on 100% of the project and not on the stake owned by IMMOFINANZ Group*
*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

## Pipeline projects

The pipeline projects represent undeveloped land or temporarily suspended projects. These projects are monitored regularly to identify the best timing for their (re)activation. The decision parameters include the availability of building permits, the progress of construction, the legal situation, the amount of equity previously invested by IMMOFINANZ Group, the amount of capital required to complete the project, the availability of bank financing, the level of pre-rentals, the expected return, the returns available on alternative projects, expected opportunities to sell the project and other project-specific factors as well as the macroeconomic environment.

| Pipeline projects | Number of properties | Carrying amount in MEUR | Carrying amount in % |
|---|---|---|---|
| Austria | 8 | 10.4 | 1.7% |
| BUWOG | 56 | 142.8 | 23.9% |
| Czech Republic | 1 | 4.7 | 0.8% |
| Hungary | 5 | 36.2 | 6.1% |
| Poland | 6 | 11.8 | 2.0% |
| Romania | 60 | 308.7 | 51.6% |
| Slovakei | 4 | 18.2 | 3.0% |
| Non-core countries | 23 | 64.9 | 10.9% |
| **IMMOFINANZ Group** | **163** | **597.8** | **100.0%** |

*Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.*

IMMOFINANZ Group had temporarily suspended projects and undeveloped land with a carrying amount of EUR 597.8 million as of 30 April 2013. A ranking of the project pipeline by carrying amount shows Romania as the most important core market with EUR 308.7 million, followed by BUWOG with EUR 142.8 million and Hungary with EUR 36.2 million.

## Properties held for sale

Properties held for sale represent standing assets for which the Group had concrete sale plans as of 30 April 2013 that will be realised soon after the balance sheet date. In the portfolio report, these properties are reported under standing investments or pipeline projects at a total of EUR 583.4 million.

# Property Valuation

The consolidated financial statements of IMMOFINANZ Group as of 30 April 2013 were prepared in accordance with International Financial Reporting Standards (IFRS), which include the application of the fair value method. Accordingly, these properties must be appraised on a regular basis by independent experts. The valuation of the property portfolio follows the EPRA's Best Practices Policy Recommendation for the application of the fair value method as defined in IFRS.

In accordance with corporate guidelines, IMMOFINANZ Group carried out a tender for the valuation of its properties as of 30 April 2013. The following independent, external appraisers were appointd to vaue the vairious components of the portfolio as of this date:

### CBRE

IMMOFINANZ Group commissioned CBRE (Vienna and Berlin) to value the residential properties in Austria and Germany as well as individual office and retail properties in Austria. This company is headquartered in Los Angeles and, according to its own reports, is the world's largest service company in the commercial real estate sector based on annual revenues for 2012. With approx. 37,000 employees in nearly 440 offices throughout the world (excluding affiliated companies and subsidiaries), CBRE serves as a property service provider for owners, investors and users. CBRE Residential Valuation Germany is one of the market leaders for residential property appraisals in Germany and Austria. In 2012 the company valued roughly 830,000 residential units with a total volume of approx. EUR 43 billion.

### Jones Lang LaSalle

Jones Lang LaSalle (NYSE: JLL), a professional services and investment firm offering specialised real estate services, appraises IMMOFINANZ Group's properties in the CEE, SEE and CIS regions. Jones Lang LaSalle advises owners, occupiers and investors operating from over 200 offices in more than 1,000 locations worldwide. Revenues amounted to USD 3.9 billion in 2012.

### BNP Paribas Real Estate Consult

BNP Paribas Real Estate Consult GmbH (BNPP REC) is responsible for the appraisal of IMMOFINANZ Group's properties in the Netherlands, USA, Switzerland and France as well as Germany (with the exception of residential properties). As a result of the new property valuation tender, BNPP REC was also commissioned by IMMOFINANZ Group to value the commercial real estate portolio in Austria as of 30 April 2013. This company has over 20 years of experience in advising national and international investors, owners and other firms in the development and optimisation of their properties. BNP Paribas Real Estate operates worldwide with over 180 offices in 34 countries: in 17 countries with its own branches and in a further 17 countries through cooperation agreements.[1]

### Development of property valuation in 2012/13

The valuation of the property portfolio showed generally stable development during the reporting year. The above-mentioned appraisers valued the following shares of IMMOFINANZ Group's property portfolio as of 30 April 2013:

| Appraiser | Carrying amount as of 30 April 2013 in MEUR | in % |
|---|---|---|
| Jones Lang LaSalle | 4,887.4 | 46.6% |
| CB Richard Ellis | 2,895.4 | 27.6% |
| BNP Paribas Real Estate Consult | 2,096.2 | 20.0% |
| Properties carried at sale price[2] | 583.4 | 5.6% |
| Internal valuation | 25.3 | 0.2% |
| **IMMOFINANZ Group** | **10,487.7** | **100.0%** |

[1] *http://www.realestate.bnpparibas.de/bnppre/en/about-us/what-we-do/unternehmen-p_57658.html*
[2] *In accordance with IFRS 5, properties sold after the balance sheet date are carried at the respective sale price.*

# Financing

As in the previous financial year, IMMOFINANZ Group was also able to arrange all necessary refinancing and extensions for standing investments and development projects as scheduled during 2012/13.

The absolute highlight for the reporting year was the conclusion of an agreement with the Russian Sberbank in the amount of USD 715.0 million of long-term financing for the *Golden Babylon Rostokino* in Moscow, Russia. The funds were drawn in several tranches up to the full amount of the credit line in 2012/13. In addition, IMMOFINANZ Group successfully arranged long-term refinancing for previously unencumbered standing investments that include a retail warehouse in Eisenstadt, Austria, and the *Airport Office III* office building at Düsseldorf Airport in Germany. Deutsche Lagerhaus also successfully arranged acquisition financing for a logistics property in Niederaula, Germany. In connection with the acquisition of 1,916 apartments in Berlin-Neukölln, BUWOG also took over financing of approx. EUR 60.9 million. This financing was extended prior to maturity at the time of the acquisition and the interest conditions were optimised.

The long-term refinancing arrangements and extensions of financing for standing investments include the *San Cierra* apartment complex in Houston, Texas (USA) and the *Friesenquartier* mixed-use portfolio in Cologne, Germany. Long-term refinancing of approx. EUR 80.0 million was arranged with Landesbank Hessen Thüringen for the Brama Zachodnia and *IO-1* office buildings in Warsaw, Poland. Another highpoint was the successful large-volume refinancing of the *EMPARK Mokotów Business Park* in Warsaw, the largest office complex owned by IMMOFINANZ Group in Poland. Other transactions included the conclusion of long-term refinancing and an increase in the maturing investment loan for the *Prague Office Park I & II* in Prague, Czech Republic, as well as long-term refinancing for an office building in Brno, Czech Republic.

Bank financing with a volume of EUR 150.0 million based on treasury shares was also arranged during the reporting year. This transaction involved the sale of approx. 9% of treasury shares by IMMOFINANZ AG with an accompanying agreement for their repurchase within a maximum term of three years. The sale and repurchase prices are identical. This innovative form of financing releases the capital locked in treasury shares for profitable real estate investments, while retaining the potential for an increase in the price of the IMMOFINANZ share.

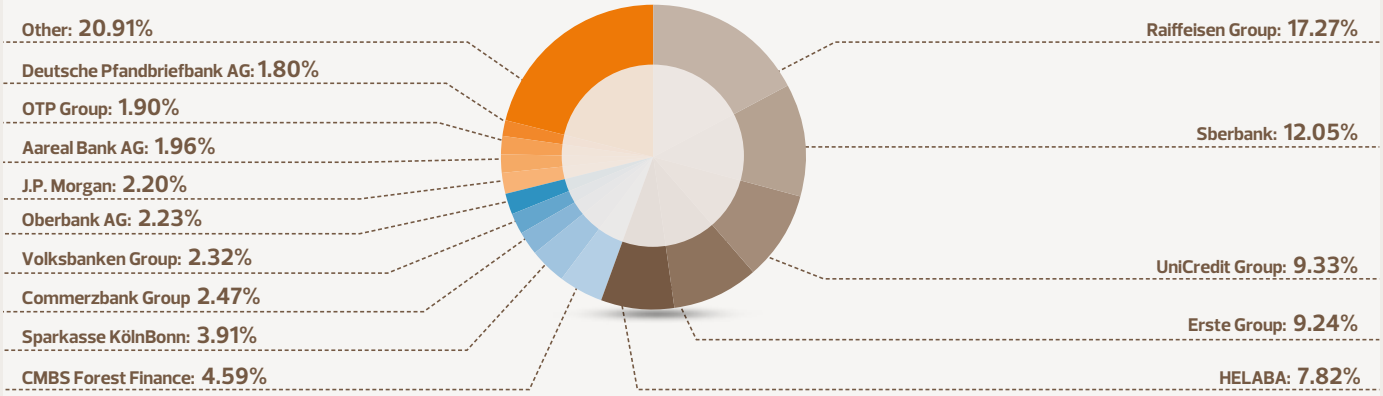
The outstanding final tranche of the **syndicated loan** of approx. EUR 173.5 million was repaid as scheduled shortly after the end of the 2012/13 financial year, and plans do not call for refinancing.

In 2012/13 development loans were also arranged for numerous development projects during the construction phase. After the full takeover of the *Gerling Quartier* development project in Cologne – the largest development project currently under realisation by IMMOFINANZ Group – on 5 September 2012, the financing was successfully restructured and continued by Sparkasse KölnBonn. Financing agreements were also concluded for two other projects in Poland: the modern, large-scale *Tarasy Zamkowe* shopping center in Lublin and the *Dębowe Tarasy*, a residential development project under construction in Katowice. Other examples of on-going development financing are the *Jungmannova 15* and *Jindřišská 16* office projects and the mixed-use project *Na Příkopě 14* in Prague, Czech Republic.

Refinancing, long-term extensions and the inflow of funds from new financing concluded during the reporting period totalled approx. EUR 1.2 billion. If scheduled repayments and corporate finance activities (convertible bonds, corporate bonds and financing with treasury shares) are included, the volume totals approx. EUR 1.8 billion.

These successful arrangements demonstrate that financing is still available for good projects by high-equity companies like IMMOFINANZ Group, in spite of the sovereign debt crisis in the Euro zone and the resulting volatile market climate. IMMOFINANZ Group is able to obtain financing for its standing investment portfolio, acquisitions and development projects at favourable conditions, even against the backdrop of a difficult economic climate. The company benefits from long-standing business relationships with over 110 banks and financial institutions in Austria and other countries. With this broad diversification, IMMOFINANZ Group is not dependent on the actions of individual lenders and has access to a wide variety of financing sources.

## Financing bank groups – as of 30 April 2013



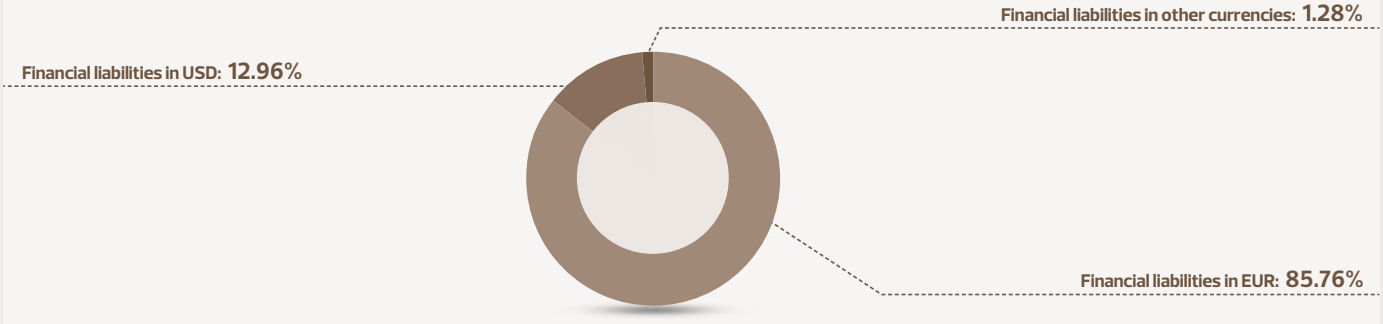

The major financial liabilities of IMMOFINANZ Group comprise liabilities from convertible bonds and corporate bonds, amounts due to financial institutions and amounts due to local authorities. The weighted average remaining term equals eight years, and the individual positions as of 30 April 2013 are shown in the following table:

| Weighted average interest rate of the major financial liabilities | Outstanding liability[1] in TEUR as of 30 April 2013 | Weighted average interest rate | Fixed interest rate, share in % | Floating interest rate, share in % | Fixed interest rate | Floating interest rate |
|---|---|---|---|---|---|---|
| Convertible bonds in EUR | 569,484.5 | 4.15% | 100.00% | 0.00% | 4.15% | n.a. |
| Corporate bond in EUR | 100,000.0 | 5.25% | 100.00% | 0.00% | 5.25% | n.a. |
| Bank liabilities in EUR | 3,097,569.6 | 2.53% | 8.66% | 91.34% | 3.91% | 2.39% |
| Bank liabilities in CHF | 69,302.6 | 0.98% | 0.00% | 100.00% | n.a. | 0.98% |
| Bank liabilities in USD | 744,783.7 | 6.80% | 0.05% | 99.95% | 3.97% | 6.80% |
| Bank liabilities in RON/PLN | 4,490.0 | 6.73% | 0.00% | 100.00% | n.a. | 6.73% |
| BUWOG Group in EUR | 1,160,938.8 | 1.49% | 51.85% | 48.15% | 1.53% | 1.45% |
| **IMMOFINANZ Group** | **5,746,569.1** | **3.06%** | **26.80%** | **73.20%** | **3.16%** | **3.03%** |

[1] *Actual remaining debt (nominal debt)*

The remaining balance of the major financial liabilities held by IMMOFINANZ Group totalled EUR 5,746.6 million as of 30 April 2013 and comprised three outstanding convertible bonds, one corporate bond (see table on page 98) as well as amounts due to financial institutions and local authorities. As of 30 April 2013, 85.76% of the major financial liabilities were denominated in Euros, 12.96% in US Dollars and 1.28% in Swiss Francs, Polish Zloty and Romanian Lei. The weighted average interest rate of the major financial liabilities equalled 3.06% (excl. expenses for derivatives).

## Financial liabilities by currency – as of 30 April 2013



## Corporate bond and convertible bonds

The put period for the premature repayment of the 1.25% convertible bond 2007–2017 (CB 2017, ISIN XS0332046043) issued by IMMOFINANZ AG ended on 9 November 2012. These bond certificates were redeemed as of 19 November 2012.

The holders of 1,443 CB 2017 bond certificates (nominal value: EUR 100,000 per convertible bond certificate) filed for redemption. The respective principal of EUR 144.3 million plus accrued interest was redeemed with internally available funds. The outstanding amount of the CB 2017 after the redemption totalled EUR 35.1 million. It will be repaid on 19 November 2017 (due date) if there are no conversions into IMMOFINANZ shares before that time and the second window for premature redemption is not used (19 November 2014).

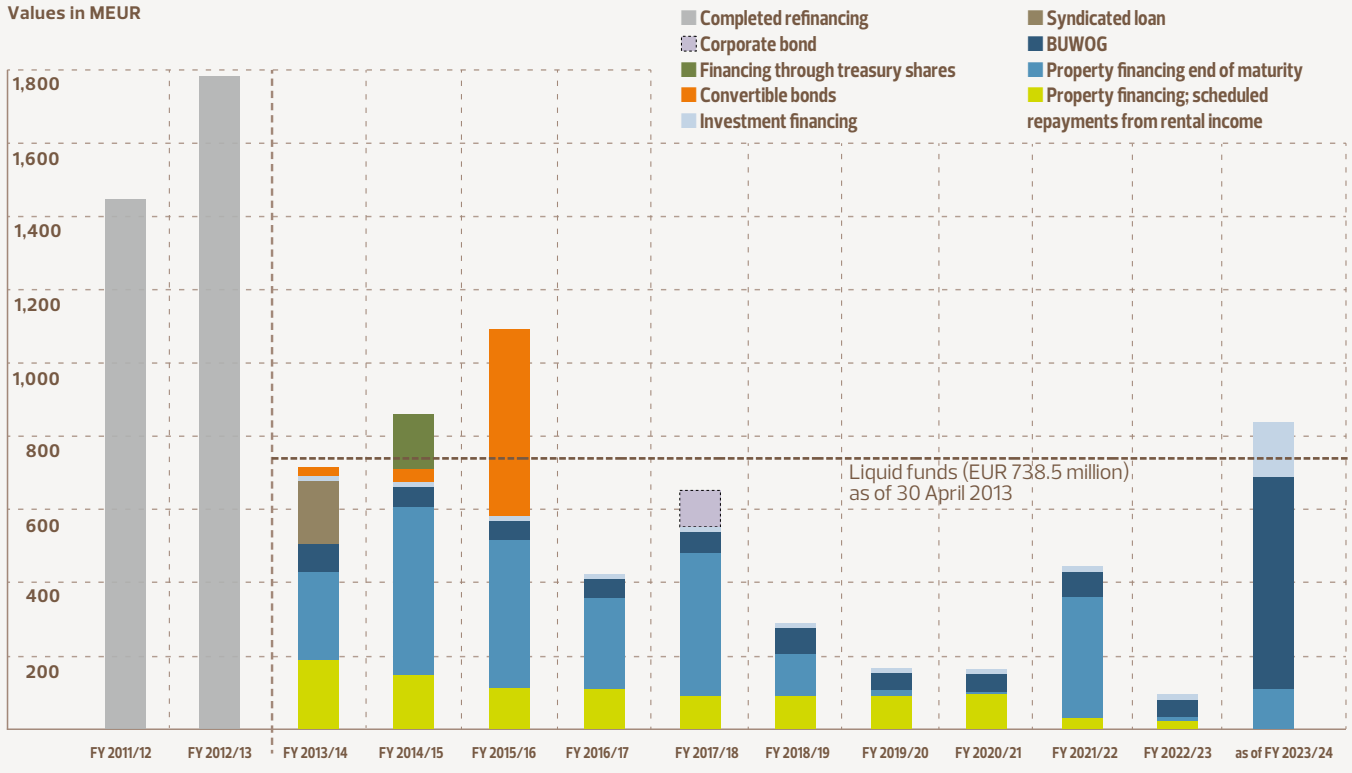
On 3 July 2012 IMMOFINANZ AG issued a corporate bond (ISIN AT0000A0VDP8) with a volume of EUR 100.0 million and an interest rate of 5.25%. This bond has a term of five years (2012–2017) and is available in a denomination of EUR 1,000.

The bond liabilities as of 30 April 2013 are listed in the following table:

| | ISIN | Maturity | Conversion price in EUR | Interest rate in % | Outstanding nominal value as of 30 April 2012 in TEUR | Conversions 2012/13 in TEUR | Repurchases/ redemptions issues 2012/13 in TEUR | Nominal value as of 30 April 2013 in TEUR |
|---|---|---|---|---|---|---|---|---|
| Convertible bond 2007–2017 | XS0332046043 | 19 Nov. 2014[1] | 8.41 | 3.75%[2] | 195,000.0 | 0.0 | -159,900.0 | 35,100.0 |
| Convertible bond 2007–2014 | XS0283649977 | 20 Jan. 2014 | 13.33 | 2.75% | 25,700.0 | 0.0 | 0,0 | 25,700.0 |
| Convertible bond 2011–2018 | XS0592528870 | 8 March 2016[1] | 3.74 | 4.25% | 515,120.0 | 0.0 | -6,435.4 | 508,684.5 |
| Corporate bond 2012–2017 | AT0000A0VDP8 | 3 July 2017 | n.a. | 5.25% | 0.0 | 0.0 | 100,000.0 | 100,000.0 |
| | | | | | **735,820.0** | | **-66,335.4** | **669,484.5** |

[1] *Put option for convertible bondholders*
[2] *Held to maturity (coupon 1.25%)*

**Term structure of financial liabilities by financial year as of 30 April 2013**



Cash and cash equivalents totalled EUR 738.5 million as of 30 April 2013.

The term structure of the major financial liabilities includes financial liabilities of EUR 262.5 million that are reported on the balance sheet as held for sale. These liabilities are attributable to properties that will be sold over the short-term.

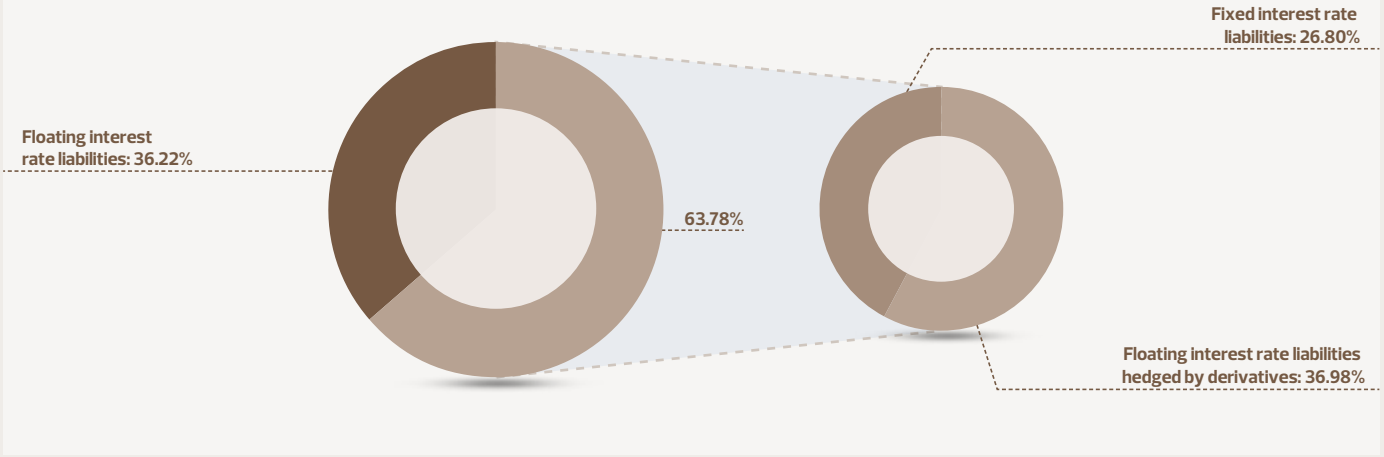
## Derivatives

As of 30 April 2013 IMMOFINANZ Group held derivatives with a notional amount of EUR 2,125.0 million to hedge or cap interest rates. In total, 63.78% of the major financial liabilities are secured against interest rate risk.

| Derivative | Floating leg | Market value incl. accrued interest as of 30 April 2013 in TEUR | Notional amount in TEUR | Average (hedged) interest rate in % |
|---|---|---|---|---|
| CAP | 3-M-EURIBOR | 4.5 | 33,318.8 | 3.12% |
| Collar | 3-M-EURIBOR | -5,639.9 | 211,149.4 | 3.00% |
| Collar | 6-M-EURIBOR | -995.8 | 182,000.0 | 2.75% |
| Interest rate SWAP | 1-M-EURIBOR | -673.9 | 29,062.5 | 1.07% |
| Interest rate SWAP | 3-M-EURIBOR | -70,791.4 | 1,247,133.8 | 2.34% |
| Interest rate SWAP | 6-M-EURIBOR | -31,739.6 | 316,820.7 | 2.47% |
| Interest rate SWAP | 1-M-LIBOR USD | -640.2 | 62,025.3 | 0.87% |
| Interest rate SWAP | 3-M-LIBOR CHF/USD | -1,777.3 | 43,473.1 | 1.65% |
| **IMMOFINANZ Group** | | **-112,253.6** | **2,124,983.6** | |

A CAP defines an upper limit for an interest rate: if the reference rate (e.g. 3-M-EURIBOR) exceeds this limit, IMMOFINANZ Group receives a settlement payment from its contract partner. A premium-neutral interest rate collar represents the combination of a CAP and a Floor (contractually agreed upper and lower interest limits). This type of derivative involves the establishment of a minimum and maximum interest rate (corridor) at a cost-neutral level. There are no fixed premium payments or additional costs, and the interest rate is hedged at the same time. A SWAP exchanges floating for fixed interest payments: floating interest rate liabilities that are hedged with a SWAP can be regarded as fixed interest rate liabilities from an economic standpoint. Including the expenses for derivatives, the weighted average interest rate for the major financial liabilities equalled 3.67%. Excluding the expenses for derivatives, the weighted average interest rate for the financial liabilities amounted to 3.06%.

**Financial liabilities** – type of interest as of 30 April 2013



# Earnings, Balance Sheet and Cash Flow Analysis

## Income statement

In 2012/13 IMMOFINANZ Group confirmed the positive operating trend from the past year despite weaker growth in the core markets.

IMMOFINANZ Group adjusted the structure of the consolidated income statement as of 30 April 2013 to reflect the international peer group reporting standards, respectively an EPRA recommendation. The costs directly attributable to income sources (personnel and overhead expenses) were reclassified from personnel and overhead expenses to the individual income categories (results of asset management, results of property sales and results of property development). With this change, IMMOFINANZ Group has improved its cost transparency and comparability with the peer group and also taken a further step to optimise the transparent presentation of corporate results.

A condensed version of IMMOFINANZ Group's income statement for the 2012/13 and 2011/12 financial years is presented in the following table:

| Amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 (adjusted) | Change in % |
|---|---|---|---|
| **Results of asset management** | **513,028.1** | **445,853.6** | **15.1%** |
| **Results of property sales** | **110,765.3** | **53,174.0** | **108.3%** |
| **Results of property development** | **-18,440.0** | **30,074.7** | **n.a.** |
| Other operating income | 35,216.4 | 40,184.7 | -12,4% |
| Expenses not directly attributable | -98,505.0 | -99,163.8 | -0.7% |
| **Results of operations** | **542,064.8** | **470,123.2** | **15.3%** |
| Other revaluation results | -33,195.5 | 222,747.9 | n.a. |
| **Operating profit (EBIT)** | **508,869.3** | **692,871.1** | **-26.6%** |
| Financial results | -313,826.7 | -374,357.3 | -16.2% |
| **Earnings before tax (EBT)** | **195,042.6** | **318,513.8** | **-38.8%** |
| **Net profit for the period** | **110,836.0** | **271,176.4** | **-59.1%** |

Results of asset management include rental income, other revenues, operating income and operating costs as well as directly allocated expenses. Rental income rose substantially year-on-year by EUR 70.2 million or 12.0%. This positive development was supported, above all, by the retail segment, where rental income increased EUR 70.4 million or 33.4%. The improvement in rental income from retail properties resulted, for the most part, from the acquisition of the remaining 50% stake in the *Golden Babylon Rostokino* shopping center in Moscow on 16 May 2012. Rental income in the office and logistics asset classes rose slightly by 1.1% and 0.3%, respectively. The residential asset class recorded a slight year-on-year decline of 3.0%, which resulted chiefly from the sale of properties in the BUWOG segment.

Revenues rose by 11.2% to EUR 869.2 million in 2012/13. Results of asset management were 15.1% higher at EUR 513.0 million due to an increase in rental income and a constant level of direct expenses.

Results of property sales rose by an impressive 108.3% year-on-year to EUR 110.8 million. Transactions in the BUWOG segment covered the sale of individual apartments and the sale of a residential property portfolio in Carinthia, Austria, that includes 35 buildings with 781 apartments. These sales reflect the strategy to sell regional portfolios in Austria and use the proceeds for acquisitions in Germany. Even though the transaction volume in Eastern Europe was lower than Western Europe, IMMOFINANZ Group was able to arrange for the profitable sale of the *BB Centrum Building C* and *Diamond Point* office properties in the Czech Republic during the reporting year. Portfolio optimisation measures in the office segment also included the sale of the *Office Cube* and *Josefstädter Strasse 78* in Vienna. Transactions in the logistics asset class covered three properties owned by the Deutsche Lagerhaus subsidiary and the *Quartier Saint Isidore* in Nice. A number of apartment buildings in Vienna were also sold to investors in recent months, including *Mariahilfer Strasse 53*. The largest contribution to earnings was made by the sale of 100% of the shares in Les Bains de St. Moritz Holding AG, the owner of the *Kempinski Grand Hotel des Bains* in Switzerland. After the balance sheet

date on 30 April 2013, IMMOFINANZ Group also sold the *Silesia City Center* shopping center in Katowice, Poland, and a logistics property from the Deutsche Lagerhaus portfolio in Egerkingen, Switzerland. In accordance with IFRS, the revaluation gains on these sales are included in the financial statements as of 30 April 2013, even though the cash inflows will only take place in 2013/14.

Results of property development cover the sale of inventories as well as the valuation of development projects completed during the reporting year or currently in progress. In 2012/13 results from property development totalled EUR -18.4 million (2011/12: EUR 30.1 million). The negative results recorded for the reporting year are attributable, above all, to the *GOODZONE* project in Russia. The bankruptcy-related replacement of the general contractor led to delays and the postponement of the scheduled opening from 2012/13 into the following year. As a result, the planned earnings were not realised and costs increased. A new general contractor has been engaged, and the completion and opening of the project is planned in the current reporting year.

Other operating income was 12.4% lower at EUR 35.2 million due to a year-on-year decline in the reversal of provisions.

Expenses not directly attributable (personnel and overhead expenses) were slightly lower than the prior year level at EUR 98.5 million (2011/12: EUR 99.2 million) despite an inflation-related increase in personnel expenses.

Results of operations for the 2012/13 financial year totalled EUR 542.1 million, which represents an increase of 15.3% or EUR 71.9 million. This improvement resulted, above all, from the substantial growth in the results of asset management and sound results from property sales.

Negative other valuation results of EUR -33.2 million (incl. foreign exchange effects) led to a decline in operating profit to EUR 508.9 million (2011/12: EUR 692.9 million). This decline is attributable to the year-on-year drop of approx. EUR 170.7 million in positive effects from the foreign exchange adjusted revaluation of properties (from EUR 208.7 million to EUR 37.9 million) and a negative non-recurring effect (EUR -106.4 million) from the adjustment of the purchase price liability for the acquisition of the *Golden Babylon Rostokino* shopping center in Moscow. The final purchase price for this shopping center, which was opened together with a joint venture partner in November 2009 and taken over in full during May 2012, is dependent on the net operating income (NOI) generated in the 2013 calendar year. This NOI has risen significantly in recent months because the *Golden Babylon Rostokino* is almost fully rented. Consequently, the valuation results of the property rose by EUR 130.6 million in 2012/13 and will largely offset the additional costs from the purchase price adjustment.

Financial results improved by EUR 60.5 million in year-on-year comparison to EUR -313.8 million, whereby this figure also includes EUR -32.5 million of non-cash foreign exchange effects. However, earnings before tax declined to EUR 195.0 million (2011/12: EUR 318.5 million). This foreign exchange-related factor should be reduced substantially by the conversion of the functional currency in the core markets of Poland, Czech Republic, Hungary and Romania to the Euro after the balance sheet date on 30 April 2013.

Net profit for the 2012/13 financial year equalled EUR 110.8 million (2011/12: EUR 271.2 million). The substantial increase in the tax rate to 43.2% (2011/12: 14.9%) resulted primarily from unusually high, non-recurring non-cash effects related to deferred taxes. These effects were higher, among others, due to changes in tax rates and the use of capitalised tax loss carryforwards. Additional information is provided in section 4.9 of the notes.

Sustainable cash flow rose from EUR 0.27 in 2011/12 to EUR 0.33 for the reporting year and reflects the sound improvement in the development of the operating business.

## Balance sheet

A condensed version of IMMOFINANZ Group's balance sheet as of 30 April 2013 and 30 April 2012 is presented in the following table:

| Amounts in TEUR | 30 April 2013 | in % | 30 April 2012 (adjusted) | in % |
|---|---|---|---|---|
| Investment property | 9,297,431.3 | | 9,915,201.1 | |
| Property under construction | 344,170.1 | | 300,615.8 | |
| Real estate inventories | 262,649.6 | 83.4% | 148,305.7 | 84.4% |
| Non-current assets held for sale | 583,403.2 | | 42,205.3 | |
| Intangible assets | 275,243.7 | 2.2% | 281,920.5 | 2.3% |
| Investments in associated companies | 72,320.4 | 0.6% | 78,910.4 | 0.6% |
| Trade and other receivables | 696,491.1 | 5.5% | 642,291.5 | 5.2% |
| Other financial instruments | 213,859.3 | 1.7% | 247,609.2 | 2.0% |
| Deferred tax assets | 45,034.2 | 0.4% | 58,917.1 | 0.5% |
| Cash and cash equivalents | 738,454.9 | 5.9% | 559,163.2 | 4.5% |
| Other financial assets | 51,646.5 | 0,4% | 56,678.1 | 0.5% |
| **Assets** | **12,580,704.3** | **100.0%** | **12,331,817.9** | **100.0%** |
| | | | | |
| **Equity** | **5,327,066.9** | **42.3%** | **5,517,535.9** | **44.7%** |
| Liabilities from convertible bonds | 554,108.4 | 4.4% | 729,366.8 | 5.9% |
| Financial liabilities | 4,863,503.3 | 38.7% | 4,645,274.0 | 37.7% |
| Trade and other payables | 854,020.2 | 6.8% | 758,500.3 | 6.2% |
| Provisions | 110,398.2 | 0.9% | 120,277.4 | 1.0% |
| Deferred tax liabilities | 577,181.0 | 4.6% | 541,252.1 | 4.4% |
| Income tax liabilities | 31,950.5 | 0.3% | 19,611.4 | 0.2% |
| Financial liabilities held for sale | 262,475.8 | 2.1% | 0.0 | 0.0% |
| **Equity and liabilities** | **12,580,704.3** | **100.0%** | **12,331,817.9** | **100.0%** |

Investment property represented 83.4% of total assets as of 30 April 2013 and is reported on the balance sheet under the following positions: investment property, property under construction, inventories and non-current assets held for sale. IMMOFINANZ Group recorded a year-on-year increase of EUR 81.3 million in investment property to EUR 10.5 billion in 2012/13.

Cash and cash equivalents, the second largest position under assets, rose by EUR 179.3 million to EUR 738.5 million. This represents 5.9% of total assets as of 30 April 2013.

IMMOFINANZ Group's equity amounted to EUR 5.3 billion as of 30 April 2013 (2011/12: EUR 5.5 billion). This represents an equity ratio of 42.3%. If cash and cash equivalents (including the cash and cash equivalents in other receivables) were offset against financial liabilities, the equity ratio would increase to 45.7%.

Financial liabilities, including liabilities from convertible bonds, rose only marginally by 0.8% over the previous year to EUR 5.4 billion.

## Cash flow

| Amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Earnings before tax | 195,042.6 | 318,513.8 |
| Revaluation/impairment losses/recognition of gains on bargain purchases | -113,526.1 | -276,420.0 |
| Gains/losses from associated companies | 2,910.6 | 11,861.9 |
| Gains/losses from the disposal of non-current assets | 171.1 | 2,309.8 |
| Temporary changes in the fair value of financial instruments | 60,469.8 | 174,953.0 |
| Income taxes paid | -13,672.5 | -21,754.0 |
| Net interest | 234,394.3 | 190,075.9 |
| Results from the change in investments | -49,067.7 | -11,419.1 |
| Other non-cash income/expense | 91,739.5 | -9,862.1 |
| **Gross cash flow** | **408,461.6** | **378,259.2** |
| **Cash flow from operating activities** | **396,347.7** | **339,562.9** |
| **Cash flow from investing activities** | **-26,315.9** | **-113,281.8** |
| **Cash flow from financing activities** | **-201,071.7** | **-267,565.4** |
| Net foreign exchange differences | 10,331.6 | 33,200.5 |
| **Change in cash and cash equivalents** | **179,291.7** | **-8,083.8** |
| Cash and cash equivalents at the beginning of the period | 559,163.2 | 567,247.1 |
| Cash and cash equivalents at the end of the period | 738,454.9 | 559,163.3 |

Gross cash flow rose by 8.0% from EUR 378.3 million to EUR 408.5 million due to the improvement in operating results. Cash flow from operating activities increased 16.7% from EUR 339.6 million to EUR 396.3 million.

Cash flow from investing activities amounted to EUR –26.3 million in 2012/13 (2011/12: EUR –113.3 million). This decline reflected the lower volume of investments during the reporting year.

Cash flow from financing activities consists primarily of additions to and reductions in financial liabilities, bonds and convertible bonds as well as the dividend payment. This position totalled EUR –201.1 million for the reporting year (2011/12: EUR –267.6 million).

Cash and cash equivalents rose by 32.1% year-on-year to EUR 738.5 million. This increase reflected an improvement in all major cash flow indicators.

## Key data

The following table provides a summary of key data on the financial, asset and earnings positions of IMMOFINANZ Group:

| Earnings data | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Rental income in EUR mill. | 655.8 | 12.0% | 585.7 |
| Results of operations in EUR mill. | 542.1 | 15.3% | 470.1 |
| EBIT in EUR mill. | 508.9 | -26.6% | 692.9 |
| EBT in EUR mill. | 195.0 | -38.8% | 318.5 |
| Net profit for the period in EUR mill. | 110.8 | -59.1% | 271.2 |
| Earnings per share in EUR | 0.11 | -60.1% | 0.27 |
| Sustainable cash flow per share in EUR[1] | 0.33 | 23.6% | 0.27 |
| Interest coverage ratio in % | 209.6% | 11.4% | 188.3% |
| Gross cash flow in EUR mill. | 408.5 | 8.0% | 378.3 |
| Cash flow from operating activities in EUR mill. | 396.3 | 16.7% | 339.6 |
| Enterprise value/results of operations in EUR mill. | 14.5 | -10.2% | 16.1 |

[1] *Gross cash flow (EUR 408.5 million) + interest received (EUR 20.8 million) – interest paid (EUR –166.5 million) – cash outflows for derivative transactions (EUR –32.5 million) + results of property sales (EUR 110.8 million) = Subtotal/Average number of shares during the reporting period, excl. treasury shares (1,031,823,676)*

| Asset data | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Balance sheet total in EUR mill. | 12,580.7 | 2.0% | 12,331.8 |
| Equity as a % of the balance sheet total | 42.3% | -5.4% | 44.7% |
| Loan to value ratio in % | 54.2%[1] | 4.9% | 51.6% |
| Gearing in % | 87.8% | 0.6% | 87.3% |

[1] *Including cash and cash equivalents of EUR 738.5 million, the loan to value ratio equals 47.1%.*

| Property data | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Number of properties | 1,759 | -3.4% | 1,821 |
| Lettable space in sqm | 6,526,550 | -2.5% | 6,695,769 |
| Occupancy rate in % | 89.5% | -0.7% | 90.1% |
| Carrying amount of investment properties in EUR mill. | 9,297.4 | -5.7% | 9,864.1 |
| Carrying amount of properties under construction in EUR mill. | 344.2 | 14.5% | 300.6 |
| Carrying amount of inventories in EUR mill. | 262.6 | 77.1% | 148.3 |

| Stock exchange data | 30 April 2013 | Change in % | 30 April 2012 |
|---|---|---|---|
| Book value per share in EUR | 5.23 | 3.7% | 5.05 |
| Net asset value per share diluted in EUR | 5.51 | 4.9% | 5.25 |
| Share price at end of period in EUR | 3.11 | 16.9% | 2.66 |
| Discount of share price to diluted NAV per share in % | 43.6% | -11.7% | 49.4% |
| Number of shares | 1,128,952,687 | -1.0% | 1,140,479,102 |
| Number of treasury shares | 112,895,268 | 8.1% | 104,421,683 |
| Market capitalisation at end of period in EUR mill. | 3,505.4 | 15.7% | 3,029.1 |

The key data in the above table show generally positive development for the reporting year. Results of operations rose by 15.3% to EUR 542.1 million. Earnings per share declined from EUR 0.27 to EUR 0.11 due to negative non-recurring effects in 2012/13. In contrast, sustainable cash flow per share rose from EUR 0.27 to EUR 0.33.

Gross cash flow and cash flow from operating activities increased to EUR 408.5 million (+8.0% year-on-year) and EUR 396.3 million (+16.7% year-on-year), respectively, in 2012/13.

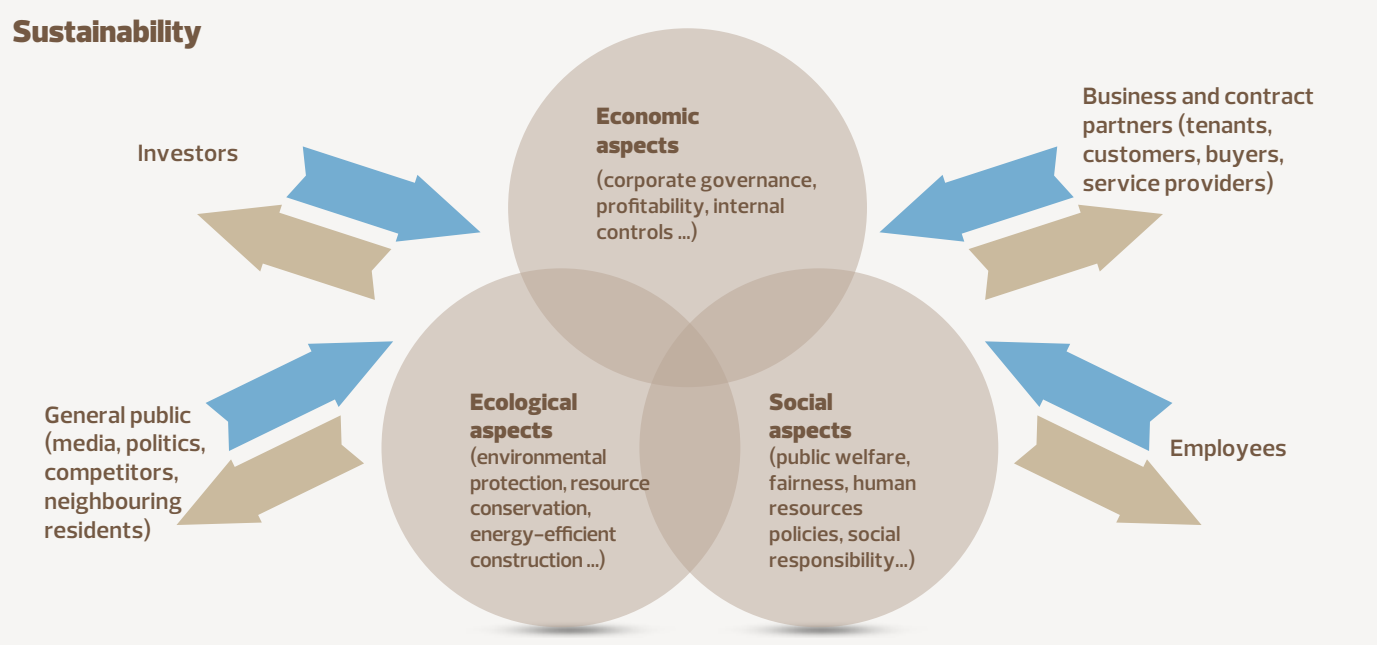
In spite of the challenging economic environment in individual core countries of IMMOFINANZ Group, the occupancy level in the portfolio remained stable at 89.5% during 2012/13.

The net asset value (NAV) of the IMMOFINANZ share rose by 4.9% to EUR 5.51, despite the dividend payment of EUR 0.15 per share.

# Sustainability

One of IMMOFINANZ Group's most important goals as a real estate investor and developer is to generate sustainable success for its stakeholders: private and institutional investors, business and contract partners, the general public and employees. Since this objective can only be met in harmony with society and the environment, IMMOFINANZ Group takes this responsible role seriously. The Group focuses not only on climate protection and resource conservation, but also on opportunities for the advancement of human potential and, above all, on business operations that are reasonable and sustainable. An important internal focus is the creation of a working environment that supports the optimal development of all IMMOFINANZ employees.

Sustainability in IMMOFINANZ Group therefore has an ecological, an economic and a social aspect. Each of these aspects has a different effect on the company's stakeholders.




## The Three Levels of Sustainability

### Ecological aspects

For real estate companies like IMMOFINANZ Group, environmental protection is a social and economic responsibility. High value is therefore placed on resource-conserving construction methods and energy efficiency in renovation, new acquisitions and internal project development. The importance of environmental protection for IMMOFINANZ Group is illustrated by its commitment as a founding member of the Austrian Society for Sustainable Real Estate Management ("Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft", ÖGNI).

Environmental and climate protection can be supported by a variety of very practical measures – based on the relevant directives and regulations – especially in the areas of construction and housing: through the responsible use of resources, the use of climate-friendly technologies, a well-defined strategy for the reduction of energy consumption, the renovation of suitable building substance and the construction of new buildings that meet energy efficiency standards. Two key focal points in this respect are the minimisation of energy consumption and an increase in the use of sustainable energy sources: all new construction projects must meet low energy standards as a minimum, and IMMOFINANZ Group's portfolio also includes a number of passive energy properties.

**Environmental awareness in new construction and revitalisation**

The commercial development department, which was established in autumn 2010, is committed to the sustainable construction of commercial properties and to the ecological and commercial optimisation of projects throughout the entire development cycle. The management of a comprehensive, sustainable process that covers planning, realisation

Certification under Green Building, LEED, BREEAM

and start-up plays an important role in this connection. In order to also make this environmental commitment visible and understandable outside IMMOFINANZ Group, all current and future development projects will be certified in line with sustainability criteria. In addition to Green Building, a certification system for commercial properties initiated by the European Commission, plans call for the certification of office buildings under LEED (Leadership in Energy and Environment Design) and shopping centers under BREEAM (BRE Environmental Assessment Method). Comparisons are also made with the ÖGNI and DGNB systems developed by the German Sustainable Building Council, depending on local requirements.

With the *Bureau am Belvedere*, IMMOFINANZ Group completed a showpiece project in Vienna's inner city. This building was awarded the Green Building label during the construction phase and, in April 2012, received the European Commission's Green Building Annual Award in the category "renovation". The *Bureau am Belvedere* also received the LEED Gold Award from the US Green Building Council – which confirms the project meets strict requirements for the site concept, water and energy consumption, protection of the earth's atmosphere, the use of building materials and interior construction.

December 2012 marked the start of a further pioneering project: the *Casa Stupenda*, a plus energy house in Düsseldorf's Medienhafen is under development by IMMOFINANZ Group as part of a joint venture. This prime office building will have approx. 28,000 sqm of rentable office space. Maximum sustainability is the overriding goal for this project. The *Casa Stupenda* will not only cover its own energy requirements, but can also generate surplus energy that will be fed into the public grid. The energy generated and used in this project comes exclusively from renewable sources: a unique concept that benefits the immediate environment and – through optimised operating costs – tenants as well. DGNB Gold certification and certification as a plus energy house are planned for this project.

Preparations are also in progress for the certification of other development projects: the office buildings in the Cologne *Gerling Quartier* have already been pre-certified under DGNB Silver. In addition, two refurbishment projects in the Czech Republic (*Jindřišská 16* and *Jungmannova 15*) and the *Panta Rhei* office building in Düsseldorf reached LEED Gold pre-certified status. EU Green Building Certification for the *Jindřišská 16* and *Jungmannova 15* is currently in preparation. LEED Gold Pre-Assessments are in progress for the *Nimbus* office building in Warsaw. The *Tarasy Zamkowe* Quality Shopping Center development project in Lublin (Poland) has been accorded "Registered for BREEAM very Good" status.

**Leader in environmental protection for residential construction**

IMMOFINANZ Group's commitment to sustainability in the area of residential construction is realised through its wholly owned subsidiary BUWOG, the leading residential property company in Austria. Activities in this area are directed to reducing energy consumption in residential properties through renovation or conversion to modern heating systems. A wide range of measures is used including, among others, the installation of photovoltaic equipment, new construction based on sustainability, efficient thermal renovation, changeover to eco-electricity, support for e-mobility and planted rooftops. These measures have resulted in annual $CO_2$ savings of 13,300 tonnes, which represents an annual $CO_2$ reduction of approx. 79.8 million automobile kilometres or 1,990 times around the earth, or half the trip to the sum.

BUWOG: a founding partner of klima:aktiv

BUWOG has been a partner of the klima:aktiv programme created by the Austrian Ministry of Life (Federal Ministry of Agriculture, Forestry, Environment and Water Management) since 2007. Together with five other Austrian companies, BUWOG was also a founding partner of the klima:aktiv Pact 2020 in 2011. Within this framework, the company has voluntarily committed to meeting Austrian energy and climate goals in accordance with EU requirements. The following energy- and climate-related targets were defined:

- 16% reduction in greenhouse gas emissions,
- 20% increase in energy efficiency and
- 34% of total energy requirements met with renewable energy carriers

The *Am Mühlgrund* building in Vienna (Austria) represents one of BUWOG's showcase projects for sustainable construction. It was completed in 2012 and certified under both ÖGNB and klima:aktiv.

In comparison with the minimum standards defined by Vienna building regulations, the thermal heating requirements were reduced more than two-thirds to 5 kWh/sqm. This compact structure opens to the south and can therefore passively utilise the heat gain from the flat solar radiation in the winter. The high-quality, airtight thermal building shell comprises two different facade systems: a thermal insulating, curved lightweight construction facade with transparent elements is used in the north, east and west. It provides for a generous, well-lit hall in front of the apartment entrances. The hall is a green oasis with over 1,000 plants of varying types arranged in a vertical garden that is automatically irri-

gated by rainwater, cisterns and the building's water supply system. The residential areas have a full thermal insulating facade with triple glazed, floor-to-ceiling wood windows in the south. All apartments have free areas with mobile exterior horizontal gathered shades, which also allow for use in the summertime. A central ventilation system with heat and moisture recovery supplies all areas of the apartment with pre-conditioned fresh air. Over 85% of the heat and over 60% of the moisture in the exhaust air are recovered through a rotation heat exchanger. These and many other features brought the project 980 of 1,000 possible points in the klima:aktiv criteria catalogue for the climate protection initiative of the Austrian Ministry of Life. The project supports the company's plans to improve energy efficiency in its residential properties and also increase the share of renewable energy.

The *Am Mühlgrund* project was also nominated for the Austrian State Prize for Architecture and Sustainability in 2012. It was selected as one of the nine finalists, which include four from the residential construction sector, from a total of 99 submissions. The State Prize is awarded by the Ministry of Life to high-quality projects that are not only characterised by outstanding architecture, but also by their ecological, energetic, social and economic sustainability.

### Environmental protection in the Group headquarters – green IT strategy

IMMOFINANZ Group is not only committed to environmental protection in its core business. Specific steps have also been taken in the Group's headquarters in keeping with the growing importance of energy management for all companies.

Major energy savings through IT organisation

As an example: IMMOFINANZ Group's IT organisation is based on efficient and energy-saving operations. State-of-the-art hardware, the implementation of energy-saving concepts and conduct guidelines as well as organisational adjustments led to a substantial reduction in energy consumption during the past year. The greatest savings have resulted from modern architecture concepts that include the consistent virtualisation and centralising of systems through terminal-server solutions.

Energy awareness in the IMMOFINANZ IT organisation starts in the two computing centers. Energy consumption was significantly reduced by the installation of high-tech cooling systems that are continuously monitored for efficiency and capacity utilisation. In 2011/12 energy costs in the computing center were reduced 30% below the prior year level. Operations during the reporting year also reflected this lower level, which reflects a total reduction of approx. 300,000 kWh per year.

Modern software and hardware-related methods for all equipment such as standby, night shutdown and the automatic deactivation of inactive hardware components also play an important role in improving energy efficiency. Another element in the green IT strategy – the video conference initiative – was implemented in 2012/13: this new communication medium has been very well received and has led to a substantial reduction in both travel expenses and the company's carbon footprint.

## Social aspects

### Employees – the most important asset of IMMOFINANZ Group

When IMMOFINANZ Group speaks of assets, the focus is normally on real estate. However, the Group has another asset that is decisive for its success – namely its employees. The human resources department, in close cooperation with management, is responsible for recruiting and retaining motivated and competent staff, placing these men and women in the right positions and developing their potential. This department is in charge of personnel management and recruiting as well as organisational and staff development:

Implementation of "Job Families and Career Paths" project

Activities by this department in 2012/13 concentrated on the implementation of the Group-wide project "Job Families and Career Paths". Its goal is to give employees a clear picture of their current positioning and possible career steps in IMMOFINANZ Group. Other focal points involved the optimisation of various processes, for example the introduction of electronic support for the employee appraisal meetings. In order to ensure the availability of standardised master data in all systems, a central data management system (MDM) was introduced during the reporting year. This system supports the human resources department by supplying documentation on goals and goal attainment for the employee appraisals as well as training requests and the description of career paths in IMMOFINANZ Group through job families.

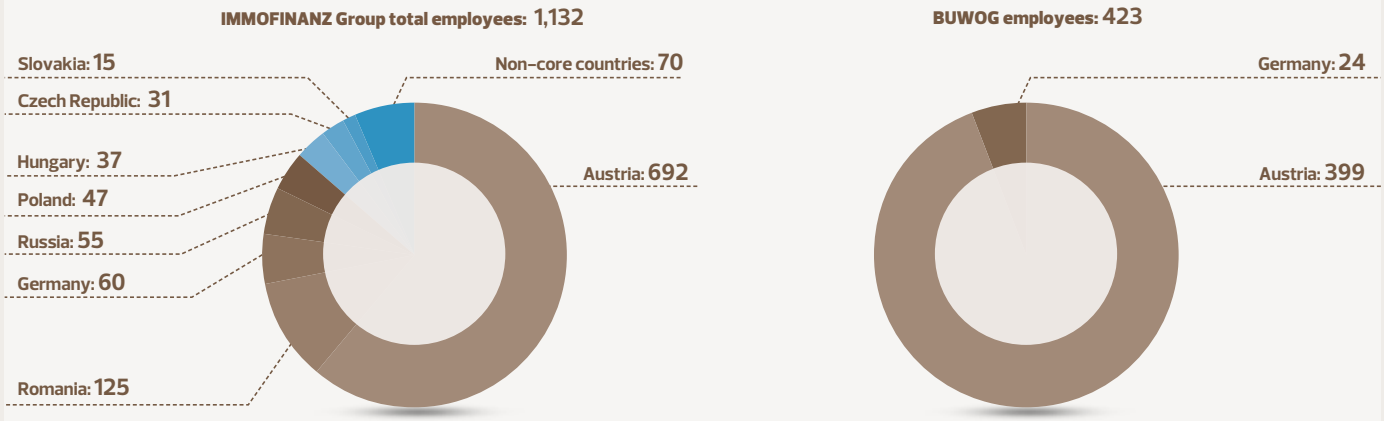
### IMMOFINANZ employees: facts and figures

The fully and proportionately consolidated companies of IMMOFINANZ Group had a total of 1,132 employees as of 30 April 2013. This figure includes wage as well as salaried employees. The comparable prior year figure was 1,072.

The increase in the workforce was based, among others on the founding of BUWOG Meermann GmbH (following the acquisition of the operating business and the Berlin projects of the residential property developer CMI AG), the take-over of employees from the Gerling Quartier project in Cologne and the integration of the STOP.SHOP. property management department.

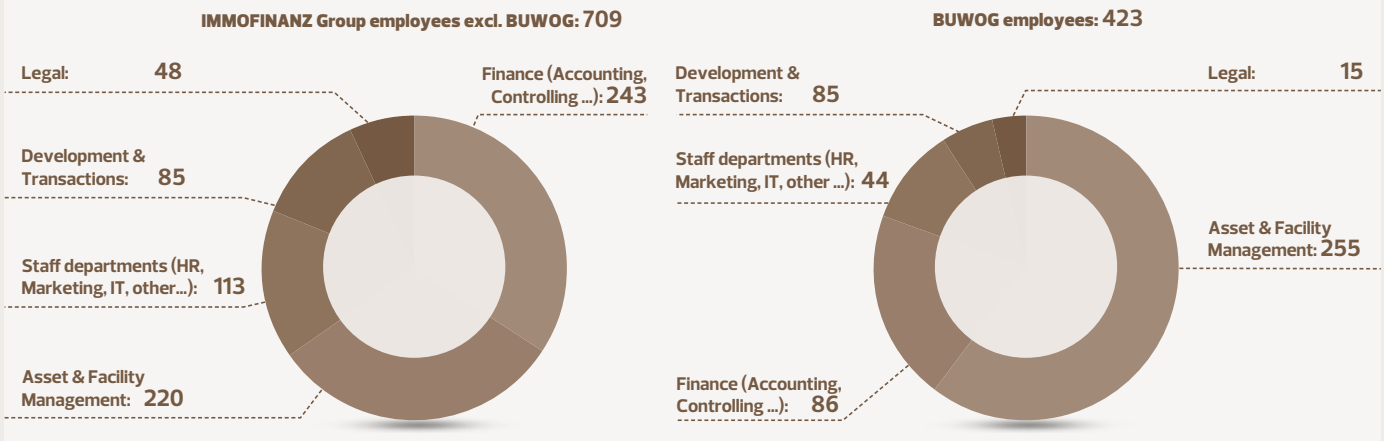
The IMMOFINANZ workforce operates in 10 countries. Approx. 94% of the staff work in the eight core markets and roughly 6% are employed by the other CEE, CIS and SEE companies.

## Geographic distribution of IMMOFINANZ employees[1]




The core activities of IMMOFINANZ Group cover the management, development and trading of real estate assets, which together are responsible for 52% of the total workforce. The number of employees rose by 315 during the reporting year as the result of hiring to reflect additional requirements and the integration of new companies. The difference compared with the number of employees as of 30 April 2013 reflects normal branch turnover.

## Areas of activity of IMMOFINANZ employees [1]




[1] *Employees in proportionally consolidated companies were included on a pro rata basis*

### Careers with IMMOFINANZ Group

The IMMOFINANZ team is characterised by convincing personal responsibility, motivation, flexibility and professionalism in all core countries. As an expression of the high regard for employees and to support their continuous development, appraisal meetings are held each year and include the definition of specific goals. Personalised training plans – in the form of individual courses or Group workshops – are important components of this process. The IMMOFINANZ Academy offers interested employees an opportunity to obtain basic real estate training.

Leadership and Experts' Curriculum

Another important part of the offering is the Leadership Curriculum that was introduced in 2009. It includes workshops to develop tools and methods for management topics such as employee appraisals, change processes, coaching, practice-oriented techniques for management and teamwork or management skills. This training programme has also been available to the staff in other countries since February 2013. In this way, the Leadership Curriculum makes an important contribution to harmonising the management culture in IMMOFINANZ Group.

The Experts' Curriculum, a further training programme, was launched in February 2013. It is directed to specialists in various areas and supports their professional careers, among others, with training in soft skills, project management and negotiating techniques. The IMMOFORUM internal series of events was also continued during the reporting year and included a wide variety of subjects from strategy and financial indicators to lectures on special topics.

IMMOFINANZ Group expects high motivation and commitment from its employees, and therefore honours performance and productivity with variable compensation: 34% of the staff receive a variable bonus that averages 19% of their annual salary. The exact amount of the bonus is dependent on the attainment of defined and verifiable, qualitative and quantitative goals for each employee.

### Focus on people: the IMMOFINANZ feel-good factor

IMMOFINANZ employees are hard workers. For this reason, IMMOFINANZ Group places high value on increasing the feel-good factor at work – for example with small tokens. The Family Day gives employees' families an opportunity to experience the pleasant working environment in the *Vienna Twin Tower* and take a look behind the scenes at IMMOFINANZ. The company also supports team building activities outside office hours, which include sporting events like the Business Run, the Vienna City Marathon and regular soccer tournaments. The offering was expanded during the reporting year to also include low-cost massages at the headquarters.

### IMMOFINANZ Group: a sign of diversity and equal opportunity

International orientation and diversity

IMMOFINANZ Group unites 24 countries under a single corporate roof and views this international orientation and diversity as a genuine competitive advantage. In keeping with the motto "think global – act local", the Group relies on local experts in the individual core markets. However, IMMOFINANZ Group also places high value on cultural diversity in the corporate headquarters. The basis for successful coexistence is formed by the regular exchange of ideas and the smooth flow of information, which is guaranteed, on the one hand, by the IMMnet information and knowledge management platform and, on the other hand, by regular Group-wide personnel development measures. Equal opportunity between women and men is also a central corporate goal. IMMOFINANZ Group is a pioneer in this respect: women comprise 63% of the total workforce and hold 25% of the managerial positions – including Birgit Noggler as chief financial officer.

### The Clusterhaus project: headquarters support for start-up companies

IMMOFINANZ Group is a co-founder of the Clusterhaus project, which covers smaller, so-called cluster rentals in IMMOFINANZ office properties. This project is directed to meet the needs of young entrepreneurs who are looking to enter and position their firms in a particular market. Central locations give these start-up companies an opportunity to develop their business ideas at attractive prices and with flexible rental contracts.

The project was launched in Cologne during April 2012 (**www.clusterhaus.de**), where more than 80 start-ups had rented 90% of the 6,400 sqm of office space by mid-2013.

The Vienna Clusterhaus (*Siebenbrunnengasse 17*) can also report successful interim results with more than 80% of the 1,200 sqm occupied. The third start-up hub opened in the *Millennium Tower*, an IMMOFINANZ property located in Bratislava, during July 2013.

### Apartments for women's shelters

The IMMOFINANZ subsidiary BUWOG is also committed to helping the less-fortunate members of society. In Austria, the company has supported women's shelters in Vienna and Villach for many years. It also provides three "emergency apartments" in Vienna free of charge, which represent a valuable addition to the assistance provided by the shelters. The women's shelter in Carinthia recently transferred an IMMOFINANZ Group apartment to a client and her children, who will live there for at least three years rent-free and only for reimbursement of operating costs

## Economic aspects

The economic aspect of sustainability means designing the business activities of a company to create a lasting, viable foundation for earnings. That implies using economic resources wisely and protecting them from exploitation. In IMMOFINANZ Group, transparency in connection with various control processes also plays an important role.

### Voluntary commitment to transparency and good management

IMMOFINANZ Group is committed to compliance with the rules of the Austrian Corporate Governance Code (which was first issued on 1 October 2002) and to transparency in its business activities. The corporate governance report is included in this annual report on pages 50–57.

### The internal control system (ICS) of IMMOFINANZ Group

In order to support the early identification and monitoring or risks, IMMOFINANZ Group continued the development of its internal audit and control department and optimised the internal control system (ICS) during the reporting year. The ICS comprises a wide range of methods and measures to safeguard assets and to ensure the accuracy and reliability of data for accounting and financial reporting. Additional information on the ICS is provided in the notes to the consolidated financial statements on page 125.

# Legal Disputes

This section explains the status of legal proceedings related to lawsuits filed by (former) shareholders and lawsuits related to the management contract with Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG).

### Legal proceedings by shareholders against IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH

Since November 2008 a number of shareholders have filed claims against IMMOFINANZ AG (in short: IFAG) and IMMOEAST AG (now: IMBEA IMMOEAST Beteiligungsverwaltung GmbH, in short: IMBEA). Some of the plaintiffs are IMMOFINANZ AG shareholders, while others are shareholders of the former IMMOEAST AG, who are asserting various claims against IMMOFINANZ AG or against IMBEA as the legal successor of IMMOEAST AG. In all cases, the plaintiffs are claiming damages based on prospectus liability or other alleged inadequate capital market information. The plaintiffs' argumentation is based primarily on alleged deficiencies in the prospectuses of IMMOFINANZ AG or IMMOEAST AG. Many of the plaintiffs' claims are also based on other legal grounds, e.g. the violation of ad-hoc reporting requirements. Among others, the plaintiffs contend that the funds raised from the public offering were not used for acquisitions or the development of new real estate projects, but for the financing of IMMOFINANZ AG and IMMOEAST AG and for the purchase of shares in IMMOFINANZ AG and IMMOEAST AG. IMMOFINANZ AG and IMBEA reject these claims. Of special note are 19 class action lawsuits of Austrian origin involving between 10 and 910 plaintiffs who have filed claims against IMMOFINANZ AG.

By the end of April 2013 a total of 810 lawsuits had been filed against IMMOFINANZ AG (whereby IMBEA was also named in some of the cases) and 78 lawsuits only against IMMOEAST AG/IMBEA with a value in dispute totalling approx. EUR 253 million. Most of the plaintiffs are covered by insurance for legal expenses or represented by AdvoFin, a company that finances such proceedings. The status of the pending proceedings is different, whereby most are still in the early stages. In many of the cases the plaintiffs have already been heard, and a more extensive hearing of evidence has only taken place in a few cases. In 43 cases, a judgment in the first instance or a final judgment was issued, each – for different reasons – in favour of IMMOFINANZ AG or IMMOEAST AG/IMBEA. A decision in eight further cases is expected during the coming months. Some of the first-instance decisions were reversed by the Regional Appeals Court in Vienna or the Austrian Supreme Court and remanded to the first-instance court for renegotiation. In 17 of these proceedings, the plaintiffs withdrew their lawsuits. Seventy of the proceedings have been completed to date (19 legally binding judgments rejecting the lawsuits, 17 withdrawals of lawsuits and 34 agreements for withdrawal of the lawsuit under the waiver of claims).

| Pending proceedings: IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| IFAG | 376 | 25.3 |
| IMBEA | 66 | 7.7 |
| IFAG and IMBEA | 376 | 218 |
| **Total** | **818** | **251** |

### Legal proceedings by shareholders against investment consultants and Aviso Zeta AG and third party notices against IMMOFINANZ AG/IMBEA

At the beginning of August 2008 shareholders of IMMOFINANZ AG and IMMOEAST AG (now: IMBEA) filed lawsuits against Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG) and AWD Gesellschaft für Wirtschaftsberatung GmbH (now: Swiss Life Select Österreich GmbH), through which they had purchased IMMOFINANZ and IMMOEAST shares. The plaintiffs allege, in particular, incorrect investment advising, misleading advertising and false depiction of IMMOFINANZ AG and IMMOEAST AG in public due to the withholding of information on the close relationship between the former Constantia Privatbank AG and IMMOFINANZ AG/IMMOEAST AG. Furthermore, the lawsuits contend that information was withheld on material transactions by the former Constantia Privatbank AG with shares of IMMOFINANZ AG and IMMOEAST AG and maintain that investors' funds were not used for the purposes stated in the prospectuses. The plaintiffs are seeking compensation and/or the assessment of the resulting financial losses. The plaintiffs did not lodge any direct claims against IMMOFINANZ AG in these cases. IMMOFINANZ AG and IMBEA are involved as intervening parties in some of the cases against Aviso Zeta AG or Swiss Life Select Österreich GmbH. An intervening party is someone who has a legal interest in the success of one party to pending legal proceedings between other persons or entities. The reason behind this type of intervention is that the defendant can file a recourse claim against IMMOFINANZ AG/IMBEA if the case is lost and is therefore taking action against IMMOFINANZ AG/IMBEA. If IMMOFINANZ AG/IMBEA did not join in these proceedings, IMMOFINANZ AG/IMBEA would not be able to raise the points addressed during the preliminary proceedings in any subsequent regress proceedings. The defendants' main argument against IMMOFINANZ AG/IMBEA is that the damages incurred by the plaintiffs were caused by

actions on the part of IMMOFINANZ AG and IMMOEAST AG, which are currently under investigation by the Vienna public prosecutor in connection with criminal proceedings.

By the end of April 2013 Aviso Zeta AG had served IMMOFINANZ AG and/or IMBEA, in most cases both companies, with third party notices in 334 cases. Swiss Life Select Österreich GmbH has also served IMMOFINANZ AG and/or IMBEA with third party notices in 226 cases, also in class action suits that were filed against Swiss Life Select Österreich GmbH. IMMOFINANZ AG and IMBEA joined in most of these cases.

According to the information currently available to IMMOFINANZ AG, judgments have been issued in 40 lawsuits against Swiss Life Select Österreich GmbH and Aviso Zeta AG. Some of these judgments were issued in favour of the respective defendant, others against. Neither Swiss Life Select Österreich GmbH nor Aviso Zeta AG has filed recourse claims against IMMOFINANZ AG or IMBEA.

| Third party notices to IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| Aviso Zeta | 334 | 36.9 |
| AWD (now: Swiss Life Select Österreich GmbH) | 226 | 17.6 |
| **Total** | **560** | **54.5** |

### Legal proceedings against Aviso Zeta AG

At the end of April 2013 Aviso Zeta AG was the dependent in 2,089 proceedings with a total value in dispute of EUR 320.9 million. These proceedings are based on different facts and circumstances. The primary issue in 1,166 proceedings with a value in dispute of EUR 292.8 million is the purchase of IMMOFINANZ/IMMOEAST shares, whereby 197 of the proceedings have already been concluded. In 143 of these cases, permanent suspension of the proceedings was agreed in exchange for the waiver of costs. The lawsuits were withdrawn under the waiver of claims in a further 17 cases and rejected in 31 cases. Only three proceedings were lost from the viewpoint of Aviso Zeta AG. Lawsuits have been filed against Aviso Zeta AG in a further 921 cases (value in dispute: EUR 18.5 million) involving securities brokerage (in particular, Lehmann Brothers products with the designation "Dragon FX Garant"). Of these proceedings, 797 have were concluded with positive results for Aviso Zeta AG (withdrawal, rejection or permanent suspension of the proceedings) in 790 cases. Settlements were reached in five cases, and the lawsuits were only allowed in two cases. In established judicature the Supreme Court has rejected the plaintiffs' arguments, which claimed prospectus liability and attributed the brokerage activities of AWD (now: Swiss Life Select Österreich GmbH) to Aviso Zeta AG; this has subsequently resulted in the positive conclusion of most of the proceedings against Aviso Zeta AG. Several proceedings were interrupted until the Court of Justice of the European Union issues a decision on the correctness of the prospectus publication.

Aviso Zeta AG was also served with third-party notices in a further 520 proceedings. In 506 of these cases, which involved the purchase of IMMOFINANZ/IMMOEAST shares (value in dispute: EUR 27.6 million), Aviso Zeta AG joined the legal proceedings. Of this total, 62 cases with a value in dispute of EUR 3.1 million have been concluded. No regress claims have been filed against Aviso Zeta AG to date.

Furthermore, Aviso Zeta AG has been sued by two former members of the Executive Board for termination benefits.

During the 2012/13 financial year Aviso Zeta AG filed lawsuits against three former members of the Executive Board of Constantia Privatbank AG for compensation for damages and declaration by judgment. The purpose of these lawsuits is to allow for the possible future filing of a recourse claim based on false advising in connection with share purchases. These legal proceedings are still in the early stages.

### Defendant's litigation Aviso Zeta AG

| Aviso Zeta AG | Number of proceedings | Value in dispute in MEUR | Thereof concluded | Value in dispute in MEUR |
|---|---|---|---|---|
| Defendant | 2,089 | 320.9 | | |
| Thereof: IMMOFINANZ/IMMOEAST | 1,166 | 292.8 | 197 | 15.9 |
| Dragon FX Garant | 921 | 18.5 | 797 | 15.8 |
| Intervening party | 520 | 28.2 | | |
| IMMOFINANZ/IMMOEAST | 506 | 27.6 | 62 | 3.1 |

### Proceedings to review the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG

IMMOFINANZ AG, as the accepting company, was merged with IMMOEAST AG, as the transferring company, in accordance with a merger agreement dated 21 January 2010. In connection with this merger, the former shareholders of IMMOEAST AG were granted a total of 567,363,702 shares in IMMOFINANZ AG based on an agreed exchange ratio of three IMMOFINANZ shares for each two IMMOEAST shares. Petitions were subsequently filed with the commercial court of Vienna by IMMOFINANZ shareholders and shareholders of the former IMMOEAST AG for a review of this exchange ratio pursuant to §§ 225c ff of the Austrian Stock Corporation Act. This step led to the start of court proceedings, and IMMOFINANZ AG has filed an extensive statement in response to the petitions. In accordance with legal regulations (§ 225g of the Austrian Stock Corporation Act), the commercial court of Vienna has ordered an expert opinion on the exchange ratio.

Decisions or settlements in the proceedings to review the exchange ratio will apply to all shareholders in the respective shareholder groups (erga omnes right). If the proceedings lead to additional payments (additional settlement payments), the shareholders in the disadvantaged shareholder group will receive these payments plus interest at a rate of 2% over the base interest rate on the registration date (28 April 2010). IMMOFINANZ AG has requested permission to grant additional IMMOFINANZ shares in place of cash settlements.

The outcome of the proceedings to review the exchange ratio cannot be predicted at the present time. It is not possible to estimate whether the shareholder groups will be granted additional payments (additional settlement payments) or what the amount of these payments might be.

### Other legal disputes

In March 2011 IMMOFINANZ AG filed a lawsuit against three former members of the Executive Board and members of the Supervisory Board of the former Constantia Privatbank AG that involved option transactions to the detriment of the former IMMOEAST AG. The proceedings were suspended after the first hearing in September 2011 until a final binding decision is issued in the criminal proceedings against these former Executive and Supervisory Board members. These criminal proceedings resulted in the (not yet legally binding) first-instance conviction, among others, of two of the three defendants. IMBEA was also awarded approx. EUR 7 million by this first-instance decision (not yet legally binding). In addition, Aviso Zeta was awarded approx. EUR 4 million.

IMMOFINANZ AG filed a further lawsuit in September 2011 to enforce claims against a former member of the Executive Board and other persons in connection with payments made to third parties without justifiable grounds on the instructions of this former board member. This case is still in the early stages.

In August 2011 a former member of the Executive Board filed a lawsuit against IMMOFINANZ AG to claim payment of remuneration for his duties on the Executive Board for a period of roughly three months. These proceedings are currently suspended until a decision is issued on a parallel case, which represents separate proceedings against IMBEA. The separate proceedings involve a claim by the same former Executive Board member for payment of remuneration for his duties on the Executive Board for the same period of roughly three months.

The above-mentioned values in dispute cover, in part, identical content. Based on estimates for the expected outcome of these proceedings, IMMOFINANZ Group has recognised an appropriate amount of provisions for legal disputes and provisions for legal proceedings in the consolidated financial statements.

In specific East European countries, legal uncertainty could arise in connection with land ownership.

Information on the liabilities held by IMMOFINANZ is provided in section 7.3.2 of the notes.

# Information on Equity

The share capital of IMMOFINANZ AG totalled EUR 1,172,059,877.27 as of 30 April 2013 (30 April 2012: EUR 1,184,026,409.35). It is divided into 1,128,952,687 (30 April 2012: 1,140,479,102) zero par value shares with voting rights, each of which represents a proportional share of EUR 1.04 (rounded) in share capital.

All IMMOFINANZ shares are bearer shares that entitle the holders to participate in the annual general meeting and to exercise voting rights and other shareholder rights in accordance with applicable legal regulations. Each bearer share is entitled to one vote.

The Executive Board is not aware of any agreements between shareholders that restrict voting rights or the transfer of shares.

There are no shares with special controlling rights as defined in § 243a (1) no. 4 of the Austrian Commercial Code.

IMMOFINANZ AG has no employee share participation programme. Therefore, no information is provided on the control of voting rights pursuant to § 243a (1) no. 5 of the Austrian Commercial Code.

The development of the number of shares during 2012/13 is shown below:

| | Number of shares | Difference | Transaction |
|---|---|---|---|
| 30 April 2012 | 1,140,479,102 | | |
| October 2012 | 1,128,952,687 | 11,526,415 | Withdrawal of treasury shares |
| **30 April 2013** | **1,128,952,687** | | |

## Convertible bonds

### Convertible bond 2014 (CB 2014)

Based on an authorisation of the annual general meeting on 28 September 2006, IMMOFINANZ AG issued convertible bonds on 19 January 2007. These convertible bonds have a total nominal value of EUR 750.0 million and a term ending on 20 January 2014 (ISIN XS0283649977). The conversion rights for the CB 2014 will be serviced by authorised capital (§ 159 of the Austrian Stock Corporation Act), which was approved by the annual general meetings of IMMOFINANZ AG on 28 September 2006, 27 September 2007 and 2 October 2009.

IMMOFINANZ AG holds repurchased CB 2014 bonds that have not yet been withdrawn with a total nominal value of EUR 96.2 million. CB 2014 bonds with a total nominal value of EUR 25.7 million were outstanding as of 30 April 2013. Based on the current applicable conversion price of EUR 13.33 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2014 bonds carry rights for conversion into a total of 1,927,982 IMMOFINANZ shares.

### Convertible bond 2017 (CB 2017)

Based on an authorisation of the annual general meeting on 27 September 2007, IMMOFINANZ AG issued convertible bonds on 19 November 2007. These convertible bonds have a total nominal value of EUR 750.0 million and a term ending on 19 November 2017 (ISIN XS0332046043). The conversion rights for the CB 2017 will be serviced by authorised capital (§ 159 of the Austrian Stock Corporation Act), which was approved by the annual general meetings of IMMOFINANZ AG on 28 September 2006, 27 September 2007 and 2 October 2009.

### Premature redemption of the CB 2017 in 2012/13

In accordance with the terms of the issue, the CB 2017 bondholders are entitled to register their certificates for premature repayment on 19 November 2012. CB 2017 convertible bonds with a total nominal value of EUR 144.3 million were registered for repayment and redeemed by IMMOFINANZ AG.

In accordance with the terms of the issue, the CB 2017 bondholders are entitled to register their certificates for premature repayment on one further date during the remaining term: 19 November 2014.

IMMOFINANZ AG holds repurchased CB 2017 bonds that have not yet been withdrawn with a total nominal value of EUR 22.4 million. CB 2017 bonds with a total nominal value of EUR 35.1 million were outstanding as of 30 April 2013.

Based on the current applicable conversion price of EUR 8.41 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2017 convertible bonds carry rights for conversion into a total of 4,173,602 IMMOFINANZ shares.

### Convertible bond 2018 (CB 2018)

Based on an authorisation of the annual general meeting on 27 September 2007 (issue of convertible bonds) and 28 September 2010 (sale of treasury shares), IMMOFINANZ AG issued 125,029,692 convertible bonds on 8 March 2011. These convertible bonds have a total nominal value of EUR 515.1 million and a term ending on 8 March 2018 (ISIN XS0592528870). The terms of the issue entitle all bondholders to register their CB 2018 certificates for premature repayment on 8 March 2016.

The annual general meeting of IMMOFINANZ AG on 28 September 2011 subsequently approved the issue of the convertible bond 2018 as well as an accompanying conversion right that initially involved up to 104,421,677 new bearer shares of common stock in the company. Moreover, the issue terms of the convertible bond 2018 were approved in accordance with § 174 of the Austrian Stock Corporation Act.

In order to service the conversion rights from the CB 2018, the annual general meeting of IMMOFINANZ AG on 28 September 2011 approved a conditional capital increase of EUR 132.2 million pursuant to § 159 of the Austrian Stock Corporation Act.

IMMOFINANZ AG holds repurchased CB 2018 bonds that have not yet been withdrawn with a total nominal value of EUR 6.4 million. CB 2018 bonds with a total nominal value of EUR 508,684,500 were outstanding as of 30 April 2013. Based on the current applicable conversion price of EUR 3.74 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2018 convertible bonds carry rights for conversion into a total of 136,011,903 IMMOFINANZ shares.

### No exercise of conversion rights or issue of new shares in 2012/13

No conversion rights for convertible bonds were exercised in 2012/13. Consequently, no new shares were issued by IMMOFINANZ AG.

The following table shows the development of the nominal value of the convertible bonds during 2012/13:

| | ISIN | Nominal value as of 30 April 2012 in TEUR | Conversions in 2012/13 in TEUR | Repurchased/redeemed in 2012/13 in TEUR | Nominal value as of 30 April 2013 in TEUR |
|---|---|---|---|---|---|
| CB 2014 | XS0283649977 | 25,700.0 | 0.0 | 0.0 | 25,700.0 |
| CB 2017 | XS0332046043 | 195,000.0 | 0.0 | -159,900.0 | 35,100.0 |
| CB 2018 | XS0592528870 | 515,120.0 | 0.0 | -6,435.4 | 508,684.5 |
| **Total** | | **735,820.0** | | | **569,484.5** |

### Authorisation to issue new convertible bonds

The annual general meeting of the company on 28 September 2011 authorised the Executive Board to issue convertible bonds with a total nominal amount of up to EUR 1.2 billion. These bonds may carry exchange and/or subscription rights for up to 212,804,717 bearer shares in the company with a proportional share of up to EUR 220,930,312.99 in share capital, and may be issued with or without the exclusion of subscription rights and in one or more tranches. This annual general meeting also approved a conditional capital increase of EUR 220,930,312.99 in accordance with § 159 of the Austrian Stock Corporation Act to service the exchange or subscription rights of the holders of convertible bonds that were or will be issued or equipped with exchange rights for new shares (i) based on a resolution of the annual general meeting on 28 September 2011 and/or (ii) the annual general meeting on 27 September 2007.

# Treasury shares

### Purchase of treasury shares in 2010/11 based on agreements for the "IBAG Bond" and Aviso Zeta

On 23 August 2010 55,005,409 IMMOFINANZ shares were purchased from IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ AG, at the closing price of EUR 2.75 per share in exchange for settlement of the financial receivables held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH. This transaction represented part of the contract performance by Constantia Packaging B.V. in connection with the closing of the agreements between IMMOFINANZ Group and Constantia Packaging B.V. on the so-called "IBAG Bond" (EUR 512 million). This purchase was based on the statutory provision for the prevention of damages as defined in § 65 (1) no. 1 of the Austrian Stock Corporation Act.

IMBEA IMMOEAST Beteiligungsverwaltung GmbH also purchased 2,066,020 IMMOFINANZ shares from Aviso Zeta AG (now a wholly owned subsidiary of IMMOFINANZ AG) on 29 September 2010 at the closing price of the IMMOFINANZ share on that date (i.e. EUR 2.708 per share). This purchase was based on the statutory provision for the prevention of damages as defined in § 65 (1) no. 1 of the Austrian Stock Corporation Act.

The 57,071,429 IMMOFINANZ shares purchased by IMBEA IMMOEAST Beteiligungsverwaltung GmbH represented a proportional amount of EUR 59,250,607.08, or 5.06%, in share capital as of 30 April 2013.

The purchase of the shares previously held by Aviso Zeta AG by IMBEA IMMOEAST Beteiligungsverwatung GmbH in December 2010 also included the indirect purchase of six bearer shares (formerly registered shares) of IMMOFINANZ AG. This purchase was based on the statutory provision for the prevention of damages as defined in § 65 (1) no. 1 of the Austrian Stock Corporation Act. The six IMMOFINANZ shares represent a proportional amount of EUR 6.23 in share capital.

### Share buyback programme 2010–2011

A resolution by the annual general meeting on 28 September 2010 authorised the Executive Board to repurchase the company's shares in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act. Based on this resolution, IMMOFINANZ AG carried out a share buyback programme from 12 November 2010 to 18 March 2011. This programme led to the repurchase of 47,350,248 IMMOFINANZ shares for a total price of EUR 145,755,598.48. These shares represented a proportional amount of EUR 49,158,238.87, or 4.19%, in share capital as of 30 April 2013.

### Withdrawal of treasury shares in 2012/13

Based on a resolution of the annual general meeting on 28 September 2011 that authorised the Executive Board pursuant to § 65 (1) no. 8 of the Austrian Stock Corporation Act to withdraw the company's shares, 11,526,415 of the 47,350,248 IMMOFINANZ shares repurchased during the 2010–2011 share buyback programme were withdrawn as of 3 October 2012. The withdrawn shares represented a proportional amount of EUR 11,966,532.08 in share capital. The company's share capital was subsequently reduced through a simplified capital decrease as defined in § 192 (3) no. 2 of the Austrian Stock Corporation Act by EUR 11,966,532.08 to EUR 1,172,059,877.27, divided into 1,128,952,687 bearer shares.

### Authorisation of the Executive Board to purchase treasury shares

The annual general meeting of IMMOFINANZ AG on 5 October 2012 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital. This authorisation is valid for a period of 30 months beginning on the date the resolution was passed. The shares may be purchased in one or more transactions over the stock exchange or over the counter with repeated utilisation of the 10% limit, also with the exclusion of the proportional subscription rights of shareholders.

### Authorisation of the Executive Board to sell treasury shares

The annual general meeting of IMMOFINANZ AG on 5 October 2012 authorised the Executive Board, with the consent of the Supervisory Board, to sell treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act. These shares may be sold or used for any legal purpose, whereby the proportional purchase rights of shareholders are excluded (exclusion of subscription rights). This authorisation is valid for a period of five years beginning on the date the resolution was passed.

### Share buyback programme 2012–2013

Based on resolutions by the annual general meetings on 28 September 2011 and 5 October 2012 for the repurchase of treasury shares, IMMOFINANZ AG carried out a share buyback programme from 1 October 2012 to 25 February 2013.

This programme led to the repurchase of 20,000,000 IMMOFINANZ shares for a total price of EUR 62,361,443.45, including fees. These shares represented a proportional amount of EUR 20,763,666.91, or 1.77%, in share capital as of 30 April 2013.

### Financing with treasury shares

Based on a resolution of the annual general meeting on 5 October 2012 to sell treasury shares in accordance with § 65 (1b) of the Austrian Stock Corporation Act and to purchase treasury shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act, IMMOFINANZ AG sold and transferred 101,605,741 treasury shares to financial institutions on 10 January 2013 for financing purposes. In exchange, IMMOFINANZ AG received financing of EUR 150 million for a term of up to three years. These 101,605,741 shares represented a proportional amount of EUR 105,485,388.09, or 9.00%, in share capital as of 30 April 2013.

In this connection, the 57,071,429 IMMOFINANZ shares held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH (a wholly owned subsidiary of IMMOFINANZ AG) were also sold to IMMOFINANZ AG in January 2013 in exchange for a proportional share of the financing. This transfer of financing between IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH generally reflects the same conditions for the sale, financing and repurchase of the IMMOFINANZ shares as defined in the contract between IMMOFINANZ AG and the financing financial institutions.

The company is entitled to repurchase the 101,605,741 shares in exchange for repayment of the financing (EUR 150 million) at any time during the term. At the end of the term, the company is required to repay the financing and repurchase the shares. The interest payments during the term of the financing are linked to the EURIBOR. Dividends paid by IMMOFINANZ AG during the term will be returned to the company. The agreed repurchase price for the shares equals the sale price, i.e. the market risk and opportunities associated with the shares remain with the company. Based on the agreed right of IMMOFINANZ AG to repurchase the 101,605,741 shares during the term of the financing and the obligation to repurchase the shares at the end of the term, these 101,605,741 IMMOFINANZ shares are accounted for as treasury shares in accordance with International Financial Reporting Standards (IFRS) and the financing of EUR 150 million is reported as a liability.

The development of treasury shares is shown in the following table:

| Date | Number of shares | Circumstances and statutory provision | Proportional share of share capital as of 30 April 2013 in EUR | Proportional share of share capital as of 30 April 2013 in % | Purchase price in EUR |
|---|---|---|---|---|---|
| August 2010 | 55,005,409 | Closing of the agreements with Constantia Packaging B.V. on the "IBAG bond" (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 57,105,699.52 | 4.87% | 151.264.874,75 (Group settlement) |
| September 2010 | 2,066,020 | Termination of banking activities by Aviso Zeta (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 2,144,907.56 | 0.18% | 5,594,782.16 |
| December 2010 | 6 | Acquisition of Aviso Zeta (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 6.23 | - | 1.00 |
| November 2010–March 2011 | 47,350,248 | Share buyback programme 2010–2011 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act) | 49,158,238.87 | 4.19% | 145,755,598.48 |
| October 2012 | -11,526,415 | Withdrawal of treasury shares (§ 65 (1) no. 8 of the Austrian Stock Corporation Act) | 11,966,532.02 | 1.02% | n.a. |
| October 2012–February 2013 | 20,000,000 | Share buyback programme 2012–2013 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act) | 20,763,666.91 | 1.77% | 62,361,443.45 (incl. fees) |
| January 2013 | -101,605,741 | Sale for financing with treasury shares (§ 65 (1b) of the Austrian Stock Corporation Act)[1] | 105,485,388.09 | 9.00% | 150,000,000.00 (total financing) |
| **IMMOFINANZ Group total** | **11,289,527** | | **11,720,598.91** | **1.00%** | |
| **IMMOFINANZ Group total according to IFRS [2]** | **112,895,268** | | **117,205,987.00** | **10.00%** | **n.a.** |

[1] *The company is entitled to repurchase the 101,605,741 shares at any time during the term in exchange for repayment of the financing. At the end of the term, the company is required to repurchase the shares in exchange for repayment of the financing.*

[2] *The treasury shares used for the financing are included under equity in the IFRS consolidated financial statements.*

As of 30 April 2013 IMMOFINANZ AG was the owner under Austrian civil law of 11,289,521 treasury shares. Six of these shares are held by Aviso Zeta AG, a wholly owned subsidiary of IMMOFINANZ AG. These 11,289,527 shares represented a proportional amount of EUR 11,720,598.91, or 1.00%, of the company's share capital as of 30 April 2013.

## Authorised capital

The annual general meeting on 2 October 2009 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 238,289,496.40 through the issue of up to 229,525,447 new shares in exchange for cash or contributions in kind. These new shares may also be issued under the exclusion of subscription rights for contributions in kind, to service a greenshoe option or for the settlement of peak amounts. The authorisation is valid up to 22 October 2014.

## Change of control provisions

### Convertible bonds

The terms of the convertible bonds CB 2014, CB 2017 and CB 2018 entitle the bondholders to put some or all of the securities not yet converted or redeemed in the event of a change of control. In such case, IMMOFINANZ AG must redeem the tendered securities at the nominal value plus accrued interest as of the respective date. Details on these provisions are provided in the terms of issue for convertible bonds CB 2014, CB 2017 and CB 2018.

### Syndicated loan

In 2006 a syndicate of Austrian and international banks granted IMMOFINANZ Finance B.V. a revolving credit facility (syndicated loan). In the event of a change of control, the lenders are entitled to demand immediate repayment of the outstanding amounts. IMMOFINANZ AG provided the lenders with a guarantee for the liabilities incurred under this arrangement. The outstanding nominal amount was EUR 173.5 million as of 30 April 2013. This outstanding balance of this syndicated loan was repaid from internal funds as planned shortly after the end of the reporting year.

### Corporate bond 2017

In July 2012 IMMOFINANZ AG issued a 5.25% 2012–2017 partial debenture (corporate bond 2017, ISIN AT0000A0VDP8) with a total volume of EUR 100.0 million. This bond has a five-year term extending from 3 July 2012 to 2 July 2017. If there is a change of control and this change significantly impairs the ability of IMMOFINANZ AG to meet its obligations under the terms of the debenture, the bondholders are entitled to put their partial debentures to the company and to demand immediate repayment of the nominal amount plus accrued interest up to the repayment date. A change of control is defined as the attainment of a controlling majority of 30% in IMMOFINANZ AG by a person (or several persons acting in consort), who did not hold a controlling investment at the time the corporate bond 2017 was issued.

### Executive Board and Supervisory Board

The employment agreements with the members of the Executive Board contain a change of control clause that may lead to the cancellation of a contract.

The company and the members of the Executive Board have concluded compensation agreements that will take effect in the event of a public takeover bid. Depending on the remaining term of the Executive Board member, the respective contract entitlement will equal one or two years at most.

There are no such agreements for the members of the Supervisory Board or for employees.

There are no other significant agreements which enter into force, change or terminate in the event of a change of control in the company following a takeover bid.

## Amendments to the articles of association, board appointments and dismissals

In accordance with § 21 of the articles of association of IMMOFINANZ AG, the annual general meeting passes its resolutions based on a simple majority of the votes cast and, for resolutions that require a majority of capital, based on a simple majority of the share capital represented at the time of voting, unless legal regulations require another majority. The same applies to amendments to the articles of association and to the premature dismissal of members from the Supervisory Board

In accordance with the articles of association of IMMOFINANZ AG, the person chairing the respective meeting will cast the deciding vote in the event of a tie in voting on the Supervisory Board. The same applies to the election to and dismissal of members from the Executive Board.

## Significant holdings

On 15 April 2011 the company was informed that FRIES Familien-Privatstiftung, Dr. Rudolf FRIES Familien-Privatstiftung, Mr. and Mrs. Rudolf Fries and other closely related persons (together the "Fries Group") held a total of 65,006,048 voting rights directly and through their holdings. That represented a combined investment of more than 5% in the share capital of IMMOFINANZ AG as of 15 April 2011.

In connection with the conclusion of financing with treasury shares, IMMOFINANZ AG sold 67,737,161 treasury shares to J.P. Morgan Securities plc on 10 January 2013. On 10 January 2013 JPMorgan Chase & Co. announced that its holding, together with the holdings of controlled companies, exceeded a reportable threshold on that date. These combined holdings equalled a relevant stake of 69,131,831 IMMOFINANZ shares, or 6.12% of the total voting shares of IMMOFINANZ AG, on 10 January 2013.

# Risk Report

As an international property investor and developer, IMMOFINANZ Group is exposed to a variety of risks. A continuous risk management process ensures the timely identification of developments that could endanger the realisation of strategic and operating goals and also allows for the inclusion of important information in decision-making processes.

IMMOFINANZ Group has integrated an active risk management system into its operating processes and reporting paths. This system supports the rapid implementation of measures to counter risk and also has a direct impact on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout IMMOFINANZ Group to support the monitoring, evaluation and control of risks related to the operating business. Risk management in IMMOFINANZ Group takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions. In addition, the internal control system (ICS) was further optimised to support the early identification and monitoring of risk. Auditors evaluate the efficiency and effectiveness of the ICS each year, to the extent this is necessary for the preparation of the annual financial statements and the provision of a true and fair view of the asset, financial and earnings position of the company. A description of the ICS is provided on page 125 of the management report.

The most significant risk factors can be summarised under financial risks and market/property-specific risks. The major financial risk factors are associated with fluctuations in foreign exchange rates and interest rates as well as negative changes in the credit standing or liquidity of customers and business partners.

Market-and property-specific risks arise from micro- and macroeconomic events in individual countries and developments at the property level. Included here are the market price risk as well as the competitive situation and transaction risk.

The primary objective of risk management is to identify risks at an early point in time and thereby support the rapid implementation of appropriate countermeasures.

## Financial risks

### Default/credit risk

Default and credit risks arise when a contract partner of IMMOFINANZ Group is unable to meet his or her obligations, and this situation leads to financial damage for IMMOFINANZ Group. The amounts reported on the balance sheet under assets represent the maximum risk of default. Default risks are accounted for through appropriate value allowances. The most important instrument for managing default risk is the continuous evaluation of the credit standing of contract partners.

The risk of default on receivables due from tenants is low because tenants are generally required to provide security deposits (for residential properties: cash deposits; for commercial properties: bank guarantees or cash deposits) and the credit standing of tenants is monitored on a regular basis. The risk of default on receivables due from banks is also considered to be low because all financing transactions are concluded with financial institutions that have excellent credit ratings. Despite the high-quality of its financing partners, IMMOFINANZ Group will increase its monitoring of their credit standing in the future. This approach reflects the significant volumes of funds repeatedly invested with banks owing to the Group's business model as well as the regulatory changes planned for the banking sector in the EU.

### Capital market and financing risk

The ability to obtain refinancing on the capital markets is an important strategic factor for IMMOFINANZ Group. Significant fluctuations on these markets can limit the availability of equity and/or debt. In order to minimise refinancing risk, IMMOFINANZ Group works to maintain a balance between equity and debt and distributes bank financing over various terms.

In order to eliminate the risks associated with the failure to meet capital market regulations, IMMOFINANZ Group has issued a compliance guideline. This guideline is designed to ensure the fulfilment of all capital market regulations and, above all, to prevent the misuse or distribution of insider information. The measures implemented in this connection include: the development of a compliance organisation; the definition of authorisations and duties for the compliance officer; the implementation of permanent and, where necessary, temporary classified units as well as blackout periods and trading prohibitions for persons assigned to these units.

The generation of liquidity from the operating business represents a central element of IMMOFINANZ Group's strategy. Processes to evaluate opportunities for optimisation or a further reduction in operating costs are expanded and improved continuously. Internal procurement guidelines for the operating business, above all in the area of property services, construction and facility management, form an important part of this cost reduction and optimisation potential.

In order to receive or continue the use of funds obtained through loan agreements, IMMOFINANZ Group must meet certain obligations – so-called financial covenants. The Group continuously monitors compliance with these covenants and remains in close contact with the lending institutions. If these obligations are not met, the lender may cancel the loan agreement under certain circumstances. At the present time IMMOFINANZ Group is not aware of and does not expect a breach of any major covenants that could negatively influence its business activities.

### Foreign exchange risk

IMMOFINANZ Group is exposed to various forms of foreign exchange risk in connection with its balance sheet and cash flows.

### Foreign exchange effects on earnings and cash flows in the Group companies

The individual Group companies record all transactions in a currency that differs from their functional currency (e.g. Euro loans for property financing) at the average exchange rate on the date of the respective transaction. Foreign currency monetary assets and liabilities are translated at the average exchange rate in effect on the balance sheet date. The resulting foreign exchange gains and losses are recognised to profit or loss for the financial year.

The risk of devaluation associated with foreign currency cash balances is offset by the rapid conversion of these funds into the Euro.

In order to limit the foreign exchange risk associated with rental payments, contractual agreements are used in countries where the Euro is not the functional currency. These agreements require the payment of rents in Euros (in Russia: USD in some cases) or link rental payments to the Euro exchange rate on particular dates.

The low structural foreign exchange risk is managed in part by the use of derivative financial instruments. The derivative financial instruments used by IMMOFINANZ Group to hedge this risk are recorded as independent transactions and not as hedge transactions. Hedge accounting as defined in IAS 39.85–IAS 39.102 is not applied because the relevant requirements are not met.

The recognition and measurement of derivative financial instruments reflect fair value. Derivatives with a positive market value are included under the balance sheet position "other financial instruments". Derivatives with a negative market value are reported under "trade and other payables". Any changes in market value are recognised as income or expenses under financial results.

Derivative financial instruments are also used to hedge future payments in a foreign currency.

Section 7.3.5.2 of the notes provides a list of the market values and conditions of all derivative financial instruments purchased by IMMOFINANZ Group and held as of the balance sheet date as protection against foreign exchange risk.

### Foreign exchange effects (non-cash, recorded directly in equity) from the translation of local subsidiary financial statements under the modified current rate method

In accordance with IAS 21, foreign currency translation for the Group's foreign subsidiaries, joint ventures and associated companies (in the following referred to collectively as foreign operations) is based on the functional currency concept as reflected in the modified current rate method. The assets and liabilities in the financial statements to be consolidated are translated at the average exchange rate on the balance sheet date; the income statement positions are translated at the weighted average exchange rate for the reporting year. The equity of foreign operations and foreign currency investments in other foreign entities are translated at the historical exchange rate on the date of initial consolidation. Foreign currency distributions are translated at the average exchange rate for the purpose of elimination. The components of the earned (historical) group equity of foreign operations are translated at the average historical exchange rate. Differences arising from the above-mentioned application of different exchange rates to the individual components of financial statements or from period to period changes in exchange rates are reported under the currency translation adjustment on the statement of comprehensive income.

### Foreign exchange effects (non-cash, recorded to profit or loss) from property valuation

Property appraisals are prepared on the basis of Euro values and fluctuations in exchange rates influence revaluation results. These effects are recognised to profit or loss.

An upward shift in foreign exchange rates compared to the Euro increases the Euro fair value of investment properties over the fair value reported in the previous year's appraisal. When the latest value is compared with the prior year equivalent, translation back into the functional currency (local currency) produces a lower value – because of the higher exchange rate – and therefore leads to a write-down. If the value in the appraisal rises, this foreign exchange effect reduces the upward valuation of the property; if the value in the appraisal is lower, this effect increases the write-down.

A decline in foreign exchange rates versus the Euro decreases the Euro fair value of investment properties in comparison with the fair value reported in the previous year's appraisal. When the latest value is compared with the prior year equivalent, translation back into the functional currency (local currency) produces a higher value – because of the lower exchange rate – and therefore leads to a write-up. If the value in the appraisal rises, this foreign exchange effect increases the upward valuation of the property; if the value in the appraisal is lower, this effect reduces the write-down.

### Interest rate risk

As an international company, IMMOFINANZ Group is exposed to the risk of interest rate fluctuations on various property submarkets. Rising interest rates can influence earnings because they increase the interest expense on the Group's floating rate financing.

A change in interest rates will have a direct influence on financial results through its impact on floating rate financing. IMMOFINANZ Group limits the risk associated with rising interest rates – which would lead to higher interest expense and a decline in financial results – through the use of fixed interest rate financing contracts and derivative financial instruments (above all CAPS and SWAPS). These derivative financial instruments are recorded as independent transactions and not as hedges. Hedge accounting as defined in IAS 39.85–IAS 39.102 is not applied because the relevant requirements are not met. Information on the accounting treatment of derivative financial instruments is provided in section 7.3.5.1 of the notes.

### Liquidity risk

Liquidity risks are minimised by the preparation of a medium-term (five-year) forecast and an annual budget with monthly segmentation as well as monthly revolving liquidity reports. Daily liquidity management ensures that all operating obligations can be met and funds can be optimally invested, and also gives the Group the necessary flexibility to realise short-term acquisition opportunities.

IMMOFINANZ Group also uses long-term financing that reflects the financial capability of the individual properties (interest coverage ratio and/or debt service coverage ratio) as well as their market value (loan-to-value ratio).

In order to prevent cost overruns and the resulting excess outflow of liquidity, IMMOFINANZ Group routinely monitors budgets and the progress of construction on all development projects and maintenance work.

## Legal risks

As an international company, IMMOFINANZ Group is exposed to a variety of legal risks. Included here are risks related to the purchase or sale of property and risks arising from legal disputes with tenants or joint venture and development partners. A list of the major legal proceedings in which the Group is involved is provided in the section on legal disputes, which can be found on pages 111–113 of the management report.

The outcome of current and future proceedings cannot be predicted with certainty. Therefore, expenses may arise from decisions or settlements by the courts or public authorities that are not covered in full or in part by insurance or provisions. These expenses could have an impact on the results recorded by IMMOFINANZ Group.

## Market risk and property-specific risks

The development of property markets is heavily dependent on economic growth and macroeconomic trends.

The related risks are based on the micro- and macroeconomic development of the countries where IMMOFINANZ Group is active as well as conditions on the global financial and investment markets. The resulting effects on market prices, market rents and yields also play an important role.

Property-specific risks are associated, above all, with the location of the properties, the architecture and the condition of the building as well as the local competitive situation.

In order to identify these risks and allow for the timely implementation of countermeasures, the property portfolio of IMMOFINANZ Group is analysed quarterly by means of a portfolio tracker. This analysis includes the systematic evaluation of quantitative and qualitative property factors as well as the portfolio concentration (i.e. sector and regional allocation) and forms the basis for tactical decisions.

The examination of quantitative property factors includes the calculation of an expected future return for each property based on a detailed budget for the next financial year and extrapolated medium-term forecasts. The properties are then ranked according to their total return. Qualitative factors are made measurable with a scoring model that values the quality of the building and location as well as the market attractiveness of each property.

Properties whose location and quality do not meet the portfolio requirements are sold over the medium-term. The goal of IMMOFINANZ Group is to manage a homogeneous property portfolio with four asset classes in eight core markets.

The sector and regional diversification of the property portfolio provides an excellent balance for market cycles and fluctuations as well as concentration risks. IMMOFINANZ Group generally owns high-quality properties in good locations, and this provides special protection against the above-mentioned risks. Detailed market studies are prepared on a regular basis and analysed in connection with reports by recognised real estate experts to allow for timely reaction to changes in the market environment. All market changes are included in the portfolio analysis and have an important influence on investment, sales and project plans and thereby also on the Group's medium-term planning. The acquisition process used by IMMOFINANZ Group includes extensive due diligence audits together with independent experts that are intended to identify any such risks in advance and to evaluate all risks related to legal, tax, economic, technical and social issues. IMMOFINANZ Group does not purchase properties that fail to meet its high quality standards. Regular commercial and technical reports are prepared after the acquisition, and the results are presented to the Executive Board.

An internal investment guideline issued by IMMOFINANZ Group regulates the framework and approval limits for all capital expenditure (property acquisitions, development projects and on-going investments). This established process minimises or eliminates the major strategic and property-specific risks. Approval limits are defined in an extensive guideline that applies to all Group companies and regulates all authorisations from individual employees up to the Executive Board. In some cases, these transactions are also subject to the approval of the Supervisory Board.

Development projects are exposed to increased risks in the form of schedule and construction cost overruns as well as the success of rentals. IMMOFINANZ Group minimises these risks by starting projects only after a specific level of pre-rentals is reached and by the regular monitoring of costs and schedules through variance analyses.

IMMOFINANZ Group minimises inflation risk by including index clauses in its standard leases.

IMMOFINANZ Group's business model includes the acquisition of properties and real estate development projects at attractive conditions as well as the profitable sale of individual assets. The risk associated with these transactions is addressed, above all, through the diversification of the property portfolio. This broad-based portfolio which covers four asset classes in eight core countries has allowed for numerous property sales in excess of fair value. Permanent market screening and wide-ranging business relationships as well as extensive knowledge of the relevant markets makes it possible for IMMOFINANZ Group to identify investment opportunities at an early point in time and to utilise these opportunities for new development projects.

## Concentration risk

Concentration risk is understood to mean the accumulation of similar risks that contradict the principle of risk diversification. IMMOFINANZ Group consciously reduces these risks through the sector and regional diversification of the property portfolio and the realisation of larger real estate projects together with a partner. In addition to sector and regional diversification, IMMOFINANZ Group also works to achieve a diversified tenant structure. In this way, the loss of a tenant will not have a significant influence on the Group. IMMOFINANZ Group has a very well balanced and diversified tenant mix no single tenant is responsible for more than 2% of total rental income.

The Russian market is associated with a number of specific concentration risks. On the one hand, IMMOFINANZ Group has a single investment the *Golden Babylon Rostokino* shopping center in Moscow – which represents more than 10% of the standing investment portfolio based on fair value. On the other hand, the investments in Russia are concentrated on the Moscow retail market, which comprises 16.8% of the Group's standing investment portfolio.

## Property valuation risk

Property valuation in IMMOFINANZ Group follows general branch practices and is based on fair value as defined in IAS 40. Under this method, properties are carried on the balance sheet at their fair value. The properties owned by IMMOFINANZ Group are valued semi-annually by external appraisers. The values determined by these experts are heavily dependent on the calculation method and the underlying assumptions. A change in the underlying assumptions can therefore lead to major fluctuations in the value of a property. For example: any change in the assumed occupancy rate or future investment costs of a property will have a direct effect on the resulting income and fair value. Therefore, it is important to note that the derived fair values are directly related to the underlying assumptions and the calculation model. Even minor changes to the economic or property-specific assumptions used for these valuations can have a significant influence on results reported by IMMOFINANZ Group. A sensitivity analysis of the top 30 standing investments with respect to changes in rental income, the discount rate and the capitalisation rate is presented in section 7.3.9 of the notes.

## Natural disaster risks

IMMOFINANZ Group is exposed to environmental risks as well as the risks associated with natural or man-made disasters and their effects on real estate. Natural disasters and extreme weather conditions, such as earthquakes, floods, storms and hail, can result in severe damage to completed properties and properties under construction. Severe damages can also result from man-made disasters such as nuclear incidents or accidents.

IMMOFINANZ Group regularly evaluates the scope of its insurance coverage based on cost and availability. This assessment can lead to a situation where risks like liability or natural disasters are only insured in part or not at all, or risks arising from the environment, terrorism or war are not covered by insurance. Consequently, IMMOFINANZ Group is exposed to the risk of being underinsured or not insured for risks such as flooding, fire and similar natural disasters as well as terrorism and other events that could result in damage to its properties. IMMOFINANZ Group has not created any collective reserves or other types of precautionary reserves to cover potential losses or third party claims arising from uninsured risks. If a loss exceeds the insurance coverage or is not insured, IMMOFINANZ Group could lose the capital invested in a property as well as the expected income or value appreciation. Moreover, IMMOFINANZ Group could incur additional costs for the repair of damages from uninsured risks. IMMOFINANZ Group would also remain liable for debt or other financial liabilities related to the involved property. Major losses that exceed the respective insurance coverage can therefor occur.

# Internal Control System

IMMOFINANZ Group continued the development of its internal audit and control department during the reporting year and also implemented a number of measures to optimise the internal control system (ICS).

The ICS comprises a wide range of methods and measures to safeguard assets and to ensure the accuracy and reliability of data for accounting and financial reporting. The ICS is also intended to support compliance with the corporate policies defined by the Executive Board. The evaluation and design of controls are based on ICS benchmarks. The goals are to meet internal and external requirements and ensure that corporate processes and controls remain efficient.

As a multinational company, IMMOFINANZ Group utilises the framework developed by the Committee of Sponsoring Organisation of the Treadway Commission (COSO) in developing its ICS. This framework consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment: standards and guidelines

The control environment at the group level represents the general framework under which internal control activities are designed and implemented. The most important components are statutory regulations and the standards and guidelines issued by IMMOFINANZ Group – e.g. the authorisation guideline, compliance guideline, investment guideline and general IT controls – as well as a clear management and organisational structure and the communication of basic values by management.

Process-based risk assessment

The existing process landscape forms the starting point for the evaluation of the ICS at the process level. The control activities of IMMOFINANZ Group are integrated into procedures with special process management and ICS software as part of a risk control matrix.

The ICS in corporate accounting and financial reporting guarantees accuracy, security and efficiency and also ensures the correct, complete and timely preparation of all necessary information. The key features of the ICS in IMMOFINANZ Group's accounting processes are the appropriate segregation of duties, the application of the four-eyes principle in all order and invoice release procedures, compliance with internal guidelines (e.g. IMMOFINANZ Group's IFRS Accounting Manual), the review of accounting data by Group controlling for correctness, plausibility and completeness, the integration of preventive and detective controls in processes as well as the automation of key controls through specific system settings in the Navision financial accounting software and Hyperion consolidation software.

The implementation of new guidelines and control measures is supported by information events and feedback rounds. Progress and opportunities for improvement are subsequently reported at regularly scheduled management meetings. The monthly internal reporting includes a comparison of budget and actual data as well as a variance analysis, which supports the early identification of risks and the timely implementation of countermeasures.

Compliance with internal controls is monitored by the internal audit department as part of its auditing activities. The internal audit department is responsible for audits throughout the entire Group. It reports to the Executive Board, but the organisational responsibility lies with Chief Financial Officer Birgit Noggler. The corresponding corporate organisational guidelines apply to all auditing activities.

Monitoring by internal audit

The internal audit department independently and regularly reviews operating processes and business transactions based on an annual audit plan that is approved by the Executive and Supervisory Boards. The priorities for this schedule are defined on the basis of risk criteria and organisational goals. These reviews focus primarily on compliance, the internal control systems and opportunities to improve efficiency.

The results of the audits are reported to the Executive Board of IMMOFINANZ AG on a regular basis and to the Supervisory Board twice a year. As part of an annual report, the internal audit department gives an account of its performance during the audit year and presents a summary of all significant audit areas and results.

# Research and Development

IMMOFINANZ Group incurrs no expenditures for research and development.

# Accounting and Valuation Standards

New accounting standards or a change in the options selected for the application of these standards could have a significant influence on the consolidated financial statements of IMMOFINANZ Group and could also limit comparability with earlier financial statements. Detailed information on the accounting and valuation methods applied by the Group is provided in the notes.

# Outlook

The IMMOFINANZ **real estate machine** gained considerable speed during the 2012/13 financial year. This is true, above all, for sales activities, where a volume of approx. EUR 661.3 million set a new record since the beginning of the sales programme. With these results, we exceeded the target of EUR 1.5 billion by EUR 153.2 million, or 10.2%, after three years. This figure does not include properties with a carrying amount of EUR 583.4 million that were classified as held for sale on the balance sheet as of 30 April 2013. A number of these properties have already been sold or the contract has been signed. Not least, results of operations rose from EUR 470.1 million to EUR 542.1 million, or by approx. EUR 71.9 million, in 2012/13 although results of property development were negative.

Details on significant events after the balance sheet and information on the conversion of the functional currency to the Euro by the Group companies in the IMMOFINANZ core countries of Poland, Romania, Hungary and the Czech Republic is provided in section 7.5 of the notes.

Our most important goals for the 2013/14 financial year are to significantly increase development activities and generate sound contributions to earnings, but to also create the requirements to raise the real estate machine to a new activity level. For 2014 we plan to separate the residential property management and development activities in Germany and Austria that are bundled in BUWOG from IMMOFINANZ Group and transfer this business to a separate company. This will take place through an initial public offering (IPO) or a "spin-off", depending on the relevant market environment at that time.

Both options will be designed to establish a fair balance between the interests of the company and shareholders, above all with a view to the potential effects of the individual alternatives on liquidity.

The remaining commercial part of IMMOFINANZ Group will concentrate on the highly profitable retail, office and logistics market segments especially in Central and Eastern Europe. Activities will be focused on real estate development, including the development of condominium apartments for sale in Central and Eastern Europe.

As in the past, we will also continue our efforts to optimise real estate management through
- the further reduction of vacancies in individual countries and asset classes, and
- the simplification of the portfolio through the sale of properties in non-core countries and the Opportunistic Office and Opportunistic Retail segments

Our optimisation efforts will be accompanied by financial goals that include the sale of the remaining property assets that do not represent direct investments or are not under our direct control (e.g. fund investments etc.). These sales will support our goal to increase the percentage of directly owned assets on the balance sheet.

The turnover of the portfolio and an increase in profitability during the coming year will be supported by the above measures and other key factors: the steady continuation of the extremely successful sales programme that was launched in 2010/11 as an important cash generator for our real estate machine; the intensification of development activities with a focus on Germany, Poland, Russia and Romania; and the selective and opportunistic realisation of acquisitions to supplement the IMMOFINANZ portfolio.

We are optimistic that we will be able to further increase the value of IMMOFINANZ Group during the 2013/14 financial year and generate growing, risk-optimised cash flows for our shareholders.

Vienna, 2 August 2013

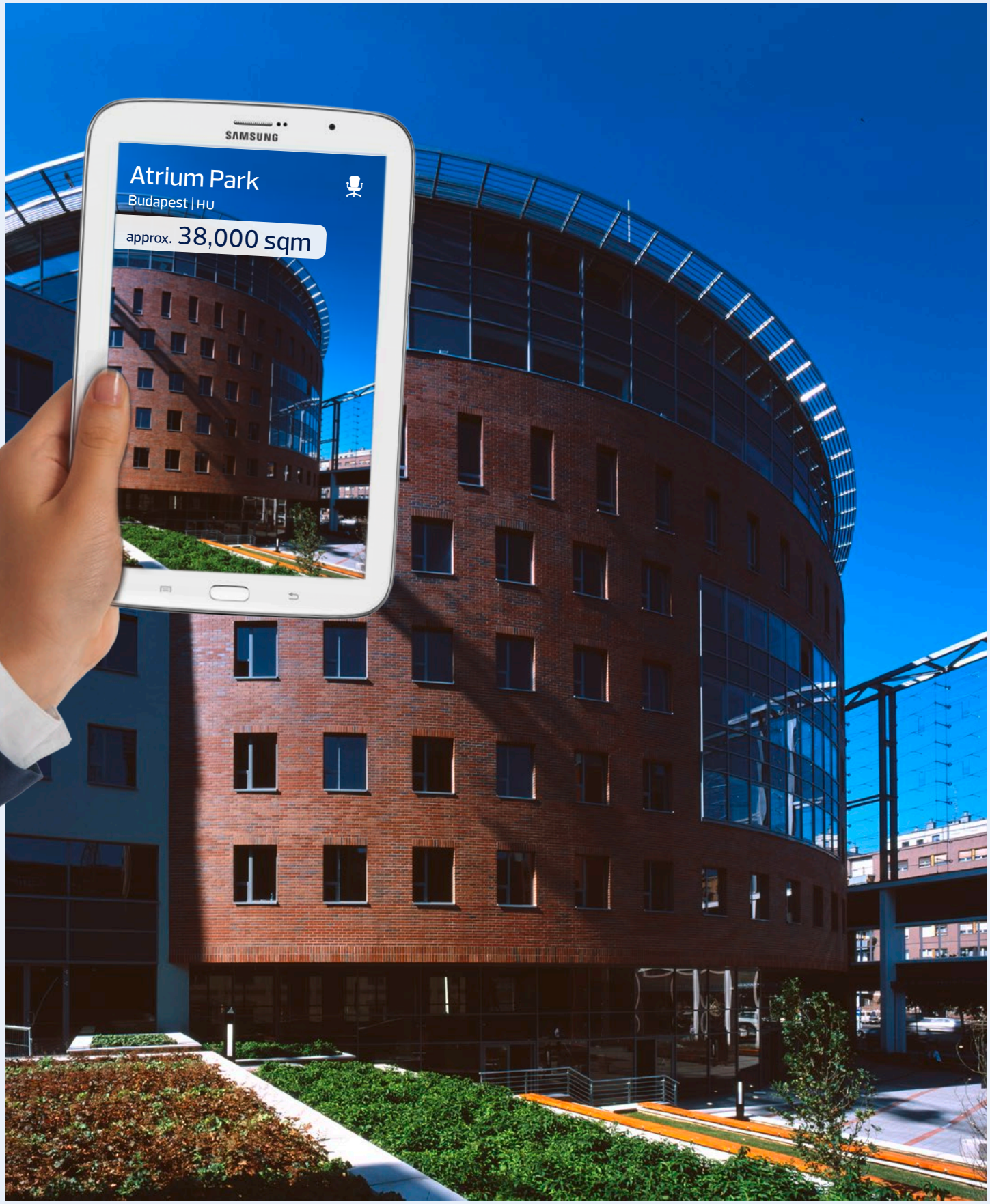
The Executive Board

Eduard Zehetner
CEO

Birgit Noggler
CFO

Daniel Riedl FRICS
COO

# Consolidated Financial Statements



**Consolidated Financial Statements**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# Consolidated Income Statement

| All amounts in TEUR | Notes | 1 May 2012– 30 April 2013 | 1 May 2011– 30 April 2012 |
|---|---|---|---|
| Office | | 144,371.9 | 142,750.7 |
| Logistics | | 74,032.9 | 73,817.0 |
| Retail | | 281,339.5 | 210,946.8 |
| Residential | | 125,833.4 | 129,758.8 |
| Other rental income | | 30,269.0 | 28,414.0 |
| **Rental income** | **4.1.1** | **655,846.7** | **585,687.3** |
| Operating costs charged to tenants | | 198,652.0 | 179,584.7 |
| Other revenues | | 14,717.7 | 16,171.2 |
| **Revenues** | **4.1.2** | **869,216.4** | **781,443.2** |
| Expenses directly related to investment property | 4.1.3 | -162,024.7 | -162,639.3 |
| Operating expenses | 4.1.4 | -194,163.6 | -172,950.3 |
| **Results of asset management** | **4.1** | **513,028.1** | **445,853.6** |
| Sale of properties | | 290,787.2 | 220,255.5 |
| Carrying amount of sold properties | | -290,787.2 | -220,184.6 |
| Gains/losses from deconsolidation | | 46,785.9 | 16,270.7 |
| Other expenses from property sales | | -7,540.0 | -5,737.6 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | | 74,144.8 | 42,570.0 |
| **Results of property sales before foreign exchange effects** | | **113,390.7** | **53,174.0** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | | -2,625.4 | 0.0 |
| **Results of property sales** | **4.2** | **110,765.3** | **53,174.0** |
| Sale of real estate inventories | | 84,953.4 | 71,270.7 |
| Cost of goods sold | | -73,086.9 | -56,415.1 |
| Other expenses from sale of real estate inventories | | -2,484.2 | -2,319.5 |
| Other development expenses | | -18,096.8 | -12,060.8 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 4.7.1 | -17,530.0 | 34,468.8 |
| **Results of property development before foreign exchange effects** | **4.3** | **-26,244.5** | **34,944.1** |
| Revaluation of properties under construction resulting from foreign exchange effects | 4.7.1 | 7,804.5 | -4,869.4 |
| **Results of property development** | **4.3** | **-18,440.0** | **30,074.7** |
| Other operating income | 4.4 | 35,216.4 | 40,184.7 |
| **Results of operations before expenses not direclty attributable** | | **640,569.8** | **569,287.0** |
| Expenses not direclty attributable | 4.5 | -98,505.0 | -99,163.8 |
| **Results of operations** | | **542,064.8** | **470,123.2** |
| Revaluation of investment properties adjusted for foreign exchange effects | 4.7.1 | 37,939.4 | 208,655.1 |
| Revaluation of investment properties resulting from foreign exchange effects | 4.7.1 | 96,634.2 | 87,369.9 |
| Impairment, related reversals and earn-out adjustments | 4.7.2 | -168,894.9 | -76,098.3 |
| Addition to/reversal of provision for onerous contracts | 4.7.3 | 1,125.8 | 2,821.2 |
| **Other revaluation results** | | **-33,195.5** | **222,747.9** |
| **Operating profit (EBIT)** | | **508,869.3** | **692,871.1** |
| Financing costs | | -258,569.1 | -249,712.1 |
| Financing income | | 23,797.3 | 61,900.0 |
| Foreign exchange differences | | -32,462.9 | -118,124.9 |
| Other financial results | | -43,681.4 | -56,558.4 |
| Shares of profit/loss from associated companies | 5.5 | -2,910.6 | -11,861.9 |
| **Financial results** | **4.8** | **-313,826.7** | **-374,357.3** |

| All amounts in TEUR | Notes | 1 May 2012– 30 April 2013 | 1 May 2011– 30 April 2012 |
|---|---|---|---|
| **Earnings before tax (EBT)** | | **195,042.6** | **318,513.8** |
| Income tax expenses | 4.9 | -23,654.3 | -11,460.0 |
| Deferred tax expenses | 4.9 | -60,552.3 | -35,877.4 |
| **Net profit for the period** | | **110,836.0** | **271,176.4** |
| **Thereof attributable to owners of the parent company** | | **111,094.8** | **271,760.9** |
| **Thereof attributable to non-controlling interests** | | **-258.8** | **-584.5** |
| **Basic earnings per share in EUR** | **4.10** | **0.11** | **0.27** |
| **Diluted earnings per share in EUR** | **4.10** | **0.11** | **0.26** |

*The comparable prior year figures were adjusted accordingly (section 2.2).*

# Consolidated Statement of Comprehensive Income

| All amounts in TEUR | 1 May 2012– 30 April 2013 | 1 May 2011– 30 April 2012 |
|---|---|---|
| **Net profit for the period** | **110,836.0** | **271,176.4** |
| **Other income and expenses recognised directly in equity** | | |
| Investments not recognised through profit or loss | -8,700.4 | 1,938.3 |
| Currency translation adjustment | -67,667.8 | -3,119.0 |
| Changes in shareholders' equity of associates | 4,755.8 | -3,894.2 |
| **Total other income and expenses recognised directly in equity** | **-71,612.4** | **-5,074.9** |
| | | |
| **Total comprehensive income** | **39,223.6** | **266,101.5** |
| **Thereof attributable to owners of the parent company** | **39,461.0** | **266,135.2** |
| **Thereof attributable to non-controlling interests** | **-237.4** | **-33.7** |

# Consolidated Balance Sheet

| All amounts in TEUR | Notes | 30 April 2013 | 30 April 2012 | 1 May 2011 |
|---|---|---|---|---|
| Investment property | 5.1 | 9,297,431.3 | 9,915,201.1 | 8,797,068.3 |
| Property under construction | 5.2 | 344,170.1 | 300,615.8 | 299,646.5 |
| Other tangible assets | 5.3 | 19,594.7 | 20,900.0 | 23,873.6 |
| Intangible assets | 5.4 | 275,243.7 | 281,920.5 | 208,110.2 |
| Investments in associated companies | 5.5 | 72,320.4 | 78,910.4 | 105,750.4 |
| Trade and other receivables | 5.6 | 390,603.4 | 357,696.6 | 784,613.0 |
| Income tax receivables | | 16,861.0 | 18,607.0 | 56.1 |
| Other financial instruments | 5.7 | 213,859.3 | 247,609.2 | 247,242.1 |
| Deferred tax assets | 5.8 | 45,034.2 | 58,917.1 | 61,862.4 |
| **Non-current assets** | | **10,675,118.1** | **11,280,377.7** | **10,528,222.6** |
| | | | | |
| Trade and other receivables | 5.6 | 305,887.7 | 284,594.9 | 234,763.3 |
| Income tax receivables | | 15,190.8 | 17,171.1 | 33,609.2 |
| Other financial assets | 5.7 | 0.0 | 0.0 | 41,613.4 |
| Non-current assets held for sale | 5.9 | 583,403.2 | 42,205.3 | 304,585.7 |
| Real estate inventories | 5.10 | 262,649.6 | 148,305.7 | 140,742.6 |
| Cash and cash equivalents | 5.11 | 738,454.9 | 559,163.2 | 525,633.7 |
| **Current assets** | | **1,905,586.2** | **1,051,440.2** | **1,280,947.9** |
| | | | | |
| **Assets** | | **12,580,704.3** | **12,331,817.9** | **11,809,170.5** |
| | | | | |
| Share capital | | 1,172,059.9 | 1,184,026.4 | 1,085,289.4 |
| Capital reserves | | 4,518,235.9 | 4,541,741.6 | 4,445,686.1 |
| Treasury shares | | -329,504.5 | -302,615.3 | -302,615.3 |
| Accumulated other equity | | -82,168.5 | -271,074.7 | -11,309.2 |
| Retained earnings | | 37,692.4 | 77,912.3 | -94,606.9 |
| | | **5,316,315.2** | **5,229,990.3** | **5,122,444.1** |
| Non-controlling interests | | 10,751.7 | 287,545.6 | 14,270.3 |
| **Equity** | **5.12** | **5,327,066.9** | **5,517,535.9** | **5,136,714.4** |
| | | | | |
| Liabilities from convertible bonds | 5.13 | 525,221.4 | 509,844.2 | 683,242.9 |
| Long-term financial liabilities | 5.14 | 4,106,969.8 | 3,835,891.1 | 3,799,539.9 |
| Trade and other payables | 5.15 | 243,943.3 | 348,234.0 | 145,564.1 |
| Income tax liabilities | | 366.7 | 736.6 | 378.7 |
| Provisions | 5.16/5.17 | 53,380.2 | 39,153.2 | 5,814.3 |
| Deferred tax liabilities | 5.8 | 577,181.0 | 541,252.1 | 460,168.8 |
| **Non-current liabilities** | | **5,507,062.4** | **5,275,111.2** | **5,094,708.7** |
| | | | | |
| Liabilities from convertible bonds | 5.13 | 28,887.0 | 219,522.6 | 297,849.4 |
| Short-term financial liabilities | 5.14 | 756,533.5 | 809,382.9 | 529,642.7 |
| Trade and other payables | 5.15 | 610,076.9 | 410,266.3 | 526,011.8 |
| Income tax liabilities | | 31,583.8 | 18,874.8 | 38,560.0 |
| Provisions | 5.16/5.17 | 57,018.0 | 81,124.2 | 109,207.4 |
| Financial liabilities held for sale | 5.9 | 262,475.8 | 0.0 | 76,476.1 |
| **Current liabilities** | | **1,746,575.0** | **1,539,170.8** | **1,577,747.4** |
| | | | | |
| **Equity and liabilities** | | **12,580,704.3** | **12,331,817.9** | **11,809,170.5** |

*The comparable prior year figures were adjusted accordingly (section 2.2).*

# Consolidated Cash Flow Statement

| All amounts in TEUR | Notes | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|---|
| Earnings before tax (EBT) | | 195,042.6 | 318,513.8 |
| Revaluation/impairment losses/recognition of gains on bargain purchases | | -113,526.1 | -276,420.0 |
| Gains/losses from associated companies | 5.5 | 2,910.6 | 11,861.9 |
| Gains/losses from disposal of non-current assets | | 171.1 | 2,309.8 |
| Temporary changes in the fair value of financial instruments | | 60,469.8 | 174,953.0 |
| Income taxes paid | | -13,672.5 | -21,754.0 |
| Net interest | | 234,394.3 | 190,075.9 |
| Results from the change in investments | | -49,067.7 | -11,419.1 |
| Other non-cash income/expense | | 91,739.5 | -9,862.1 |
| **Gross cash flow** | | **408,461.6** | **378,259.2** |
| Receivables and other assets | | -85,578.8 | 11,854.6 |
| Trade payables | | 2,687.1 | -5,942.5 |
| Provisions | | 7,374.6 | -16,900.8 |
| Other liabilities | | 63,403.2 | -27,707.6 |
| **Cash flow from operating activities** | | **396,347.7** | **339,562.9** |
| Acquisition of/Investments in investment property | | -95,246.0 | -153,155.8 |
| Acquisition of/Investments in property under construction | | -131,142.6 | -181,121.0 |
| Acquisition of property companies including change in joint venture receivables, net of cash and cash equivalents (EUR 8.0 mill.; 2011/12: EUR 29.7 mill.) | 3.5/3.6 | -138,871.4 | -212,456.3 |
| Acquisition of other tangible assets | | -3,657.7 | -2,831.9 |
| Acquisition of intangible assets | | -1,655.8 | -7,230.9 |
| Acquisition of financial investments | | -9,056.6 | -13,388.1 |
| Proceeds from disposal of property companies net of cash and cash equivalents | 3.7 | 99,777.0 | 84,661.8 |
| Proceeds from disposal of non-current assets | | 223,051.5 | 214,232.5 |
| Proceeds from disposal of financial assets | | 9,684.4 | 142,209.8 |
| Interest received | | 20,801.3 | 15,798.1 |
| **Cash flow from investing activities** | | **-26,315.9** | **-113,281.8** |
| Cash inflows from long-term financing | | 828,759.3 | 550,120.7 |
| Cash inflows from issue of corporate bond | | 98,729.8 | 0.0 |
| Cash outflows for long-term financing | | -521,945.6 | -427,021.5 |
| Purchase of treasury shares | | -62,361.4 | 0.0 |
| Cash in-/outflows from the change in investments | | -1,364.0 | -1,367.1 |
| Cash outflows for convertible bonds incl. interest | | -188,130.9 | -111,409.7 |
| Cash outflows for derivative transactions | | -32,535.2 | -18,285.0 |
| Interest paid | | -166,530.7 | -160,582.5 |
| Distributions | | -155,333.6 | -99,020.3 |
| Cash outflows for capital decreases | | -359.4 | 0.0 |
| **Cash flow from financing activities** | | **-201,071.7** | **-267,565.4** |
| Net foreign exchange differences | | 10,331.6 | 33,200.5 |
| **Change in cash and cash equivalents** | **6.** | **179,291.7** | **-8,083.8** |
| Cash and cash equivalents at the beginning of the period | 6. | 559,163.2 | 567,247.1 |
| Cash and cash equivalents at the end of the period | 6. | 738,454.9 | 559,163.3 |
| **Change in cash and cash equivalents** | **6.** | **179,291.7** | **-8,083.8** |

# Statement of Changes in Equity

| 2012/13 | Attributable to owners of the parent company | | | | |
|---|---|---|---|---|---|
| | | | | Accumulated other equity | |
| **All amounts in TEUR** | **Share capital** | **Capital reserves** | **Treasury shares** | **Revaluation reserve** | **AfS reserve** |
| **Balance on 30 April 2012** | **1,184,026.4** | **4,541,741.6** | **-302,615.3** | **-168,892.3** | **8,707.6** |
| Revaluation of investments recognised directly in equity | | | | | -8,700.4 |
| Currency translation adjustment | | | | | |
| Changes in shareholders' equity of associates | | | | | |
| **Total other income and expenses recognised directly in equity** | | | | | **-8,700.4** |
| Net profit as of 30 April 2013 | | | | | |
| **Total comprehensive income** | | | | | **-8,700.4** |
| Share buyback | | | -62,361.4 | | |
| Withdrawal of treasury shares | -11,966.5 | -23,505.7 | 35,472.2 | | |
| Distributions | | | | | |
| Structural changes | | | | | |
| Change in consolidation method/addition to the scope of consolidation | | | | | |
| Non-controlling interests from Gangaw Investments Ltd. | | | | 275,449.9 | |
| Deconsolidations | | | | -15,146.6 | |
| **Balance on 30 April 2013** | **1,172,059.9** | **4,518,235.9** | **-329,504.5** | **91,411.0** | **7.2** |

| 2011/12<br>**All amounts in TEUR** | **Share capital** | **Capital reserves** | **Treasury shares** | **Revaluation reserve** | **AfS reserve** |
|---|---|---|---|---|---|
| **Balance on 30 April 2011 (reported)** | **1,085,289.4** | **4,445,686.1** | **-302,615.3** | **106,557.6** | **6,769.3** |
| Adjustment due to IAS 8 | | | | | |
| **Balance on 30 April 2011 (adjusted)** | **1,085,289.4** | **4,445,686.1** | **-302,615.3** | **106,557.6** | **6,769.3** |
| Revaluation of investments recognised directly in equity | | | | | 1,938.3 |
| Currency translation adjustment | | | | | |
| Changes in shareholders' equity of associates | | | | | |
| **Total other income and expenses recognised directly in equity** | | | | | **1,938.3** |
| Net profit as of 30 April 2012 | | | | | |
| **Total comprehensive income** | | | | | **1,938.3** |
| Capital increase from the conversion of convertible bonds | 98,737.0 | 97,490.3 | | | |
| Costs of capital increase | | -1,434.8 | | | |
| Distributions | | | | | |
| Structural changes | | | | | |
| Change in consolidation method/addition to the scope of consolidation | | | | | |
| Minorities from Gangaw Investments Ltd. | | | | -275,449.9 | |
| Deconsolidations | | | | | |
| **Balance on 30 April 2012** | **1,184,026.4** | **4,541,741.6** | **-302,615.3** | **-168,892.3** | **8,707.6** |

| 2012/13 | Attributable to owners of the parent company | | | | |
|---|---|---|---|---|---|
| | Accumulated other equity | | | | |
| **All amounts in TEUR** | **Currency translation reserve** | **Retained earnings** | **Total** | **Non-controlling interests** | **Total equity** |
| **Balance on 30 April 2012** | **-110,890.0** | **77,912.3** | **5,229,990.3** | **287,545.6** | **5,517,535.9** |
| Revaluation of investments recognised directly in equity | | | -8,700.4 | | -8,700.4 |
| Currency translation adjustment | -67,689.2 | | -67,689.2 | 21.4 | -67,667.8 |
| Changes in shareholders' equity of associates | 4,755.8 | | 4,755.8 | | 4,755.8 |
| **Total other income and expenses recognised directly in equity** | **-62,933.4** | | **-71,633.8** | **21.4** | **-71,612.4** |
| Net profit as of 30 April 2013 | | 111,094.8 | 111,094.8 | -258.8 | 110,836.0 |
| **Total comprehensive income** | **-62,933.4** | **111,094.8** | **39,461.0** | **-237.4** | **39,223.6** |
| Share buyback | | | -62,361.4 | | -62,361.4 |
| Withdrawal of treasury shares | | | | | 0.0 |
| Distributions | | -155,248.1 | -155,248.1 | -85.5 | -155,333.6 |
| Structural changes | | -1,186.9 | -1,186.9 | -586.7 | -1,773.6 |
| Change in consolidation method/addition to the scope of consolidation | -306.9 | | -306.9 | -434.4 | -741.3 |
| Non-controlling interests from Gangaw Investments Ltd. | | | 275,449.9 | -275,449.9 | 0.0 |
| Deconsolidations | 543.6 | 5,120.3 | -9,482.7 | | -9,482.7 |
| **Balance on 30 April 2013** | **-173,586.7** | **37,692.4** | **5,316,315.2** | **10,751.7** | **5,327,066.9** |

| 2011/12 | | | | | |
|---|---|---|---|---|---|
| **All amounts in TEUR** | **Currency translation reserve** | **Retained earnings** | **Total** | **Non-controlling interests** | **Total equity** |
| **Balance on 30 April 2011 (reported)** | **-124,636.1** | **-61,210.0** | **5,155,841.0** | **14,270.3** | **5,170,111.3** |
| Adjustment due to IAS 8 | | -33,396.9 | -33,396.9 | | -33,396.9 |
| **Balance on 30 April 2011 (adjusted)** | **-124,636.1** | **-94,606.9** | **5,122,444.1** | **14,270.3** | **5,136,714.4** |
| Revaluation of investments recognised directly in equity | | | 1,938.3 | | 1,938.3 |
| Currency translation adjustment | -3,669.8 | | -3,669.8 | 550.8 | -3,119.0 |
| Changes in shareholders' equity of associates | -3,894.2 | | -3,894.2 | | -3,894.2 |
| **Total other income and expenses recognised directly in equity** | **-7,564.0** | | **-5,625.7** | **550.8** | **-5,074.9** |
| Net profit as of 30 April 2012 | | 271,760.9 | 271,760.9 | -584.5 | 271,176.4 |
| **Total comprehensive income** | **-7,564.0** | **271,760.9** | **266,135.2** | **-33.7** | **266,101.5** |
| Capital increase from the conversion of convertible bonds | | | 196,227.3 | | 196,227.3 |
| Costs of capital increase | | | -1,434.8 | | -1,434.8 |
| Distributions | | -99,020.3 | -99,020.3 | | -99,020.3 |
| Structural changes | | -226.3 | -226.3 | -1,140.8 | -1,367.1 |
| Change in consolidation method/addition to the scope of consolidation | 20,887.9 | | 20,887.9 | -1,000.1 | 19,887.8 |
| Minorities from Gangaw Investments Ltd. | | | -275,449.9 | 275,449.9 | 0.0 |
| Deconsolidations | 422.2 | 4.9 | 427.1 | | 427.1 |
| **Balance on 30 April 2012** | **-110,890.0** | **77,912.3** | **5,229,990.3** | **287,545.6** | **5,517,535.9** |

# Segment Reporting

| | Austria | | Germany | |
|---|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **2011/12** | **2012/13** | **2011/12** |
| Office | 38,185.1 | 38,805.7 | 6,500.2 | 3,286.0 |
| Logistics | 1,642.3 | 1,700.3 | 33,633.1 | 33,880.1 |
| Retail | 36,379.2 | 37,210.3 | 522.7 | 754.5 |
| Residential | 6,331.5 | 6,548.8 | 787.0 | 626.7 |
| Other rental income | 11,619.6 | 10,846.2 | 1,962.8 | 1,586.4 |
| **Rental income** | **94,157.7** | **95,111.3** | **43,405.8** | **40,133.7** |
| Operating costs charged to tenants | 19,524.6 | 19,363.8 | 9,095.1 | 9,909.3 |
| Other revenues | 2,881.4 | 2,973.1 | 117.1 | 784.6 |
| **Revenues** | **116,563.7** | **117,448.2** | **52,618.0** | **50,827.6** |
| Expenses directly related to investment property | -37,936.5 | -32,869.2 | -8,931.2 | -9,213.4 |
| Operating expenses | -19,783.2 | -19,703.2 | -9,204.2 | -10,006.7 |
| **Results of asset management** | **58,844.0** | **64,875.8** | **34,482.6** | **31,607.5** |
| Sale of properties | 49,108.7 | 98,507.3 | 51,235.0 | 16,352.6 |
| Carrying amount of sold properties | -49,108.7 | -98,411.3 | -51,235.0 | -16,352.6 |
| Gains/losses from deconsolidation | 3,897.3 | 496.4 | 110.4 | 14,044.8 |
| Other expenses from property sales | -1,843.5 | -2,276.2 | -933.1 | -81.1 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 9,845.7 | 11,644.1 | 3,866.6 | 856.4 |
| **Results of property sales before foreign exchange effects** | **11,899.5** | **9,960.3** | **3,043.9** | **14,820.1** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0.0 | 0.0 | 0.0 | 0.0 |
| **Results of property sales** | **11,899.5** | **9,960.3** | **3,043.9** | **14,820.1** |
| Sale of real estate inventories | 196.2 | 17,414.3 | 0.0 | 1.8 |
| Cost of goods sold | -285.0 | -13,329.3 | 0.0 | -1.8 |
| Other expenses from sale of real estate inventories | -30.3 | -56.6 | 0.0 | 0.0 |
| Other development expenses | -174.0 | -64.9 | -1,135.2 | -1,541.2 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 1,178.9 | 196.9 | -4,138.0 | -2,505.0 |
| **Results of property development before foreign exchange effects** | **885.8** | **4,160.4** | **-5,273.2** | **-4,046.2** |
| Revaluation of properties under construction resulting from foreign exchange effects | 0.0 | 0.0 | 0.0 | 0.0 |
| **Results of property development** | **885.8** | **4,160.4** | **-5,273.2** | **-4,046.2** |
| Other operating income | 6,274.2 | 10,361.7 | 1,011.3 | 2,635.9 |
| **Results of operations before expenses not direclty attributable** | **77,903.5** | **89,358.2** | **33,264.6** | **45,017.3** |
| Expenses not direclty attributable | -6,875.4 | -9,387.5 | -4,203.5 | -5,653.0 |
| **Results of operations** | **71,028.1** | **79,970.7** | **29,061.1** | **39,364.3** |
| Revaluation of investment properties adjusted for foreign exchange effects | 14,515.4 | 5,159.7 | -5,539.7 | -2,456.0 |
| Revaluation of investment properties resulting from foreign exchange effects | 0.0 | 0.0 | 0.0 | 0.0 |
| Impairment, related reversals and earn-out adjustments | -2,991.2 | -1,394.8 | -19,130.1 | -12,147.8 |
| Addition to/reversal of provision for onerous contracts | 0.0 | 0.0 | 0.0 | -8,982.5 |
| **Other revaluation results** | **11,524.2** | **3,764.9** | **-24,669.8** | **-23,586.3** |
| **Operating profit (EBIT)** | **82,552.3** | **83,735.6** | **4,391.3** | **15,778.0** |
| **Financial results** | | | | |
| Income tax expenses | | | | |
| **Net profit for the period** | | | | |

| | 30 April 2013 | 30 April 2012 | 30 April 2013 | 30 April 2012 |
|---|---|---|---|---|
| Investment property | 1,460,237.2 | 1,513,040.7 | 411,800.0 | 460,867.5 |
| Property under construction | 0.0 | 14,199.0 | 90,198.0 | 36,101.3 |
| Goodwill | 0.0 | 0.0 | 508.4 | 508.4 |
| Properties held for sale | 60,478.0 | 39,200.0 | 47,720.2 | 0.0 |
| Real estate inventories | 3,319.7 | 3,028.1 | 37,859.6 | 20,268.7 |
| **Segment assets** | **1,524,034.9** | **1,569,467.8** | **588,086.2** | **517,745.9** |
| **Segment investments** | **11,391.1** | **77,437.3** | **56,496.8** | **7,993.5** |

*The comparable prior year figures were adjusted accordingly (section 2.2).*

| | BUWOG | | Poland | |
|---|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **2011/12** | **2012/13** | **2011/12** |
| Office | 397.1 | 595.2 | 28,897.2 | 26,536.5 |
| Logistics | 2,366.3 | 1,263.2 | 2,625.3 | 2,543.4 |
| Retail | 653.5 | 635.2 | 26,092.4 | 22,152.6 |
| Residential | 103,431.1 | 108,075.0 | 0.0 | 0.0 |
| Other rental income | 2,624.7 | 2,529.4 | 2,820.2 | 2,363.6 |
| **Rental income** | **109,472.7** | **113,098.0** | **60,435.1** | **53,596.1** |
| Operating costs charged to tenants | 59,592.6 | 54,410.0 | 23,286.1 | 20,208.2 |
| Other revenues | 2,096.2 | 1,140.7 | 1,489.1 | 2,608.4 |
| **Revenues** | **171,161.5** | **168,648.7** | **85,210.3** | **76,412.7** |
| Expenses directly related to investment property | -36,124.9 | -54,757.2 | -7,460.6 | -5,602.3 |
| Operating expenses | -56,817.9 | -48,914.1 | -22,017.8 | -19,114.0 |
| **Results of asset management** | **78,218.7** | **64,977.4** | **55,731.9** | **51,696.4** |
| Sale of properties | 153,777.4 | 104,276.3 | 61.3 | 14.4 |
| Carrying amount of sold properties | -153,777.4 | -104,301.5 | -61.3 | -14.4 |
| Gains/losses from deconsolidation | 0.0 | 0.0 | 102.2 | 1,027.6 |
| Other expenses from property sales | -3,068.2 | -3,073.0 | -14.9 | -11.9 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 42,997.5 | 29,751.2 | 15,293.7 | 0.0 |
| **Results of property sales before foreign exchange effects** | **39,929.3** | **26,653.0** | **15,381.0** | **1,015.7** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0.0 | 0.0 | -2,625.4 | 0.0 |
| **Results of property sales** | **39,929.3** | **26,653.0** | **12,755.6** | **1,015.7** |
| Sale of real estate inventories | 72,175.4 | 48,956.7 | 734.9 | 75.3 |
| Cost of goods sold | -61,986.6 | -39,006.2 | -86.9 | -99.8 |
| Other expenses from sale of real estate inventories | -1,384.7 | -2,050.4 | -266.4 | 0.0 |
| Other development expenses | -5,415.5 | -3,976.7 | -2,374.2 | -1,288.2 |
| Revaluation of properties under construction adjusted for foreign exchange effects | -1,710.6 | -9,796.9 | -3,893.2 | 47,925.8 |
| **Results of property development before foreign exchange effects** | **1,678.0** | **-5,873.5** | **-5,885.8** | **46,613.1** |
| Revaluation of properties under construction resulting from foreign exchange effects | 0.0 | 0.0 | -203.8 | -1,546.4 |
| **Results of property development** | **1,678.0** | **-5,873.5** | **-6,089.6** | **45,066.7** |
| Other operating income | 5,046.6 | 9,237.3 | 1,138.3 | 3,285.4 |
| **Results of operations before expenses not direclty attributable** | **124,872.6** | **94,994.2** | **63,536.2** | **101,064.2** |
| Expenses not direclty attributable | -9,920.6 | -13,744.8 | -5,744.9 | -6,399.8 |
| **Results of operations** | **114,952.0** | **81,249.4** | **57,791.3** | **94,664.4** |
| Revaluation of investment properties adjusted for foreign exchange effects | 69,321.4 | 59,547.7 | -16,652.9 | 42,506.5 |
| Revaluation of investment properties resulting from foreign exchange effects | 0.0 | 0.0 | -3,881.6 | 33,591.9 |
| Impairment, related reversals and earn-out adjustments | -7,020.8 | -7,900.5 | -9,029.3 | -11,487.6 |
| Addition to/reversal of provision for onerous contracts | -13.0 | 0.0 | 0.0 | 0.0 |
| **Other revaluation results** | **62,287.6** | **51,647.2** | **-29,563.8** | **64,610.8** |
| **Operating profit (EBIT)** | **177,239.6** | **132,896.6** | **28,227.5** | **159,275.2** |
| **Financial results** | | | | |
| Income tax expenses | | | | |
| **Net profit for the period** | | | | |
| | **30 April 2013** | **30 April 2012** | **30 April 2013** | **30 April 2012** |
| Investment property | 2,511,796.2 | 2,420,761.1 | 534,932.5 | 944,935.0 |
| Property under construction | 12,832.0 | 53,352.6 | 33,256.8 | 21,760.0 |
| Goodwill | 394.2 | 463.2 | 12,466.6 | 13,511.8 |
| Properties held for sale | 64,805.0 | 3,005.3 | 410,400.0 | 0.0 |
| Real estate inventories | 145,283.2 | 50,708.5 | 17,671.1 | 10,265.9 |
| **Segment assets** | **2,735,110.6** | **2,528,290.7** | **1,008,727.0** | **990,472.7** |
| **Segment investments** | **103,041.4** | **0.0** | **19,341.8** | **171,101.8** |

## Segment Reporting

| | Czech Republic | | Slovakia | |
|---|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **2011/12** | **2012/13** | **2011/12** |
| Office | 24,930.4 | 26,504.5 | 5,616.7 | 5,565.0 |
| Logistics | 1,137.2 | 1,128.2 | 964.5 | 877.0 |
| Retail | 10,617.3 | 10,907.3 | 14,133.0 | 12,875.1 |
| Residential | 22.1 | 5.0 | 0.0 | 0.0 |
| Other rental income | 2,549.5 | 2,646.7 | 489.6 | 464.1 |
| **Rental income** | **39,256.5** | **41,191.7** | **21,203.8** | **19,781.2** |
| Operating costs charged to tenants | 12,158.7 | 13,553.5 | 11,303.6 | 9,638.7 |
| Other revenues | 516.4 | 855.0 | 530.7 | 2,029.4 |
| **Revenues** | **51,931.6** | **55,600.2** | **33,038.1** | **31,449.3** |
| Expenses directly related to investment property | -6,538.8 | -5,494.0 | -3,590.4 | -2,585.1 |
| Operating expenses | -12,143.6 | -13,614.0 | -9,912.0 | -9,635.2 |
| **Results of asset management** | **33,249.2** | **36,492.2** | **19,535.7** | **19,229.0** |
| Sale of properties | 0.4 | 7.0 | 0.0 | 0.0 |
| Carrying amount of sold properties | -0.4 | -7.0 | 0.0 | 0.0 |
| Gains/losses from deconsolidation | 4,649.7 | -184.7 | 0.9 | 0.0 |
| Other expenses from property sales | -424.0 | -1.0 | 0.0 | 0.0 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 0.0 | 0.0 | 0.0 | 0.0 |
| **Results of property sales before foreign exchange effects** | **4,225.7** | **-185.7** | **0.9** | **0.0** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0.0 | 0.0 | 0.0 | 0.0 |
| **Results of property sales** | **4,225.7** | **-185.7** | **0.9** | **0.0** |
| Sale of real estate inventories | 0.0 | 0.0 | 0.0 | 0.0 |
| Cost of goods sold | 0.0 | 0.0 | 0.0 | 0.0 |
| Other expenses from sale of real estate inventories | 0.0 | 0.0 | 0.0 | 0.0 |
| Other development expenses | -1,951.4 | -1,719.9 | -87.7 | -133.1 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 176.0 | 1,546.1 | 0.0 | 0.0 |
| **Results of property development before foreign exchange effects** | **-1,775.4** | **-173.8** | **-87.7** | **-133.1** |
| Revaluation of properties under construction resulting from foreign exchange effects | 1,592.6 | 674.0 | 0.0 | 0.0 |
| **Results of property development** | **-182.8** | **500.2** | **-87.7** | **-133.1** |
| Other operating income | 553.7 | 1,374.7 | -38.7 | 530.8 |
| **Results of operations before expenses not direclty attributable** | **37,845.8** | **38,181.4** | **19,410.2** | **19,626.7** |
| Expenses not direclty attributable | -3,343.5 | -6,873.8 | -1,417.7 | -3,301.8 |
| **Results of operations** | **34,502.3** | **31,307.6** | **17,992.5** | **16,324.9** |
| Revaluation of investment properties adjusted for foreign exchange effects | -16,015.8 | -12,154.2 | -18,622.5 | -3,772.0 |
| Revaluation of investment properties resulting from foreign exchange effects | 20,169.2 | 16,228.9 | 0.0 | 0.0 |
| Impairment, related reversals and earn-out adjustments | -3,598.0 | -7,540.7 | -757.3 | -1,106.6 |
| Addition to/reversal of provision for onerous contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| **Other revaluation results** | **555.4** | **-3,466.0** | **-19,379.8** | **-4,878.6** |
| **Operating profit (EBIT)** | **35,057.7** | **27,841.6** | **-1,387.3** | **11,446.3** |
| **Financial results** | | | | |
| Income tax expenses | | | | |
| **Net profit for the period** | | | | |

| | 30 April 2013 | 30 April 2012 | 30 April 2013 | 30 April 2012 |
|---|---|---|---|---|
| Investment property | 543,259.1 | 613,107.2 | 282,590.0 | 299,880.0 |
| Property under construction | 47,884.8 | 40,322.9 | 0.0 | 0.0 |
| Goodwill | 31,681.8 | 37,910.0 | 1,055.6 | 1,010.3 |
| Properties held for sale | 0.0 | 0.0 | 0.0 | 0.0 |
| Real estate inventories | 0.0 | 0.0 | 13,073.4 | 13,170.0 |
| **Segment assets** | **622,825.7** | **691,340.1** | **296,719.0** | **314,060.3** |
| **Segment investments** | **13,038.8** | **6,342.4** | **619.9** | **1,588.9** |

*The comparable prior year figures were adjusted accordingly (section 2.2).*

| | Hungary | | Romania | |
|---|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **2011/12** | **2012/13** | **2011/12** |
| Office | 13,481.9 | 14,297.4 | 23,581.1 | 24,417.0 |
| Logistics | 3,932.6 | 4,173.6 | 3,616.9 | 3,033.5 |
| Retail | 11,437.6 | 12,977.8 | 19,533.9 | 18,237.9 |
| Residential | 0.0 | 0.0 | 125.7 | 46.8 |
| Other rental income | 969.1 | 1,017.7 | 2,611.0 | 1,406.3 |
| **Rental income** | **29,821.2** | **32,466.5** | **49,468.6** | **47,141.5** |
| Operating costs charged to tenants | 12,737.3 | 12,452.9 | 20,915.3 | 19,547.6 |
| Other revenues | 240.5 | 757.4 | 2,359.8 | 2,823.1 |
| **Revenues** | **42,799.0** | **45,676.8** | **72,743.7** | **69,512.2** |
| Expenses directly related to investment property | -7,103.1 | -5,796.4 | -16,020.6 | -16,287.6 |
| Operating expenses | -12,473.6 | -12,485.4 | -21,837.1 | -20,194.6 |
| **Results of asset management** | **23,222.3** | **27,395.0** | **34,886.0** | **33,030.0** |
| Sale of properties | 0.0 | 182.5 | 11,902.2 | 0.0 |
| Carrying amount of sold properties | 0.0 | -182.5 | -11,902.2 | 0.0 |
| Gains/losses from deconsolidation | -0.2 | 1.5 | 0.0 | 0.0 |
| Other expenses from property sales | 0.0 | -0.9 | -142.0 | -13.1 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 0.0 | -25.9 | -409.6 | 0.0 |
| **Results of property sales before foreign exchange effects** | **-0.2** | **-25.3** | **-551.6** | **-13.1** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0.0 | 0.0 | 0.0 | 0.0 |
| **Results of property sales** | **-0.2** | **-25.3** | **-551.6** | **-13.1** |
| Sale of real estate inventories | 0.0 | 0.0 | 7,045.4 | 2,377.4 |
| Cost of goods sold | 0.0 | 0.0 | -6,967.5 | -1,955.6 |
| Other expenses from sale of real estate inventories | 0.0 | 0.0 | -531.1 | -76.3 |
| Other development expenses | 0.0 | -47.6 | -2,662.4 | -508.8 |
| Revaluation of properties under construction adjusted for foreign exchange effects | -3.4 | 0.0 | 0.0 | 19,348.0 |
| **Results of property development before foreign exchange effects** | **-3.4** | **-47.6** | **-3,115.6** | **19,184.7** |
| Revaluation of properties under construction resulting from foreign exchange effects | 0.3 | 0.0 | 0.0 | 1,691.0 |
| **Results of property development** | **-3.1** | **-47.6** | **-3,115.6** | **20,875.7** |
| Other operating income | 3,314.8 | 3,202.1 | 5,654.2 | 4,692.7 |
| **Results of operations before expenses not direclty attributable** | **26,533.8** | **30,524.2** | **36,873.0** | **58,585.3** |
| Expenses not direclty attributable | -2,419.5 | -5,327.2 | -8,862.0 | -12,030.0 |
| **Results of operations** | **24,114.3** | **25,197.0** | **28,011.0** | **46,555.3** |
| Revaluation of investment properties adjusted for foreign exchange effects | -20,807.3 | -25,517.7 | -30,705.2 | -28,295.4 |
| Revaluation of investment properties resulting from foreign exchange effects | 22,275.2 | 44,814.3 | -15,335.2 | 62,491.1 |
| Impairment, related reversals and earn-out adjustments | -1,528.8 | -2,150.5 | -7,659.2 | -28,343.8 |
| Addition to/reversal of provision for onerous contracts | 1,499.8 | -188.5 | -1,036.2 | 13,272.3 |
| **Other revaluation results** | **1,438.9** | **16,957.6** | **-54,735.8** | **19,124.2** |
| **Operating profit (EBIT)** | **25,553.2** | **42,154.6** | **-26,724.8** | **65,679.5** |
| **Financial results** | | | | |
| Income tax expenses | | | | |
| **Net profit for the period** | | | | |
| | **30 April 2013** | **30 April 2012** | **30 April 2013** | **30 April 2012** |
| Investment property | 517,470.0 | 532,853.5 | 959,799.3 | 991,070.1 |
| Property under construction | 28.5 | 0.0 | 0.0 | 0.0 |
| Goodwill | 5,603.5 | 6,155.0 | 22,821.4 | 21,427.3 |
| Properties held for sale | 0.0 | 0.0 | 0.0 | 0.0 |
| Real estate inventories | 0.0 | 0.0 | 41,896.8 | 43,385.4 |
| **Segment assets** | **523,102.0** | **539,008.5** | **1,024,517.5** | **1,055,882.8** |
| **Segment investments** | **3,541.6** | **1,733.5** | **7,466.5** | **93,863.8** |

## Segment Reporting

| | Russia | | Other non-core countries | |
|---|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **2011/12** | **2012/13** | **2011/12** |
| Office | 677.2 | 0.0 | 2,105.0 | 2,743.4 |
| Logistics | 3,112.2 | 4,030.9 | 21,002.5 | 21,186.8 |
| Retail | 160,316.0 | 93,584.2 | 1,653.9 | 1,611.9 |
| Residential | 0.0 | 0.0 | 15,136.0 | 14,456.5 |
| Other rental income | 216.9 | 222.3 | 4,405.6 | 5,331.3 |
| **Rental income** | **164,322.3** | **97,837.4** | **44,303.0** | **45,329.9** |
| Operating costs charged to tenants | 27,215.3 | 17,330.4 | 2,823.4 | 3,170.3 |
| Other revenues | 3,956.5 | 1,915.3 | 530.0 | 284.2 |
| **Revenues** | **195,494.1** | **117,083.1** | **47,656.4** | **48,784.4** |
| Expenses directly related to investment property | -20,375.4 | -13,432.5 | -17,943.2 | -16,601.6 |
| Operating expenses | -27,215.3 | -15,768.0 | -2,758.9 | -3,515.1 |
| **Results of asset management** | **147,903.4** | **87,882.6** | **26,954.3** | **28,667.7** |
| Sale of properties | 172.6 | 172.1 | 24,529.6 | 743.3 |
| Carrying amount of sold properties | -172.6 | -172.1 | -24,529.6 | -743.2 |
| Gains/losses from deconsolidation | 0.0 | 0.0 | 38,025.6 | 885.1 |
| Other expenses from property sales | 0.0 | -1.2 | -1,114.3 | -279.2 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | -48.6 | 64.8 | 2,599.5 | 279.4 |
| **Results of property sales before foreign exchange effects** | **-48.6** | **63.6** | **39,510.8** | **885.4** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0.0 | 0.0 | 0.0 | 0.0 |
| **Results of property sales** | **-48.6** | **63.6** | **39,510.8** | **885.4** |
| Sale of real estate inventories | 0.0 | 0.0 | 4,801.5 | 2,445.2 |
| Cost of goods sold | 0.0 | 0.0 | -3,760.9 | -2,022.4 |
| Other expenses from sale of real estate inventories | 0.0 | 0.0 | -271.7 | -136.2 |
| Other development expenses | -2,974.3 | -1,970.9 | -1,322.1 | -809.5 |
| Revaluation of properties under construction adjusted for foreign exchange effects | -11,353.8 | -22,006.5 | 2,214.1 | -239.6 |
| **Results of property development before foreign exchange effects** | **-14,328.1** | **-23,977.4** | **1,660.9** | **-762.5** |
| Revaluation of properties under construction resulting from foreign exchange effects | 6,415.4 | -5,389.9 | 0.0 | -298.1 |
| **Results of property development** | **-7,912.7** | **-29,367.3** | **1,660.9** | **-1,060.6** |
| Other operating income | 6,034.5 | 1,925.5 | 2,359.6 | 3,385.9 |
| **Results of operations before expenses not direclty attributable** | **145,976.6** | **60,504.4** | **70,485.6** | **31,878.4** |
| Expenses not direclty attributable | -5,556.0 | -5,098.2 | -8,197.5 | -9,609.3 |
| **Results of operations** | **140,420.6** | **55,406.2** | **62,288.1** | **22,269.1** |
| Revaluation of investment properties adjusted for foreign exchange effects | 87,082.9 | 152,778.2 | -24,636.9 | 20,858.3 |
| Revaluation of investment properties resulting from foreign exchange effects | 73,148.9 | -41,221.9 | 257.7 | -28,534.4 |
| Impairment, related reversals and earn-out adjustments | -109,627.6 | 8,249.4 | -6,366.2 | -10,876.5 |
| Addition to/reversal of provision for onerous contracts | 0.0 | 0.0 | 675.2 | -1,280.1 |
| **Other revaluation results** | **50,604.2** | **119,805.7** | **-30,070.2** | **-19,832.7** |
| **Operating profit (EBIT)** | **191,024.8** | **175,211.9** | **32,217.9** | **2,436.4** |
| **Financial results** | | | | |
| Income tax expenses | | | | |
| **Net profit for the period** | | | | |

| | 30 April 2013 | 30 April 2012 | 30 April 2013 | 30 April 2012 |
|---|---|---|---|---|
| Investment property | 1,610,000.0 | 1,514,310.0 | 465,547.0 | 624,376.0 |
| Property under construction | 159,970.0 | 125,970.0 | 0.0 | 8,910.0 |
| Goodwill | 182,099.9 | 143,933.7 | 15,316.8 | 19,184.0 |
| Properties held for sale | 0.0 | 0.0 | 0.0 | 0.0 |
| Real estate inventories | 0.0 | 0.0 | 3,545.8 | 7,479.1 |
| **Segment assets** | **1,952,069.9** | **1,784,213.7** | **484,409.6** | **659,949.1** |
| **Segment investments** | **129,834.6** | **323,073.9** | **22,143.3** | **14,047.8** |

*The comparable prior year figures were adjusted accordingly (section 2.2).*

| | Total reportable segments | | Transition to consolidated financial statements | | IMMOFINANZ Group | |
|---|---|---|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **2011/12** | **2012/13** | **2011/12** | **2012/13** | **2011/12** |
| Office | 144,371.9 | 142,750.7 | 0.0 | 0.0 | 144,371.9 | 142,750.7 |
| Logistics | 74,032.9 | 73,817.0 | 0.0 | 0.0 | 74,032.9 | 73,817.0 |
| Retail | 281,339.5 | 210,946.8 | 0.0 | 0.0 | 281,339.5 | 210,946.8 |
| Residential | 125,833.4 | 129,758.8 | 0.0 | 0.0 | 125,833.4 | 129,758.8 |
| Other rental income | 30,269.0 | 28,414.0 | 0.0 | 0.0 | 30,269.0 | 28,414.0 |
| **Rental income** | **655,846.7** | **585,687.3** | **0.0** | **0.0** | **655,846.7** | **585,687.3** |
| Operating costs charged to tenants | 198,652.0 | 179,584.7 | 0.0 | 0.0 | 198,652.0 | 179,584.7 |
| Other revenues | 14,717.7 | 16,171.2 | 0.0 | 0.0 | 14,717.7 | 16,171.2 |
| **Revenues** | **869,216.4** | **781,443.2** | **0.0** | **0.0** | **869,216.4** | **781,443.2** |
| Expenses directly related to investment property | -162,024.7 | -162,639.3 | 0.0 | 0.0 | -162,024.7 | -162,639.3 |
| Operating expenses | -194,163.6 | -172,950.3 | 0.0 | 0.0 | -194,163.6 | -172,950.3 |
| **Results of asset management** | **513,028.1** | **445,853.6** | **0.0** | **0.0** | **513,028.1** | **445,853.6** |
| Sale of properties | 290,787.2 | 220,255.5 | 0.0 | 0.0 | 290,787.2 | 220,255.5 |
| Carrying amount of sold properties | -290,787.2 | -220,184.6 | 0.0 | 0.0 | -290,787.2 | -220,184.6 |
| Gains/losses from deconsolidation | 46,785.9 | 16,270.7 | 0.0 | 0.0 | 46,785.9 | 16,270.7 |
| Other expenses from property sales | -7,540.0 | -5,737.6 | 0.0 | 0.0 | -7,540.0 | -5,737.6 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 74,144.8 | 42,570.0 | 0.0 | 0.0 | 74,144.8 | 42,570.0 |
| **Results of property sales before foreign exchange effects** | **113,390.7** | **53,174.0** | **0.0** | **0.0** | **113,390.7** | **53,174.0** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | -2,625.4 | 0.0 | 0.0 | 0.0 | -2,625.4 | 0.0 |
| **Results of property sales** | **110,765.3** | **53,174.0** | **0.0** | **0.0** | **110,765.3** | **53,174.0** |
| Sale of real estate inventories | 84,953.4 | 71,270.7 | 0.0 | 0.0 | 84,953.4 | 71,270.7 |
| Cost of goods sold | -73,086.9 | -56,415.1 | 0.0 | 0.0 | -73,086.9 | -56,415.1 |
| Other expenses from sale of real estate inventories | -2,484.2 | -2,319.5 | 0.0 | 0.0 | -2,484.2 | -2,319.5 |
| Other development expenses | -18,096.8 | -12,060.8 | 0.0 | 0.0 | -18,096.8 | -12,060.8 |
| Revaluation of properties under construction adjusted for foreign exchange effects | -17,530.0 | 34,468.8 | 0.0 | 0.0 | -17,530.0 | 34,468.8 |
| **Results of property development before foreign exchange effects** | **-26,244.5** | **34,944.1** | **0.0** | **0.0** | **-26,244.5** | **34,944.1** |
| Revaluation of properties under construction resulting from foreign exchange effects | 7,804.5 | -4,869.4 | 0.0 | 0.0 | 7,804.5 | -4,869.4 |
| **Results of property development** | **-18,440.0** | **30,074.7** | **0.0** | **0.0** | **-18,440.0** | **30,074.7** |
| Other operating income | 31,348.5 | 40,632.0 | 3,867.9 | -447.3 | 35,216.4 | 40,184.7 |
| **Results of operations before expenses not direclty attributable** | **636,701.9** | **569,734.3** | **3,867.9** | **-447.3** | **640,569.8** | **569,287.0** |
| Expenses not direclty attributable | -56,540.6 | -77,425.4 | -41,964.4 | -21,738.4 | -98,505.0 | -99,163.8 |
| **Results of operations** | **580,161.3** | **492,308.9** | **-38,096.5** | **-22,185.7** | **542,064.8** | **470,123.2** |
| Revaluation of investment properties adjusted for foreign exchange effects | 37,939.4 | 208,655.1 | 0.0 | 0.0 | 37,939.4 | 208,655.1 |
| Revaluation of investment properties resulting from foreign exchange effects | 96,634.2 | 87,369.9 | 0.0 | 0.0 | 96,634.2 | 87,369.9 |
| Impairment, related reversals and earn-out adjustments | -167,708.5 | -74,699.4 | -1,186.4 | -1,398.9 | -168,894.9 | -76,098.3 |
| Addition to/reversal of provision for onerous contracts | 1,125.8 | 2,821.2 | 0.0 | 0.0 | 1,125.8 | 2,821.2 |
| **Other revaluation results** | **-32,009.1** | **224,146.8** | **-1,186.4** | **-1,398.9** | **-33,195.5** | **222,747.9** |
| **Operating profit (EBIT)** | **548,152.2** | **716,455.7** | **-39,282.9** | **-23,584.6** | **508,869.3** | **692,871.1** |
| **Financial results** | | | | | **-313,826.7** | **-374,357.3** |
| Income tax expenses | | | | | -84,206.6 | -47,337.4 |
| **Net profit for the period** | | | | | **110,836.0** | **271,176.4** |
| | **30 April 2013** | **30 April 2012** | **30 April 2013** | **30 April 2012** | **30 April 2013** | **30 April 2012** |
| Investment property | 9,297,431.3 | 9,915,201.1 | 0.0 | 0.0 | 9,297,431.3 | 9,915,201.1 |
| Property under construction | 344,170.1 | 300,615.8 | 0.0 | 0.0 | 344,170.1 | 300,615.8 |
| Goodwill | 271,948.2 | 244,103.7 | 0.0 | 0.0 | 271,948.2 | 244,103.7 |
| Properties held for sale | 583,403.2 | 42,205.3 | 0.0 | 0.0 | 583,403.2 | 42,205.3 |
| Real estate inventories | 262,649.6 | 148,305.7 | 0.0 | 0.0 | 262,649.6 | 148,305.7 |
| **Segment assets** | **10,759,602.4** | **10,650,431.6** | **0.0** | **0.0** | **10,759,602.4** | **10,650,431.6** |
| **Segment investments** | **366,915.8** | **697,182.9** | **0.0** | **0.0** | **366,915.8** | **697,182.9** |

# Notes

# 1. General Principles

## 1.1 Introduction

IMMOFINANZ AG is the largest listed property company in Austria. The company headquarters are located at A-1100 Vienna, Wienerbergstrasse 11. IMMOFINANZ AG (hereafter IMMOFINANZ) is the parent company of IMMOFINANZ Group. The business activities of IMMOFINANZ Group cover the development, acquisition, rental and best possible commercial utilisation of properties to optimise asset management.

The IMMOFINANZ share is listed in the Prime Market Segment of the Vienna Stock Exchange. The company has approximately 100,000 shareholders.

These consolidated financial statements were prepared as of 30 April 2013. They are based on Regulation (EU) no. 1606/2002 of the European Parliament and the European Union for the application of international accounting standards, which requires capital market-oriented companies in the European Union to prepare and publish their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This regulation requires the application of all standards that were adopted into the body of law by the European Union through the special unification procedure.

IFRS do not provide a definition of EBIT or EBT. Therefore, the EBIT and EBT announced by other companies are not necessarily comparable with the figures published by IMMOFINANZ. IMMOFINANZ follows the Best Practice Policy Recommendations of the European Public Real Estate Association (EPRA) for the calculation of EBIT and EBT.

The consolidated financial statements are presented in thousand Euro ("TEUR", rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates.

The consolidated financial statements were prepared on the basis of acquisition or production cost, with the exception of the following positions:

- Completed properties and properties under construction are carried at fair value.
- Derivative financial assets and liabilities ("held for trading") are carried at fair value.
- Financial assets classified at fair value through profit or loss (fair value option) as well as financial instruments available for sale are initially recognised at fair value.
- Financial assets and financial liabilities designated for sale are carried at fair value.

## 1.2 Conformity with IFRS

### 1.2.1 Statement of compliance with IFRS

The consolidated financial statements prepared by IMMOFINANZ reflect the full scope of International Financial Reporting Standards (IFRS) in their current version, to the extent these IFRS were adopted by the European Union into the European Union body of law in accordance with Art. 6 para. 2 of IAS Regulation 1606/2002 through the special unification procedure.

IFRS comprise IFRS and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the SIC.

## 1.2.2 First-time application of standards and interpretations

The following changes to or new versions of standards and interpretations were applied for the first time in 2012/13:

| Standard | Content | Effective date [1] |
|---|---|---|
| Changes to standards and interpretations | | |
| IFRS 7 | Disclosures on the transfer of financial assets | 1 July 2011 |

[1] *The rules apply to financial years beginning on or after the effective date in accordance with the applicable EU regulation.*

### IFRS 7 Disclosures on the transfer of financial assets

The changes to IFRS 7 involve expanded disclosure requirements when financial assets are transferred and therefore have no effect on the presentation of the company's asset, financial and earnings position or cash flows.

## 1.2.3 Standards and interpretations adopted by the EU, but not yet applied

The following changes to standards and interpretations had been adopted by the EU as of the balance sheet date, but did not require mandatory application for the reporting year and were not applied prematurely:

| Standard | Content | Effective date [1] |
|---|---|---|
| **New standards and interpretations** | | |
| IFRS 10 | Consolidated Financial Statements | 1 January 2014 |
| IFRS 11 | Joint Arrangements | 1 January 2014 |
| IFRS 12 | Disclosure of Interests in Other Entities | 1 January 2014 |
| IFRS 13 | Fair Value Measurement | 1 January 2013 |
| **Changes to standards and interpretations** | | |
| IAS 1 | Presentation of individual items of other comprehensive income | 1 July 2012 |
| IAS 12 | Deferred taxes: recovery of underlying assets | 1 January 2013 |
| IAS 19 | Employee Benefits | 1 January 2013 |
| IAS 27 | Separate Financial Statements | 1 January 2014 |
| IAS 28 | Investments in Associates and Joint Ventures | 1 January 2014 |
| IAS 32 | Requirements for Offseting Financial Assets and Financial Liabilities | 1 January 2013 |
| IFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013 |
| IFRS 1 | Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) | 1 January 2013 |
| IFRS 1 | Severe hyperinflation and the elimination of fixed date references | 1 January 2013 |
| IFRS 1 | Improvements to IFRSs | 1 January 2013 |
| IFRS 1 | Government Loans | 1 January 2013 |
| IFRS 7 | Disclosure of requirements for offsetting financial assets and liabilities | 1 January 2013 |

[1] *The rules apply to financial years beginning on or after the effective date in accordance with the applicable EU regulation.*

### IFRS 10 Consolidated Financial Statements

This standard replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities. A new definition of control is provided: control is considered to exist when an investor is exposed to the risk of variable returns from a company in which he/she holds an investment or has a claim to variable returns from the investment and, due to his/her power over the company, has the ability to affect these returns. If one of these elements changes, the investor must reassess whether the requirements for control are still met. This standard is not expected to result in any material changes in the scope of consolidation.

**IFRS 11 Joint Arrangements**

This standard replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. It regulates the accounting treatment of joint arrangements, whereby classification is based on the type of rights and obligations arising from the arrangement instead of the legal form. This standard requires mandatory application by all companies that are parties to a joint arrangement. IFRS 11 classifies joint arrangements into two categories: joint operations and joint ventures. A joint operation is a joint arrangement that gives the partner companies rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement that gives the partner companies rights to the net assets of the arrangement. In accordance with IFRS 11, a partner company to a joint operation must recognise and measure the respective assets, liabilities, income and expenses in relation to its interest in the joint operation. A partner company in joint venture must recognise and measure its investment by applying the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. In IMMOFINANZ Group, the companies currently included through proportionate consolidation will presumably be consolidated at equity in the future.

This standard will not have a significant effect on the consolidated financial statements of IMMOFINANZ.

**IFRS 12 Disclosure of Interests in Other Entities**

This standard regulates the disclosure requirements on investments in other companies, joint arrangements, associates and unconsolidated structured entities.

**IFRS 13 Fair Value Measurement**

This standard defines fair value and the required disclosures on fair value measurement.

**IAS 1 Presentation of individual components of other comprehensive income**

Subtotals for recyclable and non-recyclable items must be provided under other comprehensive income.

**IAS 12 Deferred taxes: recovery of underlying assets**

In accounting for investment properties, it is frequently difficult to determine whether or not temporary tax differences will reverse during use or in connection with the sale of the asset. The revision to IAS 12 clarifies that the reversal generally takes place through sale. As a consequence of this revision, SIC 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets no longer applies to investment property carried at fair value. The other guidelines were integrated into IAS 12, and SIC 21 was accordingly withdrawn.

**IAS 19 Employee Benefits**

The application of this standard will not have a significant effect on the consolidated financial statements of IMMOFINANZ. However, it will lead to additional disclosures in the notes.

**IAS 27 Separate Financial Statements, IAS 28 Investments in Associates**

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests in Other Entities and subsequent changes to IAS 27 Separate Financial Statements (revised 2011) and IAS 28 Investments in Associates (revised 2011) include improvements to the accounting treatment and disclosure requirements related to consolidation, off-balance sheet activities and joint arrangements.

**IAS 32 Requirements for offsetting financial assets and liabilities/**
**IFRS 7 Disclosure of requirements for offsetting financial assets and liabilities**

The changes to IAS 32 involve application guidelines for offsetting financial assets and liabilities. The goal of this revision is to standardise the application of the current netting criteria. These changes include clarification of the criterion "that an entity has a legally enforceable right to set off the recognised amounts". A more precise definition is also provided for applications in connection with settlement systems, e.g. a central clearing house, where a gross settlement mechanism is used and the individual transactions do not take place simultaneously.

The disclosure requirements defined by IFRS 7 are intended to provide the users of financial statements with useful information to evaluate the (potential) effects of netting agreements on the financial position of a company and to analyse/compare financial statements that were prepared in accordance with IFRS or US-GAAP.

**IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**

This interpretation concerns the accounting treatment of mine waste materials during the production phase of surface mining operations.

### IFRS 1 First-time Adoption of International Financial Reporting Standards

The changes to IFRS 1 are only applicable to companies adopting IFRS for the first time.

## 1.2.4 Standards and interpretations announced, but not yet adopted by the EU

The following changes or revisions to standards and interpretations had been announced as of the balance sheet date, but have not yet been adopted by the EU and are therefore not applicable:

| Standard | Content | Effective date [1] |
|---|---|---|
| **New standards and interpretations** | | |
| IFRS 9 | Financial instruments | 1 January 2015 |
| **Changes to standards and interpretations** | | |
| IAS 36 | Recoverable Amount Disclosures for Non-Financial Assets | 1 January 2014 |
| IAS 39 | Novation of Derivaties and Continuation of Hege Accounting | 1 January 2014 |
| IFRIC 21 | Levies | 1 January 2014 |
| Various standards | Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) | 1 January 2014 |

[1] *The rules apply to financial years beginning on or after the effective date in accordance with the applicable EU regulation. The effective date represents the date defined by the standard or interpretation and may differ from the date in the applicable EU regulation.*

### IFRS 9 Financial Instruments

The new standard on financial instruments (IFRS 9) had not been published in full as of the balance sheet date on 30 April 2013. It could lead to a change in the classification and measurement of certain financial instruments.

### IAS 36 Recoverable Amount Disclosures for Non-financial Assets

This release provides a new definition of the recoverable amount for non-financial assets and clarifies the related disclosures.

### IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This change defines the accounting treatment of derivatives as hedging instruments after novation.

### IFRIC 21 Levies

This interpretation provides guidelines on the accounting for levies imposed by governments through legal regulations. Taxes are not covered by this interpretation.

### IFRS 10, IFRS 12 and IAS 27 Investment Entities

These regulations are related to investment companies and define exceptions to the consolidation requirements for subsidiaries. These assets are not consolidated, but recognised at fair value.

IMMOFINANZ management is currently evaluating the effects of these new and revised standards on the consolidated financial statements. There are no plans for premature application on a voluntary basis.

# 2. Significant Accounting Policies

## 2.1 Consolidation methods

### 2.1.1 Basis of consolidation

The annual financial statements of all significant Austrian and foreign companies included in the consolidated financial statements, either through full or proportionate consolidation (see sections 2.1.2 and 2.1.3) were converted to IFRS. The financial statements of business combinations as defined in IFRS 3 (see section 2.1.5) were revalued and audited or reviewed by independent certified public accountants in agreement with International Standards on Auditing (ISA) and the International Standards on Review Engagements (ISRE). The accounting and valuation principles applied by all companies included in the consolidated financial statements were standardised and adjusted to conform to the options elected by IMMOFINANZ. The balance sheet date for the consolidated financial statements is the same as the balance sheet date of the parent company. The annual financial statements of all companies included in the consolidation were prepared on the same balance sheet date as the consolidated financial statements.

All receivables and liabilities, revenues, other income and expenses from the provision of goods and services between companies included through full or proportionate consolidation were eliminated. Interim profits, which arise primarily from the transfer of stakes in other companies and properties between member companies of the group, were also eliminated.

### 2.1.2 Fully consolidated companies

A subsidiary is an entity that is controlled by another entity (parent company). Subsidiaries are included in the consolidated financial statements through full consolidation. The control concept forms the basis for deciding when a company must be classified as a subsidiary. In accordance with the provisions of IAS 27 (2008) that are applicable to the consolidated financial statements, control is understood to mean the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The possibility of exercising control is sufficient for this classification, while actual control is less important. Direct or indirect control over more than 50.00% of the voting rights in an entity is considered to be a refutable presumption for the existence of control. IAS 27.13 provides a list of criteria that confirm the existence of control, even if the parent company does not hold the majority of shares. IFRS 10 will replace the rules defined by IAS 27 that apply to the consolidated financial statements, among others with a new definition of the control concept (see section 1.2.3).

### 2.1.3 Companies included through proportionate consolidation

A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to contractually agreed joint control. The partner companies are the shareholders of the joint venture and share management responsibility for the entity. The form of the contractual agreement is determined by the relevant legal regulations.

The provisions of IAS 31 that are applicable to the consolidated financial statements allow for the use of the equity method or proportionate consolidation for the inclusion of joint ventures. The selected method must then be applied throughout the corporate group. IMMOFINANZ considers the depiction of joint ventures through proportionate consolidation to be the more appropriate form of presentation because it makes the asset, financial and earnings position more easily understandable for the users of the financial statements. IAS 31 will be replaced by IFRS 11, which will result in a changeover from proportionate consolidation to the equity method for IMMOFINANZ Group's joint ventures (see section 1.2.3).

## 2.1.4 Associated companies

Investments in associated companies are accounted for by applying the equity method. Under this method the proportionate share of changes in equity and the proportionate share of profit or loss recognised by the associated company are transferred to the consolidated financial statements, and thereby increase or decrease the carrying amount of the investment.

An investment in an associated company is recognised at cost on the date of acquisition. The equity method is a procedure for the subsequent measurement of this investment, which is based on the same principles as full consolidation. However, the assets and liabilities of the associated company are not transferred to the consolidated financial statements, but only serve to determine the amount of goodwill. The difference between the revalued assets of the associated company and the cost of the investment represent goodwill. This goodwill forms part of the carrying amount of the investment.

The carrying amounts of assets and liabilities as well as the amount of revenues and expenses are determined on a uniform basis in accordance with the provisions of IAS 28 (2003) that are applicable to the consolidated financial statements (IAS 28.26). For associated companies with a different balance sheet date, interim financial statements are prepared at a balance sheet date within three months of the balance sheet date used by IMMOFINANZ in accordance with IAS 28.25.

Investments in associated companies are tested for impairment in accordance with IAS 39, which defines the indications of impairment, and IAS 36, which defines the criteria for the impairment testing. In accordance with IAS 28.33, goodwill included in the carrying amount of an investment in an associated company is not tested separately for impairment.

## 2.1.5 Business combinations (initial consolidations)

Property companies acquired by IMMOFINANZ are accounted for as business combinations that fall under the scope of application of IFRS 3 when the transaction involves the purchase of business operations. These transactions are accounted for by applying the acquisition method; in all other cases, only assets and liabilities are acquired.

IFRS 3 defines a business combination as the attainment of control over the acquired company by the acquirer.

The application of the acquisition method requires the following steps:

- Identification of the acquirer and determination of the acquisition date;
- Recognition and measurement of the acquired identifiable assets, the liabilities assumed and any non-controlling interests in the acquired company; and
- Determination and recognition of any goodwill or negative difference from a bargain purchase, which is reassessed and then recognised to profit or loss.

IMMOFINANZ does not normally use the option provided by IFRS 3.19, which permits the valuation of non-controlling interests at fair value, but instead recognises these non-controlling interests at the proportional share of identifiable net assets. In connection with the purchase of the remaining 50.00% stake in Gangaw Investments Limited, Nicosia, a holding company that owns 100% of the Russian property company OAO Kashirskij Dvor-Severyanin, Moscow, the non-controlling interests were recognised at fair value as of 30 April 2012.

For business combinations that result in a proportional share of equity below 100%, the increase in non-controlling interests is reported on the statement of changes in equity as an addition to the scope of consolidation. In accordance with the economic unity principle that is anchored in IAS 27.4 and IAS 1.54 (q), non-controlling interests are presented as a separate position under equity. Non-controlling interests in consolidated profit or loss are also shown separately.

The acquisition and subsequent initial consolidation of project companies generally leads to goodwill because of the obligation to record deferred tax liabilities on properties that are restated at fair value. In contrast to other acquired assets and assumed liabilities, deferred tax liabilities must be recognised at their nominal value. The unequal valuation of these deferred tax liabilities normally results in goodwill as a technical figure.

Joint ventures are initially consolidated at their proportionate share based on the general principles described above.

### 2.1.6 Transition consolidations

A business combination achieved in stages (transition consolidation or step acquisition) represents the successive purchase of shares in subsidiaries through various transactions until control over the company is attained. In accordance with IFRS 3.42, the previously held equity interest in the acquired company must be remeasured when control is attained and any resulting gain or loss must be recognised in profit or loss. Goodwill represents the difference to the revalued carrying amount of the investment plus the purchase price paid for the new shares plus non-controlling interests less the acquired net assets.

When there is a changeover from proportionate to full consolidation, the income statement is included on a proportional basis until control over the company's net assets is attained; after this point, the income statement is included in full. The share of profit attributable to the joint venture partner up to this point is eliminated as acquired capital during the consolidation.

### 2.1.7 Structural changes

Structural changes represent the impact of shifts in investments in other companies – that do not lead to a change in the consolidation method (e.g., without the attainment or loss of control) – between the parent company (IMMOFINANZ) and non-controlling interests in the relevant consolidated subsidiaries or companies included through proportionate consolidation which, in turn, have their own consolidated companies with non-controlling interests. In accordance with IAS 27, IMMOFINANZ accounts for any change in an investment without significant influence as an equity transaction between shareholders. Differences between the carrying amount of the respective investment without significant influence and the compensation received are treated as an increase or decrease in equity.

If additional shares are purchased or transferred after control is attained and this transaction does not lead to a loss of control, the shift between the previous non-controlling interest and the offset of capital resulting from the transaction is shown as a structural change on the statement of changes in equity.

### 2.1.8 Deconsolidations

When a subsidiary is sold, its assets and liabilities are no longer included in the consolidated financial statements. The income and expenses of the deconsolidated subsidiary are included in the consolidated financial statements up to the date on which control is lost.

The profits accumulated by the deconsolidated subsidiary during its membership in the group influence the proceeds from the deconsolidation because these profits were recognised in the consolidated financial statements during prior periods.

When a foreign subsidiary is deconsolidated, the proceeds from the deconsolidation are increased or decreased to reflect the cumulative amount of any foreign exchange differences that were recognised in equity during the subsidiary's membership in the group.

### 2.1.9 Functional currency

The Group reporting currency is the Euro. For subsidiaries or joint ventures that prepare their financial statements in a foreign currency, the determination of the functional currency is based on the primary (macro)economic environment in which the respective company operates. The determining factor is the currency in which the majority of cash flows, goods and services are denominated and settled in the relevant country. For the IMMOFINANZ companies, the local currency is the functional currency in all cases.

In 2012/13 the local situation of the subsidiaries in four of the IMMOFINANZ core countries (RO, PL, CZ and HU) was reassessed with respect to the functional currency (also see section 7.5).

## 2.1.10 Foreign currency transactions

The individual Group companies record foreign currency transactions at the average exchange rate in effect on the date of the event. Monetary assets and liabilities denominated in foreign currencies are translated on the balance sheet date at the average exchange rate in effect on this date. Any resulting foreign exchange gains or losses are recognised to the income statement for the reporting year.

## 2.1.11 Translation of financial statements from foreign subsidiaries, associated companies and joint ventures

In accordance with IAS 21, foreign currency translation for the Group's foreign subsidiaries, joint ventures and associated companies (in the following referred to collectively as foreign operations) is based on the functional currency concept as reflected in the modified current rate method. The assets and liabilities in the financial statements to be consolidated are translated at the average exchange rate on the balance sheet date; the income statement positions are translated at the weighted average exchange rate for the reporting year. Goodwill allocated to a foreign operation is translated at the closing rate. The equity of foreign operations and foreign currency investments in other foreign entities are translated at the historical exchange rate on the date of initial consolidation. Foreign currency distributions are translated at the average exchange rate for the purpose of elimination. The components of the earned (historical) group equity of foreign operations are translated at the average historical exchange rate. Differences arising from the above-mentioned application of different exchange rates to the individual components of financial statements or from period to period changes in exchange rates are reported under the currency translation adjustment on the statement of comprehensive income.

Foreign currency translation is based on the following exchange rates issued by the European Central Bank and by the respective national banks:

| Currency | Closing rate on 30 April 2013 | Closing rate on 30 April 2012 | Average rate 2012/13 | Average rate 2011/12 |
|---|---|---|---|---|
| HUF | 300.03000 | 287.63000 | 289.11500 | 287.31333 |
| PLN | 4.14290 | 4.17210 | 4.16368 | 4.22177 |
| CZK | 25.79500 | 24.86500 | 25.40275 | 24.85008 |
| RON | 4.32370 | 4.39700 | 4.46513 | 4.30174 |
| BGN | 1.95583 | 1.95583 | 1.95583 | 1.95580 |
| RSD | 110.54260 | 111.89810 | 113.88105 | 103.85776 |
| HRK | 7.60068 | 7.53144 | 7.54091 | 7.49665 |
| BAM | 1.95585 | 1.95585 | 1.95585 | 1.95585 |
| LVL | 0.70000 | 0.69940 | 0.69761 | 0.70378 |
| RUB | 40.83580 | 38.92030 | 40.32403 | 40.73774 |
| UAH | 10.60000 | 10.62300 | 10.43663 | 10.96315 |
| USD | 1.30720 | 1.32140 | 1.28548 | 1.36714 |
| CHF | 1.22380 | 1.20180 | 1.21282 | 1.20617 |
| SEK | 8.54200 | 8.91850 | 8.57431 | 9.01082 |
| TRY | 2.35200 | 2.32340 | 2.31478 | 2.40825 |
| GBP | 0.84430 | 0.81295 | 0.81698 | 0.85720 |

## 2.2 Changes in comparative information

Circumstances relevant for the determination of value led to the subsequent adjustment of the purchase price for Gangaw Investments Limited, Nicosia, a company that was fully acquired during the 2011/12 financial year, and its subsidiary OAO Kashirskij Dvor–Severyanin, Moscow, which owns the *Golden Babylon Rostokino* shopping center. This purchase price adjustment was recorded in accordance with the requirements of IAS 8. It led to an increase of EUR 33.5 million in the related goodwill and the outstanding purchase price liability as of 30 April 2012 (see sections 3.6, 5.4.1 and 5.15).

A re-evaluation of the reporting of special items resulting from Austrian non-profit housing regulations ("Wohnungsgemeinnützigkeitsgesetz", WGG) led to the following changes in prior year amounts:

- In Austria, financial contributions are collected from the tenants in subsidised apartments; these contributions, less a usage-related deduction, are returned at the end of the lease. The leases for these apartments are generally open-ended, but can be cancelled by the tenant at any time. The accounting treatment of the financial contributions was changed during the reporting year in accordance with IAS 8: in contrast to the previous method that called for the recognition of the estimated repayment at fair value, the liability from financial contributions is now carried at the nominal value. This change in the accounting method led to an increase of EUR 97.8 million as of 1 May 2011; it reflects the fact that the lease can be cancelled at any time and thereby lead to an immediate refund. The expected advance rental payments included in the financial contributions were taken into account during the real estate valuation process and led to an increase of EUR 53.2 million in property values as of 1 May 2011. The original effect of EUR –1.9 million from the valuation was removed from the results of operations and led to a decline of EUR 2.1 million in valuation results.
- The liability from financial contributions is now reported in full under current liabilities. Accordingly, EUR 22.9 million were reclassified from non-current to current liabilities.
- The initial valuation of financial contributions and loans for subsidised housing construction were reclassified from results of operations, respectively from financial results, to other revaluation results and thereby offset the decline in valuation results caused by the legal regulation of rents (see section 2.3.5).
- The interest effect from the valuation of legally defined maintenance and improvement contributions ("Erhaltungs- und Verbesserungsbeiträge", EVB II) was reclassified from results of operations to financial results.
- The effect of EUR –11.9 million from the compounding of interest on subsidised loans was reclassified from other financial results to financing costs.

Tax liabilities previously included under other liabilities and provisions are now reported separately.

Based on a revised calculation, the fair value of financial liabilities (EUR 5,417.8 million) included in NNNAV as of 30 April 2012 was increased to EUR 5,477.9 million. NNNAV was therefore adjusted from EUR 5.28 to EUR 5.14.

The above changes led to the adjustment of the following balance sheet positions from prior years:

| Balance Sheet | 1 May 2011 | Adjustment | | 1 May 2011 | 30 April 2012 | Adjustment | | | 30 April 2012 |
|---|---|---|---|---|---|---|---|---|---|
| | Reported | Reclassification | Financial contributions | Adjusted | Reported | Reclassification | Financial contributions | Purchase price adjustment | Adjusted |
| Investment property | 8,743,824.4 | 0.0 | 53,243.9 | 8,797,068.3 | 9,864,104.0 | 0.0 | 51,097.1 | 0.0 | 9,915,201.1 |
| Intangible assets | 208,110.2 | 0.0 | 0.0 | 208,110.2 | 248,445.2 | 0.0 | 0.0 | 33,475.3 | 281,920.5 |
| Non-current other payables | 168,508.0 | -22,943.9 | 0.0 | 145,564.1 | 354,464.9 | -22,040.2 | 0.0 | 15,809.3 | 348,234.0 |
| Non-current liabilities for current tax | 0.0 | 378.7 | 0.0 | 378.7 | 0.0 | 736.6 | 0.0 | 0.0 | 736.6 |
| Current other payables | 409,017.6 | 19,221.1 | 97,773.1 | 526,011.8 | 277,789.5 | 18,904.3 | 95,906.5 | 17,666.0 | 410,266.3 |
| Current liabilities for current tax | 0.0 | 38,560.0 | 0.0 | 38,560.0 | 0.0 | 18,874.8 | 0.0 | 0.0 | 18,874.8 |
| Current provisions | 144,423.3 | -35,215.9 | 0.0 | 109,207.4 | 97,599.7 | -16,475.5 | 0.0 | 0.0 | 81,124.2 |
| Deferred tax liabilities | 471,301.1 | 0.0 | -11,132.3 | 460,168.8 | 552,454.5 | 0.0 | -11,202.4 | 0.0 | 541,252.1 |
| Equity | 5,170,111.3 | 0.0 | -33,396.9 | 5,136,714.4 | 5,551,143.0 | 0.0 | -33,607.1 | 0.0 | 5,517,535.9 |

| Income Statement | 1 May 2011–30 April 2012 | Adjustment | | 1 May 2011–30 April 2012 |
|---|---|---|---|---|
| | Reported | Reclassification | Financial contributions | Adjusted |
| Results of operations | 478,629.9 | -10,373.3 | 1,866.6 | 470,123.2 |
| Other revaluation results | 212,370.0 | 12,524.8 | -2,146.9 | 222,747.9 |
| Operating profit (EBIT) | 690,999.9 | 2,151.5 | -280.3 | 692,871.1 |
| Financial results | -372,205.8 | -2,151.5 | 0.0 | -374,357.3 |
| Earnings before tax (EBT) | 318,794.1 | 0.0 | -280.3 | 318,513.8 |
| Income tax expenses | -11,460.0 | 0.0 | 0.0 | -11,460.0 |
| Deferred tax expenses | -35,947.5 | 0.0 | 70.1 | -35,877.4 |
| **Net profit for the period** | **271,386.6** | **0.0** | **-210.2** | **271,176.4** |
| | | | | |
| Triple Net Asset Value (NNNAV) | 5,466,122.1 | | | 5,327,688.1 |
| Triple Net Asset Value per share (in EUR) | 5.28 | | | 5.14 |

In order to improve the presentation of the operating segments of IMMOFINANZ Group, the following items were reclassified on the income statement for 2011/12:

- Income of EUR 8.8 million from the management of properties owned by IMMOFINANZ Group was reclassified from other revenues to operating costs charged to tenants.
- In accordance with the cost of sales method, personnel and operating expenditures were allocated to operating expenses (EUR 9.8 million), asset management (EUR 13.1 million), property sales (EUR 4.4 million) and property development (EUR 13.1 million). As a result, the income statement now shows the results from operations – and not only the income in the various sources. The remaining personnel and operating costs are reported under the position "expenses not directly attributable".

In connection with the strategic reorientation of the "Residential West" segment and a possible initial public offering or spin-off by BUWOG, this business was removed from the Austria and Germany segments and is now presented in a separate BUWOG segment. This reflects the internal reporting structure. The change was made in all relevant tables in the notes, and the comparable prior year data were adjusted accordingly.

Another change was made under segment reporting: the local service companies that were originally included in the transition column are now allocated to the individual segments. In the line "impairment, related reversals and earn-out adjustments" reclassifications within the segments were made.

## 2.3 Specific accounting policies

### 2.3.1 Revenue realisation

Revenues from property rentals are recognised during the period defined by the underlying rental agreement. Incentives granted for the conclusion or extension of rental agreements, e.g. rent-free periods or the assumption of relocation costs, are recognised on a straight-line basis as a reduction of rental revenues over the contract term. In addition, contractually defined rent increases are accrued on a straight-line basis over the term of the respective agreement.

The sale of inventories is reported under income from property development, with the transfer of ownership representing the date of realisation. Revenues are recognised when the risks and opportunities of ownership as well as control over the goods or services are transferred to the buyer. In accordance with IFRIC 15, contracts relating to inventories that are sold during the planning or construction stage fall under IAS 18.

Revenue recognition also requires the reliable measurement of the revenues and costs arising from the sale of an asset. If these criteria are met, revenues are recognised in the respective period. Revenues are not recognised in other cases. Any payments received are reported as liabilities.

## 2.3.2 Impairment

In accordance with IAS 36, impairment tests are performed when there are indications that an asset may be impaired. Independent of this practice, goodwill and intangible assets with an indefinite useful life are tested each year for signs of impairment. This test is generally performed separately for each asset. The impairment test is only performed on the smallest group of assets, the cash-generating unit, in cases where cash inflows cannot be directly allocated to a specific asset and individual valuation is therefore not possible. Cash-generating units represent the smallest units or groups of units to which independent cash flows can be allocated. A cash-generating unit may not be larger than an operating segment defined in accordance with IFRS 8.

IAS 36 defines the recoverable amount as the relevant benchmark for the impairment test. The recoverable amount equals the higher of fair value less costs to sell and the value in use.

Fair value less costs to sell represents the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction at normal market conditions between knowledgeable and willing parties, less the costs of disposal. The costs of disposal are incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding financing costs.

Value in use represents the present value of estimated future cash flows that are expected to arise from the continuing use of an asset or cash-generating unit. Cash flow planning must be based on reasonable and justifiable assumptions that reflect the entity's latest financial plans. The determination of value in use is based on the same methodology used to establish the value of a company, i.e., the discounted cash flow method. Estimates are also required for this purpose (see section 2.4).

If the carrying amount of an asset exceeds the recoverable amount, the difference is recognised as an impairment loss (i.e., an unscheduled write-down). An impairment loss calculated in accordance with the above principles must then be allocated to the assets in the cash-generating unit as follows: First, the carrying amount of goodwill in the cash-generating unit is written down. Any remaining difference is allocated to the other assets in the cash- generating unit in proportion to their carrying amount. The allocation of an impairment loss to individual assets may not reduce the carrying amount of the asset below the highest of the following amounts:

- fair value less costs to sell
- the value in use, or
- zero.

If there is an indication that the reasons for impairment no longer exist or have decreased, the impairment loss is reversed to the carrying amount that would have been determined (net of amortisation or depreciation) if the impairment loss had not been recognised in prior years. IFRS do not permit the write-up of goodwill that was previously reduced through an impairment loss.

IMMOFINANZ management views the purchase of property companies as business combinations (see the related comments in section 2.1.5). All goodwill resulting from such business combinations is tested each year for indications of impairment. In these cases, the cash-generating unit is usually an individual asset or a property portfolio. The recoverable amount of the cash-generating unit comprises the fair value of the included property (properties) as determined by an expert opinion as well as the fair value of recognised deferred tax liabilities on property revaluations. Deferred tax liabilities are generally included in the recoverable value of the cash-generating unit at a value of zero. This reflects the fact that property transactions normally take the form of share deals, and the deduction of deferred tax liabilities on the purchase and sale of property companies is generally difficult or impossible to enforce in the markets where IMMOFINANZ is active. As part of the impairment test, the recoverable amount is compared with the carrying amount of the included property (properties) and deferred tax liabilities on property revaluations.

## 2.3.3 Investment property

Investment properties represent all objects that are held to generate rental income or to realise a long-term increase in value, and are not used in production or for administrative purposes or sold as part of the company's ordinary business activities. Land and/or buildings, or parts thereof, can also represent investment property. Land purchased as a site for the construction of investment property is classified as IAS 40 property on the date of acquisition and subsequently measured at fair value.

In accordance with IAS 40, investment properties are measured at cost plus transaction costs at the point of recognition. These costs may not include any founding or start-up expenses or operating losses incurred before the investment property reaches the planned level of occupancy.

IMMOFINANZ management has decided to follow Best Practices Policy Recommendation 2.2 issued by the European Public Real Estate Association (hereafter EPRA). The EPRA advises its members to apply the fair value model defined in IAS 40 to the subsequent measurement of investment properties.

Fair value represents the amount at which an object could be exchanged between knowledgeable, willing and independent business partners in an arm's length transaction.

Fair value must reflect the current market situation and circumstances as of the balance sheet date. The best evidence of fair value is normally provided by prices quoted on an active market for similar properties with a similar location and conditions as well as comparable rental and other contractual relationships.

The fair value of IMMOFINANZ properties is determined by expert opinions, which are prepared by independent appraisers. In connection with the valuation of the Group's properties as of 30 April 2013, IMMOFINANZ carried out a tender for these services on the basis of corporate guidelines. The following independent, external experts were commissioned to appraise the various components of the portfolio: CB Richard Ellis (CBRE) was appointed to appraise the residential properties in Austria and Germany as well as selected office and retail properties in Austria; Jones Lang LaSalle (JLL), an international financial, service and consulting company in the real estate sector, was responsible for the valuation of IMMOFINANZ Group's properties in the CEE, SEE and CIS regions; and BNP Paribas Real Estate Consult GmbH was appointed to value the properties in the Netherlands, USA, Switzerland, France, Austria and Germany (with the exception of the residential properties in Austria).

The investment properties were valued using the discounted cash flow method, specifically in the form of the term and reversion model as well as the hard core and top-slice method. The methodology underlying the term and reversion model is as follows: net income up to the end of the contract term is discounted back to the valuation date; for the time after this period (i.e., extension of the contract or new rental), a comparable market rent is capitalised and also discounted back to the valuation date to determine the perpetual yield (reversion). Depending on the estimates of risk – which are based on the type of property, location and region as well as current market circumstances – different discount rates are applied to the current rental income and the capitalisation of the perpetual yield (the interest rate applied to the contract term is generally slightly lower than the interest rate used to calculate the reversion). This capitalisation process also incorporates vacancies and the perpetual yield based on an appropriate period of time for rental and comparable market rental prices as well as an assumed maximum occupancy that is derived from the above-mentioned criteria. The parameters for inflation, vacancies and maintenance costs reflect future expectations. The calculation methodology of the hard core and top-slice method is similar to the logic behind the term and reversion model. Net income generated by the property – up to the market rent (hard core component) – is capitalised at a normal market interest rate as a perpetual yield over the entire term (term of the rental contract plus subsequent rental). The top-slice component (the net income for this same term that exceeds the market rent) is then discounted at a risk-adjusted market interest rate. The amount of the risk premium is dependent on the probability of vacancy.

The carrying amount of undeveloped land is based on comparable transactions as well as properties with a similar size and location.

Properties under construction, development objects and investment properties that were acquired for possible redesign and renovation (redevelopment) are also measured at fair value using the residual value method. Suspended development projects were valued according to the sales comparison approach.

All changes in the fair value of investment properties, properties under construction, properties held for sale and properties sold are recognised to the income statement. These items are reported under the revaluation of investment properties, properties under construction or properties sold adjusted for or resulting from foreign exchange effects.

## 2.3.4 Leasing

In accordance with IAS 17, the classification of a leased asset is based on the extent to which the risks and rewards incidental to the ownership of the leased asset lie with the lessor or lessee.

Fixed assets obtained through finance leases are recognised by the lessee at fair value or the lower present value of the minimum lease payments, and depreciated on a straight-line basis over the expected useful life or the shorter term of the lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

Under an operating lease, the economic ownership of the lease asset remains with the lessor. The lessee recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The costs to prepare the lease agreement and other similar expenses are recognised to profit or loss analogously over the term of the lease.

IAS 40.6 permits the classification of property that is utilised on the basis of an operating lease as investment property if the fair value method is applied and the asset meets the other criteria for inclusion under investment property. This option may be applied in individual cases.

Investment property includes assets obtained through finance leases and operating leases. In accordance with IAS 40.6, these assets are classified as investment property and measured at fair value as of the balance sheet date.

## 2.3.5 Government grants

Government grants represent assistance provided to an entity through the transfer of resources in return for past or future compliance with certain conditions related to the entity's operating activities.

Government grants related to assets, including non-monetary grants at fair value, reduce the cost of the respective asset.

In some cases IMMOFINANZ receives low-interest loans to finance development projects. These low-interest loans are related to public sector subsidies for the respective real estate project and are generally connected with obligations to meet specific requirements (e.g., rent control). These types of liabilities are recognised at fair value on the date of inception in accordance with IAS 39. The income from the initial recognition of the subsidised loan is immediately recognised to profit or loss. This income is contrasted by the lower fair value of the property recognised in accordance with the IAS 40 fair value model. This procedure ensures the correct matching of the expenses connected with the fulfilment of the grant conditions and the benefit arising from the grant in IMMOFINANZ results for the respective accounting period.

Regular interest subsidies from the public sector are recognised to profit or loss in the period granted.

IMMOFINANZ did not receive any government grants related to income during the reporting year.

## 2.3.6 Borrowing costs

Borrowing costs are capitalised in accordance with IAS 23 if they are related to the acquisition or production of qualified assets. These costs include interest and other expenses incurred by an entity in connection with the borrowing of funds. The capitalisation of borrowing costs ends with the completion of the asset. If a project is frozen, the capitalisation of borrowing costs is suspended.

## 2.3.7 Other tangible assets

In accordance with IAS 16, tangible assets not covered by IAS 40 are carried at cost less accumulated depreciation and any recognised impairment losses. Acquisition or production cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the intended manner.

When the payment for a tangible asset extends beyond the normal payment period, interest expense at market rates is also recognised or included (also see section 2.3.6).

Depreciation is calculated on a straight-line basis beginning in the month of acquisition.

Ordinary straight-line depreciation on depreciable tangible assets is based on the following useful lives:

| | Useful life in years |
|---|---|
| Administrative buildings (own use) | 25–50 |
| Other tangible assets | 4–10 |

The useful lives of the various assets and the depreciation method are reviewed regularly in agreement with IAS 16 to ensure they reflect the expected development of the economic value in use of the tangible asset.

## 2.3.8 Other intangible assets

Intangible assets represent identifiable, non-monetary assets without physical substance that can be expected to generate a future economic benefit. In accordance with IAS 38, intangible assets are carried at cost less amortisation.

Subsequent expenditures for an intangible asset after its acquisition or completion are expensed as incurred unless: it is probable that these expenditures will enable the asset to generate a future economic benefit which exceeds the originally estimated earning power; and these expenditures can be estimated reliably and exactly allocated to the asset.

With the exception of goodwill, all intangible assets held by IMMOFINANZ Group have a finite useful life and are amortised on a systematic basis (pro rata temporis).

Ordinary straight-line amortisation is based on the following useful lives:

| | Useful life in years |
|---|---|
| Other intangible assets | 3–15 |

In addition, intangible assets are tested for impairment in accordance with IAS 36.

The company has no internally generated intangible assets.

## 2.3.9 Trade and other receivables

Receivables and other financial assets are generally classified as loans and receivables (L&R) in accordance with IAS 39 and carried at amortised cost. Recognisable individual risks are reflected in appropriate valuation adjustments.

Non-financial receivables are also basically carried at amortised cost after the deduction of any necessary impairment losses.

Information on the distinction between financial and non-financial assets is provided under the definition of financial instruments in section 7.2.1.

## 2.3.10 Other financial assets

Other financial instruments comprise securities and similar rights, silent partner interests and miscellaneous investments in other companies, originated loans and derivative financial instruments. The originated loans are related above all to extended payment periods granted by BUWOG/ESG for the settlement of purchase prices.

In accordance with IAS 39, IMMOFINANZ Group classifies the following assets as available for sale (AFS): securities and similar rights as well as investments in other companies that were acquired prior to 1 May 2004 and are measured without recognition through profit or loss. These assets are carried at fair value, e.g., the market or stock exchange value as of the balance sheet date. If fair value cannot be determined and comparable market prices are not available, fair value is established using generally accepted valuation methods (discounted cash flow method) or, in the case of property companies, is based on the net asset value. The initial valuation is made as of the settlement date. Fluctuations in fair value are charged or credited directly to equity; these changes are only recognised to the income statement in the event of impairment or when the assets are sold. If there are objective indications of impairment to an asset, an impairment loss is recorded.

Investments in other companies that were acquired after 1 May 2004 are generally designated as financial instruments at fair value through profit or loss on the date of acquisition in accordance with IAS 39. This classification reflects the fact that the investments are part of a portfolio whose results are measured at fair value, which also forms the basis for periodic reporting to management. These assets are measured at fair value as of the balance sheet date, and any changes in fair value are charged or credited to the income statement.

Originated loans are classified as loans and receivables (L&R) in accordance with IAS 39. These items are basically measured at cost or the lower present value as of the balance sheet date.

Derivatives are recognised as independent transactions. These financial instruments are used to reduce the risks associated with foreign exchange and interest rate fluctuations. Derivative transactions are only concluded with financial institutions that have first-rate credit standings. Derivatives are assigned to the category "held for trading" (HFT) and valued through profit or loss at the market value applicable on the balance sheet date. This market value is determined by the relevant financial institution and reported to IMMOFINANZ. Hedge accounting is not applied.

Information on the conditions and market values of derivatives is provided under sections 7.3.5.1 and 7.3.5.2.

Other short-term financial assets are classified as held for trading (HFT) in accordance with IAS 39 and carried at the applicable market or stock exchange value as of the balance sheet date. All purchases and sales are recognised as of the settlement date, which represents the date on which the asset is transferred. Temporary fluctuations in fair value are recognised through profit or loss.

## 2.3.11 Deferred tax assets and deferred tax liabilities

In accordance with the balance sheet liability method defined in IAS 12, deferred taxes are calculated on all temporary differences between the carrying amount of an asset or liability in the IFRS consolidated financial statements and the respective tax base in the individual company financial statements. Temporary differences can be:

- Taxable temporary differences, which are temporary differences that will lead to taxable amounts for the determination of taxable profit (tax loss) in future periods, when the carrying amount of the respective asset or liability is recovered or settled; or
- Deductible temporary differences, which are temporary differences that will result in amounts that are deductible for the determination of taxable profit (tax loss) in future periods, when the carrying amount of the respective asset or liability is recovered or settled.

A deferred tax asset or deferred tax liability must be recorded for each taxable temporary difference unless the difference arises from the initial recognition of goodwill or the initial recognition of an assets or liability in a transaction that:

- is not a business combination, and
- at the time of the transaction, affects neither accounting profit (before tax) nor taxable profit (tax loss).

The calculation of deferred taxes is based on the tax rate that will apply or is expected to apply in the respective country at the point of realisation. Tax laws enacted or substantively enacted as of the closing date are also taken into account.

The recognition of deferred tax assets on deductible temporary differences and loss carryforwards is based on forecasts for their utilisation against future taxable income, whereby the tax consequences result from the realisation of the carrying amount of properties through their sale. The relevant estimates by management are updated as of each balance sheet date based on the latest data developed for tax planning purposes.

## 2.3.12 Properties held for sale

IFRS 5 classifies assets as held for sale if they can be sold in their present condition and their sale is highly probable. The involved assets represent non-current items. These assets are no longer depreciated on a regular basis, but are measured at the lower of the carrying amount at the point of classification as held for sale and fair value less costs to sell. The requirements for classification as held for sale are: a) the existence of a concrete intention to sell, b) the immediate availability of the asset and c) with certain exceptions, the completion of the sale within 12 months.

If the requirements for classification as held for sale are no longer met, the asset is transferred to the appropriate balance sheet position and measured at the lower of the carrying amount and fair value less costs to sell. Any adjustment to the value of the asset is recognised to the income statement.

Investment properties represent an exception to the valuation requirements set forth in IFRS 5 because these assets are valued in accordance with the fair value model. However, the presentation requirements defined in IFRS 5 apply.

## 2.3.13 Inventories

Inventories represent assets that are held for sale during the ordinary course of business, or are in the process of production for such sale, or take the form of materials or supplies to be consumed in the production process or in the rendering of services.

The business activities of IMMOFINANZ as a property company include the acquisition, rental and best possible commercial utilisation of assets to optimise asset management. The properties held for sale by IMMOFINANZ Group's subsidiaries during the course of ordinary business operations do not fall under the scope of application of IAS 40 investment properties), and are therefore treated as inventories in accordance with IAS 2.

Inventories are capitalised at cost and measured at the lower of carrying amount or net realisable value as of the balance sheet date. Net realisable value is determined as the estimated selling price less any outstanding production costs and costs to sell. The acquisition or production cost of inventories includes all purchase and processing costs as well as other expenses incurred to bring the asset to the current location and condition.

Sales of inventories are reported under the results of property development, whereby revenue is realised when ownership is transferred. In the event of a sale, the relevant production costs are recorded as a disposal under the production cost of sold inventories.

Inventories are tested for impairment each year or more frequently if there are signs of impairment. This testing involves a comparison of production cost with the fair value as determined by an expert opinion (value in use). Information on the determination of fair value and the related uncertainties is provided under sections 2.3.3 and 2.4.

## 2.3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, funds-in-transit and deposits with financial institutions with a term of up to three months. These items are carried at the value applicable on the balance sheet date.

## 2.3.15 Financial liabilities, trade and other liabilities

Financial liabilities are generally classified as financial liabilities measured at amortised cost (FLAC) in accordance with IAS 39. These items are carried at amortised cost.

Non-financial liabilities are also carried at amortised cost.

Information on the distinction between financial and non-financial liabilities is provided under the definition of financial instruments in section 7.2.1.

Financial liabilities are recorded at the amount of funds received less transaction costs. Any difference (premium, discount or other difference) between the amount received and the repayment amount is allocated over the term of the financing according to the effective interest rate method and recorded under financial results. Immaterial differences are recognised on a straight-line basis over the term of the liability. Hybrid financial instruments, which include both equity and debt components, must be separated for accounting purposes. Financial instruments can consist of a non-derivative underlying contract and a derivative financial instrument. An embedded derivative must, in some cases, be accounted for separately from the underlying contract.

Derivatives with a negative fair value as well as derivatives with a positive fair value (see section 2.3.10) are classified as held for trading (HFT). These items are carried at fair value through profit or loss as of the balance sheet date.

## 2.3.16 Provisions

In accordance with IAS 37.14, an obligation arising from a past event whose timing or amount is uncertain is recorded as a provision when it becomes probable that an outflow of resources will be required to settle this obligation and when the amount can be reliably estimated.

The provision is based on the best estimate at the time the financial statements are prepared. The best estimate of the amount required to meet the present obligation is the amount the entity would rationally pay to settle the obligation at the balance sheet date or to transfer the obligation to a third party at that time.

The risks and uncertainties that inevitably surround many events and circumstances must be taken into account in determining the best estimate. The expected cash flows must be discounted to their present value if the time value of money is material.

In cases where some or all of the expenditure required to settle an obligation is expected to be reimbursed by another party, the reimbursement may only be recognised when it is virtually certain that this reimbursement will be received if the entity settles the obligation. This reimbursement must be treated as a separate asset. The amount recognised for the reimbursement may not exceed the amount of the provision.

Provisions must be reviewed as of each balance sheet date and adjusted through profit or loss if an outflow of resources is no longer probable.

### 2.3.17 Obligations to employees

The provisions for termination benefits, pensions and long-service bonuses were calculated in accordance with the projected unit credit method. This method computes the present value of claims earned by the employees up to the balance sheet date, based on an assumed increase of approx. 2.00% in wages and salaries. The calculation is also based on the earliest possible retirement age defined by the relevant legal regulations, which is dependent among others on the employees' gender and date of birth. An interest rate of 3.50% (2011/12: 4.25%) was applied to the provisions for pensions, termination benefits and long-service bonuses. Appropriate employee turnover rates – scaled to reflect the length of service with the company – were also included in the calculation. The actuarial calculation for Austria was based on the Pagler & Pagler AVÖ 2008-P mortality tables.

Actuarial gains and losses are recognised immediately through profit or loss.

## 2.4 Judgments and estimation uncertainty

The preparation of consolidated financial statements in agreement with IFRS requires the use of judgments and assumptions for future developments by corporate management. These judgments and assumptions can have a significant influence on the recognition and value of assets and liabilities, the disclosure of other obligations as of the balance sheet date and the reporting of income and expenses for the financial year.

The following assumptions carry a significant risk that they may lead to a material adjustment in the value of assets and liabilities during the next financial year:

- The fair value of the investment property, property under construction and properties held for sale recognised by IMMOFINANZ Group (carrying amount on 30 April 2013: EUR 10,225.0 million) and the net realisable value of inventories are determined on the basis of appraisals prepared by independent property experts. Most of these appraisals are prepared on the basis of discounted cash flow (DCF) models, specifically by discounting the expected future cash flows from the respective property. The preparation of these appraisals involves the use of assumptions, e.g., for the applied discount rate, expected occupancy or development of rental prices. One characteristic of DCF models is their sensitivity to the underlying assumptions and parameters. For example, a reduction in the applied discount rate without any changes to the other assumptions or parameters will lead to an increase in the value of the respective property. In contrast, a reduction in the expected occupancy rate or the expected rental prices without any changes to the other assumptions or parameters will lead to a decline in the value of the respective property. These assumptions and parameters are determined through a careful process as of each balance sheet date based on the best possible estimates of the current market environment by management and the appraisers. The estimates are updated as of every balance sheet date, which can lead to substantial fluctuations in the value of the appraised properties.
- The net realisable value of certain inventories is calculated on the basis of the expected sale proceeds minus the estimated costs for completion and sale. These estimates are updated as of every balance sheet date, which can lead to substantial fluctuations in the value of the appraised properties.

- The impairment testing of intangible assets, goodwill and tangible assets is based on forward-looking assumptions. The determination of the recoverable amount of an asset for an impairment test involves the use of numerous assumptions, e.g. concerning future surplus cash flows and the discount rate. These surplus cash flows reflect the latest estimates available at the time the financial statements are prepared (see section 5.3 and 5.4).
- Alternative financial valuation methods are used in the impairment testing of financial instruments for which there is no active market. The parameters used to establish fair value are based in part on forward-looking assumptions. The respective carrying amounts are listed in section 7.2.4.
- The valuation of pension and severance compensation obligations includes the use of assumptions for the interest rate, retirement age, life expectancy, employee turnover and future increase in salaries and wages (see section 2.3.17).
- The recognition of deferred tax assets is based on the assumption that the company will generate sufficient taxable profit in the future to utilise these items (see section 5.8).
- The recognition of purchase price liabilities that include future earn-out payments is based on the latest estimates for expected development.
- The valuation of provisions is based on estimated amounts. A number of the estimates were developed by experts, whereby past experience was included whenever possible.
- The unrecognised obligations and impairment losses arising from sureties, guarantees and other liabilities are assessed on a regular basis to determine whether recognition is required (see sections 7.3.2 and 7.4.1).
- In connection with the initial recognition of convertible bonds, the fair value of the liability component is calculated in accordance with IAS 32.32 based on applicable swap rates with similar terms in effect at that time and on the average risk premiums for financing obtained by IMMOFINANZ Group.

The estimates and the underlying assumptions used by IMMOFINANZ Group are reviewed regularly. Actual values may vary from these estimates and assumptions when the development of the general parameters is different than expectations on the balance sheet date. Changes are made when more accurate information is available, and the assumptions are adjusted accordingly.

# 3. Scope of Consolidation and Business Combinations

## 3.1 Development of the scope of consolidation

The changes in the scope of consolidation during the 2012/13 financial year are shown in the following table:

| Scope of consolidation | Full consolidation | Proportionate consolidation | Equity method | Total |
|---|---|---|---|---|
| **Balance on 30 April 2012** | **659** | **72** | **27** | **758** |
| Initially consolidated during the reporting year | 47 | 0 | 1 | 48 |
| Disposal or merger | -17 | -10 | -2 | -29 |
| Change in consolidation method | 9 | -10 | 1 | 0 |
| **Balance on 30 April 2013** | **698** | **52** | **27** | **777** |
| Thereof foreign companies | 406 | 47 | 20 | 473 |

An overview of the IMMOFINANZ Group companies is presented at the end of the notes.

## 3.2 Fully consolidated companies

In addition to IMMOFINANZ, these consolidated financial statements include 291 domestic and 406 foreign subsidiaries in which IMMOFINANZ directly or indirectly holds the majority of shareholder voting rights or can exercise legal or actual control.

## 3.3 Companies included through proportionate consolidation

In accordance with IAS 31, five domestic and 47 foreign companies are included in these financial statements through proportionate consolidation. Based on the rules defined in IAS 31.3 in connection with IAS 31.9, IMMOFINANZ is not considered to have control over the following companies – even if it holds the majority of voting rights or manages these businesses jointly with other partners in spite of its minority interests – because syndication agreements were concluded with other entities for the joint management of business operations:

| Segment | Country | Headquarters | Company | Direct stake |
|---|---|---|---|---|
| Poland | PL | Warsaw | Metropol NH Sp. z o.o. | 25.00% |
| Romania | RO | Bucharest | Confidential Business SRL | 25.00% |
| Romania | RO | Voluntari | GAD Real Estate SRL | 50.10% |
| Romania | RO | Voluntari | Hadas Management SRL | 75.00% |
| Romania | RO | Bucharest | Polivalenta Building SRL | 25.00% |
| Other | UA | Odessa | Alpha Arcadia LLC | 50.10% |
| Other | TR | Istanbul | Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S. | 64.89% |
| Other | TR | Istanbul | Bersan Gayrimenkul Yatirim A.S. | 64.89% |
| Other | NL | Rotterdam | Efgad Europe BV | 50.01% |
| Other | TR | Istanbul | Ephesus Gayrimenkul Yatirim A.S. | 64.89% |
| Other | TR | Istanbul | Hadimköy Gayrimenkul Yatirim A.S. | 64.89% |
| Other | LU | Luxembourg | Hekuba S.à r.l. | 64.89% |
| Other | US | Houston | IMF Investments 105 LP | 90.00% |
| Other | US | Houston | IMF Investments 106 LP | 90.00% |
| Other | US | Houston | IMF Investments 107 LP | 90.00% |
| Other | US | Houston | IMF Investments 111 LP | 90.00% |
| Other | US | Houston | IMF Investments 205 LP | 90.00% |
| Other | US | Houston | IMF Investments 307 LP | 90.00% |
| Other | TR | Istanbul | Kilyos Gayrimenkul Yatirim A.S. | 64.89% |
| Other | TR | Istanbul | Manisa Cidersan Gayrimenkul Yatirim A.S. | 64.89% |
| Other | CY | Nicosia | Phelma Investments Limited | 50.10% |
| Other | HR | Porec | Raski Zalijey Vile d.o.o. | 25.01% |
| Other | CY | Limassol | Sadira Ltd. | 50.10% |
| Other | HR | Škrljevo | SBE Rijeka d.o.o. | 50.01% |
| Other | TR | Istanbul | Sehitler Gayrimenkul Yatirim A.S. | 64.89% |
| Other | CY | Nicosia | Termanton Enterprises Limited | 75.00% |

The above table only includes joint ventures that were included in the scope of consolidation as of 30 April 2013.

The following table shows the pro rata values for companies that were included in the consolidated financial statements at their proportionate share (before the elimination of intercompany relations):

| All amounts in TEUR | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Non-current property assets | 316,810.6 | 416,816.5 |
| Current property assets | 3,668.4 | 35,005.7 |
| Other non-current assets | 129,543.9 | 123,975.0 |
| Other current assets | 51,528.8 | 105,819.6 |
| Non-current liabilities | -403,365.4 | -504,054.8 |
| Current liabilities | -78,392.8 | -221,064.6 |
| **Proportional share of net assets** | **19,793.5** | **-43,502.6** |

| All amounts in TEUR | 2012/13 | 2011/12 |
|---|---|---|
| Revenues | 27,959.0 | 29,262.6 |
| Revaluation of properties | -13,378.2 | 4,096.9 |
| **Operating profit (EBIT)** | **9,401.5** | **9,111.7** |
| **Financial results** | **-14,158.1** | **-37,871.9** |
| Income taxes | 3,846.0 | 4,804.5 |
| **Net profit for the period** | **-910.6** | **-23,955.7** |

## 3.4 Associated companies

As of 30 April 2013, seven domestic and 20 foreign companies were included in the consolidated financial statements by applying the equity method.

The requirement for application of the equity method is the ability of the investing company to exercise significant influence over the associate. This is normally evidenced by one or more of the factors defined in IAS 28.7. Potential voting rights are to be considered in determining whether the requirements for significant influence are met. In contrast, the actual exercise of this influence is not required.

Significant influence as defined in IAS 28.6 is considered to exist when the stake owned in a company equals 20.00% or more of the voting power. However, this presumption can be refuted. IMMOFINANZ holds stakes of more than 20.00% in the net assets of the following companies, which were not classified as associated companies due to a lack of significant influence:

- Dikare Holding Ltd. (22.00%)
- E-Stone Central Europe AT Holding GmbH (28.00%)
- E-Stone Central Europe Holding B.V. (28.00%)
- E-Stone TriCapitals Holding B.V. (40.00%)
- FFA Utility P. West (31.32%)
- Global Emerging Property Fund L.P. (25.00%)
- M.O.F. Immobilien AG (20.00%)
- M.O.F. Beta Immobilien AG (20.00%)
- Russia Development Fund L.P. (50.66%)

The presumption of association is refuted by the absence of IMMOFINANZ staff or corporate bodies on the managing bodies of the above companies or in the shareholding that is required to pass resolutions. Therefore, these stakes are accounted for as IAS 39 investments.

## 3.5 Business combinations (initial consolidations)

IMMOFINANZ acquired shares in or founded the following companies during the 2012/13 financial year:

| Segment | Country | Headquarters | Company | Direct stake | Consolidation method | Date |
|---|---|---|---|---|---|---|
| **Formation** | | | | | | |
| Austria | AT | Vienna | Erste FMZ Rosental Beteiligungsverwaltung GmbH | 100.00% | F | 20 March 2013 |
| Austria | AT | Vienna | MH 114 GmbH & Co OG | 100.00% | F | 30 April 2013 |
| Austria | AT | Vienna | Prinz-Eugen-Straße Liegenschaftsvermietungs GmbH | 100.00% | F | 31 January 2013 |
| Austria | AT | Vienna | Zweite FMZ Rosental Beteiligungsverwaltung GmbH | 100.00% | F | 16 April 2013 |
| BUWOG | AT | Vienna | BUWOG – Lindengasse 62 GmbH | 100.00% | F | 1 November 2012 |
| BUWOG | AT | Vienna | BUWOG – Penzinger Straße 76 GmbH | 100.00% | F | 30 April 2013 |
| BUWOG | AT | Vienna | PSD Wohnimmobilien GmbH & Co OG | 100.00% | F | 16 April 2013 |
| Poland | PL | Warsaw | IPOPEMA 78 Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych | 100.00% | F | 1 November 2012 |
| Poland | PL | Warsaw | Polluks Real Sp. z o.o. | 100.00% | F | 31 January 2013 |
| Other | NL | Amsterdam | STOP.SHOP. Czech Republic I B.V. | 100.00% | F | 30 April 2013 |
| Other | NL | Amsterdam | STOP.SHOP. Czech Republic II B.V. | 100.00% | F | 30 April 2013 |
| Other | NL | Amsterdam | STOP.SHOP. Holding B.V. | 100.00% | F | 30 April 2013 |
| Other | NL | Amsterdam | STOP.SHOP. Hungary B.V. | 100.00% | F | 30 April 2013 |
| Other | NL | Amsterdam | STOP.SHOP. Slovakia I B.V. | 100.00% | F | 30 April 2013 |
| Other | NL | Amsterdam | STOP.SHOP. Slovakia II B.V. | 100.00% | F | 30 April 2013 |
| Other | NL | Amsterdam | STOP.SHOP. Slovenia B.V. | 100.00% | F | 30 April 2013 |
| **Acquisition** | | | | | | |
| BUWOG | AT | Vienna | BUWOG – Breitenfurter Straße 239 GmbH | 100.00% | F | 30 April 2013 |
| BUWOG | DE | Berlin | Blitz-12575 GmbH | 100.00% | F | 30 April 2013 |
| BUWOG | DE | Berlin | Blitz-12576 GmbH & Co. KG | 100.00% | F | 30 April 2013 |
| BUWOG | DE | Berlin | BUWOG – Brunnenstraße GmbH & Co. KG | 100.00% | F | 1 November 2012 |
| BUWOG | DE | Berlin | BUWOG – Brunnenstraße Verwaltungs GmbH | 100.00% | F | 1 November 2012 |
| BUWOG | DE | Berlin | BUWOG – Chausseestraße 88 GmbH & Co. KG | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Chausseestraße 88 Verwaltungs GmbH | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Gervinusstraße GmbH & Co. KG | 100.00% | F | 30 April 2013 |
| BUWOG | DE | Berlin | BUWOG – Gervinusstraße Verwaltungs GmbH | 100.00% | F | 30 April 2013 |
| BUWOG | DE | Berlin | BUWOG – Humboldt Palais GmbH & Co. KG | 100.00% | F | 22 May 2012 |
| BUWOG | DE | Berlin | BUWOG – Lindenstraße GmbH & Co. KG | 100.00% | F | 1 November 2012 |
| BUWOG | DE | Berlin | BUWOG – Lindenstraße Verwaltungs GmbH | 100.00% | F | 1 November 2012 |
| BUWOG | DE | Berlin | BUWOG – Palais/Scharnhorststraße Verwaltungs GmbH | 100.00% | F | 22 May 2012 |
| BUWOG | DE | Berlin | BUWOG – Regattastraße GmbH & Co. KG | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Regattastraße Verwaltungs GmbH | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Scharnhorststraße 26–27 GmbH & Co. KG | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Scharnhorststraße 26–27 Verwaltungs GmbH | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Scharnhorststraße 4 Townhouse GmbH & Co. KG | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Scharnhorststraße 4 Verwaltungs GmbH | 100.00% | F | 1 August 2012 |
| BUWOG | DE | Berlin | BUWOG – Scharnhorststraße 4 Wohnbauten GmbH & Co. KG | 100.00% | F | 22 May 2012 |
| BUWOG | DE | Berlin | Capricornus High-Deck GmbH | 94.90% | F | 30 April 2013 |
| BUWOG | DE | Berlin | Capricornus High-Deck Residential GmbH & Co. KG | 100.00% | F | 30 April 2013 |
| BUWOG | NL | Amsterdam | Euréal Lambda Vastgoed B.V. | 94.90% | F | 30 April 2013 |
| Poland | PL | Warsaw | Kastor Real Sp. z o.o. | 100.00% | F | 31 January 2013 |
| Poland | PL | Warsaw | STOP.SHOP. 4 Sp. z o.o. | 100.00% | F | 1 May 2012 |

| Segment | Country | Headquarters | Company | Direct stake | Consolidation method | Date |
|---|---|---|---|---|---|---|
| Poland | PL | Warsaw | STOP.SHOP. 6 Sp. z o.o. | 100.00% | F | 31 January 2013 |
| Poland | PL | Warsaw | STOP.SHOP. 7 Sp. z o.o. | 100.00% | F | 1 May 2012 |
| Poland | PL | Warsaw | STOP.SHOP. 8 Sp. z o.o. | 100.00% | F | 31 January 2013 |
| Poland | PL | Warsaw | STOP.SHOP. 9 Sp. z o.o. | 100.00% | F | 1 May 2012 |
| Other | NL | Amsterdam | City Box Euroborg B.V. | 100.00% | F | 19 December 2012 |
| Other | NL | Amsterdam | City Box Properties II B.V. | 100.00% | F | 19 December 2012 |
| Other | DE | Amsterdam | Walkabout Beteiligungs GmbH | 66.67% | E | 31 January 2013 |

*F = Full consolidation, P = Proportionate consolidation, E = Equity method*

The newly founded companies do not fall under the scope of application of IFRS 3.

### Effects of initial consolidations

The initial consolidation of property companies resulted in the transfer of the following assets and liabilities to IMMOFINANZ; the amounts shown below reflect measurement at fair value:

| All amounts in TEUR | 2012/13 | 2011/12 |
|---|---|---|
| Cash and cash equivalents | 5,502.6 | 19,358.5 |
| Other financial instruments | 0.0 | 8,323.1 |
| Receivables and other assets | 12,856.6 | 88,517.0 |
| Deferred tax assets | 1,752.7 | 7,614.6 |
| Investment property | 115,368.9 | 138,220.2 |
| Tangible assets | 129.1 | 1,350.2 |
| Intangible asssets (excl. goodwill) | 0.0 | 26.1 |
| Inventories | 44,560.9 | 55,352.9 |
| Financial liabilities | -65,785.6 | -134,332.1 |
| Trade accounts payable | -3,578.7 | -3,875.1 |
| Other liabilities | -38,688.6 | -91,896.9 |
| Provisions | -275.4 | -11,550.8 |
| Deferred tax liabilities | -10,664.6 | -8,678.6 |
| Non-controlling interests | -2,225.5 | 999.4 |
| **Net assets acquired** | **58,952.4** | **69,428.5** |
| (Negative) goodwill | 2,262.1 | 3,635.8 |
| Less IAS 39 investment | 0.0 | -18,383.3 |
| Outstanding purchase price | 0.0 | -1,964.8 |
| **Purchase price paid in cash** | **61,214.5** | **52,716.2** |
| Less cash and cash equivalents | -5,502.6 | -19,358.5 |
| **Net purchase price for property companies** | **55,711.9** | **33,357.7** |

The principal initial consolidations were recognised in the fourth quarter and are related to a portfolio of 40 buildings with a total of 1,916 apartments in Berlin–Neukölln. This portfolio has 126,233 sqm of rentable space. In addition, a portfolio was acquired in Berlin Charlottenburg–Wilmersdorf where approx. 100 apartments will be realised on a 3,000 sqm site.

## 3.6 Transition consolidations

Transition consolidations were recognised for the following companies in 2012/13:

| | | | | Before | | After | | |
|---|---|---|---|---|---|---|---|---|
| Segment | Country | Headquarters | Company | Direct stake | Consolidation method | Direct stake | Consolidation method | Date |
| Germany | DE | Nettetal | FRANKONIA Eurobau Königskinder GmbH | 50.00% | P | 50.00% | E | 31 October 2012 |
| Germany | DE | Cologne | IMMOFINANZ Friesenquartier GmbH | 50.00% | P | 94.90% | F | 5 September 2012 |
| Germany | DE | Cologne | IMMOFINANZ Friesenquartier II GmbH | 50.00% | P | 94.90% | F | 5 September 2012 |
| Poland | PL | Warsaw | Riverpark Residential Sp. z o.o. | 50.00% | P | 100.00% | F | 5 September 2012 |
| Hungary | HU | Budapest | STOP.SHOP. TB Kft. | 51.00% | P | 100.00% | F | 9 May 2012 |
| Romania | CY | Nicosia | Lagerman Properties Limited | 50.00% | P | 100.00% | F | 3 January 2013 |
| Romania | RO | Voluntari | Monorom Construct SRL | 50.00% | P | 100.00% | F | 3 January 2013 |
| Romania | RO | Bucharest | Progeo Development SRL | 50.00% | P | 100.00% | F | 24 January 2013 |
| Romania | RO | Bucharest | Promodo Development SRL | 50.00% | P | 100.00% | F | 24 January 2013 |
| Romania | RO | Bucharest | Snagov Lake Rezidential SRL | 50.00% | P | 100.00% | F | 24 January 2013 |

*F = Full consolidation, P = Proportionate consolidation, E = Equity method*

### Effects of transition consolidations

The effects of the transition consolidation of property companies on the consolidated financial statements are shown in the following table:

| All amounts in TEUR | 2012/13 | 2011/12 |
|---|---|---|
| Cash and cash equivalents | 2,470.0 | 10,363.8 |
| Receivables and other assets | -17,065.9 | 5,070.3 |
| Deferred tax assets | 23,083.4 | 26,281.0 |
| Investment property | 79,233.9 | 606,608.9 |
| Tangible assets | 3.8 | 385.6 |
| Intangible asstes (excl. goodwill) | 1.5 | 85.5 |
| Financial liabilities | -84,959.3 | -15,278.6 |
| Trade accounts payable | -1,302.1 | -609.4 |
| Other liabilities | -253.1 | -285,472.9 |
| Provisions | 8,691.1 | -54.8 |
| Deferred tax liabilities | -23,108.8 | -87,683.8 |
| Foreign exchange differences | -1,363.9 | -6,263.0 |
| Non-controlling interests | 4,538.0 | -1.0 |
| **Net assets acquired** | **-10,031.4** | **253,431.6** |
| (Negative) goodwill | 14,036.5 | 88,289.8 |
| Outstanding purchase price | 0.0 | -177,457.2 |
| Less prepayments made | 0.0 | -89,398.9 |
| **Purchase price paid in cash** | **4,005.1** | **74,865.3** |
| Less cash and cash equivalents | -2,470.0 | -10,363.8 |
| **Net purchase price for property companies** | **1,535.1** | **64,501.5** |

On 5 September 2012 IMMOFINANZ Group purchased 44.90% of the shares in the Cologne development project *Gerling Quartier* and two other companies from the co-owner FRANKONIA Eurobau AG. The preliminary transition consolidation of the acquired companies resulted in goodwill of EUR 14.0 million, which was written off in full. The transition consolidations carried out in previous years involved the reversal or use of the value allowances created for joint venture receivables and provisions for impending losses.

### Transition consolidations in 2011/12

In 2011/12 IMMOFINANZ Group purchased the remaining 50.00% stake in Gangaw Investments Limited, Nicosia, a holding company that owns 100% of the Russian property company OAO Kashirskij Dvor-Severyanin, Moscow. The purchase contract was finalised in March 2012 and, on 30 April 2012, IMMOFINANZ Group gained control over the property company, which owns the *Golden Babylon Rostokino* shopping center. The agreement for this acquisition was concluded in March 2012, and IMMOFINANZ Group was given control over the property company as of 30 April 2012. The closing took place on 16 May 2012. Consequently, 50% of the net assets (EUR 275.4 million) were reported under non-controlling interests as of 30 April 2012 and reclassified to Group equity as of 16 May 2012.

The discounted outstanding purchase price of USD 190.9 million was reported under liabilities. This price will change prior to the final determination of the purchase price on 31 December 2013 depending on the future calculation parameters, in particular net operating income which has an influence on the fair value of the property.

Circumstances relevant for the determination of value led to the subsequent adjustment of the purchase price for 100% of the shares in Gangaw Investments Limited, Nicosia. This purchase price adjustment was recognised in accordance with the requirements of IAS 8. It led to an increase of EUR 33.5 million in the related goodwill and the outstanding purchase price liability as of 30 April 2012 (USD 44.2 million).

## 3.7 Deconsolidations

The following companies were sold or liquidated and subsequently deconsolidated during the 2012/13 financial year:

| Segment | Country | Head-quarters | Company | Direct stake | Consolida-tion method | Date |
|---|---|---|---|---|---|---|
| Austria | AT | Vienna | CPB EINS Anlagen Leasing GmbH in Liqu. | 100.00% | F | 28 December 2012 |
| Austria | AT | Vienna | CPB Hepta Anlagen Leasing GmbH | 100.00% | F | 6 March 2013 |
| Austria | GG | Guernsey | CPB Lease and Finance Company Limited | 100.00% | F | 8 April 2013 |
| Austria | AT | Vienna | Gena Eins Immobilienholding GmbH | 100.00% | F | 16 May 2012 |
| Austria | AT | Vienna | Immobilia Delta Immobilienvermietungsgesellschaft m.b.H. – in liquidation | 100.00% | F | 31 January 2013 |
| Austria | AT | Vienna | Immobilia Epsilon Immobilienvermietungsges.m.b.H. – in liquidation | 100.00% | F | 31 January 2013 |
| Austria | AT | Vienna | Mandelgasse 31 Vermietungsgesellschaft m.b.H. – in liquidation | 100.00% | F | 31 January 2013 |
| Austria | AT | Vienna | MH53 GmbH & Co OG | 100.00% | F | 16 May 2012 |
| Austria | AT | Vienna | Peter-Jordan-Straße 161 Immobilienprojekt GmbH | 100.00% | F | 30 November 2012 |
| Austria | AT | Vienna | SELICASTELLO BETA Beteiligungsverwaltung GmbH | 50.00% | P | 1 November 2012 |
| Austria | AT | Vienna | SELICASTELLO BETA Liegenschaftsbesitz GmbH | 50.00% | P | 1 November 2012 |
| Austria | AT | Vienna | SELICASTELLO GAMMA Beteiligungsverwaltung GmbH | 50.00% | P | 1 November 2012 |
| Austria | AT | Vienna | SELICASTELLO GAMMA Liegenschaftsbesitz GmbH | 50.00% | P | 1 November 2012 |
| Germany | DE | Frankfurt | IMF Warenhaus Vermietungs GmbH | 100.00% | F | 17 October 2012 |
| Poland | PL | Warsaw | Residea Beta Sp. z o.o. | 50.00% | P | 4 July 2012 |
| Poland | PL | Warsaw | Residea Omega Sp. z o.o. | 50.00% | P | 12 November 2012 |
| Poland | PL | Warsaw | Residea Sigma Sp. z o.o.w likwidacji | 50.00% | P | 23 June 2012 |
| Czech Republic | CZ | Prague | BB C – Building C, s.r.o. | 100.00% | F | 31 December 2012 |
| Czech Republic | CZ | Prague | Diamant Real spol. s.r.o. | 51.00% | P | 3 December 2012 |
| Czech Republic | CZ | Prague | Veronia Shelf s.r.o. | 51.00% | P | 3 December 2012 |
| Slovakia | SK | Bratislava | Immoeast Dunaj s.r.o. v likvidácii | 100.00% | F | 14 December 2012 |
| Romania | RO | Bucharest | Cernica Residential Park SRL | 15.00% | E | 24 January 2013 |
| Other | GI | Gibraltar | Bluecrest Holdings Limited | 64.89% | P | 27 February 2013 |
| Other | CH | St. Moritz | Les Bains de St. Moritz Holding AG | 100.00% | F | 3 February 2013 |
| Other | LV | Riga | SIA Unico | 20.00% | E | 24 January 2013 |
| Other | CH | St. Moritz | St. Moritz Bäder AG | 100.00% | F | 3 February 2013 |

*F = Full consolidation, P = Proportionate consolidation, E = Equity method*

The total effect of the deconsolidations is shown in the following table:

| All amounts in TEUR | 2012/13 | 2011/12 |
|---|---|---|
| Cash and cash equivalents | 20,837.3 | 2,438.0 |
| Investments in associated companies | 384.8 | 0.0 |
| Other financial instruments | 8.8 | 0.5 |
| Receivables and other assets | 53,096.0 | 5,423.2 |
| Deferred tax assets | 14,860.2 | 12,361.1 |
| Investment property | 232,433.2 | 203,536.7 |
| Tangible assets | 0.0 | 266.9 |
| Intangible assets (excl. goodwill) | 633.7 | 114.9 |
| Goodwill | 6,367.6 | 0.0 |
| Financial liabilities | -130,871.5 | -36,828.1 |
| Trade accounts payable | -1,169.1 | -1,674.9 |
| Other liabilities | -76,968.3 | -87,105.7 |
| Provisions | -459.0 | -4,252.2 |
| Deferred tax liabilities | -24,155.6 | -22,830.0 |
| Foreign exchange differences | -21,786.6 | -621.3 |
| **Net assets acquired** | **73,211.5** | **70,829.1** |
| Results of deconsolidation | 46,785.9 | 16,270.7 |
| **Sale price** | **119,997.4** | **87,099.8** |
| Less cash and cash equivalents | -20,837.3 | -2,438.0 |
| **Net sale price** | **99,160.1** | **84,661.8** |

IMMOFINANZ Group sold 100% of the shares in the Swiss Les Bains de St. Moritz Holding AG, owner of the *Kempinski Grand Hotel des Bains*, to an international investor during the fourth quarter of 2012/13.

## 3.8 Structural changes

The following table lists the companies in which the IMMOFINANZ investment changed during 2012/13 without a loss of control as well as companies merged during the reporting year. The latter are reported at an investment of 0.00% in the column "Direct stake after".

| Segment | Country | Headquarters | Company | Direct stake before | Direct stake after | Consolidation method | Date |
|---|---|---|---|---|---|---|---|
| **Structural changes** | | | | | | | |
| Austria | AT | Vienna | EXIT 100 Projektentwicklungs GmbH | 70.00% | 100.00% | F | 11 October 2012 |
| Germany | DE | Düsseldorf | Greenfield Logistikpark Süd GmbH & Co. KG | 90.00% | 100.00% | F | 30 April 2013 |
| Germany | DE | Düsseldorf | Greenfield Logistikpark West GmbH & Co. KG | 90.00% | 100.00% | F | 30 April 2013 |
| Poland | PL | Katowice | ELCO Energy Sp. z o.o. | 99.00% | 100.00% | F | 1 November 2012 |
| Poland | PL | Warsaw | IRES Sp. z o.o. | 85.00% | 100.00% | F | 7 May 2012 |
| Other | CY | Nicosia | Adama Ukraine Ltd | 96.80% | 97.44% | F | 2 August 2012 |
| Other | CY | Nicosia | Adama Ukraine Ltd | 97.44% | 98.40% | F | 31 January 2013 |
| Other | RS | Belgrade | Agroprodaja d.o.o. Beograd | 69.00% | 90.00% | F | 31 May 2012 |
| Other | RS | Belgrade | Agroprodaja d.o.o. Beograd | 90.00% | 100.00% | F | 30 January 2013 |
| **Mergers** | | | | | | | |
| Poland | PL | Warsaw | Central Bud Sp. z o.o. | 100.00% | 0.00% | F | 2 May 2012 |
| Poland | PL | Warsaw | Flex Invest Sp. z o.o. | 100.00% | 0.00% | F | 2 May 2012 |
| Poland | PL | Warsaw | Secure Bud Sp. z o.o. | 100.00% | 0.00% | F | 2 May 2012 |

*F = Full consolidation, P = Proportionate consolidation, E = Equity method*

# 4. Notes to the Consolidated Income Statement

## 4.1 Results of asset management

### 4.1.1 Rental income

The following table shows the classification of rental income based on the use of the properties:

| All amounts in TEUR | 1 May 2012–30 April 2013 | % | 1 May 2011–30 April 2012 | % |
|---|---|---|---|---|
| Office | 144,371.9 | 22.01% | 142,750.7 | 24.37% |
| Logistics | 74,032.9 | 11.29% | 73,817.0 | 12.60% |
| Retail | 281,339.5 | 42.90% | 210,946.8 | 36.02% |
| Residential | 125,833.4 | 19.19% | 129,758.8 | 22.15% |
| Other rental income | 30,269.0 | 4.62% | 28,414.0 | 4.85% |
| **Total** | **655,846.7** | **100.00%** | **585,687.3** | **100.00%** |

The increase in rental income from retail properties resulted mainly from the purchase of the second 50% stake in the *Golden Babylon Rostokino* shopping center.

### 4.1.2 Revenues

Revenues are presented by core market in the section on segment reporting, which represents an integral part of these annual financial statements. Revenues comprise rental income, operating costs charged to tenants and other revenues.

### 4.1.3 Expenses directly related to investment property

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Vacancies | -18,083.3 | -18,957.3 |
| Commissions | -3,915.9 | -3,910.1 |
| Maintenance | -51,801.4 | -67,648.2 |
| Operating costs charged to building owners | -40,123.3 | -30,108.8 |
| Property marketing | -8,792.4 | -5,567.8 |
| Asset management | -16,081.8 | -14,096.8 |
| Other expenses | -23,226.6 | -22,350.3 |
| **Total** | **-162,024.7** | **-162,639.3** |

The position "vacancies" covers the operating costs for vacant properties that must be carried by IMMOFINANZ as the owner.

The year-on-year decline in maintenance costs resulted from a backlog of maintenance and repairs that was carried out in 2011/12.

The increase in operating costs charged to building owners resulted chiefly from the acquisition of the second 50% stake in the *Golden Babylon Rostokino* shopping center.

Asset management includes the personnel and operating costs related to property rentals.

Other expenses include, among others, costs of EUR 6.3 million (2011/12: EUR 4.8 million) for the fittings in rental properties.

### 4.1.4 Operating expenses

Operating expenses amounted to EUR 194.2 million for the reporting year (2011/12: EUR 173.0 million) and include personnel and other expenses from the direct management of properties totalling EUR 11.4 million (2011/12: EUR 9.8 million). This position also includes directly allocated operating expenses and operating costs charged to tenants.

## 4.2 Results of property sales

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Sale of properties | 290,787.2 | 220,255.5 |
| Carrying amount of sold properties | -290,787.2 | -220,184.6 |
| Gains/losses from deconsolidation | 46,785.9 | 16,270.7 |
| Other expenses from property sales | -7,540.0 | -5,737.6 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 74,144.8 | 42,570.0 |
| **Results of property sales before foreign exchange effects** | **113,390.7** | **53,174.0** |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | -2,625.4 | 0.0 |
| **Total** | **110,765.3** | **53,174.0** |

The sale of 100% of the shares in the Swiss Les Bains de St. Moritz Holding AG, owner of the *Kempinski Grand Hotel des Bains*, is reported under the position "gains/losses from deconsolidations".

Other expenses from property sales include the personnel and operating costs that are directly related to the sale process for a property or property company.

## 4.3 Results of property development

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Sale of real estate inventories | 84,953.4 | 71,270.7 |
| Cost of goods sold | -73,086.9 | -56,415.1 |
| Other expenses from sale of real estate inventories | -2,484.2 | -2,319.5 |
| Other development expenses | -18,096.8 | -12,060.8 |
| Revaluation of properties under construction adjusted for foreign exchange effects | -17,530.0 | 34,468.8 |
| **Results of property development before foreign exchange effects** | **-26,244.5** | **34,944.1** |
| Revaluation of properties under construction resulting from foreign exchange effects | 7,804.5 | -4,869.4 |
| **Total** | **-18,440.0** | **30,074.7** |

Other expenses from the sale of real estate inventories include the personnel and operating costs that are directly related to the sale of these properties.

In 2012/13 own work of EUR 3.6 million was capitalised on real estate under construction. Other development expenses represent costs for the development and realisation of projects as well as costs that cannot be capitalised.

## 4.4 Other operating income

Other operating income comprises the following items:

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Recognition of gains on bargain purchases | 127.1 | 2,447.6 |
| Expenses passed on | 3,050.5 | 1,703.4 |
| Reversal of provisions | 5,411.0 | 9,493.2 |
| Insurance compensation | 1,160.6 | 1,976.1 |
| Income from derecognised liabilities | 5,323.3 | 6,823.2 |
| Reimbursement for penalties | 2,418.7 | 1,892.9 |
| Miscellaneous | 17,725.2 | 15,848.3 |
| **Total** | **35,216.4** | **40,184.7** |

## 4.5 Expenses not directly attributable

The following table shows the expenses that were not directly allocated to the above categories of income:

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Administration | -2,292.7 | -4,140.9 |
| Legal, auditing and consulting fees | -26,518.6 | -25,747.2 |
| Penalties | -962.0 | -2,549.3 |
| Taxes and duties | -3,417.8 | -2,884.5 |
| Advertising | -3,147.3 | -4,010.4 |
| Rental and lease expenses | -1,471.0 | -2,329.5 |
| EDP and communications | -2,789.4 | -2,823.8 |
| Expert opinions | -2,088.8 | -2,331.2 |
| Supervisory Board remuneration | -388.0 | -294.5 |
| Personnel expenses | -33,629.1 | -32,341.7 |
| Miscellaneous | -21,800.3 | -19,710.8 |
| **Total** | **-98,505.0** | **-99,163.8** |

Information on the remuneration of the Supervisory Board is provided in section 7.6.2.

Personnel expenses cover the areas that could not be directly allocated to the operating segments of IMMOFINANZ Group. The Executive Board of IMMOFINANZ Group was not allocated to an operating segment.

The miscellaneous expenses reported in the above table consist, for the most part, of expenses for legal proceedings (see section 7.4.1).

The acquisition of the Adama Group in the third quarter of 2011/12 led to an increase of approx. EUR 10.0 million in miscellaneous expenses that were not directly allocated.

## 4.6 Personnel expenses

Personnel expenses for the employees of IMMOFINANZ Group include the following:

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Wages | -1,790.7 | -1,912.2 |
| Salaries | -46,586.9 | -37,493.8 |
| Expenses for defined contribution plans | -442.0 | -490.9 |
| Expenses for defined benefit plans | -1,051.7 | -1,093.1 |
| Expenses for legally required social security and other employee-related expenses | -12,006.9 | -9,575.8 |
| Other personnel expenses | -6,139.3 | -8,455.8 |
| **Total** | **-68,017.5** | **-59,021.6** |

Personnel expenses of EUR 34.4 million (2011/12: EUR 26.7 million) were directly allocated to the sources of income. Expenses charged on include personnel expenses of EUR 9.5 million (2011/12: EUR 7.9 million). A further EUR 10.3 million (2011/12: EUR 8.2 million) were reported under the results of asset management. The results of property sales include EUR 2.7 million (2011/12: EUR 2.0 million) of personnel expenses. The results of property development include personnel expenses totalling EUR 11.9 million (2011/12: EUR 8.5 million); of this total, EUR 2.4 million were capitalised on property under construction during the reporting year.

The following table shows the average workforce employed by the subsidiaries included in the consolidated financial statements (through full and proportionate consolidation) as of the balance sheet date:

| | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Wage employees | 202 | 218 |
| Salaried employees | 930 | 855 |
| **Total** | **1,132** | **1,073** |

## 4.7 Operating profit (EBIT)

### 4.7.1 Revaluation of properties adjusted for foreign exchange effects and revaluation of properties resulting from foreign exchange effects

Revaluation results include all write-ups and impairment losses recognised to assets reported under the balance sheet position "investment property".

The write-ups and impairment losses resulting from revaluation are presented by country under the section on segment reporting, which represents an integral part of these consolidated financial statements.

These write-ups and impairment losses are classified as follows:

| | Investment property | | Property under construction | | Properties sold and held for sale | |
|---|---|---|---|---|---|---|
| All amounts in TEUR | 1 May 2012 - 30 April 2013 | 1 May 2011 - 30 April 2012 | 1 May 2012 - 30 April 2013 | 1 May 2011 - 30 April 2012 | 1 May 2012 - 30 April 2013 | 1 May 2011 - 30 April 2012 |
| Write-ups | 359,220.3 | 542,581.3 | 13,090.1 | 76,394.1 | 73,007.6 | 48,780.4 |
| Impairment losses | -224,646.7 | -246,556.3 | -22,815.6 | -46,794.7 | -1,488.2 | -6,210.4 |
| **Total** | **134,573.6** | **296,025.0** | **-9,725.5** | **29,599.4** | **71,519.4** | **42,570.0** |

In connection with the adjustment of prior year values, the initial valuation of financial contributions totalling EUR 10.4 million was reclassified from results of operations to other revaluation results. This offset the decline in valuation results caused by the legal regulation of rents (see section 2.2).

The following table shows the classification by country of the write-ups adjusted for foreign exchange effects and write-ups resulting from foreign exchange effects in 2012/13:

| All amounts in TEUR | Investment property | Property under construction | Properties sold and held for sale |
|---|---|---|---|
| Austria | 41,693.2 | 1,178.9 | 10,005.3 |
| Germany | 2,286.5 | 1,883.2 | 3,866.6 |
| BUWOG | 119,710.1 | 0.0 | 43,003.3 |
| Poland | 1,985.5 | 5,692.4 | 12,668.3 |
| Czech Republic | 14,274.5 | 2,121.5 | 0.0 |
| Slovakia | -156.1 | 0.0 | 0.0 |
| Hungary | 5,458.7 | 0.0 | 0.0 |
| Romania | 6,332.5 | 0.0 | 0.0 |
| Russia | 160,231.8 | 0.0 | 0.0 |
| Other | 7,403.6 | 2,214.1 | 3,464.1 |
| **Total** | **359,220.3** | **13,090.1** | **73,007.6** |

The following table shows the classification by country of the impairment losses adjusted for foreign exchange effects and the impairment losses resulting from foreign exchange effects in 2012/13:

| All amounts in TEUR | Investment property | Property under construction | Properties sold and held for sale |
|---|---|---|---|
| Austria | -27,177.8 | 0.0 | -159.6 |
| Germany | -7,826.2 | -6,021.2 | 0.0 |
| BUWOG | -50,388.7 | -1,710.6 | -5.8 |
| Poland | -22,520.0 | -9,789.4 | 0.0 |
| Czech Republic | -10,121.1 | -352.9 | 0.0 |
| Slovakia | -18,466.4 | 0.0 | 0.0 |
| Hungary | -3,990.8 | -3.1 | 0.0 |
| Romania | -52,372.9 | 0.0 | -409.6 |
| Russia | 0.0 | -4,938.4 | -48.6 |
| Other | -31,782.8 | 0.0 | -864.6 |
| **Total** | **-224,646.7** | **-22,815.6** | **-1,488.2** |

## 4.7.2 Impairment, related reversals and earn-out adjustments

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Revaluation of inventories | -13,153.6 | -12,674.5 |
| Impairment of goodwill | -17,814.9 | -15,928.4 |
| Valuation adjustments to receivables and expenses arising from derecognised receivables | -24,237.5 | -41,249.4 |
| Expenses earn-out | -106,442.7 | 0.0 |
| Miscellaneous | -7,246.2 | -6,246.0 |
| **Total** | **-168,894.9** | **-76,098.3** |

Information on write-ups and impairment losses recognised to inventories is provided in section 5.10.

Information impairment losses to goodwill is provided in section 5.4.1.

Approximately one-half of the valuation adjustments to receivables is related to financing receivables due from joint venture partners.

Information on valuation adjustments to receivables is provided in section 5.6.

The expenses arising from earn-out payments represent the subsequent adjustment of the purchase price for the acquisition of shares in Gangaw Investments Limited, Nicosia, a holding company that owns 100% of the Russian property company OAO Kashirskij Dvor-Severyanin, Moscow. The latter company is the owner of the *Golden Babylon Rostokino* shopping center. The purchase price is dependent, above all, on net operating income. The increased earn-out resulted from an improvement in occupancy and subsequent growth in rental income, and is also reflected in positive revaluation results. The purchase price was set in USD (see section 3.6).

Other impairment losses consist primarily of scheduled amortisation for intangible assets and scheduled depreciation for tangible assets.

### 4.7.3 Addition to/reversal of provision for onerous contracts

The recognition of changes in the provision for onerous contracts through profit or loss is shown below by segment:

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Germany | 0.0 | -8,982.5 |
| BUWOG | -13.0 | 0.0 |
| Hungary | 1,499.8 | -188.5 |
| Romania | -1,036.2 | 13,272.3 |
| Other | 675.2 | -1,280.1 |
| **Total** | **1,125.8** | **2,821.2** |

The impending loss on investment property in Romania has been included under property valuation since 2011/12.

## 4.8 Financial results

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| **Net financing costs** | **-258,569.1** | **-249,712.1** |
| **Net financing revenue** | **23,797.3** | **61,900.0** |
| **Foreign exchange differences** | **-32,462.9** | **-118,124.9** |
| Profit/loss on other financial instruments and proceeds on the disposal of financial instruments | -26,993.7 | -73,584.1 |
| Valuation of financial instruments at fair value through profit or loss | -19,778.8 | 16,465.6 |
| Income from distributions | 3,091.1 | 560.1 |
| **Other financial results** | **-43,681.4** | **-56,558.4** |
| **Share of profit/loss from associated companies** | **-2,910.6** | **-11,861.9** |
| **Financial results** | **-313,826.7** | **-374,357.3** |

Financing revenue and financing costs are generated by financial instruments that are not carried at fair value, with the exception of interest income and interest expense on derivatives. In 2012/13 financing costs totalled EUR 229.0 million (2011/12: EUR 229.0 million) and financing revenue EUR 23.1 million (2011/12: EUR 59.9 million). The interest income and interest expense on derivatives amounted to EUR 29.6 million (2011/12: EUR 20.7 million) and EUR 0.7 million (2011/12: EUR 2.0 million), respectively.

Financing costs do not include interest income as defined in IAS 39 AG 93 because the interest component of the impairment loss on a financial asset was immaterial and therefore not measured separately. Financing revenue on receivables due from joint venture companies was offset against the respective valuation adjustments. Without this offsetting, financing revenue would have been EUR 3.4 million (2011/12 EUR 8.4 million) higher.

The decline in financing revenue resulted chiefly from the acquisition of the former Russian joint venture *Golden Babylon Rostokino*. The full consolidation of this property resulted in the offset of the total financing revenue against the financing costs from the project companies.

The foreign exchange differences resulted chiefly from the valuation of loans and Group financing.

Profit/loss on other financial instruments and proceeds on the disposal of financial instruments also include results of EUR 2.6 million from the repurchase and non-utilisation of premature cancellation rights on convertible bonds (2011/12: EUR 0.8 million).

Profit/loss on other financial instruments and proceeds on the disposal of financial instruments include EUR -28.4 million (2011/12: EUR -73.9 million) from the valuation of derivatives.

The valuation of financial instruments at fair value through profit or loss comprises write-ups of EUR 5.3 million (2011/12: EUR 23.2 million) and impairment losses of EUR 25.1 million (2011/12: EUR 6.8 million). Section 5.7 provides a classification of the fair values of the IAS 39 investments, which covers the investments valued through profit or loss as well as the investments valued directly in equity.

Information on the share of profit/loss received from associated companies is provided in section 5.5.

## 4.9 Income taxes

This item includes income taxes paid or owed by Group companies as well as provisions for deferred taxes.

| All amounts in TEUR | 1 May 2012–30 April 2013 | 1 May 2011–30 April 2012 |
|---|---|---|
| Income tax expenses | -23,654.3 | -11,460.0 |
| Deferred tax expenses | -60,552.3 | -35,877.4 |
| **Total** | **-84,206.6** | **-47,337.4** |

The difference between calculated income tax expenses and the actual income tax expenses shown on the income statement is attributable to the following factors:

| All amounts in TEUR | 2012/13 | | 2011/12 | |
|---|---|---|---|---|
| **Earnings before tax** | **195,042.6** | | **318,513.8** | |
| **Income tax expense at 25% tax rate** | **-48,760.7** | **25.0%** | **-79,628.5** | **25.0%** |
| Effect of different tax rates | -5,729.3 | 2.9% | 4,694.7 | -1.5% |
| Effect of changes in tax rates | -8,360.5 | 4.3% | 4,181.1 | -1.3% |
| Impairment losses to goodwill/reversal of negative goodwill | -3,556.9 | 1.8% | -2,467.2 | 0.8% |
| Loss carryforwards and deferred taxes not recognised | -33,813.2 | 17.3% | 26,367.8 | -8.3% |
| Non-deductible income and expenses | -35,463.8 | 18.2% | -33,199.3 | 10.4% |
| Effects related to other periods | 54,527.5 | -28.0% | 43,674.8 | -13.7% |
| Other non temporary differences | -3,049.7 | 1.6% | -10,960.8 | 3.4% |
| **Effective tax rate** | **-84,206.6** | **43.2%** | **-47,337.4** | **14.9%** |

The impact of the different tax rates on the effective tax rate for the Group results from the difference between the Austrian corporate tax rate of 25.00% and the respective local tax rates.

The effects of changes in tax rates resulted primarily from an increase in the relevant tax rate in Slovakia from 19.00% to 23.00% and the end of trade tax liability for a number of German companies that led to a decrease in the surplus of deferred tax assets over deferred tax liabilities.

The non-deductible income and expenses consist mainly of non-deductible interest expense, tax-free income and tax-neutral realisation of outside basis differences as defined in IAS 12.

The positive effects related to other periods consist chiefly of the reversal of deferred tax liabilities from five Polish companies following their transfer to a tax-exempt fund and the recognition of previously unrecognised tax loss carryforwards used during the reporting period. The negative effects related to other periods resulted mainly from impairment losses recognised to deferred tax assets and other effects related to prior accounting periods.

Dividends paid by the Group to shareholders had no income tax consequences.

In 2004/05 the major Austrian companies joined together into a corporate group in the sense of § 9 of the Austrian Corporate Tax Act. IMMOFINANZ AG serves as the head company of this group.

IMMOFINANZ AG is the head of a corporate group as defined in § 9 of the Austrian Corporate Income Tax Act. The company and the members of the tax group concluded an agreement for the settlement of taxes, which was amended in 2011/12. In accordance with the amended agreement, each member of the Group with positive results must pay a tax charge equal to 25.00% of the assessment base to the head of the group. Any losses by members of the group are registered and can be offset in full against taxable profit recorded by the respective member in subsequent years. Consequently, there are no payments by the head of the group to members.

In previous years, members of the group were required to pay a tax charge to the head of the group when taxable results were positive. A taxable loss by a group member resulted in the payment of a tax charge by the head of the group to the member, whereby a corporate income tax rate of 12.50% was applied in both cases.

In 2009/10 another corporate group was established in the sense of § 9 of the Austrian Corporate Tax Act. CPB Enterprise GmbH serves as the head of this group. In accordance with the group and tax assessment agreement concluded on 22 December 2009, the taxable income generated by the individual members of this group is allocated to CPB Enterprise GmbH, as the head of the group, after an offset against any (pre-tax) group losses. The group contract also calls for a tax charge as settlement for the transfer of taxable income. In cases where the tax assessment is positive, the tax charge equals 25.00% (2011/12: 25.00%) of allocated taxable income; for negative tax assessments, the loss is registered and can be offset in full against taxable profit in the future.

## 4.10 Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing net profit for the period by the weighted average number of shares outstanding.

| | 2012/13 | 2011/12 |
|---|---|---|
| **Weighted average number of shares (basic)** | **1,031,823,676** | **1,003,566,763** |
| Diluting effect IMMOFINANZ convertible bond 2011–2018 | 0 | 125,029,485 |
| **Weighted average number of shares (diluted)** | **1,031,823,676** | **1,128,596,248** |
| Net profit for the period (excl. non-controlling interests) in EUR | 111,094,800.00 | 271,760,900.00 |
| Diluting effect IMMOFINANZ convertible bond 2011–2018 | 0.00 | 22,054,177.90 |
| **Net profit excl. non-controlling interests in EUR (diluted)** | **111,094,800.00** | **293,815,077.90** |
| **Basic earnings per share in EUR** | **0.11** | **0.27** |
| **Diluted earnings per share in EUR** | **0.11** | **0.26** |

Diluting effects are created by the potential common shares from the issue of the IMMOFINANZ 2007–2014 convertible bond, the IMMOFINANZ 2007–2017 convertible bond and the IMMOFINANZ 2011–2018 convertible bond. In accordance with IAS 33.41 ff, these diluting effects may only be included if they reduce earnings per share or increase the loss per share. The calculation of the number of shares outstanding reflects the deduction of the 112,895,268 treasury shares (2011/12: 104,421,683 treasury shares) held by the company as required by IAS 33.19 ff.

## 4.11 Net Asset Value (NAV)

Net asset value is calculated in accordance with the Best Practices Policy Recommendations issued by the European Public Real Estate Association (EPRA) based on the following principles:

Equity before non-controlling interests is adjusted by the difference between the carrying amount and the fair value of properties that do not quality for measurement at fair value in IFRS consolidated financial statements. An adjustment is also made for any other non-current investments in other companies that are not carried at fair value in the IFRS consolidated financial statements (investments in associated companies). In a last step, deferred tax assets and deferred tax liabilities as well as the goodwill resulting from deferred tax liabilities are offset against equity.

The results of the calculation are shown below:

| | 30 April 2013 | | 30 April 2012 | |
|---|---|---|---|---|
| Equity before non-controlling interests | 5,316,315.2 | | 5,229,990.3 | |
| Goodwill | -271,948.2 | | -277,579.0 | |
| Deferred tax assets | -45,034.2 | | -58,917.1 | |
| Deferred tax liabilities | 577,181.0 | 5,576,513.8 | 541,252.1 | 5,434,746.3 |
| Property under construction (carrying amount) | 344,170.1 | | 300,615.8 | |
| Property under construction (fair value) | 344,170.1 | 0.0 | 300,615.8 | 0.0 |
| Inventories (carrying amount) | 262,649.6 | | 148,305.7 | |
| Inventories (fair value) | 281,564.1 | 18,914.5 | 154,354.0 | 6,048.3 |
| Residual value of forward purchase contracts and investments carried at cost | | 0.0 | | 0.0 |
| Investments in associated companies (carrying amount) | 72,320.4 | | 78,910.4 | |
| Investments in associated companies (fair value) | 72,320.4 | 0.0 | 78,910.4 | 0.0 |
| Non-controlling interests | | 0.0 | | 0.0 |
| **Net asset value** | | **5,595,428.3** | | **5,440,794.6** |
| Carrying amount of convertible bond 2011 | | 0.0 | | 0.0 |
| **Net asset value (diluted)** | | **5,595,428.3** | | **5,440,794.6** |
| Number of shares excl. treasury shares (in 1,000) | | 1,016,057.4 | | 1,036,057.4 |
| Potential ordinary shares (in 1,000) | | 0.0 | | 0.0 |
| **Net asset value per share (in EUR)** | | **5.51** | | **5.25** |
| **Net asset value per share (in EUR) (diluted)** | | **5.51** | | **5.25** |

Property under construction and inventories were valued in accordance with the principles described under section 2.3.3.

The NAV effect for inventories represents the difference between the carrying amount and the value determined by the respective expert opinion.

The book value per share is calculated by dividing equity before non-controlling interests by the number of shares.

| | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Equity before non-controlling interests in TEUR | 5,316,315.2 | 5,229,990.3 |
| Number of shares excl. treasury shares (in 1,000) | 1,016,057.4 | 1,036,057.4 |
| **Book value per share in EUR** | **5.23** | **5.05** |

## 4.12 Triple Net Asset Value (NNNAV)

Triple net asset value is also calculated in accordance with the Best Practices Policy Recommendations issued by the European Public Real Estate Association (EPRA) based on the following principles:

Triple net asset value is derived from net asset value by adjusting for the fair value of deferred taxes as well as the difference between the carrying amount and the fair value of financial liabilities.

The results of the calculation are shown below:

| All amounts in TEUR | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Net Asset Value (NAV) | 5,595,428.3 | 5,440,794.6 |
| Deferred taxes (fair value) | -6,316.3 | -9,837.9 |
| Financial liabilities (carrying amount) | 5,417,611.7 | 5,374,640.8 |
| Financial liabilities (fair value) | -5,586,789.7 | -5,477,909.4 |
| **Triple Net Asset Value (NNNAV)** | **5,419,934.0** | **5,327,688.1** |
| Number of shares excl. treasury shares (in 1,000) | 1,016,057.4 | 1,036,057.4 |
| Potential common shares (in 1,000) | 0.0 | 0.0 |
| **Triple Net Asset Value per share (in EUR)** | **5.33** | **5.14** |

The calculation of EPRA NNAV is based on the premise that any taxes due in connection with the sale of a property will reduce NAV accordingly. The strategy of the company is also reflected in computing the present value of taxes. For the above calculation, this means the sale of a property can be designed to eliminate any tax liability and the present value of the provisions for taxes therefore equals zero. The current provisions for deferred taxes were only discounted to present value in cases where the sale of the property and the subsequent recognition of a tax liability (e.g. in the residential segment) are expected.

## 4.13 Outstanding construction costs

The following list shows the present value of the outstanding construction costs for all property projects, classified by geographical segment and property category. In cases where the expert opinions for these properties were prepared using the residual value method, the outstanding construction costs were taken from the expert opinion and therefore reflect the appraiser's estimate of the expected costs required to complete the project. The outstanding construction costs reported for inventories represent projects in different stages of completion. The outstanding construction costs were not assessed for inventories in cases where only the land was valued because the sale of these projects is more likely than completion at the present time.

| | 2012/13 | | 2011/12 | |
|---|---|---|---|---|
| All amounts in TEUR | Inventories | Property under construction | Inventories | Property under construction |
| Austria | 230.0 | 0.0 | 0.0 | 4,000.0 |
| Germany | 81,528.7 | 132,535.3 | 44,080.4 | 82,890.7 |
| BUWOG | 55,399.9 | 13,185.6 | 30,410.0 | 7,340.0 |
| Poland | 8,258.6 | 124,795.5 | 0.0 | 122,884.2 |
| Czech Republic | 0.0 | 44,317.3 | 0.0 | 51,945.0 |
| Romania | 4,239.1 | 0.0 | 0.0 | 0.0 |
| Russia | 0.0 | 105,070.4 | 0.0 | 79,244.6 |
| Other | 0.0 | 0.0 | 0.0 | 8,076.8 |
| **Total** | **149,656.3** | **419,904.1** | **74,490.4** | **356,381.3** |

# 5. Notes to the Consolidated Balance Sheet

## 5.1 Investment property

### 5.1.1 Fair value

Details on the development of fair value are presented in the following section. The influence of changes in the scope of consolidation is shown separately. Foreign exchange differences resulting from the translation of foreign company assets at the rates in effect at the beginning and the end of the year are also presented separately.

The development of the fair value of investment properties is shown below:

| All amounts in TEUR | Investment property |
|---|---|
| **Balance on 1 May 2011** | **8,797,068.3** |
| Addition to the scope of consolidation | 119,242.2 |
| Deconsolidation | -67,963.1 |
| Change in consolidation method | 580,024.2 |
| Currency translation adjustments | -89,982.9 |
| Additions | 153,155.8 |
| Disposals | -122,812.5 |
| Revaluation | 326,070.3 |
| Reclassification | 262,604.1 |
| Reclassification IFRS 5 | -42,205.3 |
| **Balance on 30 April 2012** | **9,915,201.1** |
| **Balance on 1 May 2012** | **9,915,201.1** |
| Addition to the scope of consolidation | 115,368.9 |
| Deconsolidation | -198,039.4 |
| Change in consolidation method | 35,757.7 |
| Currency translation adjustments | -97,199.1 |
| Additions | 95,246.0 |
| Disposals | -282,190.8 |
| Revaluation | 206,093.0 |
| Reclassification | 90,597.1 |
| Reclassification IFRS 5 | -583,403.2 |
| **Balance on 30 April 2013** | **9,297,431.3** |

The additions recognised during the reporting year include EUR 35.1 million (2011/12: EUR 106.9 million) of additions resulting from asset deals. The disposals recognised in 2012/13 were related, above all, to the sale of properties in Austria and the sale of logistics properties in Germany and France.

The carrying amount of properties pledged as collateral for long-term financing amounted to EUR 8,798.1 million (2011/12: EUR 7,787.8 million). The corresponding secured liabilities totalled EUR 4,396.4 million (2011/12: EUR 4,202.9 million). In addition, investments in (property) companies were provided as collateral for financial liabilities, resulting in a total pledged amount of EUR 4,677.0 million (2011/12: EUR 4,504.9 million).

## 5.1.2 Leasing

### IMMOFINANZ as the lessee

Investment property include standing assets with a combined value of EUR 134.2 million (2011/12: EUR 135.0 million) that were obtained through finance leases and EUR 3.8 million (2011/12: EUR 3.8 million) that were obtained through operating leases. The future minimum lease payments arising from finance lease objects totalled EUR 34.8 million as of 30 April 2013 (2011/12: EUR 38.0 million). The corresponding present value is EUR 28.7 million (2011/12: EUR 31.1 million).

| All amounts in TEUR | 30 April 2013 | Due within 1 year | Due in 1 to 5 years | Due in over 5 years |
|---|---|---|---|---|
| Present value | 28,726,2 | 4,763,1 | 14,537,5 | 9,425,6 |
| Interest component | 6,111,3 | 1,150,8 | 2,953,3 | 2,007,2 |
| **Total** | **34,837,5** | **5,913,9** | **17,490,8** | **11,432,8** |

| All amounts in TEUR | 30 April 2012 | Due within 1 year | Due in 1 to 5 years | Due in over 5 years |
|---|---|---|---|---|
| Present value | 31,111.1 | 5,165.1 | 14,037.1 | 11,908.9 |
| Interest component | 6,878.6 | 1,242.3 | 3,466.3 | 2,170.0 |
| **Total** | **37,989.7** | **6,407.4** | **17,503.4** | **14,078.9** |

Expenses of EUR 0.7 million were recognised for operating leases in 2012/13 (2011/12: EUR 0.3 million). The minimum lease payments for the operating leases are as follows:

| All amounts in TEUR | 30 April 2013 | Due within 1 year | Due in 1 to 5 years | Due in over 5 years |
|---|---|---|---|---|
| Minimum lease payments | 2,221.2 | 697.3 | 1,523.9 | 0.0 |
| **Total** | **2,221.2** | **697.3** | **1,523.9** | **0.0** |

| All amounts in TEUR | 30 April 2012 | Due within 1 year | Due in 1 to 5 years | Due in over 5 years |
|---|---|---|---|---|
| Minimum lease payments | 2,524.7 | 274.8 | 2,249.9 | 0.0 |
| **Total** | **2,524.7** | **274.8** | **2,249.9** | **0.0** |

The calculation of the minimum lease payments was based on the discount rate underlying the lease and apportioned into a finance charge and the repayment of the outstanding liability.

### IMMOFINANZ as the lessor

The investment properties held by IMMOFINANZ include standing assets in the office, logistics/commercial, retail, recreation/hotel and residential sectors as well as garages, which are leased to third parties. The revenues generated by these leases are shown in section 4.1.1.

The leases differ substantially due to the diversity of the properties and their broad geographical distribution. At the beginning of the lease, the lessee normally waives all cancellation rights for a period of three months to ten years. The leases do not include a purchase option, and extension and price adjustment clauses are negotiated separately with each lessee. Contingent lease payments include ordinary market-related index adjustments.

All leases in which IMMOFINANZ serves as the lessor are classified as operating leases. Therefore, all leased property is carried on the IMMOFINANZ balance sheet.

Turnover-based rents of EUR 11.4 million were recognised during the reporting year.

The future rental income from the leases in effect as of 30 April 2013 is as follows:

| All amounts in TEUR | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | FY 2017/18 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| **Total** | **631,859.0** | **569,128.9** | **516,812.9** | **458,289.5** | **390,222.6** | **1,573,132.9** | **4,139,445.7** |

This estimated rental income from existing leases includes future index adjustments. Break options and additional rental income from turnover-based rents were not included. An average lease term of 15 years was applied to open-end rental contracts.

## 5.2 Property under construction

The development of property under construction is shown in the following table:

| All amounts in TEUR | Property under construction |
|---|---|
| **Balance on 1 May 2011** | **299,646.5** |
| Addition to the scope of consolidation | 18,978.0 |
| Deconsolidation | -16,682.3 |
| Change in consolidation method | 27,781.3 |
| Currency translation adjustments | 1,965.7 |
| Additions | 181,121.0 |
| Disposals | -2,228.7 |
| Revaluation | 29,599.4 |
| Reclassification | -239,565.1 |
| **Balance on 30 April 2012** | **300,615.8** |
| **Balance on 1 May 2012** | **300,615.8** |
| Change in consolidation method | 23,872.7 |
| Currency translation adjustments | -7,550.5 |
| Additions | 131,142.6 |
| Disposals | -3,185.0 |
| Revaluation | -9,725.5 |
| Reclassification | -91,000.0 |
| **Balance on 30 April 2013** | **344,170.1** |

The additions reported under development projects represent capitalised construction costs.

Properties under construction with a total carrying amount of EUR 126.4 million (2011/12: EUR 98.4 million) were pledged as collateral. The corresponding value of the liabilities covered by these pledges is EUR 91.4 million (2011/12: EUR 62.4 million). IMMOFINANZ did not deduct any government grants related to assets or any non-monetary grants at fair value in 2012/13.

## 5.3 Other tangible assets

The following table shows the development of other tangible assets:

| All amounts in TEUR | Other tangible assets |
|---|---|
| **Cost as of 1 May 2011** | **52,184.6** |
| Change in scope of consolidation | 888.7 |
| Change in consolidation method | 471.8 |
| Currency translation adjustments | -33.4 |
| Additions | 4,140.5 |
| Disposals | -4,629.6 |
| Reclassification | -877.2 |
| **Cost as of 30 April 2012** | **52,145.4** |
| **Accumulated depreciation as of 1 May 2011** | **-28,311.0** |
| Change in scope of consolidation | 194.6 |
| Change in consolidation method | -86.2 |
| Currency translation adjustments | 130.3 |
| Disposals | 1,878.8 |
| Reclassification | -543.2 |
| Depreciation for the year | -4,508.7 |
| **Accumulated depreciation as of 30 April 2012** | **-31,245.4** |
| **Carrying amount as of 30 April 2012** | **20,900.0** |

| All amounts in TEUR | Other tangible assets |
|---|---|
| **Cost as of 1 May 2012** | **52,145.4** |
| Change in scope of consolidation | 210.5 |
| Change in consolidation method | 3.0 |
| Currency translation adjustments | -254.0 |
| Additions | 3,487.1 |
| Disposals | -1,077.0 |
| Reclassification | 109.8 |
| **Cost as of 30 April 2013** | **54,624.8** |
| **Accumulated depreciation as of 1 May 2012** | **-31,245.4** |
| Change in scope of consolidation | 743.7 |
| Change in consolidation method | 0.8 |
| Currency translation adjustments | 151.6 |
| Disposals | 820.9 |
| Reclassification | 81.8 |
| Depreciation for the year | -5,583.5 |
| **Accumulated depreciation as of 30 April 2013** | **-35,030.1** |
| **Carrying amount as of 30 April 2013** | **19,594.7** |

No impairment losses were recognised to other tangible assets during the 2012/13 financial year.

# 5.4 Intangible assets

The carrying amounts of goodwill (see section 5.4.1) and other intangible assets (see section 5.4.2) are as follows:

| All amounts in TEUR | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Goodwill | 271,948.2 | 277,579.0 |
| Other intangible assets | 3,295.5 | 4,341.5 |
| **Total** | **275,243.7** | **281,920.5** |

## 5.4.1 Goodwill

Information on the accounting policies and valuation methods applied to goodwill is provided in sections 2.1.5 and 2.3.2.

The development of goodwill is shown in the following table:

| All amounts in TEUR | Goodwill |
|---|---|
| **Balance on 1 May 2011** | **202,281.5** |
| Addition through initial consolidation | 5,224.5 |
| Addition through transition consolidation | 89,148.7 |
| Deconsolidation | 0.0 |
| Currency translation adjustments | -3,147.3 |
| Additions | 0.0 |
| Disposals | 0.0 |
| Impairment losses | -15,928.4 |
| Recognition directly in equity | 0.0 |
| **Balance on 30 April 2012** | **277,579.0** |

| | |
|---|---|
| **Balance on 1 May 2012** | **277,579.0** |
| Addition through initial consolidation | 2,389.2 |
| Addition through transition consolidation | 14,036.5 |
| Deconsolidation | -6,367.6 |
| Currency translation adjustments | 2,126.0 |
| Additions | 0.0 |
| Disposals | 0.0 |
| Impairment losses | -17,814.9 |
| Recognition directly in equity | 0.0 |
| **Balance on 30 April 2013** | **271,948.2** |

Goodwill totalling EUR 17.8 million (2011/12: EUR 15.9 million) was written off through impairment charges during the reporting year in accordance with IAS 36. These impairment charges represent expenses that are not deductible for tax purposes.

The addition through transition consolidation was related primarily to IMMOFINANZ Friesenquartier GmbH and River-park Residential Sp. z o.o. The addition through transition consolidation in the prior year resulted from the purchase of the remaining 50.00% stake in Gangaw Investments Ltd., Nicosia. Each item of goodwill was tested for impairment. The following section explains the impairment tests that resulted in the major impairment losses:

| All amounts in TEUR | |
|---|---|
| Goodwill | 66,371.4 |
| Carrying amount of cash-generating unit | 338,491.0 |
| Deferred tax liability | -48,556.5 |
| | **356,305.9** |
| Fair value of cash-generating unit | 338,491.0 |
| Fair value of deferred tax liability | 0.0 |
| | **338,491.0** |
| Impairment loss | -17,814.9 |
| **Total impairment** | **-17,814.9** |

| All amounts in TEUR | Negative goodwill |
|---|---|
| **Balance on 1 May 2011** | **0.0** |
| Additions | -2,447.6 |
| Recognition of gains on bargain purchases | 2,447.6 |
| **Balance on 30 April 2012** | **0.0** |
| | |
| **Balance on 1 May 2012** | **0.0** |
| Additions | -127.1 |
| Recognition of gains on bargain purchases | 127.1 |
| **Balance on 30 April 2013** | **0.0** |

## 5.4.2 Other intangible assets

The development of other intangible assets (excluding goodwill) is shown in the following table:

| All amounts in TEUR | Other intangible assets |
|---|---|
| **Cost as of 1 May 2011** | **11,660.1** |
| Change in scope of consolidation | -196.2 |
| Change in consolidation method | 88.4 |
| Currency translation adjustments | 21.0 |
| Additions | 722.7 |
| Disposals | -36.5 |
| Reclassification | -560.0 |
| **Cost as of 30 April 2012** | **11,699.5** |
| **Accumulated depreciation as of 1 May 2011** | **-5,831.4** |
| Change in scope of consolidation | 107.4 |
| Change in consolidation method | -2.9 |
| Currency translation adjustments | 18.3 |
| Disposals | 85.3 |
| Reclassification | 2.1 |
| Depreciation for the year | -1,736.8 |
| **Accumulated depreciation as of 30 April 2012** | **-7,358.0** |
| **Carrying amount as of 30 April 2012** | **4,341.5** |

| All amounts in TEUR | Other intangible assets |
|---|---|
| **Cost as of 1 May 2012** | **11,699.5** |
| Change in scope of consolidation | -908.4 |
| Change in consolidation method | 1.9 |
| Currency translation adjustments | -31.6 |
| Additions | 1,655.8 |
| Disposals | -199.1 |
| Reclassification | -284.1 |
| **Cost as of 30 April 2013** | **11,934.0** |
| **Accumulated depreciation as of 1 May 2012** | **-7,358.0** |
| Change in scope of consolidation | 274.7 |
| Change in consolidation method | -0.4 |
| Currency translation adjustments | 15.4 |
| Disposals | 92.6 |
| Depreciation for the year | -1,662.8 |
| **Accumulated depreciation as of 30 April 2013** | **-8,638.5** |
| **Carrying amount as of 30 April 2013** | **3,295.5** |

None of the intangible assets are encumbered.

## 5.5 Investments in associated companies

The financial statements of companies included at equity are generally prepared as of the same balance sheet date as the parent company. The preparation of these statements using a different balance sheet date and the inclusion of any adjustments for significant transactions are permitted when the balance sheet date of the associated company varies by three months or less from the parent company.

The consolidated financial statements of TriGránit Holding Ltd. have a balance sheet date of 31 December 2012. The associated companies C.I.M. Beteiligungen 1998 GmbH, C.I.M. Verwaltung und Beteiligungen 1999 GmbH and C.I.M. Unternehmensbeteiligungs- und Anlagenvermietungs GmbH also prepared their annual financial statements as of 31 December 2012. The three-month rule was not met in these cases, but non-compliance with the rule had no material effect on the consolidated financial statements.

The cost and carrying amounts of shares in associated companies as of 30 April 2013 and 30 April 2012 comprised the following:

| 30 April 2013<br>All amounts in TEUR | TriGránit Centruma.s. | TriGránit Holding Ltd. | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| **IMMOFINANZ Group: Stake** | **25.00%** | **25.00%** | **49.00%** | **50.00%** | | |
| **Cost as of 1 May 2012** | **4,140.7** | **404,906.3** | **48,290.4** | **3,245.8** | **4,032.1** | **464,615.3** |
| Additions | 0.0 | 0.0 | 0.0 | 0.0 | 35.9 | 35.9 |
| Disposal | 0.0 | 0.0 | 0.0 | 0.0 | -3,144.7 | -3,144.7 |
| **Cost as of 30 April 2013** | **4,140.7** | **404,906.3** | **48,290.4** | **3,245.8** | **923.3** | **461,506.5** |
| **Carrying amount as of 1 May 2012** | **1,531.1** | **41,851.8** | **29,238.8** | **2,168.2** | **4,120.5** | **78,910.4** |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 | 35.9 | 35.9 |
| Disposal | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Changes in shareholders' equity of associates | 0.0 | 4,838.5 | -0.4 | -86.9 | 4.6 | 4,755.8 |
| Distributions | 0.0 | 0.0 | -3,880.1 | 0.0 | -4,591.0 | -8,471.1 |
| Share of profit/(loss) from investments in other companies | 837.6 | -8,821.8 | -942.9 | 580.6 | 5,713.5 | -2,633.0 |
| Impairment losses | 0.0 | 0.0 | -51.7 | -178.3 | -47.6 | -277.6 |
| **Carrying amount as of 30 April 2013** | **2,368.7** | **37,868.5** | **24,363.7** | **2,483.6** | **5,235.9** | **72,320.4** |

| 30 April 2012<br>All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd. | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| **IMMOFINANZ Group: Stake** | **25.00%** | **25.00%** | **49.00%** | **50.00%** | | |
| **Cost as of 1 May 2011** | **4,140.7** | **404,906.3** | **48,290.4** | **3,245.8** | **15,711.5** | **476,294.7** |
| Additions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Disposal | 0.0 | 0.0 | 0.0 | 0.0 | -11,679.4 | -11,679.4 |
| **Costs as of 30 April 2012** | **4,140.7** | **404,906.3** | **48,290.4** | **3,245.8** | **4,032.1** | **464,615.3** |
| **Carrying amount as of 1 May 2011** | **877.0** | **56,161.1** | **29,020.4** | **3,245.8** | **16,446.1** | **105,750.4** |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 | -12,608.3 | -12,608.3 |
| Disposal | 0.0 | 0.0 | 0.0 | 0.0 | 2,170.0 | 2,170.0 |
| Changes in shareholders' equity of associates | 0.0 | -1,230.3 | 0.0 | -178.8 | -2,485.2 | -3,894.3 |
| Distributions | 0.0 | 0.0 | 0.0 | 0.0 | -645.5 | -645.5 |
| Share of profit/(loss) from investments in other companies | 654.1 | -11,824.0 | 218.4 | -490.8 | 1,055.1 | -10,387.2 |
| Impairment losses | 0.0 | -1,255.0 | 0.0 | -408.0 | 188.3 | -1,474.7 |
| **Carrying amount as of 30 April 2012** | **1,531.1** | **41,851.8** | **29,238.8** | **2,168.2** | **4,120.5** | **78,910.4** |

The investments in Cernica Residential Park s.r.l. and SIA Unico were sold during 2012/13. As of 30 April 2013 the major investments in associated companies were: a 25.00% stake in TriGránit Holding Ltd. and TriGránit Centrum a.s., a 49.00% stake in Bulreal EAD (a subgroup comprising two companies) and a 50.00% stake in C.A.P. Immobilienprojektentwicklungs- und Beteiligungs Aktiengesellschaft (a subgroup comprising three companies). Other investments in associated companies include a further 20 companies.

In the 2011/12 financial year, IMMOFINANZ Group finalised the acquisition of the remaining 69.22% stake in Adama Holding Public Ltd. ("Adama") on 9 November 2011. This acquisition also led to the takeover of a 33.33% stake in GAIA Real Estate Investments S.A., which was included in the consolidated financial statements on a proportionate basis as of this same date.

The aggregated net assets of associated companies are as follows:

| 30 April 2013<br>All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd.[1] | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| Property | 57,900.0 | 582,855.0 | 74,700.0 | 6,957.0 | 60,690.0 | 783,102.0 |
| Other non-current assets | 111.0 | 346,640.0 | 3,466.1 | 96.0 | 17,806.0 | 368,119.1 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 511.4 | 511.4 |
| Other current assets | 2,688.6 | 62,577.0 | 1,951.3 | 550.3 | 16,938.6 | 84,705.8 |
| **Total assets** | **60,699.6** | **992,072.0** | **80,117.4** | **7,603.3** | **95,946.0** | **1,236,438.3** |
| Equity | 8,458.7 | 126,596.0 | 44,487.0 | 6,594.8 | -13,488.9 | 172,647.6 |
| Non-current liabilities | 50,342.1 | 802,010.0 | 15,903.8 | 826.2 | 54,037.7 | 923,119.8 |
| Current liabilities | 1,898.8 | 63,466.0 | 19,726.6 | 182.3 | 55,397.2 | 140,670.9 |
| Total liabilities | 52,240.9 | 865,476.0 | 35,630.4 | 1,008.5 | 109,434.9 | 1,063,790.7 |
| **Total equity and liabilities** | **60,699.6** | **992,072.0** | **80,117.4** | **7,603.3** | **95,946.0** | **1,236,438.3** |

[1] *31 December*

| 30 April 2012<br>All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd.[1] | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| Property | 54,220.0 | 571,520.0 | 80,440.0 | 6,016.0 | 64,669.9 | 776,865.9 |
| Other non-current assets | 838.1 | 323,857.0 | 2,827.0 | 228.8 | 16,310.5 | 344,061.4 |
| Inventories | 0.0 | 6,541.0 | 0.0 | 0.0 | 8,822.8 | 15,363.8 |
| Other current assets | 1,538.6 | 119,923.0 | 3,184.3 | 514.7 | 14,992.0 | 140,152.6 |
| **Total assets** | **56,596.7** | **1,021,841.0** | **86,451.3** | **6,759.5** | **104,795.2** | **1,276,443.7** |
| Equity | 5,108.5 | 155,357.0 | 54,329.9 | 5,697.3 | -19,233.3 | 201,259.4 |
| Non-current liabilities | 49,949.4 | 724,177.0 | 17,667.5 | 851.4 | 74,743.1 | 867,388.4 |
| Current liabilities | 1,538.8 | 142,307.0 | 14,453.9 | 210.8 | 49,285.4 | 207,795.9 |
| Total liabilities | 51,488.2 | 866,484.0 | 32,121.4 | 1,062.2 | 124,028.5 | 1,075,184.3 |
| **Total equity and liabilities** | **56,596.7** | **1,021,841.0** | **86,451.3** | **6,759.5** | **104,795.2** | **1,276,443.7** |

[1] *31 December*

Shares in associated companies – income statement:

| 2012/13<br>All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd.[1] | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| Revenues | 5,549.8 | 50,494.0 | 8,736.6 | 699.6 | 27,854.1 | 93,334.1 |
| Operating profit | 5,940.4 | -8,216.0 | -1,850.5 | 1,266.8 | -4,953.4 | -7,812.7 |
| Financial results | -819.6 | -15,030.0 | -1,197.2 | 4.5 | 2,406.5 | -14,635.8 |
| **Earnings before tax** | **5,120.8** | **-23,246.0** | **-3,047.7** | **1,271.3** | **-2,546.9** | **-22,448.5** |

[1] *31 December*

| 2011/12<br>All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd.[1] | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| Revenues | 5,006.5 | 106,388.0 | 8,671.3 | 905.7 | 26,174.9 | 147,146.4 |
| Operating profit | 3,407.8 | 25,439.0 | 3,091.1 | -1,256.1 | 4,749.5 | 35,431.3 |
| Financial results | -1,325.1 | -72,017.0 | -2,160.2 | -11.7 | -4,280.2 | -79,794.2 |
| **Earnings before tax** | **2,082.7** | **-46,578.0** | **930.9** | **-1,267.8** | **469.3** | **-44,362.9** |

[1] *31 December*

The proportional share of unrecognised losses from associated companies is shown below:

| 2012/13<br>All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd.[1] | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| Accumulated losses | 0.0 | 0.0 | 0.0 | 0.0 | -6,035.6 | -6,035.6 |
| Proportional loss for the period | 0.0 | 0.0 | 0.0 | 0.0 | -4,662.0 | -4,662.0 |
| Deconsolidation | 0.0 | 0.0 | 0.0 | 0.0 | 2,726.1 | 2,726.1 |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** | **-7,971.5** | **-7,971.5** |

[1] *31 December*

| 2011/12<br>All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd.[1] | Bulreal EAD | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs-Aktiengesellschaft | Other | Total |
|---|---|---|---|---|---|---|
| Accumulated losses | 0.0 | 0.0 | 0.0 | 0.0 | -2,764.8 | -2,764.8 |
| Proportional loss for the period | 0.0 | 0.0 | 0.0 | 0.0 | -3,286.6 | -3,286.6 |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** | **-6,051.4** | **-6,051.4** |

[1] *31 December*

## 5.6 Trade and other receivables

The following table shows the development and remaining terms of receivables and other assets:

| All amounts in TEUR | 30 April 2013 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2012 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|---|---|---|---|
| **Trade accounts receivable** | | | | | | | | |
| Rents receivable | 30,078.2 | 29,569.7 | 0.0 | 508.5 | 29,116.7 | 28,901.8 | 186.2 | 28.7 |
| Miscellaneous | 25,582.7 | 24,417.4 | 1,165.3 | 0.0 | 45,783.5 | 45,714.6 | 68.5 | 0.4 |
| **Total trade accounts receivable** | **55,660.9** | **53,987.1** | **1,165.3** | **508.5** | **74,900.2** | **74,616.4** | **254.7** | **29.1** |
| **Accounts receivable from joint venture companies** | **65,603.2** | **991.7** | **29,448.3** | **35,163.2** | **98,938.9** | **11,578.5** | **11,445.2** | **75,915.2** |
| **Accounts receivable from associated companies** | **74,624.5** | **7,997.2** | **0.0** | **66,627.3** | **74,329.8** | **7,550.1** | **0.0** | **66,779.7** |
| **Other financial receivables** | | | | | | | | |
| Restricted funds | 192,325.3 | 42,284.0 | 78,906.5 | 71,134.8 | 173,216.5 | 64,402.9 | 28,615.6 | 80,198.0 |
| Financing | 37,081.0 | 66.7 | 21,656.9 | 15,357.4 | 36,966.4 | 1,913.8 | 12,545.0 | 22,507.6 |
| Administrative duties | 186.1 | 158.7 | 27.4 | 0.0 | 170.8 | 135.4 | 31.7 | 3.7 |
| Property management | 4,003.1 | 3,770.4 | 172.4 | 60.3 | 3,223.9 | 2,920.7 | 235.7 | 67.5 |
| Insurance | 2,565.5 | 2,543.7 | 21.8 | 0.0 | 3,372.3 | 3,372.3 | 0.0 | 0.0 |
| Commissions | 2,638.7 | 1,167.4 | 1,245.2 | 226.1 | 2,504.9 | 1,197.8 | 1,125.5 | 181.6 |
| Accrued interest | 611.6 | 611.6 | 0.0 | 0.0 | 290.0 | 290.0 | 0.0 | 0.0 |
| Outstanding purchase price receivables – sale of properties | 109,620.2 | 109,620.2 | 0.0 | 0.0 | 37,518.4 | 37,518.4 | 0.0 | 0.0 |
| Outstanding purchase price receivables – sale of shares in other companies | 7,116.3 | 97.5 | 4,667.5 | 2,351.3 | 7,555.2 | 518.1 | 0.9 | 7,036.2 |
| Miscellaneous | 66,643.9 | 44,937.2 | 11,659.7 | 10,047.0 | 52,221.8 | 33,124.4 | 8,600.3 | 10,497.1 |
| **Total other financial receivables** | **422,791.7** | **205,257.4** | **118,357.4** | **99,176.9** | **317,040.2** | **145,393.8** | **51,154.7** | **120,491.7** |
| Other non-finanical receivables | | | | | | | | |
| Tax authorities | 77,810.8 | 37,654.3 | 39,650.5 | 506.0 | 77,082.4 | 45,456.1 | 31,626.3 | 0.0 |
| **Total other non-financial receivables** | **77,810.8** | **37,654.3** | **39,650.5** | **506.0** | **77,082.4** | **45,456.1** | **31,626.3** | **0.0** |
| **Total** | **696,491.1** | **305,887.7** | **188,621.5** | **201,981.9** | **642,291.5** | **284,594.9** | **94,480.9** | **263,215.7** |

Receivables due from joint ventures represent the non-consolidated part of the financing for proportionately consolidated companies. Information on amounts due from joint ventures is presented in section 5.15. The surplus of receivables results from the fact that the financing provided by IMMOFINANZ and its partners is often based on a different ratio than the respective investments.

The increase in outstanding purchase price receivables from the sale of properties is related, above all, to the BUWOG segment and generally reflects the lengthy time required for the registration of real estate sales in the land register.

IFRS 7.37 requires an analysis of the contractual maturity of financial instruments that are past due but not impaired as of the reporting date as well as an analysis of the individual financial instruments that are considered to be impaired as of the reporting date.

**Contractual maturity analysis** **2012/13**

| All amounts in TEUR | Carrying amount 30 April 2013 | Thereof not overdue | Thereof overdue but not impaired | Thereof overdue and impaired | Value allowance |
|---|---|---|---|---|---|
| Rents receivable | 30,078.2 | 14,663.6 | 13,531.5 | 27,264.7 | -25,381.6 |
| Miscellaneous | 25,582.7 | 20,155.2 | 4,865.5 | 8,299.4 | -7,737.4 |
| Financing | 37,081.0 | 108,613.9 | 0.0 | 6,319.3 | -77,852.2 |
| **Total** | **92,741.9** | **143,432.7** | **18,397.0** | **41,883.4** | **-110,971.2** |

**Financial instruments past due but not impaired**

| All amounts in TEUR | Carrying amount 30 April 2013 | Overdue up to 3 months[1] | Overdue between 3 and 6 months | Overdue between 6 and 12 months | Overdue more than 12 months |
|---|---|---|---|---|---|
| Rents receivable | 13,531.5 | 9,693.5 | 1,165.3 | 748.1 | 1,924.6 |
| Miscellaneous | 4,865.5 | 2,318.3 | 222.4 | 951.4 | 1,373.4 |
| **Total** | **18,397.0** | **12,011.8** | **1,387.7** | **1,699.5** | **3,298.0** |

[1] *The column "overdue up to 3 months" also includes receivables that are due immediately.*

**Contractual maturity analysis** **2011/12**

| All amounts in TEUR | Carrying amount 30 April 2012 | Thereof not overdue | Thereof overdue but not impaired | Thereof overdue and impaired | Value allowance |
|---|---|---|---|---|---|
| Rents receivable | 29,116.7 | 12,625.6 | 13,654.0 | 25,019.0 | -22,181.9 |
| Miscellaneous | 45,783.5 | 34,793.3 | 10,468.3 | 7,849.9 | -7,328.0 |
| Financing | 36,966.4 | 29,793.8 | 6.7 | 75,459.1 | -68,293.2 |
| **Total** | **111,866.6** | **77,212.7** | **24,129.0** | **108,328.0** | **-97,803.1** |

**Financial instruments past due but not impaired**

| All amounts in TEUR | Carrying amount 30 April 2012 | Overdue up to 3 months[1] | Overdue between 3 and 6 months | Overdue between 6 and 12 months | Overdue more than 12 months |
|---|---|---|---|---|---|
| Rents receivable | 13,654.0 | 8,739.9 | 2,181.4 | 1,714.5 | 1,018.2 |
| Miscellaneous | 10,468.3 | 6,054.1 | 2,327.4 | 337.7 | 1,749.1 |
| Financing | 6.7 | 0.0 | 0.0 | 0.0 | 6.7 |
| **Total** | **24,129.0** | **14,794.0** | **4,508.8** | **2,052.2** | **2,774.0** |

[1] *The column "overdue up to 3 months" also includes receivables that are due immediately.*

The risk associated with accounts receivable due from tenants/customers is low because the respective credit standings are monitored on a regular basis and no single contract partner is responsible for more than 5.00% of total receivables. Furthermore, the lessee is generally required to provide a deposit of one to five months' rent or an appropriate bank guarantee. A valuation adjustment is recognised for receivables that carry a risk of default, and all uncollectible receivables had been adjusted accordingly as of the balance sheet date. Valuation adjustments are reported on the income statement under impairment losses in the section on revaluation results.

With respect to the trade accounts receivable that were neither impaired nor overdue as of the balance sheet date, there are no signs that the debtors will be unable to meet their payment obligations.

As in the prior year individual valuation adjustments were recognised to trade accounts receivable, financing receivables and receivables from joint venture companies in 2012/13. Therefore, the balance sheet only includes these receivables at the expected collection amount. Valuation adjustments of EUR 24.2 million were recognised through profit or loss during the reporting year (2011/12: EUR 41.2 million).

The valuation adjustments consist solely of individual allowances.

The following table shows the change in valuation adjustments recognised through profit or loss as well as the income and expenses related to doubtful and uncollectible receivables:

| All amounts in TEUR | | 30 April 2013 | 30 April 2012 |
|---|---|---|---|
| **Receivables and other assets** | | | |
| Trade accounts receivables | Amortised cost | -3,609.1 | -2,176.9 |
| Financing receivables | Amortised cost | -9,559.0 | -24,158.3 |
| Loans and other receivables | Amortised cost | -11,069.4 | -14,914.2 |
| **Total impairment losses** | | **-24,237.5** | **-41,249.4** |

## 5.7 Other financial assets

Other non-current financial assets developed as follows in 2012/13:

| All amounts in TEUR | Investments in other companies | Securities (non-current) | Loans granted | Other financial Instruments | Total |
|---|---|---|---|---|---|
| **Cost as of 1 May 2012** | **428,695.7** | **27,339.7** | **21,140.2** | **8,392.4** | **485,568.0** |
| Change in scope of consolidation | 30.1 | -8.8 | 0.0 | -51.9 | -30.6 |
| Additions | 6,406.1 | 33.9 | 3,050.5 | 212.2 | 9,702.7 |
| Disposals | -8,013.5 | -101.9 | -4,223.4 | -2,004.6 | -14,343.4 |
| Reclassification | -7.4 | 0.0 | 0.1 | 0.0 | -7.3 |
| Currency translation adjustments | 817.9 | 0.0 | 0.0 | 8.2 | 826.1 |
| **Cost as of 30 April 2013** | **427,928.9** | **27,262.9** | **19,967.4** | **6,556.3** | **481,715.5** |
| **Carrying amount as of 30 April 2012** | **193,526.9** | **26,756.3** | **20,878.4** | **6,447.6** | **247,609.2** |
| **Carrying amount as of 30 April 2013** | **165,903.5** | **23,628.6** | **19,671.9** | **4,655.3** | **213,859.3** |

Other financial instruments consist solely of the positive market value of derivatives.

The following table shows the development of the IAS 39 investments:

| All amounts in TEUR | 30 April 2013 | 30 April 2012 | Change in % |
|---|---|---|---|
| **Valuation recognised directly in equity** | | | |
| Focal points in Europe | 33,396.3 | 42,096.8 | -20.67% |
| **Valuation through profit or loss** | | | |
| Focal points in Europe | 104,328.0 | 112,179.2 | -7.00% |
| Focal points in Asia | 625.4 | 1,710.0 | -63.43% |
| Focal points in America | 25,148.7 | 27,396.2 | -8.20% |
| Other investments | 2,405.1 | 10,144.8 | -76.29% |
| **Total** | **165,903.5** | **193,527.0** | **-14.27%** |

The actual sale price for IAS 39 investments can differ from the reported fair value due to market fluctuations. Of the IAS 39 investments carried at fair value through profit or loss, carrying amounts totalling USD 18.2 million are recorded in foreign currencies.

The Russian Development Fund commitment represents the highest commitment at EUR 52.5 million.

All of the shares in the following investments were sold during 2011/12: Europa Fund II L.P. ProLogis North American Industrial Fund II, L.P., FF&P Russia Real Estate Ltd., FF&P Development Fund, Carlyle Realty Halley Coinvestment IV, L.P., Europa Emerging Europe Fund Ltd., and Polonia Property Fund Ltd. II.

In 2011/12 IMMOFINANZ Group finalised the purchase of the remaining 69.22% stake in Adama Holding Public Ltd. ("Adama") following the approval of the antitrust authorities. Consequently, Adama is no longer reported under other financial assets.

## 5.8 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities as of 30 April 2013 and 30 April 2012 result from the following timing differences between the carrying amount of an asset or liability in the IFRS consolidated financial statements and the respective tax base in the individual company financial statements:

| | 30 April 2013 | | 30 April 2012 | |
|---|---|---|---|---|
| **All amounts in TEUR** | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Property | 37,760.7 | 784,290.6 | 42,331.5 | 778,734.7 |
| Other financial assets and miscellaneous assets | 118,854.4 | 944,022.2 | 159,587.6 | 854,938.8 |
| **Total** | **156,615.1** | **1,728,312.8** | **201,919.1** | **1,633,673.5** |
| Other liabilities and provisions | 6,760.2 | 43,766.8 | 9,677.8 | 47,144.6 |
| Financial liabilities | 11,173.8 | 71,784.1 | 11,348.5 | 84,737.4 |
| **Total** | **17,934.0** | **115,550.9** | **21,026.3** | **131,882.0** |
| Tax loss carryforwards | 1,137,167.8 | 0.0 | 1,060,275.1 | 0.0 |
| **Deferred tax assets and deferred tax liabilities** | **1,311,716.9** | **1,843,863.7** | **1,283,220.5** | **1,765,555.5** |
| Offset of deferred tax assets and deferred tax liabilities due to the same taxation authority | -1,266,682.7 | -1,266,682.7 | -1,224,303.4 | -1,224,303.4 |
| **Net deferred tax assets and deferred tax liabilities** | **45,034.2** | **577,181.0** | **58,917.1** | **541,252.1** |

Deferred tax assets were created for tax loss carryforwards in cases where it is probable that sufficient taxable income will be available to utilise these tax loss carryforwards in the future. Deferred tax assets were also recorded in cases where an equal amount of deferred tax liabilities had been recognised and these obligations relate to the same tax subject and taxation authority, and the deferred tax assets and deferred tax liabilities will offset in the same financial year.

Deferred tax assets were not recorded for tax loss carryforwards totalling EUR 717.1 million (2011/12: EUR 814.1 million). A number of these items have an indefinite term, while others will expire within the next five to ten years.

In accordance with IAS 1.56, the classification of deferred taxes – i.e. under non-current assets or non-current liabilities – is based on the term of the respective items.

The calculation of deferred taxes for Austrian companies is based on a tax rate of 25.00%. The applicable local tax rate is used for foreign companies.

The tax rates used to value deferred taxes in the individual countries are listed below:

| Country | Applicable tax rate 2012/13 | Applicable tax rate 2011/12 | |
|---|---|---|---|
| Bulgaria | 10.00% | 10.00% | |
| Germany | 15.83%–32.98% | 15.83%–32.98% | [1] |
| France | 33.33% | 33.33% | |
| Italy | 3.90%–31.40% | 3.90%–31.40% | |
| Croatia | 20.00% | 20.00% | |
| Luxembourg | 28.59%–28.80% | 28.59%–28.80% | [2] |
| Malta | 35.00% | 35.00% | |
| Moldavia | 12.00% | 12.00% | |
| Netherlands | 20.00%–25.00% | 20.00%–25.00% | [3] |
| Austria | 25.00% | 25.00% | |
| Poland | 19.00% | 19.00% | |
| Romania | 16.00% | 16.00% | |
| Russia | 20.00% | 20.00% | |
| Sweden | 26.30% | 26.30% | |
| Switzerland | 16.68%–21.62% | 16.68%–21.96% | [2] |
| Serbia | 15.00% | 10.00% | |
| Slovakia | 23.00% | 19.00% | |
| Slovenia | 15.00% | 15.00% | |
| Turkey | 20.00% | 20.00% | |
| Czech Republic | 19.00% | 19.00% | |
| Ukraine | 16.00% | 16.00% | |
| Hungary | 10.00%–19.00% | 10.00%–19.00% | [3] |
| USA | 34.00% | 34.00% | [4] |
| Cyprus | 12.50% | 10.00% | |

[1] *The tax rate in Germany can vary and is dependent on the company's headquarters and liability under trade tax.*
[2] *The tax rate can vary and is dependent on the company's headquarters.*
[3] *The tax rate can vary and is dependent on the company's revenues.*
[4] *The taxable income of corporations in the USA is taxed at the rates defined in federal law, which generally range from 15% to 35%.*

The corporate income tax rate in Italy equals 27.50%; local taxes ("IRAP") are also charged at a rate of 3.90% (effective tax rate: 31.40%). Furthermore, partnerships that maintain their registered headquarters in the district of Rome are subject to local taxes at a rate of 3.90% as well as a local tax of 0.92% that is levied directly by the district (effective tax rate 4.82%).

In Moldavia, the corporate income tax rate was raised from 0.00% to 12.00% as of 1 January 2012.

In the Netherlands, the corporate income tax rate was reduced slightly from 25.50% to 25.00% during 2011/12.

In Switzerland, the federal law on direct taxes defines a proportional tax rate of 8.50% for corporate profits. The cantons apply different taxation methods, tax rates and tax bases.

The corporate income tax rate in Serbia was raised from 10.00% to 15.00% as of 1 January 2013.

In Slovakia the corporate income tax rate was increased from 19.00% to 23.00% as of 1 January 2013.

The amendments to the corporate income tax and income acts were published in the official gazette of the Republic of Slovenia on 26 April 2012. The tax rate will be reduced gradually from 20.00% to 18.00% for 2012, 17.00% for 2013 and 16.00% for 2014 to 15.00% for 2015 and the following years.

A tax reform in Ukraine will reduce the corporate tax rate from 25.00% to 23.00% beginning in 2011, to 21.00% beginning in 2012, to 19.00% beginning in 2013 and to 16.00% beginning in 2014.

On 18 April 2013 the Cypriote parliament approved an increase in the corporate tax rate from 10.00% to 12.50%.

The realisation of a deferred tax asset of EUR 43.1 million (2011/12: EUR 58.9 million) is dependent on future taxable profits, which must be higher than the earnings effects from the reversal of existing taxable temporary differences.

## 5.9 Non-current assets held for sale

The classification of investment properties as held for sale assumes a high probability of sale as of the balance sheet date. In other words, the contract is expected to be signed immediately after the balance sheet date or has already been signed and the closing is scheduled soon thereafter.

Based on this premise, four properties and one Austrian residential portfolio with a combined value of EUR 583.4 million and the related financial liabilities of EUR 262.5 million were classified as held for sale.

In the prior year, these positions consisted mainly of two properties in Ausria with a carrying amount of EUR 42.2 million.

## 5.10 Inventories

The carrying amount of inventories totalled EUR 262.6 million as of 30 April 2013 (2011/12: EUR 148.3 million). In 2012/13 revaluations of EUR 4.0 million (2011/12: EUR 4.1 million) and impairment losses of EUR 17.1 million (2011/12: EUR 16.8 million) were recognised. Real estate inventories with a carrying amount of EUR 144.0 million (2011/12: EUR 125.3 million) were reduced to their net realisable value through the recognition of an impairment loss. The write-up of EUR 4.0 million is related primarily to inventories held by BUWOG Bauen und Wohnen Gesellschaft mbH, in particular to a completed property that has already been sold.

Inventories with a carrying amount of EUR 70.4 million (2011/12: EUR 54.8 million) serve as collateral. The corresponding secured liabilities total EUR 69.8 million (2011/12: EUR 44.6 million).

## 5.11 Cash and cash equivalents

The balance sheet shows cash and cash equivalents of EUR 738.5 million as of 30 April 2013 (2011/12: EUR 559.2 million). In addition, other financial receivables include bank deposits whose use is restricted (see section 5.6).

## 5.12 Equity

The development of equity in IMMOFINANZ Group during the 2012/13 and 2011/12 financial years is shown on the Statement of Changes in Equity, which represents an integral part of the consolidated financial statements as of 30 April 2013. The "term recognised directly in equity" means an item is recorded under other comprehensive income.

Share capital totalled EUR 1,172,059,877.27 as of 30 April 2013 and was divided into 1,128,952,687 zero par value shares. All shares are fully paid. Appropriated capital reserves equalled EUR 4,017,779,656.75 (2011/12: EUR 4,005,813,124.67). As of 30 April 2012 share capital totalled EUR 1,184,026,409.36 and was divided into 1,140,479,102 zero par value shares.

IMMOFINANZ AG carried out a capital decrease of EUR 12.0 million as of 3 October 2012 through the withdrawal of 11,526,415 treasury shares.

In addition, the company repurchased 20,000,000 shares with a total value of EUR 62.4 million as part of a share buyback programme in 2012/13. IMMOFINANZ held 112,895,268 treasury shares as of 30 April 2013, which are reported under equity. A total of 101,605,741 treasury shares serve as collateral for a loan (see section 5.14).

The classification of shares as of 30 April 2013 is as follows:

| | 30 April 2013 | | 30 April 2012 | |
|---|---|---|---|---|
| | Number of shares | Share capital in EUR | Number of shares | Share capital in EUR |
| Bearer shares | 1,128,952,687 | 1,172,059,877.27 | 1,140,479,102 | 1,184,026,409.36 |
| **Total** | **1,128,952,687** | **1,172,059,877.27** | **1,140,479,102** | **1,184,026,409.36** |

The Executive Board is not aware of any agreements between shareholders that restrict voting rights or the transfer of shares. All shares of IMMOFINANZ AG are bearer shares and entitle the holders to participate in the annual general meeting and to exercise their voting rights. Each bearer share is entitled to one vote.

The number of shares developed as follows:

| | 2012/13 | 2011/12 |
|---|---|---|
| **Balance at the beginning of the financial year** | **1,140,479,102** | **1,045,373,586** |
| Conversion of IMMOFINANZ 2011 convertible bonds | 0 | 95,104,915 |
| Conversion of IMMOFINANZ 2018 convertible bonds | 0 | 601 |
| Withdrawal of treasury shares | -11,526,415 | 0 |
| **Balance at the end of the financial year** | **1,128,952,687** | **1,140,479,102** |

Accumulated other equity comprises the currency translation reserve, the AFS reserve and the revaluation reserve.

The currency translation reserve comprises all foreign exchange differences resulting from the translation of subsidiary financial statements that are prepared in a foreign currency (see section 2.1.11).

The AFS reserve contains the accumulated changes in the value of available-for-sale securities held by Group companies, which have not yet been realised through the sale of these instruments.

Accumulated other equity also includes a revaluation reserve (see section 2.1.6) of EUR 91.4 million (2011/12: EUR -168.9 million). This revaluation reserve includes the components of undisclosed reserves that relate to the previous shareholdings and, according to the old IFRS 3.58, must be determined through the revaluation of net assets on the transaction date in connection with a successive share purchase (transition consolidation). This reserve is to be treated as a revaluation reserve as defined in IAS 16.

Differences arising from transactions with non-controlling interests that do not lead to a loss of control (so-called structural changes) are accounted for as an increase or decrease in equity. This accounting method agrees with the revised IAS 27. Detailed information is provided section 3.8.

Information on conditional capital is provided in section 5.13.

The annual general meeting of IMMOFINANZ AG on 5 October 2012 approved a cash dividend of EUR 0.15 per share for the 2011/12 financial year. Based on this approval, a total dividend of EUR 155.3 million was distributed during the reporting period (2011/12: EUR 99.0 million).

The Executive Board will make a recommendation to the annual general meeting on 2 October 2013, calling for the distribution of a EUR 0.15 dividend per share for the 2012/13 financial year.

## 5.13 Liabilities from convertible bonds

| All amounts in TEUR | 30 April 2013 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2012 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|---|---|---|---|
| Convertible bond 2007–2014 | 25,579.7 | 25,579.7 | 0.0 | 0.0 | 25,152.0 | 193.7 | 24,958.3 | 0.0 |
| Convertible bond 2007–2017 | 39,050.1 | 194.1 | 38,856.0 | 0.0 | 216,176.5 | 216,176.5 | 0.0 | 0.0 |
| Convertible bond 2009–2011 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Convertible bond 2011–2018 | 489,478.6 | 3,113.2 | 486,365.4 | 0.0 | 488,038.3 | 3,152.4 | 484,885.9 | 0.0 |
| **Total** | **554,108.4** | **28,887.0** | **525,221.4** | **0.0** | **729,366.8** | **219,522.6** | **509,844.2** | **0.0** |

### Convertible bond 2007 – 2014, ISIN XS0283649977 (CB 2014)

Based on an authorisation of the annual general meeting on 28 September 2006, IMMOFINANZ AG issued convertible bonds on 19 January 2007. These convertible bonds have a total nominal value of EUR 750.0 million and a term ending on 20 January 2014 (ISIN XS0283649977). The conversion rights for the CB 2014 will be serviced by authorised capital (§ 159 of the Austrian Stock Corporation Act), which was approved by the annual general meetings of IMMOFINANZ AG on 28 September 2006, 27 September 2007 and 2 October 2009.

IMMOFINANZ AG holds repurchased CB 2014 bonds that have not yet been withdrawn with a total nominal value of EUR 96.2 million. CB 2014 bonds with a total nominal value of EUR 25.7 million were outstanding as of 30 April 2013. Based on the current applicable conversion price of EUR 13.33 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2014 bonds carry rights for conversion into a total of 1,927,982 IMMOFINANZ shares.

The put period for the premature redemption of the 2.75% CB 2014 issued by IMMOFINANZ AG ended on 9 January 2012. These notices took effect on 19 January 2012. Bondholders registered 776 CB 2014 certificates for redemption. The amount due for principal and interest totalled EUR 77.6 million and was financed from available liquid funds.

The outstanding nominal value of the CB 2014 amounted to EUR 25.7 million as of 30 April 2013 (2011/12: EUR 25.7 million). It will be redeemed on 20 January 2014 (maturity date).

### Convertible bond 2007 – 2017, ISIN XS0332046043 (CB 2017)

Based on an authorisation of the annual general meeting on 27 September 2007, IMMOFINANZ AG issued convertible bonds on 19 November 2007. These convertible bonds have a total nominal value of EUR 750.0 million and a term ending on 19 November 2017 (ISIN XS0332046043). The conversion rights for the CB 2017 will be serviced by authorised capital (§ 159 of the Austrian Stock Corporation Act), which was approved by the annual general meetings of IMMOFINANZ AG on 28 September 2006, 27 September 2007 and 2 October 2009. In accordance with the terms of the issue, the CB 2017 bondholders were entitled to register their certificates for premature repayment on 19 November 2012. CB 2017 convertible bonds with a total nominal value of EUR 144.3 million were registered for repayment and redeemed by IMMOFINANZ AG.

In accordance with the terms of the issue, the CB 2017 bondholders are entitled to register their certificates for premature repayment on one further date during the remaining term: 19 November 2014.

IMMOFINANZ AG holds repurchased CB 2017 bonds that have not yet been withdrawn with a total nominal value of EUR 22.4 million. CB 2017 bonds with a total nominal value of EUR 35.1 million were outstanding as of 30 April 2013 (2011/12: EUR 195.0 million). Based on the current applicable conversion price of EUR 8.41 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2017 convertible bonds carry rights for conversion into a total of 4,173,602 IMMOFINANZ shares.

A total of 156 CB 2017 convertible bonds with a nominal value of EUR 15.6 million were repurchased in 2012/13.

### Convertible bond 2009–2011, ISIN XS0416178530 (CB 2011)

On 6 April 2009 IMMOFINANZ AG announced a tender to all holders of the CB 2014 convertible bond (nominal value: EUR 750.0 million) and all holders of the CB 2017 convertible bond (nominal value: EUR 750.0 million). This offer covered the exchange of the existing bonds for a new CB 2011 convertible bond at a ratio of five to two plus a EUR 5,000.– cash payment for each EUR 100,000.– certificate exchanged. In connection with this tender, CB 2014

convertible bonds with a nominal value of EUR 75.5 million and CB 2017 convertible bonds with a nominal value of EUR 498.500 million were exchanged for CB 2011 convertible bonds with a nominal value of EUR 229.6 million.

A resolution of the annual general meeting on 2 October 2009 authorised the Executive Board to execute a conditional increase of up to EUR 23.4 million in share capital through the issue of up to 22,524,726 new bearer shares of common stock.

The conversion period for the 7.00%, CB 2011 convertible bond issued by IMMOFINANZ AG ended on 6 October 2011. Of the originally issued nominal value of EUR 229.6 million, convertible bond certificates with a nominal value of EUR 224.7 million were converted. The liabilities from the CB 2011 were reclassified to the equity of IMMOFINANZ AG on the conversion date and resulted in an increase of EUR 196.2 million in equity after the deduction of EUR 1.4 million in transaction costs (after the deduction of EUR 0.5 million in taxes).

IMMOFINANZ AG will redeem the CB 2011 convertible bonds on the scheduled date (22 December 2011) – after the exercise of conversion rights – at the outstanding amount of EUR 4.9 million.

**Convertible bond 2011–2018, ISIN XS0592528870 (CB 2018)**

Based on an authorisation of the annual general meeting on 27 September 2007 (issue of convertible bonds) and 28 September 2010 (sale of treasury shares), IMMOFINANZ AG issued 125,029,692 convertible bonds on 8 March 2011. These convertible bonds have a total nominal value of EUR 515.1 million and a term ending on 8 March 2018 (ISIN XS0592528870). The terms of the issue entitle all bondholders to register their CB 2018 certificates for premature repayment on 8 March 2016.

The annual general meeting of IMMOFINANZ AG on 28 September 2011 subsequently approved the issue of the convertible bond 2018 as well as an accompanying conversion right that initially involved up to 104,421,677 new bearer shares of common stock in the company. Moreover, the issue terms of the convertible bond 2018 were approved in accordance with § 174 of the Austrian Stock Corporation Act.

IMMOFINANZ AG holds repurchased CB 2018 bonds that have not yet been withdrawn with a total nominal value of EUR 6.4 million. CB 2018 bonds with a total nominal value of EUR 508.7 million were outstanding as of 30 April 2013 (2012: EUR 515.5 million). Based on the current applicable conversion price of EUR 3.74 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2017 convertible bonds carry rights for conversion into a total of 136,011,903 IMMOFINANZ shares.

**Conversions and repurchases**

No conversion rights were exercised during the 2012/13 financial year. In 2011/12 the exercise of conversion rights from the CB 2011 and CB 2018 convertible bonds increased the company's share capital by EUR 98.7 million through the issue of 95,105,516 IMMOFINANZ shares.

Convertible bonds with a total nominal value of EUR 22.0 million were repurchased in 2012/13. The repurchase of convertible bonds and the non-utilisation of premature cancellation rights by convertible bondholders (CB 2017) led to the realisation of income totalling EUR 2.6 million (see section 4.8). In 2011/12 convertible bonds with a nominal value of EUR 2.5 million were repurchased and income of EUR 0.8 million was realised.

**Distribution between equity and debt, and embedded derivatives**

The convertible bonds issued by IMMOFINANZ represent structured financial instruments whose equity and debt components must be reported separately. The equity component of the IMMOFINANZ bonds at the time of issue was recognised as follows: EUR 84.7 million for the CB 2017, EUR 45.1 million for the CB 2014 in 2006/07, EUR 16.3 million for the CB 2011 and EUR 37.1 million for the CB 2018 (less deferred taxes of EUR 27.7 million). These equity components are reported under reserves.

Derivative components were identified for the liability, which represent the call option for the company, respectively the put option for the bondholders. These derivative components were not valued separately.

The carrying amount of the liabilities from convertible bond was EUR 554.1 million as of 30 April 2013 (30 April 2012: EUR 729.4 million).

## 5.14 Financial liabilities

The following table shows the composition and classification of financial liabilities by remaining term as of 30 April 2013 and 30 April 2012:

| All amounts in TEUR | 30 April 2013 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2012 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|---|---|---|---|
| Amounts due to financial institutions | 4,085,441.8 | 707,799.6 | 1,941,747.1 | 1,435,895.1 | 3,932,400.5 | 753,583.6 | 1,759,764.4 | 1,419,052.5 |
| Thereof secured by collateral | 3,993,730.1 | 700,634.8 | 1,868,710.9 | 1,424,384.4 | 3,900,112.5 | 746,757.7 | 1,746,165.6 | 1,407,189.2 |
| Thereof not secured by collateral | 91,711.7 | 7,164.8 | 73,036.2 | 11,510.7 | 32,288.0 | 6,825.9 | 13,598.8 | 11,863.3 |
| Amounts due to local authorities | 380,398.2 | 21,622.2 | 80,377.6 | 278,398.4 | 370,095.4 | 21,198.0 | 81,287.5 | 267,609.9 |
| Liabilities arising from finance leases | 28,726.2 | 4,763.1 | 14,537.5 | 9,425.6 | 31,111.1 | 5,165.1 | 14,037.1 | 11,908.9 |
| Liabilities arising from the issue of bonds | 312,399.0 | 11,854.7 | 300,544.3 | 0.0 | 250,221.9 | 19,115.4 | 231,106.5 | 0.0 |
| Financial liability – limited partnership interest | 9,893.9 | 9,893.9 | 0.0 | 0.0 | 9,461.5 | 9,461.5 | 0.0 | 0.0 |
| Other financial liabilities | 46,644.2 | 600.0 | 45,483.0 | 561.2 | 51,983.6 | 859.3 | 50,606.0 | 518.3 |
| **Total** | **4,863,503.3** | **756,533.5** | **2,382,689.5** | **1,724,280.3** | **4,645,274.0** | **809,382.9** | **2,136,801.5** | **1,699,089.6** |

On 3 July 2012 IMMOFINANZ AG issued a corporate bond with a total nominal value of EUR 100.0 million and a denomination of EUR 1,000.00. The bond has a five-year term and an interest rate of 5.25%. The corporate bond resulted in cash inflows of EUR 98.7 million after the deduction of transaction costs.

Based on a resolution of the annual general meeting on 5 October 2012 to sell treasury shares in accordance with § 65 (1b) of the Austrian Stock Corporation Act and to purchase treasury shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act, IMMOFINANZ AG sold and transferred 101,605,741 treasury shares to financial institutions on 10 January 2013 for financing purposes. In exchange, IMMOFINANZ AG received financing of EUR 150 million for a term of up to three years. These 101,605,741 shares represented a proportional amount of EUR 105,485,388.09, or 9.00%, in share capital as of 30 April 2013.

In this connection, the 57,071,429 IMMOFINANZ shares held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH (a wholly owned subsidiary of IMMOFINANZ AG) were also sold to IMMOFINANZ AG in January 2013 in exchange for a proportional share of the financing. This transfer of financing between IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH generally reflects the same conditions for the sale, financing and repurchase of the IMMOFINANZ shares as defined in the contract between IMMOFINANZ AG and the financing financial institutions.

The company is entitled to repurchase the 101,605,741 shares in exchange for repayment of the financing (EUR 150 million) at any time during the term. At the end of the term, the company is required to repay the financing and repurchase the shares. The interest payments during the term of the financing are linked to the EURIBOR. Dividends paid by IMMOFINANZ AG during the term will be returned to the company. The agreed repurchase price for the shares equals the sale price, i.e. the market risk and opportunities associated with the shares remain with the company. From an economic standpoint, this transaction represents credit financing with collateral in the form of treasury shares; the financing is therefore reported under financial liabilities.

In 2012/13 the outstanding balance (EUR 38.3 million) of a bond issued by a subsidiary of IMMOFINANZ Group was repaid prematurely.

The liabilities from bonds include CMBS (Commercial Mortgage-Backed Security) financing of EUR 209.1 million (2011/12: EUR 213.4 million).

Short-term and medium-term secured liabilities with financial institutions include a syndicated loan of EUR 173.5 million (2011/12: EUR 241.8 million). This syndicated loan represents secured financing, which is guaranteed by IMMOFINANZ AG, IMBEA IMMOEAST Beteiligungsverwaltung GmbH and collateral in the form of real estate. The loan was concluded in May 2006 and repaid in May 2013.

Of the total amount due to financial institutions, EUR 434.4 million are due in the first quarter of 2013/14 (2012/13 EUR 208.1 million).

The conditions of the major financial liabilities are as follows:

| | Currency | Interest rate fixed/ variable | Weighted average interest rate | Remaining liability per company | | Consolidated remaining liability per company[1] | | |
|---|---|---|---|---|---|---|---|---|
| | | | | in 1,000 | in TEUR | in 1,000 | in TEUR | Balance sheet in TEUR |
| Liabilities with financial institutions | CHF | variable | 0.93% | 62,022.9 | 46,513.0 | 62,022.9 | 46,513.0 | |
| (loans and advances) | EUR | fixed | 5.21% | 104,474.6 | 104,474.6 | 87,739.8 | 87,739.8 | |
| | EUR | variable | 2.38% | 2,728,977.5 | 2,728,977.5 | 2,590,787.8 | 2,590,787.8 | |
| | RON | variable | 13.00% | 204.1 | 47.2 | 51.0 | 11.8 | |
| | USD | fixed | 3.97% | 532.0 | 406.7 | 532.0 | 406.7 | |
| | USD | variable | 6.86% | 983,787.6 | 752,591.5 | 973,049.7 | 744,377.0 | |
| | PLN | variable | 6.71% | 18,552.6 | 4,478.2 | 18,552.6 | 4,478.2 | |
| | EUR | fixed | 3.19% | 65,093.7 | 65,093.7 | 65,093.7 | 65,093.7 [2] | |
| | EUR | variable | 1.45% | 558,984.1 | 558,984.1 | 558,984.1 | 558,984.1 [2] | |
| **Total amounts due to financial institutions** | | | | | **4,261,566.5** | | **4,098,392.1** | **4,085,441.8** [3] |
| **Liabilities with local authorities** | **EUR** | **fixed** | **1.33%** | **536,860.9** | **536,860.9** | **536,860.9** | **536,860.9** [2] | **380,398.2** [4] |
| **Liabilities arising from the issue of bonds** | **EUR** | **fixed** | **4.18%** | **308,188.3** | **308,188.3** | **308,188.3** | **308,188.3** | **312,399.0** |
| **Liabilities arising from finance leases** | **EUR** | | | | | | **34,837.1** | **28,726.2** [5] |
| **Financial liability – limited partnership interest** | | | | | | | | **9,893.9** |
| **Other** | | | | | | | | **46,644.2** |
| **Total** | | | | | | | | **4,863,503.3** |

[1] *Excluding associated companies*
[2] *Relates to BUWOG Bauen und Wohnen Gesellschaft mbH, ESG Wohnungsgesellschaft mbH and Heller Fabrik Liegenschaftsverwertungs GmbH*
[3] *Includes accumulated amortisation on the difference between the original amount and the amount due at maturity (transaction costs)*
[4] *Present value of the interest component of liabilities held by BUWOG Bauen und Wohnen Gesellschaft mbH and ESG Wohnungsgesellschaft mbH, which are due to local authorities (see chapter 2.3.5)*
[5] *Discounted interest component of finance lease liabilities*

The liabilities with financial institutions shown in the above table have a net present value of EUR 4,106.5 million (2010/11: EUR 3,976.2 million). The present value calculation was based on the following discount rates, which reflect market interest rates as of 30 April 2013 and 30 April 2012 as well as the weighted average margins of the loans held by IMMOFINANZ Group companies in the relevant local currencies as of the balance sheet date.

| Discount rates in % | 2012/13 | EUR | USD |
|---|---|---|---|
| Up to 31 October 2013 | | 3.141% | 6.935% |
| Up to 30 April 2014 | | 3.154% | 6.936% |
| Up to 30 April 2016 | | 3.299% | 7.075% |
| Up to 30 April 2018 | | 3.573% | 7.445% |
| Up to 30 April 2020 | | 3.891% | 7.899% |
| Up to 30 April 2023 | | 4.296% | 8.445% |
| Up to 30 April 2028 | | 4.732% | 8.985% |
| As of 1 May 2028 | | 4.887% | 9.220% |

| Discount rates in % | 2011/12 | EUR | USD | CHF | ILS |
|---|---|---|---|---|---|
| Up to 31 October 2012 | | 2.721% | 6.386% | 1.479% | - |
| Up to 30 April 2013 | | 2.634% | 6.117% | 1.460% | 4.517% |
| Up to 30 April 2015 | | 2.745% | 6.397% | 1.507% | 4.987% |
| Up to 30 April 2017 | | 3.128% | 6.904% | 1.727% | 5.527% |
| Up to 30 April 2019 | | 3.502% | 7.407% | 2.009% | 6.027% |
| Up to 30 April 2022 | | 3.891% | 7.915% | 2.342% | 6.477% |
| Up to 30 April 2027 | | 4.244% | 8.361% | 2.654% | 6.477% |
| As of 1 May 2027 | | 4.302% | 8.534% | 2.654% | 6.477% |

The financial covenants for a number of bank loans were not met during the 2012/13 financial year. In particular, this involved the LTV ratio (loan-to-value ratio) and the DSCR ratio (debt service credit ratio). Negotiations with the financing banks led in part to the waiver or amendment of the existing contracts. The involved loans amount to EUR 40.7 million (2011/12: EUR 25.7 million).

## 5.15 Trade and other liabilities

| All amounts in TEUR | 30 April 2013 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2012 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|---|---|---|---|
| Trade accounts payable | 74,967.6 | 73,088.4 | 1,533.3 | 345.9 | 68,800.5 | 66,924.0 | 1,570.7 | 305.8 |
| **Other financial liabilities** | | | | | | | | |
| Fair value of derivative financial instruments (liabilities) | 109,710.6 | 0.0 | 57,227.9 | 52,482.7 | 81,765.5 | 0.0 | 66,707.3 | 15,058.2 |
| Property management | 4,486.2 | 4,486.2 | 0.0 | 0.0 | 5,102.0 | 5,102.0 | 0.0 | 0.0 |
| Amounts due to joint venture companies | 42,966.3 | 6,488.9 | 33,132.0 | 3,345.4 | 54,847.0 | 16,483.2 | 35,325.7 | 3,038.1 |
| Deposits and guarantees received | 60,354.8 | 10,607.6 | 32,757.5 | 16,989.7 | 53,145.7 | 9,347.0 | 9,788.3 | 34,010.4 |
| Prepayments received on apartment sales | 41,658.9 | 28,945.0 | 12,713.9 | 0.0 | 13,141.0 | 11,359.8 | 1,781.2 | 0.0 |
| Construction and refurbishment | 37,422.1 | 18,896.4 | 13,405.7 | 5,120.0 | 25,976.2 | 11,004.3 | 10,709.3 | 4,262.6 |
| Outstanding purchase prices (share deals) | 263,680.4 | 255,983.0 | 2,097.4 | 5,600.0 | 226,914.0 | 75,060.7 | 146,253.3 | 5,600.0 |
| Outstanding purchase prices (acquisition of properties) | 2,609.2 | 1,816.4 | 792.8 | 0.0 | 4,645.6 | 2,542.5 | 2,103.1 | 0.0 |
| Liabilities from financial contributions | 119,184.1 | 119,184.1 | 0.0 | 0.0 | 121,533.2 | 121,533.2 | 0.0 | 0.0 |
| Miscellaneous | 34,266.9 | 29,036.0 | 3,035.1 | 2,195.8 | 35,048.5 | 29,412.3 | 3,540.7 | 2,095.5 |
| **Total financial liabilities** | **716,339.5** | **475,443.6** | **155,162.3** | **85,733.6** | **622,118.7** | **281,845.0** | **276,208.9** | **64,064.8** |
| **Other non-financial liabilities** | | | | | | | | |
| Tax authorities | 19,966.0 | 19,752.5 | 140.8 | 72.7 | 28,514.0 | 28,124.3 | 317.0 | 72.7 |
| Rental and lease prepayments | 42,715.1 | 41,790.3 | 657.2 | 267.6 | 38,983.9 | 33,338.2 | 2,928.8 | 2,716.9 |
| Income from the sale of rental rights | 32.0 | 2.1 | 8.4 | 21.5 | 83.2 | 34.8 | 24.8 | 23.6 |
| **Total non-financial liabilities** | **62,713.1** | **61,544.9** | **806.4** | **361.8** | **67,581.1** | **61,497.3** | **3,270.6** | **2,813.2** |
| **Total** | **854,020.2** | **610,076.9** | **157,502.0** | **86,441.3** | **758,500.3** | **410,266.3** | **281,050.2** | **67,183.8** |

Liabilities arising from outstanding purchase prices (share deals) include EUR 253.7 million (USD 331.6 million) for the preliminary, outstanding purchase price for the acquisition of Gangaw Investments Limited, Nicosia, a holding company that owns 100% of the Russian property company OAO Kashirskij Dvor-Severyanin, Moscow. This property company owns the *Golden Babylon Rostokino* shopping center. In the prior year, liabilities arising from outstanding purchase prices equalled EUR 212.7 million (USD 280.7 million) after adjustment (see section 3.6).

In Austria, financial contributions are collected from the tenants in subsidised apartments; these contributions, less a usage-related deduction, are returned at the end of the lease. These leases are generally open-ended, but can be cancelled by the tenant at any time. These liabilities are therefore carried at their nominal value and classified as current.

## 5.16 Provisions

The following table shows the development of provisions recognised by the Group, excluding employee-related provisions:

| All amounts in TEUR | Provision for onerous contracts | Other provisons | Total |
|---|---|---|---|
| **Balance on 1 May 2012** | **27,376.9** | **88,764.9** | **116,141.8** |
| Addition to scope of consolidation | 0.0 | 132.6 | 132.6 |
| Removal from scope of consolidation | 0.0 | -212.3 | -212.3 |
| Additions | 2,348.0 | 44,829.0 | 43,606.8 |
| Disposals | -1,222.2 | -5,411.0 | -3,063.0 |
| Use | -17,206.4 | -31,877.9 | -49,084.3 |
| Reclassification | 23.2 | -360.0 | -336.8 |
| **Balance on 30 April 2013** | **11,319.5** | **95,865.3** | **107,184.8** |

Information on the provision for onerous contracts is provided in section 4.7.3.

Other provisions consist chiefly of provisions for guarantee claims, special payments, legal proceedings and legal consulting as well as auditing and appraisal costs. Approximately 60% of the provisions reported in the above table are short-term.

## 5.17 Obligations to employees

The actuarial expert opinion to determine the defined benefit obligation as of 30 April 2013 was prepared by AKTUAR Versicherungsmathematik GmbH. The development of employee-related provisions is shown in the following table:

| All amounts in TEUR | 2012/13 | 2011/12 |
|---|---|---|
| **Cost as of 1 May** | **4,135.6** | **3,834.2** |
| Change in scope of consolidation | 0.0 | 2,226.5 |
| Interest cost | -115.7 | 214.9 |
| Service cost | 129.1 | 688.4 |
| Actuarial gains/losses | 24.1 | -253.2 |
| Payments | -959.7 | -2,575.2 |
| **Cost as of 30 April** | **3,213.4** | **4,135.6** |
| Thereof current | 110.0 | 630.9 |
| Thereof non-current | 3,103.4 | 3,504.7 |

# 6. Notes to the Cash Flow Statement

The cash flow statement of IMMOFINANZ Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. The cash flow statement distinguishes between cash flows from operating activities, investing activities and financing activities. Cash flow from operating activities is calculated using the indirect method in accordance with IAS 7.18 (b). Cash and cash equivalents of EUR 15.3 million (2011/12: EUR 17.1 million) are attributable to companies consolidated on a proportionate basis. The cash flow statement includes all disclosures required by IAS 7.

Cash and cash equivalents comprise liquid funds of EUR 738.5 million (2011/12: EUR 559.2 million).

Cash flows are translated at the average exchange rate for the respective local currency. Translation differences arising from the use of the average exchange rate and the exchange rate on the balance sheet date are charged or credited to the currency translation reserve.

Information is not provided on the cash flows arising from operating, investing and financing activities for joint ventures included under proportionate consolidation (IAS 7.50b) because the development of this data would have only been possible at substantial expense. The disclosures defined in IAS 7.50d are not provided for the same reason.

# 7. Other Information

## 7.1 Information on operating segments

### 7.1.1 Internal reporting

The central decision-maker of IMMOFINANZ is the Executive Board as a collegial body. Internal reporting to the Executive Board is based on the classification of data into eight regional core markets (Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Russia) and, within these core markets, into four asset classes (office, retail, residential and logistics) and the BUWOG group. The presentation of segment results is based on internal reporting to the Executive Board (management approach) and meets the materiality criteria defined in IFRS 8.13.

In connection with the strategic reorientation of the "Residential West" segment and a possible initial public offering or spin-off by BUWOG, this business was removed from the Austria and Germany segments and is now presented in a separate BUWOG segment.

### 7.1.2 Information on reportable operating segments

Segment assets consist primarily of investment properties, property under construction, goodwill, properties held for sale and inventories.

Segment investments include additions to investment properties, property under construction and investments in property companies.

### 7.1.3 Transition from segments to Group results

There are no material transactions between the segments, and the elimination of intersegment amounts is therefore not reported separately.

Investments in holding companies that cannot be assigned to a specific segment and not operating companies and the elimination of immaterial intersegment transactions are included in the column "transition to consolidated financial statements".

### 7.1.4 Information on geographical areas of business

The allocation of revenues and non-current assets to the individual regions is based on the location of the property. Detailed information on the geographical areas of business is provided in the segment report.

### 7.1.5 Information on key customers

IMMOFINANZ Group had no individual customers who were responsible for 5.00% or more of revenues in 2012/13 or 2011/12.

## 7.2 Information on financial instruments

Financial instruments is a collective term used to represent financial assets and financial liabilities. A financial instrument is defined as a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. One or more companies may serve as the contract partner. This definition covers securities, receivables, liabilities, equity and derivatives, regardless of whether the obligation is conditional or unconditional.

### 7.2.1 Classes and categories of financial instruments

IFRS 7.6 requires the breakdown of financial instruments by classes as well as the reconciliation of these classes with the line items shown on the balance sheet. Since the reporting company is entitled to define these classes, they generally differ from the categories defined by IAS 39 for the measurement of financial instruments.

The definition of the reportable classes reflects the different characteristics of the major financial instruments held by IMMOFINANZ. Accordingly, similar financial instruments are grouped together in a single class. The classes are also defined to facilitate reconciliation with the line items shown on the balance sheet. These factors led to the definition of the following classes: trade accounts receivable, financing receivables, loans and other receivables, IAS 39 investments, derivative financial assets, current securities, miscellaneous other financial instruments and cash and cash equivalents (asset classes) as well as liabilities arising from convertible bonds, bonds, liabilities with financial institutions, other financial liabilities, trade accounts payable, derivative financial liabilities and miscellaneous other liabilities (liability classes).

In addition to the assignment of financial instruments to classes, IFRS 7.8 calls for the disclosure of the carrying amount of financial assets and financial liabilities in accordance with the categories defined in IAS 39.9. The following table presents the carrying amount and fair value of each class of financial assets and financial liabilities as well as each IAS 39.9 category, and reconciles these amounts to the appropriate balance sheet line item. Since the balance sheet positions "trade and other receivables" and "trade and other liabilities" can contain both financial instruments and non-financial assets/liabilities (e.g. tax receivables), the column "Non- FI" allows for a full reconciliation with the balance sheet line items.

| | | FA@FV/P&L | | | | Carrying amount | Fair value |
|---|---|---|---|---|---|---|---|
| **All amounts in TEUR** | **AFS** | **Fair value option** | **HFT** | **L&R** | **Non-FI** | **30 April 2013** | **30 April 2013** |
| **Assets** | **Fair value not through profit or loss** | **Fair value through profit or loss** | **Fair value through profit or loss** | **Amortised cost** | **Not classified under IFRS 7** | | |
| **Trade and other receivables** | **0.0** | **0.0** | **0.0** | **618,680.3** | **77,810.8** | **696,491.1** | **696,491.1** |
| Trade accounts receivable | 0.0 | 0.0 | 0.0 | 55,660.9 | 0.0 | 55,660.9 | 55,660.9 |
| Financing receivables | 0.0 | 0.0 | 0.0 | 37,081.0 | 0.0 | 37,081.0 | 37,081.0 |
| Loans and other receivables | 0.0 | 0.0 | 0.0 | 525,938.4 | 77,810.8 | 603,749.2 | 603,749.2 |
| **Other financial assets** | **57,024.9** | **132,507.2** | **4,655.3** | **19,671.9** | **0.0** | **213,859.3** | **213,859.3** |
| Investments acc. to IAS 39 | 33,396.3 | 132,507.2 | 0.0 | 0.0 | 0.0 | 165,903.5 | 165,903.5 |
| Derivatives | 0.0 | 0.0 | 4,655.3 | 0.0 | 0.0 | 4,655.3 | 4,655.3 |
| Other current financial assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Miscellaneous other financial instruments | 23,628.6 | 0.0 | 0.0 | 19,671.9 | 0.0 | 43,300.5 | 43,300.5 |
| **Cash and cash equivalents** | **0.0** | **0.0** | **0.0** | **738,454.9** | **0.0** | **738,454.9** | **738,454.9** |
| **Total assets** | **57,024.9** | **132,507.2** | **4,655.3** | **1,376,807.1** | **77,810.8** | **1,648,805.3** | **1,648,805.3** |

| | FL@FV/P&L | | | | Carrying amount | Fair value |
|---|---|---|---|---|---|---|
| **All amounts in TEUR** | **Fair value option** | **HFT** | **FLAC** | **Non-FI** | **30 April 2013** | **30 April 2013** |
| **Liabilities** | **Fair value through profit or loss** | **Fair value through profit or loss** | **Amortised cost** | **Not classified under IFRS 7** | | |
| **Liabilities from convertible bonds** | **0.0** | **0.0** | **554,108.4** | **0.0** | **554,108.4** | **607,053.3** |
| **Financial liabilities** | **0.0** | **0.0** | **4,863,503.3** | **0.0** | **4,863,503.3** | **4,979,736.4** |
| Bonds | 0.0 | 0.0 | 312,399.0 | 0.0 | 312,399.0 | 322,309.7 |
| Amounts due to financial institutions | 0.0 | 0.0 | 4,085,441.8 | 0.0 | 4,085,441.8 | 4,106,498.1 |
| Other financial liabilities | 0.0 | 0.0 | 465,662.5 | 0.0 | 465,662.5 | 550,928.6 |
| **Trade and other liabilities** | **0.0** | **109,710.6** | **681,596.5** | **62,713.1** | **854,020.2** | **854,020.2** |
| Trade accounts payable | 0.0 | 0.0 | 74,967.6 | 0.0 | 74,967.6 | 74,967.6 |
| Derivatives | 0.0 | 109,710.6 | 0.0 | 0.0 | 109,710.6 | 109,710.6 |
| Miscellaneous other liabilities | 0.0 | 0.0 | 606,628.9 | 62,713.1 | 669,342.0 | 669,342.0 |
| **Total liabilities** | **0.0** | **109,710.6** | **6,099,208.2** | **62,713.1** | **6,271,631.9** | **6,440,809.9** |

*AFS: available for sale*
*FA@FV/P&L: financial assets at fair value through profit or loss*
*FL@FV/P&L: financial liabilities at fair value through profit or loss*
*HFT: held for trading*
*L&R: loans and receivables*
*HTM: held to maturity*
*FLAC: financial liabilities measured at amortised cost*
*Non-FI: non-financial assets/liabilities*

| | | FA@FV/P&L | | | | Carrying amount | Fair value |
|---|---|---|---|---|---|---|---|
| **All amounts in TEUR** | **AFS** | **Fair value option** | **HFT** | **L&R** | **Non-FI** | **30 April 2012** | **30 April 2012** |
| **Assets** | **Fair value not through profit or loss** | **Fair value through profit or loss** | **Fair value through profit or loss** | **Amortised cost** | **Not classified under IFRS 7** | | |
| **Trade and other receivables** | **0.0** | **0.0** | **0.0** | **565,209.1** | **77,082.4** | **642,291.5** | **642,291.5** |
| Trade accounts receivable | 0.0 | 0.0 | 0.0 | 74,900.2 | 0.0 | 74,900.2 | 74,900.2 |
| Financing receivables | 0.0 | 0.0 | 0.0 | 36,966.4 | 0.0 | 36,966.4 | 36,966.4 |
| Loans and other receivables | 0.0 | 0.0 | 0.0 | 453,342.5 | 77,082.4 | 530,424.9 | 530,424.9 |
| **Other financial assets** | **68,853.1** | **151,430.2** | **6,447.6** | **20,878.4** | **0.0** | **247,609.3** | **247,609.3** |
| Investments acc. to IAS 39 | 42,096.8 | 151,430.2 | 0.0 | 0.0 | 0.0 | 193,527.0 | 193,527.0 |
| Derivatives | 0.0 | 0.0 | 6,447.6 | 0.0 | 0.0 | 6,447.6 | 6,447.6 |
| Other current financial assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Miscellaneous other financial instruments | 26,756.3 | 0.0 | 0.0 | 20,878.4 | 0.0 | 47,634.7 | 47,634.7 |
| **Cash and cash equivalents** | **0.0** | **0.0** | **0.0** | **559,163.2** | **0.0** | **559,163.2** | **559,163.2** |
| **Total assets** | **68,853.1** | **151,430.2** | **6,447.6** | **1,145,250.7** | **77,082.4** | **1,449,064.0** | **1,449,064.0** |

| | FL@FV/P&L | | | | Carrying amount | Fair value |
|---|---|---|---|---|---|---|
| **All amounts in TEUR** | **Fair value option** | **HFT** | **FLAC** | **Non-FI** | **30 April 2012** | **30 April 2012** |
| **Liabilities** | **Fair value through profit or loss** | **Fair value through profit or loss** | **Amortised cost** | **Not classified under IFRS 7** | | |
| **Liabilities from convertible bonds** | **0.0** | **0.0** | **729,366.8** | **0.0** | **729,366.8** | **720,765.5** |
| **Financial liabilities** | **0.0** | **0.0** | **4,645,274.0** | **0.0** | **4,645,274.0** | **4,757,143.9** |
| Bonds | 0.0 | 0.0 | 250,221.9 | 0.0 | 250,221.9 | 259,393.0 |
| Amounts due to financial institutions | 0.0 | 0.0 | 3,932,400.5 | 0.0 | 3,932,400.5 | 3,976,248.7 |
| Other financial liabilities | 0.0 | 0.0 | 462,651.6 | 0.0 | 462,651.6 | 521,502.2 |
| **Trade and other liabilities** | **0.0** | **81,765.5** | **609,153.7** | **67,581.1** | **758,500.3** | **758,500.3** |
| Trade accounts payable | 0.0 | 0.0 | 68,800.5 | 0.0 | 68,800.5 | 68,800.5 |
| Derivatives | 0.0 | 81,765.5 | 0.0 | 0.0 | 81,765.5 | 81,765.5 |
| Miscellaneous other liabilities | 0.0 | 0.0 | 540,353.2 | 67,581.1 | 607,934.3 | 607,934.3 |
| **Total liabilities** | **0.0** | **81,765.5** | **5,983,794.5** | **67,581.1** | **6,133,141.1** | **6,236,409.7** |

*AFS: available for sale*
*FA@FV/P&L: financial assets at fair value through profit or loss*
*FL@FV/P&L: financial liabilities at fair value through profit or loss*
*HFT: held for trading*
*L&R: loans and receivables*
*HTM: held to maturity*
*FLAC: financial liabilities measured at amortised cost*
*Non-FI: non-financial assets/liabilities*

The fair values shown in the table were derived from stock exchange prices or determined by applying recognised valuation methods, depending on the class (see the fair value hierarchy of financial instruments presented in section 7.2.4).

Trade accounts receivable are generally considered to be current or are carried net of any necessary valuation adjustments and, for this reason, fair value reflects the carrying amount. The same applies to cash and cash equivalents.

The fair value of financing receivables, other receivables and the components of miscellaneous other financial instruments carried at amortised cost also reflects the carrying amount because non-current, non-interest bearing receivables are carried at the present value of future cash inflows or outflows (by applying the effective interest rate) after the deduction of any necessary valuation adjustments. Miscellaneous other financial instruments include non-current securities that are carried at fair value.

The carrying amount of IAS 39 investments also reflects fair value because these assets are valued at fair value through profit or loss (fair value option) or directly in equity. Foreign exchange effects and impairment losses recognised to investments valued directly in equity are recorded to the income statement. The fair value of the other funds is based on the net asset value determined by the respective fund management. The company's management has recognised management discounts on individual assets.

The market value of derivatives is provided by the respective financial institutions. This market value is determined by applying recognised actuarial methods and is based on estimates of the market factors by the financial institution.

The fair value of miscellaneous current liabilities also approximates the carrying amount. Miscellaneous non-current liabilities consist primarily of amounts due to public authorities (subsidised loans for BUWOG/ESG).

The accounting and valuation methods are described in section 2.

## 7.2.2 Collateral

IFRS 7.14 requires the disclosure of collateral. IMMOFINANZ Group companies normally provide collateral for loans related to project financing. Financing is generally concluded at the individual project level, and each company or property is responsible for the related debt service. There are no rights of regress involving IMMOFINANZ. As security for the loan, the lending bank receives a package of collateral that can be used to satisfy the receivable in the event a loan is called. This package can include the following types of collateral:

- Mortgage on the land or the land and building
- Pledge of shares in the project company
- Pledge of receivables (from rental agreements, insurance contracts, property management contracts etc.)
- Pledge of bank accounts (accounts for rental payments or other project-related accounts)
- Promissory notes
- Treasury shares

The conditions, type and scope of collateral is defined on an individual basis (for each company and property) and is dependent on the project volume and the amount and term of the loan. Additional information on collateral is provided in section 7.3.2.

## 7.2.3 Net gains and losses

IFRS 7.20 (a) requires the disclosure of net gains and losses for each category of financial instrument defined in IAS 39.9. This information is presented in the following table:

| All amounts in TEUR | | | | | | | 30 April 2013 |
|---|---|---|---|---|---|---|---|
| | | Measurement at fair value | Impairment loss/ value allowance | Revaluation | Income from disposals/repurchase | Other gains/ losses | Net gain/ loss |
| AFS | Fair value recognised directly in equity | -8,700.5 | 0.0 | 0.0 | 11.4 | 0.0 | -8,689.1 |
| | Thereof recognised to the income statement | 0.0 | 0.0 | 0.0 | 11.4 | 0.0 | 11.4 |
| | Thereof recognised directly in equity | -8,700.5 | 0.0 | 0.0 | 0.0 | 0.0 | -8,700.5 |
| FA@FV/P&L | Fair value through profit or loss | -19,574.2 | 0.0 | 0.0 | 0.0 | -585.3 | -20,159.5 |
| | Thereof fair value option | -19,778.8 | 0.0 | 0.0 | 0.0 | -585.3 | -20,364.1 |
| | Thereof HFT | 204.6 | 0.0 | 0.0 | 0.0 | 0.0 | 204.6 |
| L&R | Amortised cost | 0.0 | -28,080.7 | 3,843.2 | 0.0 | 0.0 | -24,237.5 |
| FL@FV/P&L | Fair value through profit or loss | -28,627.4 | 0.0 | 0.0 | 0.0 | -2,526.5 | -31,153.9 |
| | Thereof fair value option | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Thereof HFT | -28,627.4 | 0.0 | 0.0 | 0.0 | -2,526.5 | -31,153.9 |
| FLAC | Amortised cost | 0.0 | 0.0 | 0.0 | 7,620.6 | 0.0 | 7,620.6 |

| All amounts in TEUR | | | | | | | 30 April 2012 |
|---|---|---|---|---|---|---|---|
| | | Measurement at fair value | Impairment loss/ value allowance | Revaluation | Income from disposals/repurchase | Other gains/ losses | Net gain/ loss |
| AFS | Fair value recognised directly in equity | 1,938.4 | 0.0 | 0.0 | 0.0 | -88.9 | 1,849.5 |
| | Thereof recognised to the income statement | 0.0 | 0.0 | 0.0 | 0.0 | -88.9 | -88.9 |
| | Thereof recognised directly in equity | 1,938.4 | 0.0 | 0.0 | 0.0 | 0.0 | 1,938.4 |
| FA@FV/P&L | Fair value through profit or loss | 15,997.0 | 0.0 | 0.0 | 0.0 | -2,608.7 | 13,388.3 |
| | Thereof fair value option | 16,465.6 | 0.0 | 0.0 | 0.0 | -2,590.9 | 13,874.7 |
| | Thereof HFT | -468.6 | 0.0 | 0.0 | 0.0 | -17.8 | -486.4 |
| L&R | Amortised cost | 0.0 | -59,456.2 | 18,206.8 | 0.0 | 0.0 | -41,249.4 |
| FL@FV/P&L | Fair value through profit or loss | -85,191.2 | 0.0 | 0.0 | 0.0 | -1,149.8 | -86,341.0 |
| | Thereof fair value option | -11,862.1 | 0.0 | 0.0 | 0.0 | 0.0 | -11,862.1 |
| | Thereof HFT | -73,329.1 | 0.0 | 0.0 | 0.0 | -1,149.8 | -74,479.0 |
| FLAC | Amortised cost | 0.0 | 0.0 | 0.0 | 504.3 | 0.0 | 504.3 |

*AFS: available for sale*
*@FV/P&L: at fair value through profit or loss*
*HFT: held for trading*
*L&R: loans and receivables*
*HTM: held to maturity*
*FLAC: financial liabilities measured at amortised cost*
*FLHFT: financial liabilities held for trading*

The valuation category "financial assets and financial liabilities held for trading" (HFT) includes derivatives.

The disposal of available-for-sale financial assets did not result in the realisation of valuation effects recorded under equity (recycling) on the income statement in 2012/13 or 2011/12.

The category "loans and receivables" (L&R) consists primarily of valuation adjustments.

Information on financing costs and financing income is provided in section 4.8.

## 7.2.4 Hierarchy of financial instruments carried at fair value

The following section includes an analysis of the financial instruments carried at fair value. A three-level hierarchy was developed for this analysis, which reflects the significance of the factors used for valuation:

- Level 1: Quoted prices for identical assets or liabilities on an active market (without any adjustments)
- Level 2: Inputs that can be derived directly (e.g. as prices) or indirectly (e.g. based on prices) for the individual assets or liabilities, and cannot be classified under Level 1
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

| All amounts in TEUR | | | | 30 April 2013 |
|---|---|---|---|---|
| **Financial assets available for sale** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| IAS 39 investments | 0.0 | 0.0 | 33,396.3 | 33,396.3 |
| Miscellaneous other financial instruments | 0.0 | 0.0 | 23,628.6 | 23,628.6 |
| **Financial assets at fair value through profit or loss** | | | | |
| Fair value option | | | | |
| IAS 39 investments | 0.0 | 0.0 | 132,507.2 | 132,507.2 |
| Held for trading | | | | |
| Derivatives | 0.0 | 4,655.3 | 0.0 | 4,655.3 |
| **Financial liabilities at fair value through profit or loss** | | | | |
| Held for trading | | | | |
| Derivatives | 0.0 | 109,710.6 | 0.0 | 109,710.6 |

| All amounts in TEUR | | | | 30 April 2012 |
|---|---|---|---|---|
| **Financial assets available for sale** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| IAS 39 investments | 0.0 | 0.0 | 42,096.8 | 42,096.8 |
| Miscellaneous other financial instruments | 0.0 | 0.0 | 26,756.3 | 26,756.3 |
| **Financial assets at fair value through profit or loss** | | | | |
| Fair value option | | | | |
| IAS 39 investments | 0.0 | 0.0 | 151,430.2 | 151,430.2 |
| Held for trading | | | | |
| Derivatives | 0.0 | 6,447.6 | 0.0 | 6,447.6 |
| **Financial liabilities at fair value through profit or loss** | | | | |
| Held for trading | | | | |
| Derivatives | 0.0 | 81,765.5 | 0.0 | 81,765.5 |

The following table shows the reconciliation of the opening and closing balances of the financial instruments classified under level 3:

| All amounts in TEUR | 2012/13 | 2011/12 |
|---|---|---|
| **Cost as of 1 May** | **220,283.3** | **209,013.6** |
| Recognised in P&L | -19,778.8 | 16,465.6 |
| Recognised in equity | -8,700.5 | 1,938.4 |
| Disposals | -2,271.9 | -7,134.3 |
| **Cost as of 30 April** | **189,532.1** | **220,283.3** |

# 7.3 Financial risk management

## 7.3.1 General information

IFRS 7.31 requires the disclosure of information that enables the users of financial statements to evaluate the nature and extent of risks arising from financial instruments to which the company is exposed as of the balance sheet date.

As an international corporation, IMMOFINANZ Group is exposed to various financial risks. The most important financial risks for the Group arise from possible changes in foreign exchange rates and interest rates and from the credit standing and solvency of its customers and business partners.

IMMOFINANZ Group has integrated an active risk management system into its operating processes and reporting paths. This system supports the rapid implementation of measures to counter risk and also has a direct impact on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout IMMOFINANZ Group to support the monitoring, evaluation and control of risks related to the operating business. Risk management in IMMOFINANZ Group takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions. The internal control system (ICS) was also expanded to support the early identification and monitoring of risk. Auditors evaluate the efficiency and effectiveness of the ICS each year, to the extent this is necessary for the preparation of the annual financial statements and the provision of a true and fair view of the asset, financial and earnings position of the company. A description of the ICS is provided in the management report.

In accordance with IAS 32 and IAS 39, a distinction is made between primary and derivative financial instruments.

Primary financial instruments reported under assets consist primarily of trade accounts receivable, financing receivables, loans and other receivables, IAS 39 investments, current securities, miscellaneous other financial instruments and cash and cash equivalents. Available-for-sale financial assets, current securities and financial instruments recognised at fair value through profit or loss in accordance with IAS 39 (fair value option) are carried at fair value; all other financial assets are shown at amortised cost. Fair value is based on market prices or calculated in accordance with recognised valuation methods. Primary financial instruments recorded under liabilities consist primarily of financial liabilities carried at amortised cost, liabilities arising from bonds, convertible bonds and trade accounts payable.

Derivative financial instruments are used to hedge the risk arising from fluctuations in foreign exchange rates and interest rates on business operations as well as the risk associated with monetary investments and financing (see section 7.3.5.2).

## 7.3.2 Default/credit risk

In accordance with IFRS 7.36, an entity must disclose the following information for each class of financial instruments: the maximum exposure to credit risk as of the balance sheet date, excluding any collateral or other enhancements; a description of the collateral received and any credit enhancements; and information on the carrying amount of the financial assets whose contract terms were amended and which would have been classified as past due or impaired under the previous contract terms. In accordance with IFRS 7.B9, the amounts offset pursuant to IAS 32.42 ff. and impairment losses as defined in IAS 39 must be deducted from the gross carrying amount of financial assets. The remaining amount represents the maximum credit risk. Collateral held in security and other credit enhancements are not included in this calculation, but only disclosed separately (IFRS 7.36(b)).

Credit risks arise from the possibility that the counterparty to a transaction could fail to meet the related obligations, and the Group incurs financial damages as a result. The maximum credit risk represents the amounts reported under assets on the balance sheet and the amounts attributable to these risks. Default risk is reflected in appropriate valuation adjustments.

The most important instrument for managing default risk is the continuous evaluation of the credit standing of contract partners. In various development projects, IMMOFINANZ Group works together with local developers. This cooperation can represent a risk for IMMOFINANZ Group if the business partners are unable to meet their contractual obligations in full or on time. Appropriate contractual provisions – e.g. penalties or damage payments in cases

where performance does not meet the contract terms – are used to address this risk. In addition, specific activities and goal attainment are monitored regularly by the Group's asset management.

The risk of default on receivables due from tenants is low because tenants are generally required to provide security deposits (for residential properties: cash deposits; for commercial properties: bank guarantees or cash deposits) and the credit standing of tenants is monitored on a regular basis. The default risk associated with receivables due from banks is also considered to be low because all financing transactions are concluded with financial institutions that have excellent credit ratings. The counterparty default risk is limited by continuous monitoring, fixed investment limits and the diversification of financial institutions.

In 2012/13 and earlier years, IMMOFINANZ and its subsidiaries issued comfort letters for third parties with a maximum exposure of EUR 99.7 million (2011/12: EUR 59.5 million). The probability of occurrence for these contingent liabilities is linked to the fulfilment or non-fulfilment of future conditions and considered to be low at the present time.

## 7.3.3 Capital market and financing risk

The ability to obtain refinancing on the capital markets is an important strategic factor for IMMOFINANZ Group. Significant fluctuations on these markets can limit the availability of equity and/or debt. In order to minimise refinancing risk, IMMOFINANZ Group works to maintain a balance between equity and debt and distributes bank financing over various terms.

In order to eliminate the risks associated with the failure to meet capital market regulations, IMMOFINANZ Group has issued a compliance guideline. This guideline is designed to ensure the fulfilment of all capital market regulations and, above all, to prevent the misuse or distribution of insider information. The measures implemented in this connection include: the development of a compliance organisation; the definition of authorisations and duties for the compliance officer; the implementation of permanent and, where necessary, temporary classified units as well as blackout periods and trading prohibitions for persons assigned to these units.

The generation of liquidity from the operating business represents a central element of IMMOFINANZ Group's strategy. Processes to evaluate opportunities for optimisation or a further reduction in operating costs are expanded and improved continuously. Internal procurement guidelines for the operating business, above all in the area of property services, construction and facility management, form an important part of this cost reduction and optimisation potential.

In order to receive or continue the use of funds obtained through loan agreements, IMMOFINANZ Group must meet certain obligations – so-called financial covenants. The Group continuously monitors compliance with these covenants and remains in close contact with the lending institutions. If these obligations are not met, the lender may cancel the loan agreement under certain circumstances. At the present time IMMOFINANZ Group is not aware of and does not expect a breach of any major covenants that could negatively influence its business activities.

## 7.3.4 Liquidity risk

Liquidity risks are minimised by the preparation of a mid-term (five-year) forecast and an annual budget with monthly segmentation as well as monthly revolving liquidity reports that include variance analyses. Daily liquidity management ensures that all operating obligations can be met and funds can be optimally invested, and also gives the Group the necessary flexibility to realise short-term acquisition opportunities.

IMMOFINANZ Group also uses long-term financing that reflects the financial capability of the individual properties (interest coverage ratio and/or debt service coverage ratio) as well as their market value (loan-to-value ratio).

In order to prevent cost overruns and the resulting excess outflow of liquidity, IMMOFINANZ Group routinely monitors budgets and the progress of construction on all development projects and maintenance work.

Information on the term structure of liabilities is provided in sections 5.14 and 5.15.

## 7.3.5 Market risk and property-specific risks

The development of property markets is heavily dependent on economic growth and macroeconomic trends.

The related risks are based on the micro- and macroeconomic development of the countries where IMMOFINANZ Group is active as well as conditions on the global financial and investment markets. The resulting effects on market prices, market rents and yields also play an important role.

Property-specific risks are associated, above all, with the location of the properties, the architecture and the condition of the building as well as the local competitive situation.

In order to identify these risks and allow for the timely implementation of countermeasures, the property portfolio of IMMOFINANZ Group is analysed quarterly by means of a portfolio tracker. This analysis includes the systematic evaluation of quantitative and qualitative property factors as well as the portfolio concentration (i.e. sector and regional allocation) and forms the basis for tactical decisions.

The examination of quantitative property factors includes the calculation of an expected future return for each property based on a detailed budget for the next financial year and an assumption-based medium-term forecast. The properties are then ranked according to their total return on equity. Qualitative factors are made measurable with a scoring model that values the quality of the building and location as well as the market attractiveness of each property.

Properties whose location and quality do not meet the portfolio requirements are sold over the medium-term.

The sector and regional diversification of the property portfolio provides an excellent balance for market cycles and fluctuations as well as concentration risks. IMMOFINANZ Group generally owns high-quality properties in good locations, and this provides special protection against the above-mentioned risks. Detailed market studies are prepared on a regular basis and analysed in connection with reports by recognised real estate experts to allow for timely reaction to changes in the market environment. All market changes are included in the portfolio analysis and have an important influence on investment, sales and project plans and thereby also on the Group's medium-term planning. The acquisition process used by IMMOFINANZ Group includes extensive due diligence audits together with independent experts that are intended to identify any such risks in advance and to evaluate all risks related to legal, tax, economic, technical and social issues. IMMOFINANZ Group does not purchase properties that fail to meet its high quality standards. Regular commercial and technical reports are prepared after the acquisition, and the results are presented to the Executive Board.

An internal investment guideline issued by IMMOFINANZ Group regulates the framework and approval limits for all capital expenditure (property acquisitions, development projects and on-going investments). This established process minimises or eliminates the major strategic and property-specific risks. Approval limits are defined in an extensive guideline that applies to all Group companies and regulates all authorisations from individual employees up to the Executive Board. In some cases, these transactions are also subject to the approval of the Supervisory Board.

Development projects are exposed to increased risks in the form of schedule and construction cost overruns as well as the success of rentals. IMMOFINANZ Group minimises these risks by starting projects only after a specific level of pre-rentals is reached and by the regular monitoring of costs and schedules through variance analyses.

IMMOFINANZ Group minimises inflation risk by including index clauses in its standard leases.

IMMOFINANZ Group's business model includes the acquisition of properties and real estate development projects at attractive conditions as well as the profitable sale of individual assets. The risk associated with these transactions is addressed, above all, through the diversification of the property portfolio. This broad-based portfolio which covers four asset classes in eight core countries has allowed for numerous property sales in excess of fair value. Permanent market screening and wide-ranging business relationships as well as extensive knowledge of the relevant markets makes it possible for IMMOFINANZ Group to identify investment opportunities at an early point in time and to utilise these opportunities for new development projects.

Market risk can be subdivided into three sources: foreign exchange risk, interest rate (fluctuation) risk and other price risks.

### 7.3.5.1 Foreign exchange risk

IMMOFINANZ Group is exposed to various forms of foreign exchange risk in connection with its balance sheet and cash flows: fluctuations in foreign exchange rates can influence valuation results and also have an impact on the asset position of the company.

In accordance with IAS 21, foreign currency translation for the Group's foreign subsidiaries, joint ventures and associated companies (in the following referred to collectively as foreign operations) is based on the functional currency concept and in the modified current rate method. The assets and liabilities in the financial statements to be consolidated are translated at the average exchange rate on the balance sheet date; the income statement positions are translated at the weighted average exchange rate for the reporting year. The equity of foreign operations and foreign currency investments in other foreign entities are translated at the historical exchange rate on the date of initial consolidation. Foreign currency distributions are translated at the average exchange rate for the purpose of elimination. The components of the earned (historical) group equity of foreign operations are translated at the average historical exchange rate. Differences arising from the above-mentioned application of different exchange rates to the individual components of financial statements or from period to period changes in exchange rates are reported under the currency translation adjustment on the statement of comprehensive income.

**Effect on valuation results**

Property appraisals are generally prepared in Euros. Changes in exchange rate have an influence on revaluation results; these changes are recognised through profit or loss.

When the foreign currency fair value of a property is converted into the Euro, an upward shift in the exchange rate will increase the Euro fair value of the property over the fair value reported in the previous year's expert opinion. When this higher value is compared with the prior year equivalent, translation back into the functional currency (local currency) produces a lower value – because of the higher exchange rate – and therefore leads to a foreign exchange-based write-down. If the value in the expert opinion rises, this foreign exchange effect reduces the upward potential for the valuation of the property; if the value in the expert opinion is lower, this effect increases the write-down.

Analogously, a decline in foreign exchange rates versus the Euro will reduce the Euro fair value of a property in comparison with the fair value reported in the previous year's expert opinion. When the latest value is compared with the prior year equivalent, translation back into the functional currency (local currency) produces a higher value – because of the lower exchange rate – and therefore leads to a foreign exchange-related write-up. If the value in the expert opinion rises, this foreign exchange effect increases the upward for the valuation of the property; if the value in the expert opinion is lower, this effect reduces the write-down.

The following table shows how the revaluation of investment properties, property under construction and properties held for sale, adjusted for foreign exchange effects and resulting from foreign exchange effects, would be influenced by an increase or decrease of 2.00% and 5.00% in the local currency as of 30 April 2013. This calculation is based on the exchange rates specified in section 2.1.11. The analysis assumes that all other variables, especially interest rates, remain constant.

| Based on the following exchange rate movements as of 30 April 2013 | | | | | |
|---|---|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **2%** | **-2%** | **5%** | **-5%** |
| Austria | 25,540.0 | 25,540.0 | 25,540.0 | 25,540.0 | 25,540.0 |
| Germany | -5,811.1 | -5,811.1 | -5,811.1 | -5,811.1 | -5,811.1 |
| BUWOG | 110,608.3 | 110,608.3 | 110,608.3 | 110,608.3 | 110,608.3 |
| Poland | -11,963.2 | -31,031.4 | 7,883.2 | -58,271.6 | 39,219.6 |
| Czech Republic | 5,922.0 | -5,847.3 | 18,171.8 | -22,660.7 | 37,513.5 |
| Slovakia | -18,622.5 | -18,622.5 | -18,622.5 | -18,622.5 | -18,622.5 |
| Hungary | 1,464.8 | -9,064.9 | 12,424.3 | -24,107.4 | 29,728.8 |
| Romania | -46,450.0 | -64,670.8 | -27,485.5 | -90,700.5 | 2,458.5 |
| Russia | 155,244.8 | 120,099.1 | 191,825.1 | 69,890.8 | 249,583.4 |
| Other | -19,565.6 | -25,978.5 | -12,891.0 | -35,139.7 | -2,352.1 |
| **Total** | **196,367.5** | **95,220.9** | **301,642.6** | **-49,274.4** | **467,866.4** |

### Effects on the asset position

IAS 21 calls for the translation of monetary assets and liabilities at the average exchange rate in effect on the balance sheet date. In this way, exchange rate fluctuations can have a direct impact on the asset position of the Group.

The individual Group companies record all transactions in a currency (local currency) that differs from their functional currency (e.g. Euro loans for property financing) at the average exchange rate on the date of the respective transaction. Foreign currency monetary assets and liabilities are translated at the average exchange rate in effect on the balance sheet date. The resulting foreign exchange gains and losses are recognised to profit or loss for the financial year.

The risk of devaluation associated with foreign currency cash balances is offset by the rapid conversion of these funds into the Euro.

Contractual agreements are used to manage the foreign exchange risk associated with rental income generated in countries where the Euro is not the functional currency. These agreements require the payment of rents in Euros (in Russia, in some cases in USD) or link rental payments to the Euro exchange rate on particular dates.

Derivative financial instruments are used in some cases to manage foreign exchange risk. The derivative financial instruments used by IMMOFINANZ to hedge this risk are recorded as independent transactions and not as hedge transactions. Hedge accounting as defined in IAS 39.85–IAS 39.102 is not applied because the relevant requirements are not met.

The recognition and measurement of derivative financial instruments reflect fair value. Derivatives with a positive market value are included under the balance sheet position "other financial assets" (see section 5.7). Derivatives with a negative market value are reported under "trade and other liabilities" (see section 5.15). Any changes in market value are recognised as income or expenses under financial results.

Derivative financial instruments are also used to hedge future payments in a foreign currency.

Section 7.3.5.2 of the notes provides a list of the market values and conditions of all derivative financial instruments purchased by IMMOFINANZ Group and held as of the balance sheet date as protection against foreign exchange risk.

Cash and cash equivalents are held in the following currencies:

| All amounts in TEUR | 30 April 2013 | 30 April 2012 |
|---|---|---|
| EUR | 513,355.4 | 409,984.5 |
| USD | 120,705.3 | 10,460.6 |
| CHF | 2,104.7 | 21,476.9 |
| HUF | 9,035.8 | 9,906.4 |
| PLN | 41,306.7 | 28,960.1 |
| CZK | 14,884.5 | 14,359.1 |
| RON | 13,628.6 | 25,808.4 |
| RUB | 19,212.9 | 33,454.2 |
| Other | 4,221.0 | 4,753.0 |
| **Total** | **738,454.9** | **559,163.2** |

### 7.3.5.2 Interest rate risk

As an international company, IMMOFINANZ Group is exposed to the risk of interest rate fluctuations on various property submarkets. Changes in interest rates can have a negative impact on Group earnings by increasing the cost of floating rate financing and can also influence the fair value of fixed rate financial instruments.

A change in interest rates will have a direct influence on financial results through its impact on floating rate financing. IMMOFINANZ Group limits the risk associated with rising interest rates – which would lead to higher interest expense and a decline in financial results – through the use of fixed interest rate financing contracts and derivative financial instruments (above all caps and swaps). These derivative financial instruments are recorded as independent transactions and not as hedges. Hedge accounting as defined in IAS 39.85 – IAS 39.102 is not applied because the relevant requirements are not met. Information on the accounting treatment of derivative financial instruments is provided in section 7.3.5.1 of the notes.

The classification of financial liabilities by type of interest rate is shown in the following table:

| All amounts in TEUR | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Fixed interest financial liabilities | 1,472,459.8 | 1,739,170.1 |
| Variable interest financial liabilities | 3,945,151.9 | 3,635,470.7 |
| **Total interest-bearing financial liabilities** | **5,417,611.7** | **5,374,640.8** |

The following table shows the market values and conditions of all derivative financial instruments that were purchased and held by IMMOFINANZ Group as of 30 April 2013 to hedge interest rate and foreign exchange risk:

| | Derivative | Reference value as of 30 April 2013 in TEUR | Market value incl. interest in EUR | Maturity |
|---|---|---|---|---|
| Interest rate 0.5% bis 3% | Interest rate SWAP | 198,751.2 | -4,557.5 | FY 2015 |
| | Interest rate SWAP | 200,783.7 | -7,231.5 | FY 2016 |
| | Interest rate SWAP | 228,158.8 | -11,702.0 | FY 2017 |
| | Interest rate SWAP | 339,754.0 | -12,630.9 | FY 2018 |
| | Interest rate SWAP | 207,489.2 | -15,080.1 | FY 2019 |
| | Interest rate SWAP | 5,096.8 | -60.6 | FY 2022 |
| | Interest rate SWAP | 13,500.0 | -1,624.6 | FY 2031 |
| | Interest rate SWAP | 24,780.3 | -1,892.5 | FY 2020 |
| | Interest rate SWAP | 17,367.4 | -221.1 | Q4 2014 |
| | Interest rate SWAP | 11,548.7 | -390.7 | FY 2023 |
| | Interest rate SWAP | 107,300.0 | -10,160.5 | FY 2037 |
| | Interest rate SWAP | 8,339.0 | -1,276.0 | FY 2040 |
| | Collar | 211,149.4 | -5,639.9 | FY 2017 |
| | Collar | 182,000.0 | -995.8 | Q1 2014[2] |
| | CAP | 23,400.0 | 4.5 | FY 2015 |
| **Number of derivatives: 89** | | **1,779,418.5** | **-73,459.2** | |
| | | | | |
| Interest rate from 3% to 4.5% | Interest rate SWAP | 10,234.5 | -485.4 | FY 2015 |
| | Interest rate SWAP | 26,391.0 | -2,269.4 | FY 2016 |
| | Interest rate SWAP | 7,647.9 | -751.5 | FY 2017 |
| | Interest rate SWAP | 5,845.0 | -126.8 | Q3 2014 |
| | Interest rate SWAP | 66,749.3 | -992.1 | Q2 2014 |
| | Interest rate SWAP | 107,665.0 | -15,434.2 | FY 2032 |
| | Interest rate SWAP | 15,980.0 | -2,465.3 | FY 2040 |
| | CAP | 9,918.8 | 0.0 | Q2 2014 |
| **Number of derivatives: 18** | | **250,431.5** | **-22,524.7** | |
| | | | | |
| Interest rate over 4.5% | Interest rate SWAP | 63,885.4 | -11,018.1 | FY 2018 |
| | Interest rate SWAP | 27,537.4 | -5,536.1 | FY 2019 |
| | Interest rate SWAP | 55,897.5 | -614.6 | Q1 2014 |
| **Number of derivatives: 11** | | **147,320.3** | **-17,168.8** | |
| | | | | |
| Sell | Cross Currency SWAP USD/ILS | -9,125.3 | 1,550.9 | FY 2015 |
| | Cross Currency SWAP EUR/ILS | -50,103.8 | 7,257.3 | FY 2015 |
| **Number of derivatives: 4** | | **-59,229.1** | **8,808.2** | |
| | | | | |
| Buy | Cross Currency SWAP USD/ILS | 9,125.3 | -782.6 | FY 2015 |
| | Cross Currency SWAP EUR/ILS | 50,103.8 | -3,375.5 | FY 2015 |
| **Number of derivatives: 5** | | **59,229.1** | **-4,158.1** | |
| **Total number of derivatives: 127** | | **2,177,170.3** | **-108,502.6** [1] | |

[1] *As of the balance sheet date 119 securities had a total negative value of EUR -117.3 million and 8 securities had a positive market value of EUR 8.8 million.*
[2] *Q1 2014 represents the first quarter of the 2013/14 financial year.*

The reference value forms the basis value for derivatives outstanding as of the balance sheet date.

The market value represents the amount that the respective company would receive or be required to pay if the transaction were terminated as of the balance sheet date.

Changes in interest rates have an influence on the valuation of property. The discounted cash flow method (DCF) used for property valuation involves the determination of the present value of the future cash flows generated by a property through discounting at the applicable interest rate. This interest rate generally comprises a risk-free basic rate and a risk premium that reflects the property category and submarket. Rising interest rates lead to an increase in the risk-free basic interest rate and thereby to a higher discount factor. This reduces the present value of cash flows and, in turn, reduces the fair value of the property.

Sensitivity analyses are used to illustrate the risk associated with interest rate fluctuations. A sensitivity analysis shows the effects of changes in market interest rates on interest payments, interest income and expense, other components of earnings and, where applicable, also on equity. The following analysis shows the influence of floating interest rates on the interest expense associated with financial liabilities. It presents the effect of an assumed average increase of 50 and 100 basis points in interest rates on the interest expense recognised in 2012/13. This analysis assumes that all other variables, in particular foreign exchange rates, remain constant. Due to the very low level of interest rates at the time this annual report was prepared (e. g. 3-month EURIBOR: 0.207%, 3-month LIBOR USD: 0.273%), a sensitivity analysis for falling interest rates was not prepared for the 2012/13 financial year.

| **Sensitivity analysis 2012/13** | | | **Interest rate scenarios** |
|---|---|---|---|
| **All amounts in TEUR** | **2012/13** | **0.50%** | **1.00%** |
| Interest expense based on increase in interest rate | 258,569.1 | 269,340.6 | 281,272.1 |

| **Sensitivity analysis 2011/12** | | | **Interest rate scenarios** |
|---|---|---|---|
| **All amounts in TEUR** | **2011/12** | **0.50%** | **1.00%** |
| Interest expense based on increase in interest rate | 249,712.1 | 260,090.8 | 269,233.8 |

Details on the conditions of financial liabilities are provided in section 5.14.

In addition to financial liabilities, securities and other receivables – above all financing receivables (loans granted to third parties) – can be sensitive to interest rate changes. The financing receivables generally carry fixed interest rates, and the Group is therefore exposed to no risk or only limited risk from these items. As in the prior year, IMMOFINANZ held no current securities as of 30 April 2013.

### 7.3.5.3 Other price risks

As an international company, IMMOFINANZ is also exposed to price risks. Price risks are understood to mean the possible fluctuation in fair value or future cash flows as a result of changes in market prices.

Additional information on the provision for onerous contracts is included under section 4.7.3.

## 7.3.6 Legal risks

As an international company, IMMOFINANZ Group is exposed to a variety of legal risks. Included here are risks related to the purchase or sale of property and risks arising from legal disputes with tenants or joint venture and development partners. A list of the major legal proceedings in which the Group is involved is provided in section 7.4.1 and in the management report.

The outcome of current and future proceedings cannot be predicted with certainty. Therefore, expenses may arise from decisions or settlement agreements by the courts or public authorities that are not covered in full or in part by insurance or provisions. These expenses could have an impact on the results recorded by IMMOFINANZ Group.

## 7.3.7 Capital management

The goal of IMMOFINANZ management is to protect the Group's liquidity at all times. Interest rate hedging instruments such as CAPS and SWAPS are used to manage liquidity, above all when interest rates are low. The mid-term target calls for a balanced ratio of equity and debt, respectively an LTV (loan-to- value) ratio of 50.00%.

| All amounts in TEUR | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Equity | 5,327,066.9 | 5,517,535.9 |
| Debt | 7,253,637.4 | 6,814,282.0 |
| **Capital structure** | **73.4%** | **81.0%** |

IMMOFINANZ is not subject to any minimum capital requirements defined by external sources. There were no changes in the capital management policies of IMMOFINANZ Group during the reporting year.

## 7.3.8 Concentration risk

Concentration risk is understood to mean the accumulation of similar risks that contradict the principle of risk diversification. IMMOFINANZ Group consciously reduces these risks through the sector and regional diversification of the property portfolio and the realisation of larger real estate projects together with a partner. In addition to sector and regional diversification, IMMOFINANZ Group also works to achieve a diversified tenant structure. In this way, the loss of a tenant will not have a significant influence on the Group. IMMOFINANZ Group has a very well balanced and diversified tenant mix. No single tenant is responsible for more than 2% of total rental income.

The Russian market is associated with a number of specific concentration risks. On the one hand, IMMOFINANZ Group has a single investment the *Golden Babylon Rostokino* shopping center in Moscow – which represents more than 10% of the total portfolio based on fair value. On the other hand, the investments in Russia are concentrated on the Moscow retail market, which comprises 16.8% of the Group's standing investment portfolio.

## 7.3.9 Property valuation risk

Property valuation in IMMOFINANZ Group follows general branch practices and is based on fair value as defined in IAS 40. Under this method, properties are carried on the balance sheet at their fair value. The properties owned by IMMOFINANZ Group are valued semi-annually by external appraisers. The values determined by these experts are heavily dependent on the calculation method and the underlying assumptions. A change in the underlying assumptions can therefore lead to major fluctuations in the value of a property. For example: any change in the assumed occupancy rate or future investment costs of a property will have a direct effect on the resulting income and fair value. Therefore, it is important to note that the derived fair values are directly related to the underlying assumptions and the calculation model. Even minor changes to the economic or property-specific assumptions used for these valuations can have a significant influence on results reported by IMMOFINANZ Group.

| | | | | Change in rental income | |
|---|---|---|---|---|---|
| **Change in interest rate[1]** | **-5.0%** | **-2.5%** | **0.0%** | **2.5%** | **5.0%** |
| -0.50% | 0.9% | 3.8% | 6.6% | 9.4% | 12.3% |
| -0.25% | -2.3% | 0.4% | 3.2% | 5.9% | 8.7% |
| 0.00% | -5.3% | -2.7% | 0.0% | 2.7% | 5.3% |
| +0.25% | -8.1% | -5.5% | -3.0% | -0.4% | 2.2% |
| +0.50% | -10.8% | -8.3% | -5.5% | -3.2% | -0.7% |

[1] *Discount rate and capitalisation rate*

The above table shows the per cent change in the value of investment property as a result of changes in rental income and interest rates. This calculation is based on the 30 highest-ranking standing investments. As of 30 April 2013, the carrying amount of the investment properties totalled EUR 9,297.4 million and the carrying amount of the 30 highest-ranking standing investments was EUR 3,498.9 million or 37.63% of the standing investment portfolio.

The interest rates (capitalisation and discount rates) used by the appraisers to value the IMMOFINANZ properties as of 30 April 2013 ranged from 4.4% to 12.0% for the 30 highest-ranking properties. The interest rates were highest in Russia with a range of 10.8% to 12.0% and lowest in Austria with a range of 4.4% to 7.3%.

## 7.4 Financial obligations

### 7.4.1 Contingent liabilities and guarantees

Contingent liabilities represent possible or existing obligations arising from past events, in cases where it is not probable that an outflow of resources will be required to settle the obligation. In accordance with IFRS 3, contingent liabilities are only recorded on the balance sheet if they are assumed in connection with the acquisition of a company and the fair value on the acquisition date can be measured with sufficient reliability. In subsequent years, contingent liabilities and guarantees are measured through profit or loss at the higher of the expected value determined in accordance with IAS 37 (see section 2.3.16) and the initially recognised amount less accumulated amortisation in accordance with IAS 18.

This section presents information on the status of legal proceedings related to lawsuits filed by (former) shareholders and lawsuits related to the management contract with Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG).

**Legal proceedings by shareholders against IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH**

Since November 2008 a number of shareholders have filed claims against IMMOFINANZ AG (in short: IFAG) and IMMOEAST AG (now: IMBEA IMMOEAST Beteiligungsverwaltung GmbH, in short: IMBEA). Some of the plaintiffs are IMMOFINANZ AG shareholders, while others are shareholders of the former IMMOEAST AG, who are asserting various claims against IMMOFINANZ AG or against IMBEA as the legal successor of IMMOEAST AG. In all cases, the plaintiffs are claiming damages based on prospectus liability or other alleged inadequate capital market information. The plaintiffs' argumentation is based primarily on alleged deficiencies in the prospectuses of IMMOFINANZ AG or IMMOEAST AG. Many of the plaintiffs' claims are also based on other legal grounds, e.g. the violation of ad-hoc reporting requirements. Among others, the plaintiffs contend that the funds raised from the public offering were not used for acquisitions or the development of new real estate projects, but for the financing of IMMOFINANZ AG and IMMOEAST AG and for the purchase of shares in IMMOFINANZ AG and IMMOEAST AG. IMMOFINANZ AG and IMBEA reject these claims. Of special note are 19 class action lawsuits of Austrian origin involving between ten and 910 plaintiffs who have filed claims against IMMOFINANZ AG.

By the end of April 2013 a total of 810 lawsuits had been filed against IMMOFINANZ AG (whereby IMBEA was also named in some of the cases) and 78 lawsuits only against IMMOEAST AG/IMBEA with a value in dispute totalling approx. EUR 253 million. Most of the plaintiffs are covered by insurance for legal expenses or represented by AdvoFin, a company that finances such proceedings. The status of the pending proceedings is different, whereby most are still in the early stages. In many of the cases the plaintiffs have already been heard, and a more extensive hearing of evidence has only taken place in a few cases. In 43 cases, a judgment in the first instance or a final judgment was issued, each – for different reasons – in favour of IMMOFINANZ AG or IMMOEAST AG/IMBEA. A decision in eight further cases is expected during the coming months. Some of the first-instance decisions were reversed by the Regional Appeals Court in Vienna or the Austrian Supreme Court and remanded to the first-instance court for renegotiation. In 17 of these proceedings, the plaintiffs withdrew their lawsuits. Seventy of the proceedings have been completed to date (19 legally binding judgments rejecting the lawsuits, 17 withdrawals of lawsuits and 34 agreements for withdrawal of the lawsuit under the waiver of claims).

| Pending proceedings: IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| IFAG | 376 | 25.3 |
| IMBEA | 66 | 7.7 |
| IFAG and IMBEA | 376 | 218 |
| **Total** | **818** | **251** |

### Legal proceedings by shareholders against investment consultants and Aviso Zeta AG and third party notices against IMMOFINANZ AG/IMBEA

At the beginning of August 2008 shareholders of IMMOFINANZ AG and IMMOEAST AG (now: IMBEA) filed lawsuits against Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG) and AWD Gesellschaft für Wirtschaftsberatung GmbH (now: Swiss Life Select Österreich GmbH), through which they had purchased IMMOFINANZ and IMMOEAST shares. The plaintiffs allege, in particular, incorrect investment advising, misleading advertising and false depiction of IMMOFINANZ AG and IMMOEAST AG in public due to the withholding of information on the close relationship between the former Constantia Privatbank AG and IMMOFINANZ AG/IMMOEAST AG. Furthermore, the lawsuits contend that information was withheld on material transactions by the former Constantia Privatbank AG with shares of IMMOFINANZ AG and IMMOEAST AG and maintain that investors' funds were not used for the purposes stated in the prospectuses. The plaintiffs are seeking compensation and/or the assessment of the resulting financial losses. The plaintiffs did not lodge any direct claims against IMMOFINANZ AG in these cases. IMMOFINANZ AG and IMBEA are involved as intervening parties in some of the cases against Aviso Zeta AG or Swiss Life Select Österreich GmbH. An intervening party is someone who has a legal interest in the success of one party to pending legal proceedings between other persons or entities. The reason behind this type of intervention is that the defendant can file a recourse claim against IMMOFINANZ AG/IMBEA if the case is lost and is therefore taking action against IMMOFINANZ AG/IMBEA. If IMMOFINANZ AG/IMBEA did not join in these proceedings, IMMOFINANZ AG/IMBEA would not be able to raise the points addressed during the preliminary proceedings in any subsequent regress proceedings. The defendants' main argument against IMMOFINANZ AG/IMBEA is that the damages incurred by the plaintiffs were caused by actions on the part of IMMOFINANZ AG and IMMOEAST AG, which are currently under investigation by the Vienna public prosecutor in connection with criminal proceedings.

By the end of April 2013 Aviso Zeta AG had served IMMOFINANZ AG and/or IMBEA, in most cases both companies, with third party notices in 334 cases. Swiss Life Select Österreich GmbH has also served IMMOFINANZ AG and/or IMBEA with third party notices in 226 cases, also in class action suits that were filed against Swiss Life Select Österreich GmbH. IMMOFINANZ AG and IMBEA joined in most of these cases.

According to the information currently available to IMMOFINANZ AG, judgments have been issued in 40 lawsuits against Swiss Life Select Österreich GmbH and Aviso Zeta AG. Some of these judgments were issued in favour of the respective defendant, others against. Neither Swiss Life Select Österreich GmbH nor Aviso Zeta AG has filed recourse claims against IMMOFINANZ AG or IMBEA.

| Third party notices to IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| Aviso Zeta | 334 | 36.9 |
| AWD (now: Swiss Life Select Österreich GmbH) | 226 | 17.6 |
| **Total** | **560** | **54.5** |

### Legal proceedings against Aviso Zeta AG

At the end of April 2013 Aviso Zeta AG was the dependent in 2,089 proceedings with a total value in dispute of EUR 320.9 million. These proceedings are based on different facts and circumstances. The primary issue in 1,166 proceedings with a value in dispute of EUR 292.8 million is the purchase of IMMOFINANZ/IMMOEAST shares, whereby 197 of the proceedings have already been concluded. In 143 of these cases, permanent suspension of the proceedings was agreed in exchange for the waiver of costs. The lawsuits were withdrawn under the waiver of claims in a further 17 cases and rejected in 31 cases. Only three proceedings were lost from the viewpoint of Aviso Zeta AG. Lawsuits have been filed against Aviso Zeta AG in a further 921 cases (value in dispute: EUR 18.5 million) involving securities brokerage (in particular, Lehmann Brothers products with the designation "Dragon FX Garant"). Of these proceedings, 797 have been concluded with positive results for Aviso Zeta AG (withdrawal, rejection or permanent suspension of the proceedings) in 790 cases. Settlements were reached in five cases, and the lawsuits were only allowed in two cases. In established judicature the Supreme Court has rejected the plaintiffs' arguments, which

claimed prospectus liability and attributed the brokerage activities of AWD (now: Swiss Life Select Österreich GmbH) to Aviso Zeta AG; this has subsequently resulted in the positive conclusion of most of the proceedings against Aviso Zeta AG. Several proceedings were interrupted until the Court of Justice of the European Union issues a decision on the correctness of the prospectus publication.

Aviso Zeta AG was also served with third-party notices in a further 520 proceedings. In 506 of these cases, which involved the purchase of IMMOFINANZ/IMMOEAST shares (value in dispute: EUR 27.6 million), Aviso Zeta AG joined the legal proceedings. Of this total, 62 cases with a value in dispute of EUR 3.1 million have been concluded. No regress claims have been filed against Aviso Zeta AG to date.

Furthermore, Aviso Zeta AG has been sued by two former members of the Executive Board for termination benefits.

During the 2012/13 financial year Aviso Zeta AG filed lawsuits against three former members of the Executive Board of Constantia Privatbank AG for compensation for damages and declaration by judgment. The purpose of these lawsuits is to allow for the possible future filing of a recourse claim based on false advising in connection with share purchases. These legal proceedings are still in the early stages.

### Defendant's litigation Aviso Zeta AG

| AVISO ZETA AG | Number of proceedings | Value in dispute in MEUR | Thereof concluded | Value in dispute in MEUR |
|---|---|---|---|---|
| Defendant | 2,089 | 320.9 | | |
| Thereof: IMMOFINANZ/IMMOEAST | 1,166 | 292.8 | 197 | 15.9 |
| Dragon FX Garant | 921 | 18.5 | 797 | 15.8 |
| Intervening party | 520 | 28.2 | | |
| IMMOFINANZ/IMMOEAST | 506 | 27.6 | 62 | 3.1 |

### Proceedings to review the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG

IMMOFINANZ AG, as the accepting company, was merged with IMMOEAST AG, as the transferring company, in accordance with a merger agreement dated 21 January 2010. In connection with this merger, the former shareholders of IMMOEAST AG were granted a total of 567,363,702 shares in IMMOFINANZ AG based on an agreed exchange ratio of three IMMOFINANZ shares for each two IMMOEAST shares. Petitions were subsequently filed with the commercial court of Vienna by IMMOFINANZ shareholders and shareholders of the former IMMOEAST AG for a review of this exchange ratio pursuant to §§ 225c ff of the Austrian Stock Corporation Act. This step led to the start of court proceedings, and IMMOFINANZ AG has filed an extensive statement in response to the petitions. In accordance with legal regulations (§ 225g of the Austrian Stock Corporation Act), the commercial court of Vienna has ordered an expert opinion on the exchange ratio.

Decisions or settlements in the proceedings to review the exchange ratio will apply to all shareholders in the respective shareholder groups (erga omnes right). If the proceedings lead to additional payments (additional settlement payments), the shareholders in the disadvantaged shareholder group will receive these payments plus interest at a rate of 2% over the base interest rate on the registration date (28 April 2010). IMMOFINANZ AG has requested permission to grant additional IMMOFINANZ shares in place of cash settlements.

The outcome of the proceedings to review the exchange ratio cannot be predicted at the present time. It is not possible to estimate whether the shareholder groups will be granted additional payments (additional settlement payments) or what the amount of these payments might be.

### Other legal disputes

In March 2011 IMMOFINANZ AG filed a lawsuit against three former members of the Executive Board and members of the Supervisory Board of the former Constantia Privatbank AG that involved option transactions to the detriment of the former IMMOEAST AG. The proceedings were suspended after the first hearing in September 2011 until a final binding decision is issued in the criminal proceedings against these former Executive and Supervisory Board members. These criminal proceedings resulted in the (not yet legally binding) first-instance conviction, among others, of two of the three defendants. IMBEA was also awarded approx. EUR 7 million by this first-instance decision (not yet legally binding). In addition, Aviso Zeta was awarded approx. EUR 4 million.

IMMOFINANZ AG filed a further lawsuit in September 2011 to enforce claims against a former member of the Executive Board and other persons in connection with payments made to third parties without justifiable grounds on the instructions of this former board member. This case is still in the early stages.

In August 2011 a former member of the Executive Board filed a lawsuit against IMMOFINANZ AG to claim payment of remuneration for his duties on the Executive Board for a period of roughly three months. These proceedings are currently suspended until a decision is issued on a parallel case, which represents separate proceedings against IMBEA. The separate proceedings involve a claim by the same former Executive Board member for payment of remuneration for his duties on the Executive Board for the same period of roughly three months.

The above-mentioned values in dispute cover, in part, identical content. Based on estimates for the expected outcome of these proceedings, IMMOFINANZ Group has recognised an appropriate amount of provisions for legal disputes and provisions for legal proceedings in the consolidated financial statements.

In specific East European countries, legal uncertainty could arise in connection with land ownership.

Information on the liabilities held by IMMOFINANZ is provided in section 7.3.2 of the notes.

### 7.4.2 Outstanding construction costs

The following table shows the actual obligations arising from outstanding construction costs on properties under construction:

| | Number of properties | Carrying amount in TEUR | Carrying amount in % | Outstanding construction costs in TEUR | Planned rentable space in sqm | Expected fair value after completion in TEUR |
|---|---|---|---|---|---|---|
| Austria | 2 | 3,319.7 | 0.6% | 230.0 | 885 | 4,270.0 |
| Germany | 4 | 128,057.5 | 24.2% | 214,064.0 | 87,803 | 381,220.7 |
| BUWOG | 22 | 105,222.8 | 19.9% | 68,585.5 | 67,505 | 208,154.7 |
| Poland | 6 | 42,707.9 | 8.1% | 133,054.1 | 75,571 | 214,641.6 |
| Czech Republic | 5 | 47,884.8 | 9.0% | 44,317.3 | 38,010 | 111,327.5 |
| Hungary | 1 | 28.5 | 0.0% | 0.0 | 29 | 28.5 |
| Romania | 11 | 38,381.8 | 7.3% | 4,239.1 | 74,280 | 44,912.0 |
| Russia | 1 | 159,970.0 | 30.2% | 105,070.4 | 56,000 | 275,391.2 |
| Other | 2 | 3,545.8 | 0.7% | 0.0 | 4,800 | 3,675.0 |
| **Total** | **54** | **529,118.8** | **100.0%** | **569,560.4** | **404,883** | **1,243,621.2** |

## 7.5 Subsequent events

On 27 May 2013 IMMOFINANZ Group signed a contract for the sale of the Silesia City Center in Katowice, Poland, to an international consortium of investors led by Allianz. The EUR 410.0 million purchase price exceeded the carrying amount. The transaction is subject to a number of suspensive conditions, including the approval of the Polish antitrust authorities. The closing is expected to take place in September 2013.

A syndicated loan of EUR 173.5 million concluded in 2006 was repaid during May 2013. The collateral for this loan included a guarantee issued by IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH as well as real estate.

In 2012/13 the local situation of the subsidiaries in four of the IMMOFINANZ core countries (RO, PL, CZ and HU) was reassessed with respect to the functional currency. These subsidiaries were previously considered to be standalone, independent entities whose local currency reflected the currency of the primary (macro)economic environment. The local currency for these companies was therefore defined as the functional currency in accordance with IAS 21. However, current analyses showed a significant increase in the dependency of the subsidiaries on the Group, above all due to the equity-related restructuring measures implemented in 2012/13. The Euro has also become the

primary currency for most of the transactions by these companies (conversion of cash balances, rental invoices and supplier invoices, etc. to the Euro).

Based on these considerations, the Executive Board believes it is necessary to adopt the Euro as the functional currency for these companies. This change reflects the requirements of IAS 21.13 (change in events) and was made prospectively as of 1 May 2013 (IAS 21.35).

## 7.6 Transactions with related parties

Related parties in the sense of IAS 24 include all associated companies and companies included through proportionate consolidation. In addition to persons who have a significant influence over IMMOFINANZ AG, related parties include the members of the Executive Board and Supervisory Board of IMMOFINANZ AG and their close family members.

All transactions carried out with related parties during the reporting year reflected arm's length conditions.

Rudolf Fries and Vitus Eckert, who are members of the Supervisory Board of IMMOFINANZ AG, are partners in Eckert Fries Prokopp Rechtsanwälte GmbH, a law firm located in Baden bei Wien. This law firm charged fees of EUR 53,130.70 for legal advising provided to IMMOFINANZ Group companies in 2012/13. The terms of these fees, above all the hourly rates, reflect standard market conditions.

A subsidiary of IMMOFINANZ Group (BUWOG–Facility Management GmbH) manages properties owned by ARSENAL Immobilien Development GmbH. Rudolf Fries, a member of the Supervisory Board, is the managing director of this company and Dr. Rudolf FRIES Familienprivatstiftung is an indirect shareholder of this company. The property management fees reflect standard market rates. In 2012/13 these property management fees totalled EUR 316,474.74. A member of the Executive Board rented an apartment from BUWOG at normal market conditions prior to the board appointment. This tenant relationship remains intact.

In 2011/12 a member of the family of a Supervisory Board member purchased an apartment from the IMMOFINANZ subsidiary BUWOG at standard market conditions.

As part of the remuneration for the members of the Executive Board, IMMOFINANZ AG makes payments to APK Pensionskasse AG. These payments are related to company pensions for the Executive Board members and reflect standard market conditions. Christian Böhm, a member of the Supervisory Board, is a member of the management board of this company. The contributions made in 2012/13 are reported in the notes.

Transactions between fully consolidated subsidiaries are eliminated during the consolidation and are therefore not explained in detail.

## 7.6.1 Associated companies and companies included through proportionate consolidation

| Transactions with proportionately consolidated companies | | |
|---|---|---|
| **All amounts in TEUR** | **30 April 2013** | **30 April 2012** |
| Receivables | 65,600.3 | 98,938.8 |
| Liabilities | 42,966.3 | 54,847.1 |
| | **30 April 2013** | **30 April 2012** |
| Other income | 130.9 | 183.9 |
| Other expenses | 0.0 | -2.3 |
| Interest income | 2,469.0 | 34,226.1 |
| Interest expense | -21.4 | -11,170.0 |

| Transactions with associated companies | | |
|---|---|---|
| **All amounts in TEUR** | **30 April 2013** | **30 April 2012** |
| Receivables | 74,624.6 | 74,329.8 |
| Liabilities | 867.2 | 3,889.4 |
| | **30 April 2013** | **30 April 2012** |
| Profit/loss from associated companies | -2,910.6 | -11,861.9 |
| Interest income from associated companies | 255.6 | 146.7 |

Transactions with associated companies and companies included through proportionate consolidation are carried out at standard market prices and conditions.

The financing for companies included through proportionate consolidation (joint venture companies) is frequently arranged by IMMOFINANZ and its partners in line with the respective investments. Receivables and liabilities due from/to the joint venture companies from such transactions are reported in the tables on receivables (see section 5.6) and liabilities (see section 5.15).

## 7.6.2 Corporate bodies

The corporate bodies of IMMOFINANZ are:

### Executive Board

**Eduard Zehetner** – Chief Executive Officer
**Birgit Noggler** – Member
**Daniel Riedl FRICS** – Member
**Manfred Wiltschnigg MRICS** – Member (up to March 2013)

### Supervisory Board

**Herbert Kofler** – Chairman
**Michael Knap** – Vice-Chairman
**Vitus Eckert** – Member
**Rudolf Fries** – Member
**Guido Schmidt-Chiari** – Member (up to October 2012)
**Nick J. M. van Ommen** – Member
**Christian Böhm** – Member
**Klaus Hübner** – Member

### Executive Board remuneration

The members of the Executive Board received remuneration of EUR 4.7 million in 2012/13 (2011/12: EUR 3.8 million). Contributions of TEUR 117.2 (2011/12: TEUR 58.6) were made to the employee severance compensation fund and TEUR 188.5 (2011/12: TEUR 149.5) to the pension fund.

In May 2012, EUR 3 million of turnaround bonuses were granted to the three Executive Board members who were active during the reorganisation phase from 2008 to 2011 and are still employed by the company. IMMOFINANZ

Group was successfully directed out of the life-threatening crisis in the 2008/09 financial year, and equity and the NAV were substantially increased. Furthermore, dividend payments were made possible.

### Incentive programme for the Executive Boards of the former IMMOEAST and IMMOFINANZ AG

In 2009 IMMOFINANZ AG repurchased 269 of the 2014 convertible bonds (CB 2014) and 480 of the 2017 convertible bonds (CB 2017) with a total nominal value of EUR 74.9 million at a discount to the nominal value. As part of a planned long-term incentive programme, 82 of the repurchased CB 2014 and 88 of the repurchased CB 2017 were sold to the members of the Executive Boards of IMMOFINANZ AG and IMMOEAST AG. This incentive programme also included the granting of loans to the Executive Board members to finance the purchase of the convertible bonds. The loans amounted to approx. EUR 1 million per board member and were granted at third party conditions (three-month EURIBOR +1.50%). The repayment claims by IMMOFINANZ AG arising from the loans are secured with the respective convertible bond certificates. These loans were repaid during the 2011/12 financial year.

### Supervisory Board remuneration

The members of the Supervisory Board received remuneration of EUR 300,300.– in 2012/13. This remuneration is approved each year by the annual general meeting. Therefore, remuneration for the 2012/13 financial year will be the subject of voting by the 20th annual general meeting on 2 October 2013. The remuneration for the Supervisory Board of IMMOFINANZ AG in 2012/13 will be based on a fixed payment of EUR 25,000.– plus EUR 3,588.57 for services performed on a committee. The remuneration for the chairman and vice-chairman of the Supervisory Board equals twice and one and a half times this amount, respectively.

The remuneration received by the members of the Supervisory Board is shown in the following table:

| All amounts in TEUR | 30 April 2013 | | 30 April 2012 | |
|---|---|---|---|---|
| | IMMOFINANZ | Other | IMMOFINANZ | Other |
| Klaus Hübner | 28.6 | - | 22.0 | 5.0 |
| Michael Knap | 53.6 | 5.0 | 41.3 | 7.0 |
| Herbert Kofler | 71.5 | - | 66.0 | - |
| Vitus Eckert | 28.6 | - | 33.0 | - |
| Rudolf Fries | 32.2 | - | 33.0 | - |
| Guido Schmidt-Chiari | 28.6 | - | 33.0 | - |
| Christian Böhm | 28.6 | - | 17.6 | - |
| Nick J. M. van Ommen | 28.6 | 10.0 | 27.5 | 4.0 |
| Georg Bauthen | - | - | - | 2.0 |
| Christian Weimann | - | - | - | 2.0 |
| **Total** | **300.3** | **15.0** | **273.4** | **20.0** |

The members of the Executive and Supervisory Boards hold 67,510,428 IMMOFINANZ shares (2011/12: 65,702,992 shares).

## 7.7 Auditor's fees

The fees charged by Deloitte Austria during the 2012/13 financial year comprise TEUR 498.1 (2011/12: TEUR 507.9) for the audit of the individual and consolidated financial statements, TEUR 1.7 (2012/12: TEUR 630.5) for other assurance services, TEUR 160.1 (2011/12: TEUR 612.0) for tax advising and TEUR 0.0 (2011/12: TEUR 55.2) for other services.

## 7.8 Release of the consolidated financial statements

These consolidated financial statements were completed and signed by the Executive Board of IMMOFINANZ AG on 2 August 2013 and subsequently distributed to the Supervisory Board. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether or not it approves these documents.

# Group Companies of IMMOFINANZ AG

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| AAX Immobilienholding GmbH | AT | Vienna | 40.79 | EUR | 100.00% | 1 January 2005 | F |
| ABLO Property s.r.o. | CZ | Prague | 100.00 | CZK | 100.00% | 3 December 2004 | F |
| ABSTEM Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 1 May 2008 | F |
| Adama Holding Public Ltd. | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Adama Luxemburg S.A. | LU | Luxembourg | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Adama Management SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Adama Management Ukraine LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| Adama Romania Ltd. | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Adama Ukraine Ltd. | CY | Nicosia | 0.00 | EUR | 98.40% | 9 November 2011 | F |
| AEDIFICIO Liegenschaftsvermietungs- und Beteiligungsgesellschaft m.b.H. | AT | Vienna | 7,267,283.00 | EUR | 100.00% | 22 January 1998 | F |
| AEDIFICIO Liegenschaftsvermietungs- und Beteiligungsgesellschaft m.b.H. & Co Kaiserstraße 57–59 KG | AT | Vienna | 1.00 | EUR | 100.00% | 30 April 2000 | F |
| Agroprodaja d.o.o. Beograd | RS | Belgrade | 500.00 | EUR | 100.00% | 22 November 2007 | F |
| Ahava Ltd. | CY | Nicosia | 0.00 | EUR | 98.40% | 9 November 2011 | F |
| Ahava Ukraine LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| Airport Property Development a.s. | CZ | Prague | 1,000,000.00 | CZK | 100.00% | 29 June 2005 | F |
| Al Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 30 April 2005 | F |
| Aloli Management Services Limited | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Alpha Arcadia LLC | UA | Odessa | 0.00 | UAH | 49.30% | 9 November 2011 | P |
| Alpha real d.o.o. | SI | Ljubljana | 8.76 | EUR | 100.00% | 30 September 2006 | F |
| Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S. | TR | Istanbul | 50.00 | TRY | 64.89% | 16 August 2007 | P |
| Appartement im Park ErrichtungsGmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Aragonit s.r.o. | CZ | Prague | 100.00 | CZK | 100.00% | 1 July 2006 | F |
| Arbor Corporation s.r.l. | RO | Bucharest | 13.50 | RON | 90.00% | 29 January 2007 | F |
| ARE 3 Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 31 January 2005 | F |
| ARE 4 Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 7 December 2004 | F |
| ARE 5 Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 30 April 2005 | F |
| ARE 8 Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 15 June 2005 | F |
| ARMONIA CENTER ARAD S.R.L. | RO | Bucharest | 11,411,000.00 | RON | 100.00% | 18 July 2007 | F |
| ARO Eferding Immobilien GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 June 2008 | F |
| ARO IBK GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2007 | F |
| ARO Immobilien GmbH | AT | Vienna | 7,267,283.00 | EUR | 100.00% | 1 January 2005 | F |
| Arpad Center Kft. | HU | Budapest | 31,000,000.00 | HUF | 100.00% | 1 August 2002 | F |
| Artemis Immobilien GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 7 July 2010 | F |
| Atlantis Invest Sp. z o.o. | PL | Warsaw | 51.00 | PLN | 100.00% | 30 April 2005 | F |
| ATLAS 2001 CR s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 20 April 2004 | F |
| Atom Centrum a.s. | CZ | Prague | 1,000,000.00 | CZK | 100.00% | 20 January 2005 | F |
| Atrium Park Kft. | HU | Budapest | 6,000,000.00 | HUF | 100.00% | 31 October 2007 | F |
| Aviso Delta GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 15 October 2010 | F |
| Aviso Zeta AG | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| BA Energetika s.r.o. | SK | Bratislava | 6,638.78 | EUR | 100.00% | 31 December 2005 | F |
| Banniz Ltd. | CY | Nicosia | 0.00 | EUR | 100.00% | 21 February 2012 | F |
| Barby Holding Sàrl | LU | Luxembourg | 12.50 | EUR | 100.00% | 11 December 2007 | F |
| Baron Development SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Baslergasse 65 Errichtungsges.m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 1 February 2012 | F |
| Bauteil M Errichtungsges.m.b.H. | AT | Vienna | 35.00 | EUR | 100.00% | 2 March 2005 | F |
| Bauteile A + B Errichtungsges.m.b.H. | AT | Vienna | 36.34 | EUR | 100.00% | 31 May 1997 | F |
| Bauteile C + D Errichtungsges.m.b.H. | AT | Vienna | 36.34 | EUR | 100.00% | 31 May 1997 | F |
| BB C – Building A, k.s. | CZ | Prague | 20.00 | CZK | 100.00% | 13 December 2006 | F |
| BB C – Building B, k.s. | CZ | Prague | 20.00 | CZK | 100.00% | 13 December 2006 | F |
| BB C – Building Gamma a.s. | CZ | Prague | 2,000,000.00 | CZK | 100.00% | 20 July 2007 | F |
| Berga Investment Limited | CY | Nicosia | 10.00 | EUR | 100.00% | 24 July 2007 | F |
| Bermendoca Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 3 November 2008 | F |
| Bersan Gayrimenkul Yatirim A.S. | TR | Istanbul | 5,848,849.00 | TRY | 64.89% | 29 August 2007 | P |
| Best Construction LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| Beta real d.o.o. | SI | Ljubljana | 8.76 | EUR | 100.00% | 30 September 2006 | F |
| BEWO International Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 14 November 2006 | F |
| Bivake Consultants Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 1 July 2008 | F |
| Blitz-12575 GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 30 April 2013 | F |
| Blitz-12576 GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 30 April 2013 | F |
| Bloczek Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 18 May 2010 | F |
| Blue Danube Holding Ltd. | MT | Valletta | 1.50 | EUR | 100.00% | 12 December 2006 | F |
| Boondock Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 24 October 2008 | F |
| Borisov Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 12 February 2008 | F |
| Braddock Holding Sàrl | LU | Luxembourg | 12.50 | EUR | 100.00% | 11 December 2007 | F |
| Brno Estates a.s. | CZ | Prague | 2,000,000.00 | CZK | 100.00% | 28 February 2007 | F |
| Bubkas Limited | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Bucharest Corporate Center s.r.l. | RO | Bucharest | 8,068,929.00 | RON | 100.00% | 22 March 2006 | F |
| Bulgarian Circuses and Fun-Fair OOD | BG | Sofia | 100.00 | BGN | 49.00% | 12 November 2007 | E |
| Bulreal EAD | BG | Sofia | 500.00 | BGN | 49.00% | 12 November 2007 | E |
| Business Park Beteiligungs GmbH | AT | Vienna | 72.67 | EUR | 100.00% | 31 May 1997 | F |
| Business Park West-Sofia EAD | BG | Sofia | 500.00 | BGN | 100.00% | 12 December 2006 | F |
| BUWOG – Berlin GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 24 March 2010 | F |
| BUWOG – Breitenfurter Straße 239 GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| BUWOG – Brunnenstraße GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 1 November 2012 | F |
| BUWOG – Brunnenstraße Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 1 November 2012 | F |
| BUWOG – Chausseestraße 88 GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Chausseestraße 88 Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Deutschland GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 22 February 2010 | F |
| BUWOG – Facility Management GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 24 August 2009 | F |
| BUWOG – Gerhard Bronner Straße GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 November 2011 | F |
| BUWOG – Gervinusstraße GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 30 April 2013 | F |
| BUWOG – Gervinusstraße Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 30 April 2013 | F |
| BUWOG – Gombrichgasse GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 November 2011 | F |
| BUWOG – Humboldt Palais GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 22 May 2012 | F |
| BUWOG – Lindengasse 62 GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 1 November 2012 | F |
| BUWOG – Lindenstraße GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 1 November 2012 | F |
| BUWOG – Lindenstraße Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 1 November 2012 | F |
| BUWOG – Meermann GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2011 | F |
| BUWOG – Palais/Scharnhorststraße Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 22 May 2012 | F |
| BUWOG – Penzinger Straße 76 GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 30 April 2013 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| BUWOG – Projektholding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 16 September 2011 | F |
| BUWOG – PSD Holding GmbH | AT | Vienna | 73.00 | EUR | 100.00% | 1 October 2004 | F |
| BUWOG – Regattastraße GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Regattastraße Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Scharnhorststraße 26–27 GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Scharnhorststraße 26–27 Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Scharnhorststraße 4 Townhouse GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Scharnhorststraße 4 Verwaltungs GmbH | DE | Berlin | 0.00 | EUR | 90.00% | 1 August 2012 | F |
| BUWOG – Scharnhorststraße 4 Wohnbauten GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 90.00% | 22 May 2012 | F |
| BUWOG – Universumstraße GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 7 October 2011 | F |
| BUWOG Bauen und Wohnen Gesellschaft mbH | AT | Vienna | 18,894,937.00 | EUR | 100.00% | 1 October 2004 | F |
| BUWOG CEE GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 October 2004 | F |
| BUWOG Immobilien Beteiligungs GmbH & Co KG | AT | Vienna | 10.00 | EUR | 94.00% | 12 May 2010 | F |
| BUWOG Slovakia s.r.o. | SK | Bratislava | 232.36 | EUR | 100.00% | 8 September 2007 | F |
| BUWON s.r.o. | SK | Bratislava | 5.00 | EUR | 50.00% | 1 August 2008 | P |
| C.A.P. Immobilienprojektentwicklungs- und Beteiligungs Aktiengesellschaft | AT | Vienna | 0.00 | EUR | 50.00% | 25 August 2010 | E |
| C.E. Immobilienprojekte und Beteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| C.E. Management GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| C.E.P.D. Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 31 August 2005 | F |
| C.I.M. Beteiligungen 1998 GmbH | AT | Vienna | 0.00 | EUR | 33.00% | 25 August 2010 | E |
| C.I.M. Unternehmensbeteiligungs- und Anlagenvermietungs GmbH | AT | Vienna | 0.00 | EUR | 33.00% | 25 August 2010 | E |
| C.I.M. Verwaltung und Beteiligungen 1999 GmbH | AT | Vienna | 0.00 | EUR | 33.00% | 25 August 2010 | E |
| Campus Budapest Bt. | HU | Budapest | 1,403,000,000.00 | HUF | 74.96% | 31 December 2002 | F |
| Capri Trade s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 10 February 2006 | F |
| Capricornus High-Deck GmbH | DE | Berlin | 0.00 | EUR | 90.06% | 30 April 2013 | F |
| Capricornus High-Deck Residential GmbH & Co. KG | DE | Berlin | 0.00 | EUR | 94.65% | 30 April 2013 | F |
| Caterata Limited | CY | Nicosia | 1.00 | EUR | 50.00% | 15 April 2008 | P |
| CBB-L Beta Beteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CBB-L Jota Beteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CBB-L Realitäten Beteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Center Invest Bcsaba Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 14 July 2009 | F |
| Center Invest DEB Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 30 June 2008 | F |
| Center Invest Gödöll Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 1 June 2010 | F |
| Center Invest International Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 31 January 2008 | F |
| Center Invest Keszt Kft. | HU | Budapest | 6,000,000.00 | HUF | 100.00% | 24 February 2010 | F |
| Center Invest Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 2 June 2005 | F |
| Center Invest Nkanizsa Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 9 January 2009 | F |
| Central Business Center Kft. | HU | Budapest | 172,042,584.00 | HUF | 100.00% | 15 January 2007 | F |
| Centre Investments s.r.o. | CZ | Prague | 100.00 | CZK | 100.00% | 28 February 2007 | F |
| Centrum Opatov a.s. | CZ | Prague | 2,000,000.00 | CZK | 100.00% | 22 September 2006 | F |
| CEREP Poseidon A7 SAS | IT | Mestre | 10.00 | EUR | 50.00% | 17 November 2004 | P |
| CEREP Poseidon A9 Srl | IT | Milan | 10.00 | EUR | 50.00% | 1 May 2005 | P |
| CFE Immobilienentwicklungs GmbH | AT | Vienna | 0.00 | EUR | 50.00% | 25 August 2010 | P |
| CGS Gamma Immobilien Vermietung GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CHB Immobilienholding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 5 March 2010 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| CHB Immobilienholding GmbH & Co. KG | DE | Frankfurt | 5.00 | EUR | 100.00% | 9 November 2004 | F |
| Chronos Immoblien GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 7 July 2010 | F |
| C-I-D RealEstate GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| City Box Amsterdam Zuid B.V. | NL | Amsterdam | 1,000,000.00 | EUR | 95.01% | 2 November 2007 | F |
| City Box Eindhoven Centrum B.V. | NL | Amsterdam | 90.00 | EUR | 95.01% | 30 November 2007 | F |
| City Box Euroborg B.V. | NL | Amsterdam | 0.00 | EUR | 95.01% | 19 December 2012 | F |
| City Box Exploitatie I B.V. | NL | Amsterdam | 78.75 | EUR | 95.01% | 30 April 2007 | F |
| City Box Exploitatie II B.V. | NL | Amsterdam | 90.00 | EUR | 95.01% | 30 April 2007 | F |
| City Box Holding B.V. | NL | Amsterdam | 45.38 | EUR | 95.01% | 30 April 2007 | F |
| City Box Local B.V. | NL | Amsterdam | 90.00 | EUR | 95.01% | 30 April 2007 | F |
| City Box Properties B.V. | NL | Amsterdam | 90.76 | EUR | 95.01% | 30 April 2007 | F |
| City Box Properties II B.V. | NL | Amsterdam | 0.00 | EUR | 95.01% | 19 December 2012 | F |
| City Box Rijswijk B.V. | NL | Amsterdam | 90.00 | EUR | 95.01% | 2 November 2007 | F |
| City Tower Vienna Errichtungs- und Vermietungs-GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 22 December 2000 | F |
| Confidential Business SRL | RO | Bucharest | 200.00 | RON | 25.00% | 15 April 2008 | P |
| Constantia Beteiligungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CONSTANTIA Immobilienvermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Constantia Treuhand und Vermögens-verwaltungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Constari Liegenschaftsvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Contips Limited | CY | Nicosia | 1.00 | EUR | 100.00% | 24 January 2008 | F |
| Cora GS s.r.l. | RO | Bucharest | 300.00 | RON | 100.00% | 25 July 2005 | F |
| CPB Advisory GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB ALPHA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Anlagen Leasing Gesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB BETA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Beteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Corporate Finance Consulting GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB DELTA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB DREI Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Enterprise GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB EPSILON Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB GAMMA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Gesellschaft für Unternehmens-beteiligungen m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Grundstücks und Mobilien Vermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Holding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Immobilien und Mobilien Vermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Investitionsgüter Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB JOTA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB KAPPA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Maschinen Leasing Gesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Mobilien Leasing Gesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB OMIKRON Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Pegai Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB PRIMA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB Realitäten und Mobilien Vermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| CPB TERTIA Anlagen Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |

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| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| CPBE Clearing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Credo Immobilien Development GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| CREDO Real Estate GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| Dalerise Limited | CY | Nicosia | 2.00 | EUR | 100.00% | 23 April 2008 | F |
| Dapply Trading Ltd. | CY | Nicosia | 3.00 | EUR | 100.00% | 7 April 2008 | F |
| Debowe Tarasy Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 21 November 2006 | F |
| Debowe Tarasy Sp. z o.o. II sp.k. | PL | Warsaw | 1,860,239.00 | PLN | 100.00% | 5 January 2007 | F |
| Debowe Tarasy Sp. z o.o. III sp.k. | PL | Warsaw | 1,861,085.00 | PLN | 100.00% | 5 January 2007 | F |
| Debowe Tarasy Sp. z o.o. IV sp.k. | PL | Warsaw | 1,900,535.00 | PLN | 100.00% | 5 January 2007 | F |
| Decima Immobilienanlagen GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 27 May 2010 | F |
| Deutsche Lagerhaus Beteiligungs GmbH u. Co KG | DE | Mülheim a. d. Ruhr | 500.00 | EUR | 100.00% | 16 May 2006 | F |
| Deutsche Lagerhaus Bönen GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 14 November 2006 | F |
| Deutsche Lagerhaus Bremen I GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 31 March 2006 | F |
| Deutsche Lagerhaus Dormagen GmbH u. Co KG | DE | Essen | 150.00 | EUR | 100.00% | 5 November 2008 | F |
| Deutsche Lagerhaus dreiundzwanzigste Objekt GmbH & Co KG | DE | Essen | 500.00 | EUR | 100.00% | 23 August 2007 | F |
| Deutsche Lagerhaus Düsseldorf GmbH u. Co KG | DE | Essen | 100.00 | EUR | 100.00% | 5 November 2008 | F |
| Deutsche Lagerhaus einundzwanzigste Objekt GmbH & Co KG | DE | Essen | 500.00 | EUR | 100.00% | 23 August 2007 | F |
| Deutsche Lagerhaus Essen GmbH u. Co KG | DE | Essen | 150.00 | EUR | 100.00% | 5 November 2008 | F |
| Deutsche Lagerhaus Freystadt GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 14 November 2006 | F |
| Deutsche Lagerhaus GmbH u. Co KG | DE | Mülheim a. d. Ruhr | 24,030,000.00 | EUR | 100.00% | 30 November 2005 | F |
| Deutsche Lagerhaus Groß-Gerau GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 14 November 2006 | F |
| Deutsche Lagerhaus Hamburg I GmbH u. Co KG | DE | Essen | 250.00 | EUR | 100.00% | 15 November 2006 | F |
| Deutsche Lagerhaus Hamm GmbH u. Co KG | DE | Essen | 150.00 | EUR | 100.00% | 5 November 2008 | F |
| Deutsche Lagerhaus Heusenstamm GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 16 May 2006 | F |
| Deutsche Lagerhaus International GmbH | DE | Essen | 1,000,000.00 | EUR | 100.00% | 31 March 2007 | F |
| Deutsche Lagerhaus Kirchheim GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 14 November 2006 | F |
| Deutsche Lagerhaus Lahr GmbH u. Co KG | DE | Mülheim a. d. Ruhr | 50.00 | EUR | 100.00% | 1 February 2007 | F |
| Deutsche Lagerhaus Minden GmbH u. Co KG | DE | Essen | 150.00 | EUR | 100.00% | 5 November 2008 | F |
| Deutsche Lagerhaus Neuss GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 16 May 2006 | F |
| Deutsche Lagerhaus Niederaula GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 16 May 2006 | F |
| Deutsche Lagerhaus Niederaula II GmbH & Co KG | DE | Essen | 500.00 | EUR | 100.00% | 23 August 2007 | F |
| Deutsche Lagerhaus Nürnberg I GmbH u. Co KG | DE | Essen | 150.00 | EUR | 100.00% | 5 November 2008 | F |
| Deutsche Lagerhaus Nürnberg II GmbH & Co. KG | DE | Essen | 500.00 | EUR | 100.00% | 14 November 2006 | F |
| Deutsche Lagerhaus Oberhausen GmbH u. Co KG | DE | Essen | 150.00 | EUR | 100.00% | 5 November 2008 | F |
| Deutsche Lagerhaus Poing GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 14 November 2006 | F |
| Deutsche Lagerhaus Service GmbH | DE | Essen | 25.00 | EUR | 100.00% | 12 July 2007 | F |
| Deutsche Lagerhaus Willich GmbH u. Co KG | DE | Essen | 500.00 | EUR | 100.00% | 14 November 2006 | F |
| Deutsche Lagerhaus zwanzigste Objekt GmbH & Co KG | DE | Essen | 500.00 | EUR | 100.00% | 23 August 2007 | F |
| Deutsche Lagerhaus zweiundzwanzigste Objekt GmbH & Co KG | DE | Essen | 500.00 | EUR | 100.00% | 23 August 2007 | F |
| DH Logistik Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 1 November 2005 | F |
| Dionysos Immobilien GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 7 July 2010 | F |
| Duist Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 6 June 2008 | F |
| DUS Plaza GmbH | DE | Frankfurt | 25.00 | EUR | 100.00% | 20 September 2007 | F |
| Ebulliente Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 28 February 2008 | F |

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| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| ECE Einkaufs-Centrum Kapfenberg Gesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 50.00% | 25 August 2010 | P |
| ECE Shoppingcenter Projektentwicklungs- und Management GmbH | AT | Vienna | 35.00 | EUR | 50.00% | 16 February 1999 | P |
| Efgad Europe B.V. | NL | Rotterdam | 0.00 | EUR | 50.01% | 9 November 2011 | P |
| EFSP Immobilienentwicklung GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 11 April 2006 | F |
| EHL Asset Management GmbH | AT | Vienna | 0.00 | EUR | 49.00% | 18 February 2011 | E |
| EHL Immobilien GmbH | AT | Vienna | 0.00 | EUR | 49.00% | 18 February 2011 | E |
| EHL Investment Consulting GmbH | AT | Vienna | 0.00 | EUR | 49.00% | 18 February 2011 | E |
| EHL Real Estate Czech Republic S.R.O. | CZ | Prague | 0.00 | CZK | 49.00% | 18 February 2011 | E |
| EHL Real Estate Hungary Fft. | HU | Budapest | 0.00 | HUF | 49.00% | 18 February 2011 | E |
| EHL Real Estate Poland SP.Z O.O. | PL | Katowice | 0.00 | PLN | 49.00% | 18 February 2011 | E |
| EHL Real Estate Romania S.R.L. | RO | Cluj | 0.00 | RON | 49.00% | 18 February 2011 | E |
| EHL Real Estate Slovakia S.R.O. | SK | Bratislava | 0.00 | EUR | 49.00% | 18 February 2011 | E |
| ELCO Energy Sp. z o.o. | PL | Katowice | 0.00 | PLN | 100.00% | 24 February 2012 | F |
| ELCO ICT Sp. z o.o. | PL | Katowice | 50.00 | PLN | 100.00% | 31 December 2005 | F |
| Emolu Trading Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 18 March 2008 | F |
| Eos Immobilien GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 7 July 2010 | F |
| Ephesus Gayrimenkul Yatirim A.S. | TR | Istanbul | 50.00 | TRY | 64.89% | 25 September 2007 | P |
| Equator Real Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 28 August 2006 | F |
| Erste FMZ Rosental Beteiligungsverwaltung GmbH | AT | Vienna | 0.00 | EUR | 80.00% | 20 March 2013 | F |
| ESCENDO Liegenschaftshandelsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| ESCENDO Liegenschaftshandelsgesellschaft m.b.H. & Co KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| ESG Beteiligungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 17 September 2005 | F |
| ESG Wohnungsgesellschaft mbH Villach | AT | Villach | 5,087,098.00 | EUR | 99.98% | 1 October 2004 | F |
| Etsu Ltd. | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Euréal Lambda Vastgoed B.V. | NL | Amsterdam | 0.00 | EUR | 94.90% | 30 April 2013 | F |
| EURL DU LOGISTIQUES NICE | FR | Paris | 2,599,300.00 | EUR | 100.00% | 16 September 2009 | F |
| Euro Businesspark Kft. | HU | Budapest | 372,970,000.00 | HUF | 100.00% | 14 November 2005 | F |
| Europa City Box B.V. | NL | Amsterdam | 90.13 | EUR | 95.01% | 30 April 2007 | F |
| EXIT 100 Projektentwicklungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| Eye Shop Targu Jiu s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 19 February 2007 | F |
| Fawna Limited | CY | Nicosia | 1.00 | EUR | 99.20% | 15 September 2008 | F |
| Final Management s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 8 April 2008 | F |
| Flureca Trading Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 26 March 2010 | F |
| FMZ Baia Mare Imobiliara s.r.l. | RO | Bucharest | 1.00 | RON | 100.00% | 3 May 2007 | F |
| FMZ Gydinia Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 40.00% | 22 December 2010 | E |
| FMZ Lublin Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 30.00% | 22 December 2010 | E |
| FMZ Rosental Betriebs GmbH | AT | Vienna | 35.00 | EUR | 80.00% | 13 August 2004 | F |
| FMZ Sosnowiec Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 45.00% | 22 December 2010 | E |
| FRANKONIA Eurobau Königskinder GmbH | DE | Nettetal | 25.00 | EUR | 50.00% | 19 September 2006 | E |
| Freeze 1 Development s.r.l. | RO | Bucharest | 1.00 | RON | 100.00% | 19 February 2008 | F |
| Frescura Investments B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 6 August 2007 | F |
| FUTUR-IMMOBILIEN GmbH | AT | Vienna | 73.00 | EUR | 100.00% | 1 May 2003 | F |
| G2 Beta Errichtungs- und Verwertungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 28 January 2012 | F |
| G2 Beta Errichtungs- und VerwertungsGmbH & Co KG | AT | Vienna | 0.00 | EUR | 100.00% | 1 February 2012 | F |
| GAD Real Estate SRL | RO | Voluntari | 0.00 | RON | 50.10% | 9 November 2011 | P |
| GAL Development SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |

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| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Galeria Zamek Sp. z o.o. | PL | Lublin | 0.00 | PLN | 100.00% | 26 July 2011 | F |
| Gangaw Investments Limited | CY | Nicosia | 1,708.60 | EUR | 100.00% | 30 October 2006 | F |
| Geiselbergstraße 30-32 Immobilienbewirtschaftungs-gesellschaft m.b.H. | AT | Vienna | 35.00 | EUR | 100.00% | 1 May 2004 | F |
| Gena Drei Immobilienholding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 19 September 2011 | F |
| Gena Fünf Immobilienholding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 19 September 2011 | F |
| Gena Sechs Immobilienholding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 19 September 2011 | F |
| Gena Vier Immobilienholding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 19 September 2011 | F |
| Gena Zwei Immobilienholding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 19 September 2011 | F |
| Gendana Ventures Ltd. | CY | Larnaca | 1.00 | EUR | 100.00% | 22 June 2007 | F |
| Gila Investment SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Global Trust s.r.l. | RO | Bucharest | 2.03 | RON | 100.00% | 1 January 2005 | F |
| Globe 13 Kft. | HU | Budapest | 50,000,000.00 | HUF | 100.00% | 1 August 2002 | F |
| Globe 3 Ingatlanfejlesztö Kft. | HU | Budapest | 561,000,000.00 | HUF | 100.00% | 13 July 2004 | F |
| Gordon Invest Kft. | HU | Budapest | 583,000,000.00 | HUF | 100.00% | 6 August 2004 | F |
| Gordon Invest Netherlands B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 22 February 2007 | F |
| Grand Centar d.o.o. | HR | Zagreb | 20.00 | HRK | 100.00% | 30 November 2006 | F |
| Graviscalar Limited | CY | Nicosia | 0.00 | EUR | 100.00% | 2 November 2007 | F |
| Greenfield Logistikpark Schwerte GmbH & Co. KG | DE | Düsseldorf | 500.00 | EUR | 90.00% | 12 February 2008 | F |
| Greenfield Logistikpark Süd GmbH & Co. KG | DE | Düsseldorf | 500.00 | EUR | 100.00% | 12 February 2008 | F |
| Greenfield Logistikpark West GmbH & Co. KG | DE | Düsseldorf | 500.00 | EUR | 100.00% | 3 December 2007 | F |
| Hadas Management SRL | RO | Voluntari | 0.00 | RON | 75.00% | 9 November 2011 | P |
| Hadimköy Gayrimenkul Yatirim A.S. | TR | Istanbul | 50.00 | TRY | 64.89% | 25 September 2007 | P |
| Haller Kert Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 23 July 2008 | F |
| Harborside Imobiliara s.r.l. | RO | Bucharest | 1.00 | RON | 75.00% | 11 May 2005 | F |
| HDC Investitii SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Hekuba S.à r.l. | LU | Luxembourg | 31.00 | EUR | 64.89% | 28 March 2007 | P |
| Heller Beteiligungsverwaltung GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Heller Fabrik Liegenschaftsverwertungs GmbH | AT | Vienna | 72.00 | EUR | 100.00% | 1 October 2004 | F |
| Heller Geriatrie GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 21 November 2011 | F |
| HEPP III Luxembourg MBP SARL | LU | Luxembourg | 1,000,000.00 | EUR | 50.00% | 1 November 2006 | P |
| Herva Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 11 February 2008 | F |
| HL Bauprojekt GesmbH | AT | Vienna | 36.34 | EUR | 100.00% | 1 May 2001 | F |
| HM 7 Liegenschaftsvermietungsgesellschaft m.b.H. | AT | Vienna | 5,087,098.00 | EUR | 100.00% | 20 May 2005 | F |
| I&I Real Estate Asset Management GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IA Holding 1 Kft. | HU | Budapest | 2,183,000,000.00 | HUF | 100.00% | 13 July 2005 | F |
| ICS Ani Roada Gilei SRL | MD | Chisinau | 0.00 | MDL | 99.90% | 9 November 2011 | F |
| ICS Noam Development SRL | MD | Chisinau | 0.00 | MDL | 99.90% | 9 November 2011 | F |
| ICS Shay Development SRL | MD | Chisinau | 0.00 | MDL | 99.90% | 9 November 2011 | F |
| IE Equuleus NL B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 18 June 2007 | F |
| I-E Immoeast Real Estate GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 30 April 2004 | F |
| IE Narbal NL B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 27 July 2007 | F |
| I-E-H Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 15 February 2005 | F |
| I-E-H Immoeast Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 18 September 2004 | F |
| IM Sharon Development SRL | MD | Chisinau | 0.00 | MDL | 99.90% | 9 November 2011 | F |
| IM TAL Development SRL | MD | Chisinau | 0.00 | MDL | 50.00% | 9 November 2011 | P |
| IMAK CEE N.V. | NL | Amsterdam | 45.00 | EUR | 100.00% | 18 February 2005 | F |
| IMAK Finance B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 30 April 2005 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| IMBEA Immoeast Beteiligungsverwaltung GmbH | AT | Vienna | 70.00 | EUR | 100.00% | 2 December 2009 | F |
| IMF Deutschland GmbH | DE | Frankfurt | 25.00 | EUR | 100.00% | 31 January 2004 | F |
| IMF Holdings LLC | US | Wilmington | 17,210,622.00 | USD | 73.33% | 17 July 2002 | F |
| IMF Investments 105 LP | US | Houston | 5,000,000.00 | USD | 66.00% | 8 June 2005 | P |
| IMF Investments 106 LP | US | Houston | 0.00 | USD | 90.00% | 29 September 2006 | P |
| IMF Investments 107 LP | US | Houston | 0.00 | USD | 90.00% | 22 October 2007 | P |
| IMF Investments 111 LP | US | Houston | 0.00 | USD | 90.00% | 12 July 2011 | P |
| IMF Investments 205 LP | US | Houston | 7,000,000.00 | USD | 66.00% | 9 September 2005 | P |
| IMF Investments 307 LP | US | Houston | 12.00 | USD | 90.00% | 1 May 2008 | P |
| IMF Königskinder GmbH | DE | Frankfurt | 25.00 | EUR | 100.00% | 1 September 2006 | F |
| IMF Lagerhaus GmbH | DE | Frankfurt | 25.00 | EUR | 100.00% | 30 November 2005 | F |
| IMF PRIMA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMF QUARTA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMF SECUNDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMF Solo Investments LLC | US | Wilmington | 1.00 | USD | 100.00% | 28 April 2010 | F |
| IMMOASIA Beteiligungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 March 2005 | F |
| IMMOASIA IMMOBILIEN ANLAGEN GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 28 December 2004 | F |
| Immobilia Holding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOBILIA Immobilienhandels GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOBILIA Immobilienhandels GmbH & Co KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immobilia L Liegenschafts Vermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immobilia L Liegenschafts Vermietungs GmbH & Co Bischoffgasse 14/Rosasgasse 30 KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immobilia L Liegenschafts Vermietungs GmbH & Co Viriotgasse 4 KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOEAST Acquisition & Management GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 April 2005 | F |
| IMMOEAST ALLEGRO Beteiligungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 28 June 2005 | F |
| Immoeast Baneasa Airport Tower srl | RO | Bucharest | 37.00 | RON | 100.00% | 30 March 2006 | F |
| IMMOEAST Beteiligungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 22 August 2001 | F |
| IMMOEAST Bulgaria 1 EOOD | BG | Sofia | 5.00 | BGN | 100.00% | 17 April 2006 | F |
| Immoeast Cassiopeia Financing Holding Ltd. | CY | Nicosia | 1,708.60 | EUR | 100.00% | 31 January 2005 | F |
| IMMOEAST Despina I B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 9 October 2006 | F |
| IMMOEAST Despina II B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 9 October 2006 | F |
| IMMOEAST Despina III B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 9 October 2006 | F |
| IMMOEAST Despina IV B.V. | NL | Amsterdam | 31.77 | EUR | 100.00% | 9 October 2006 | F |
| IMMOEAST Despina V B.V. | NL | Amsterdam | 31.77 | EUR | 100.00% | 9 October 2006 | F |
| IMMOEAST HRE Investment dwa Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 28 December 2005 | F |
| IMMOEAST Immobilien GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 7 October 2009 | F |
| IMMOEAST Iride IV Project s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 1 March 2007 | F |
| IMMOEAST Netherlands II B.V. | NL | Amsterdam | 93.75 | EUR | 100.00% | 2 July 2007 | F |
| IMMOEAST Polonia Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 6 September 2006 | F |
| IMMOEAST Presto Beteiligungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 31 March 2006 | F |
| IMMOEAST Projekt Abdallo Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Almansor Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Almaria Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Alpha Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 31 May 2005 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| IMMOEAST Projekt Amfortas Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt ANDROMACHE Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Annius Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Arbaces Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 11 April 2006 | F |
| IMMOEAST Projekt Aries Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 31 January 2006 | F |
| IMMOEAST Projekt Babekan Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Barbarina Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Beta Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 4 June 2005 | F |
| IMMOEAST Projekt Caelum Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 17 February 2006 | F |
| IMMOEAST Projekt Cassiopeia Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 9 March 2006 | F |
| Immoeast Projekt Centesimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Cepheus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 9 March 2006 | F |
| IMMOEAST Projekt Cherubino Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Chorebe Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Cimarosa Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Cinna Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Circinus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 9 March 2006 | F |
| IMMOEAST Projekt Curzio Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Cygnus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Decimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Delta Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 8 July 2005 | F |
| IMMOEAST Projekt Despina Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Dorabella Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 8 April 2006 | F |
| IMMOEAST Projekt Ducentesimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Duodecimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Epsilon Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 8 July 2005 | F |
| IMMOEAST Projekt Equuleus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 12 April 2006 | F |
| IMMOEAST Projekt Eridanus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 12 April 2006 | F |
| IMMOEAST Projekt Fenena Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Gamma Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 2 July 2005 | F |
| IMMOEAST Projekt Hekuba Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Hüon Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Hydrus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Hylas Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Idamantes Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 8 April 2006 | F |
| IMMOEAST Projekt Investment jeden Sp.z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 28 December 2005 | F |
| IMMOEAST Projekt Jota Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 20 December 2005 | F |
| IMMOEAST Projekt Kappa Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 20 December 2005 | F |
| IMMOEAST Projekt Lambda Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 16 November 2005 | F |
| IMMOEAST Projekt Marcellina Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Masetto Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 11 April 2006 | F |
| IMMOEAST Projekt Montano Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Moskau Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 8 December 2004 | F |
| IMMOEAST Projekt Narbal Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| Immoeast Projekt Nonagesimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Nonus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Octavus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Immoeast Projekt Octogesimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Omega Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 5 January 2006 | F |
| IMMOEAST Projekt Pantheus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Polyxene Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Quadragesimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Quartus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Quindecimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Radames Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Rezia Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Roschana Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Sarastro Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Secundus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Semos Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Septendecimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Septimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Sexagesimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Sextus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Sita Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 4 January 2006 | F |
| IMMOEAST Projekt Tertius Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Titania Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Titurel Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 August 2006 | F |
| IMMOEAST Projekt Trecenti Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 13 April 2006 | F |
| IMMOEAST Projekt Tredecimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Vicesimus Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 21 June 2006 | F |
| IMMOEAST Projekt Zerlina Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 8 April 2006 | F |
| IMMOEAST Silesia Holding Ltd. | CY | Nicosia | 38,541,316.15 | EUR | 100.00% | 29 October 2004 | F |
| IMMOEAST Slovakia s.r.o. | SK | Bratislava | 6,638.77 | EUR | 100.00% | 21 July 2005 | F |
| Immofinanz Advice GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 15 October 2010 | F |
| IMMOFINANZ AG | AT | Vienna | 464,608,844.72 | EUR | 100.00% | 13 September 1994 | F |
| IMMOFINANZ Aleos Anlagen Leasing GmbH | AT | Vienna | 36.34 | EUR | 100.00% | 1 May 2001 | F |
| IMMOFINANZ ALPHA Immobilien Vermietungs-gesellschaft m.b.H. | AT | Vienna | 72.67 | EUR | 100.00% | 30 April 1994 | F |
| IMMOFINANZ Artemis Immobilien Vermietung GmbH | AT | Vienna | 726.73 | EUR | 100.00% | 30 April 1996 | F |
| Immofinanz Beta Liegenschaftsvermietungs-gesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ BETEILIGUNGS GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immofinanz Corporate Finance Consulting GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| IMMOFINANZ Demophon Immobilienvermietungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 29 June 2005 | F |
| IMMOFINANZ Enodia Realitäten Vermietungs GmbH | AT | Vienna | 36.34 | EUR | 100.00% | 1 October 2001 | F |
| IMMOFINANZ Enodia Realitäten Vermietungs GmbH & Co OG | AT | Vienna | 1.00 | EUR | 100.00% | 22 April 2005 | F |
| Immofinanz Epsilon Liegenschafts- und Mobilien-vermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ Finance BV | NL | Amsterdam | 18.00 | EUR | 100.00% | 30 April 2006 | F |
| IMMOFINANZ Friesenquartier GmbH | DE | Cologne | 25.00 | EUR | 94.90% | 20 December 2006 | F |
| IMMOFINANZ Friesenquartier II GmbH | DE | Cologne | 25.00 | EUR | 94.90% | 20 December 2006 | F |
| IMMOFINANZ Friesenquartier Management GmbH | DE | Cologne | 25.00 | EUR | 100.00% | 25 August 2008 | F |
| Immofinanz Gamma Liegenschafts- und Mobilien-vermietungsgesellschaft m.b.H. | AT | Vienna | 36.34 | EUR | 100.00% | 1 May 2000 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Immofinanz Gesellschaft für Unternehmensbeteiligungen GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immofinanz Holding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ Hungária Harmadik Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 20 February 2004 | F |
| IMMOFINANZ IMMOBILIEN ANLAGEN Schweiz AG | CH | Luterbach | 9,300,000.00 | CHF | 100.00% | 25 January 2005 | F |
| IMMOFINANZ Immobilien Vermietungs-Gesellschaft m.b.H. | AT | Vienna | 2,180,185.00 | EUR | 100.00% | 30 April 1994 | F |
| IMMOFINANZ Ismene Immobilien Vermietungs-Gesellschaft m.b.H. | AT | Vienna | 36.34 | EUR | 100.00% | 30 April 2000 | F |
| IMMOFINANZ JOTA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ KAPPA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ LAMBDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immofinanz Liegenschaftsverwaltungs- und Beteiligungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ Metis Anlagen Leasing GmbH | AT | Vienna | 36.34 | EUR | 100.00% | 30 April 1998 | F |
| IMMOFINANZ MONTAIGNE Liegenschaftsvermietungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 19 June 2008 | F |
| IMMOFINANZ OMEGA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ OMIKRON Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IMMOFINANZ Phoenix LLC | US | Scottsdale | 0.00 | USD | 100.00% | 8 February 2007 | F |
| Immofinanz Polska Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 31 March 2004 | F |
| IMMOFINANZ Services Czech Republic, s.r.o. | CZ | Prague | 0.00 | CZK | 100.00% | 15 October 2010 | F |
| IMMOFINANZ SERVICES HUNGARY Kft. | HU | Budapest | 0.00 | HUF | 100.00% | 15 October 2010 | F |
| Immofinanz Services Poland | PL | Warsaw | 0.00 | PLN | 100.00% | 15 October 2010 | F |
| IMMOFINANZ Services Romania s.r.l. | RO | Bucharest | 0.00 | RON | 100.00% | 15 October 2010 | F |
| IMMOFINANZ Services Slovak Republic, s.r.o. | SK | Bratislava | 0.00 | EUR | 100.00% | 15 October 2010 | F |
| IMMOFINANZ SIGMA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immofinanz Sita Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immofinanz TCT Liegenschaftsverwertungs GmbH | AT | Vienna | 1,500,000.00 | EUR | 100.00% | 1 November 2004 | F |
| IMMOFINANZ USA REAL ESTATE Inc. II | US | Wilmington | 10.00 | USD | 100.00% | 17 November 2005 | F |
| IMMOFINANZ USA, Inc. | US | Wilmington | 10.00 | USD | 100.00% | 8 August 2001 | F |
| Immofinanz Zeta Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Immofinanz zwei Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| IMMOKRON Immobilienbetriebsgesellschaft m.b.H. | AT | Vienna | 36.34 | EUR | 80.00% | 31 October 2003 | F |
| ImmoPoland Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 20 January 2005 | F |
| IMMOWEST Beteiligungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 22 August 2001 | F |
| IMMOWEST IMMOBILIEN ANLAGEN GMBH | AT | Vienna | 72.67 | EUR | 100.00% | 30 April 2000 | F |
| Immowest Lux I S.à.r.l. | LU | Esch-sur-Alzette | 12.50 | EUR | 100.00% | 27 February 2007 | F |
| Immowest Lux II S.à.r.l. | LU | Esch-sur-Alzette | 12.50 | EUR | 100.00% | 27 February 2007 | F |
| IMMOWEST Lux III S.à.r.l. | LU | Esch-sur-Alzette | 12.50 | EUR | 100.00% | 2 July 2007 | F |
| Immowest Lux IV S.à.r.l. | LU | Luxembourg | 12.50 | EUR | 100.00% | 24 April 2008 | F |
| Immowest Lux V S.à.r.l. | LU | Esch-sur-Alzette | 12.50 | EUR | 100.00% | 29 May 2008 | F |
| Immowest Lux VI S.à.r.l. | LU | Esch-sur-Alzette | 12.50 | EUR | 100.00% | 29 May 2008 | F |
| Immowest Lux VII S.à.r.l. | LU | Esch-sur-Alzette | 12.50 | EUR | 100.00% | 29 May 2008 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Immowest Lux VIII S.à.r.l. | LU | Esch-sur-Alzette | 12.50 | EUR | 100.00% | 22 March 2007 | F |
| Immowest Netherland I B.V. | NL | Amsterdam | 79.41 | EUR | 100.00% | 10 July 2007 | F |
| IMMOWEST OVERSEAS REAL ESTATE GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 31 January 2004 | F |
| Immowest Primus GmbH | DE | Frankfurt | 25.00 | EUR | 100.00% | 25 August 2008 | F |
| IMMOWEST PROMTUS Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 14 July 2005 | F |
| Immowest Spandau 1 GmbH & Co. KG | DE | Frankfurt | 100.00 | EUR | 100.00% | 25 August 2008 | F |
| Immowest Spandau 2 GmbH & Co. KG | DE | Frankfurt | 100.00 | EUR | 100.00% | 25 August 2008 | F |
| Immowest Spandau 3 GmbH & Co. KG | DE | Frankfurt | 100.00 | EUR | 100.00% | 25 August 2008 | F |
| Immowest Spandau Primus GmbH | DE | Frankfurt | 25.00 | EUR | 100.00% | 25 August 2008 | F |
| IMMOWEST Storage Holding B.V. | NL | Amsterdam | 100.00 | EUR | 95.01% | 28 February 2007 | F |
| IMMOWEST Storage Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 26 October 2007 | F |
| Infinitas ProjektentwicklungsgesmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 November 2002 | F |
| INFRA 1 Grundstückverwaltungs-Gesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Interbüro Tervezö, Kivitelezö es Üzemeltetö Kft. | HU | Budapest | 0.00 | HUF | 32.50% | 25 August 2010 | E |
| Interoffice Irodaepület Kft. | HU | Budapest | 0.00 | HUF | 50.00% | 25 August 2010 | E |
| IO-1 Building Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 9 December 2004 | F |
| IP1 Liegenschaftsverwaltungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| IP1 Liegenschaftsverwaltungsgesellschaft m.b.H. & Co. Alpha KG – in liquidation | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Ipari Park Körmend Kft. | HU | Budapest | 0.00 | HUF | 100.00% | 25 August 2010 | F |
| IPOPEMA 78 Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych | PL | Warsaw | 0.00 | PLN | 100.00% | 1 November 2012 | F |
| Irascib Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 7 April 2008 | F |
| IRES Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 100.00% | 22 December 2010 | F |
| IRIDE S.A. | RO | Bucharest | 1,668.32 | RON | 100.00% | 13 May 2004 | F |
| Itteslak Trading Ltd. | CY | Nicosia | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| IWD IMMOWEST Immobilienholding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 6 November 2004 | F |
| J.H. Prague a.s. | CZ | Prague | 2,000,000.00 | CZK | 100.00% | 9 December 2005 | F |
| JUNGMANNOVA ESTATES a.s. | CZ | Prague | 2,000,000.00 | CZK | 100.00% | 9 December 2005 | F |
| Kastor Real Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 100.00% | 31 January 2013 | F |
| Kibiq Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 3 November 2008 | F |
| Kilyos Gayrimenkul Yatirim A.S. | TR | Istanbul | 10,718,646.00 | TRY | 64.89% | 29 August 2007 | P |
| Klyos Media s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 4 August 2006 | F |
| Koral Residence EOOD | BG | Sofia | 400.00 | BGN | 100.00% | 23 June 2006 | F |
| Lagerman Properties Limited | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Lasiantus Ltd. | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Lasuvu Consultants Ltd. | CY | Nicosia | 3,418.60 | EUR | 100.00% | 6 March 2007 | F |
| Leah Investments SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| LeasCon Anlagen Leasing und Beteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| LeasCon Gesellschaft für Unternehmensbeteiligungen GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| LeasCon Holding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| LeasCon Maschinen Leasing und Handels GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| LeasCon Mobilien Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Lentia Real (1) Kft. | HU | Budapest | 227,000,000.00 | HUF | 100.00% | 24 February 2004 | F |
| Leretonar Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 3 November 2008 | F |
| Leurax Consultants Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 3 November 2008 | F |
| Leutselinge Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 28 February 2008 | F |
| Lifestyle Logistik II s.r.o. | SK | Bratislava | 200.00 | EUR | 100.00% | 6 December 2007 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Lifestyle Logistik s.r.o. | SK | Bratislava | 200.00 | EUR | 100.00% | 29 August 2007 | F |
| Linzer Straße 80 Gesellschaft mbH | AT | Vienna | 0.00 | EUR | 100.00% | 6 July 2011 | F |
| Log Center Brasov s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 19 February 2007 | F |
| Log Center Ploiesti s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 19 February 2007 | F |
| Log Center Sibiu s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 17 March 2008 | F |
| Logistic Contractor s.r.l. | RO | Ilfov | 200.00 | RON | 100.00% | 18 December 2006 | F |
| Lonaretia Consultants ltd | CY | Nicosia | 2.00 | EUR | 100.00% | 26 March 2010 | F |
| Loundaumcy Investments Ltd | CY | Nicosia | 2.00 | EUR | 100.00% | 29 October 2008 | F |
| LUB Leasing- und Unternehmensbeteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| LZB Bülach AG | CH | Bülach | 8,000,000.00 | CHF | 100.00% | 22 January 2007 | F |
| Maalkaf B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 20 February 2008 | F |
| Malemso Trading Ltd. | CY | Nicosia | 0.00 | EUR | 100.00% | 21 February 2012 | F |
| Manisa Cidersan Gayrimenkul Yatirim A.S. | TR | Istanbul | 852.00 | TRY | 64.89% | 29 August 2007 | P |
| Maramando Trading & Investment Limited | CY | Nicosia | 1.00 | EUR | 50.00% | 5 March 2008 | P |
| MARINA Handelsgesellschaft m.b.H. | AT | Vienna | 72.67 | EUR | 100.00% | 30 April 1998 | F |
| Master Boats Vertriebs- und Ausbildungs GmbH | AT | Vienna | 36.34 | EUR | 100.00% | 1 July 2001 | F |
| MBP I Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 50.00% | 1 November 2006 | P |
| MBP II Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 50.00% | 1 November 2006 | P |
| MBP Sweden Finance AB | SE | Stockholm | 100.00 | SEK | 50.00% | 1 November 2006 | P |
| Medin-Trans LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| Merav Development SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Merav Finance B.V. | NL | Rotterdam | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| Metropol Consult SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Metropol NH Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 25.00% | 15 April 2008 | P |
| MH 114 GmbH & Co OG | AT | Vienna | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| Mil. Holding Kft. | HU | Budapest | 0.00 | HUF | 38.90% | 22 December 2010 | E |
| Mollardgasse 18 Projektentwicklungs GmbH | AT | Vienna | 0.00 | EUR | 50.00% | 22 December 2010 | P |
| MONESA LIMITED | CY | Nicosia | 10.00 | EUR | 100.00% | 24 July 2007 | F |
| Monorom Construct SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Nakupni Centrum AVENTIN Tabor s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 18 September 2006 | F |
| Nakupni Centrum Trebic s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 30 August 2006 | F |
| Nimbus Real Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 28 August 2006 | F |
| NOA D Invest SRL | RO | Bucharest | 500.00 | RON | 20.00% | 15 April 2008 | E |
| Nona Immobilienanlagen GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 27 May 2010 | F |
| Norden Maritime Service Limited | CY | Larnaca | 1.00 | EUR | 100.00% | 24 January 2008 | F |
| Norden Maritime SRL | RO | Bucharest | 1.00 | RON | 100.00% | 24 January 2008 | F |
| Nowe Centrum Sp. z o.o. | PL | Katowice | 63,636,000.00 | PLN | 100.00% | 31 December 2005 | F |
| NP Investments a.s. | CZ | Prague | 2,000,000.00 | CZK | 50.00% | 9 December 2005 | P |
| Nuptil Trading Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 28 February 2008 | F |
| Nutu Limited | CY | Nicosia | 0.00 | EUR | 100.00% | 9 November 2011 | F |
| OAO Kashirskij Dvor-Severyanin | RU | Moscow | 500.00 | RUB | 100.00% | 30 October 2006 | F |
| OBJ Errichtungs- und Verwertungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Objurg Consultants Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 28 February 2008 | F |
| Obrii LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| OCEAN ATLANTIC DORCOL DOO | RS | Belgrade | 48.51 | RSD | 80.00% | 24 August 2006 | F |
| Octo Immobilienanlagen GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 10 November 2009 | F |
| ODP Office Development Praha spol.s.r.o. | CZ | Prague | 10,700,000.00 | CZK | 100.00% | 1 January 2003 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Office Campus Budapest Kft. | HU | Budapest | 626,000,000.00 | HUF | 75.00% | 31 December 2000 | F |
| OI Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 30 April 2005 | F |
| Omega Invest Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 30 April 2005 | F |
| OOO Berga Development | RU | Moscow | 10.00 | RUB | 100.00% | 24 July 2007 | F |
| OOO Fenix Development | RU | Moscow | 18.40 | RUB | 100.00% | 24 July 2007 | F |
| OOO IMMOconsulting | RU | Moscow | 0.00 | RUB | 100.00% | 26 January 2012 | F |
| OOO Krona Design | RU | Moscow | 8,000,000.00 | RUB | 100.00% | 21 June 2006 | F |
| OOO Real Estate Investment Management | RU | Moscow | 0.00 | RUB | 100.00% | 15 October 2010 | F |
| OOO Torgoviy Dom Na Khodinke | RU | Moscow | 7.29 | RUB | 100.00% | 30 November 2006 | F |
| Optima A Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 1 September 2005 | F |
| Oscepar Consultants Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 24 October 2008 | F |
| OSG Immobilienhandels G.m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| P&U Büro- und Wohnparkerrichtungsges.m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| Parthica Immobilien GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 7 July 2010 | F |
| PBC Liegenschaftshandelsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| PBC Liegenschaftshandelsgesellschaft m.b.H. & Co KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| PBC Liegenschaftshandelsgesellschaft m.b.H. & Co Projekt "alpha" KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Perlagonia 1 Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 4 June 2007 | F |
| Perlagonia 2 Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 4 June 2007 | F |
| Perlagonia NL 1 B.V. | NL | Amsterdam | 34.03 | EUR | 100.00% | 18 June 2007 | F |
| Perlagonia NL 2 B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 18 June 2007 | F |
| Phelma Investments Limited | CY | Nicosia | 0.00 | EUR | 50.10% | 9 November 2011 | P |
| PIO Liegenschaftsverwertungs GmbH | AT | Vienna | 79.94 | EUR | 100.00% | 1 January 2005 | F |
| Pivuak Trading Ltd. | CY | Nicosia | 3.00 | EUR | 100.00% | 7 April 2008 | F |
| Polivalenta Building SRL | RO | Bucharest | 200.00 | RON | 25.00% | 15 April 2008 | P |
| Polluks Real Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 100.00% | 31 January 2013 | F |
| Polus a.s. | SK | Bratislava | 7,393,636.73 | EUR | 100.00% | 31 December 2005 | F |
| Polus Tower 2 a.s. | SK | Bratislava | 2,496,644.00 | EUR | 100.00% | 31 December 2005 | F |
| Polus Tower 3 a.s. | SK | Bratislava | 434,840.09 | EUR | 100.00% | 31 December 2005 | F |
| Polus Transilvania Companie de Investitii S.A. | RO | Cluj | 14,705,500.00 | RON | 100.00% | 24 May 2007 | F |
| Poseidon Investment A S.à.r.l. | LU | Luxembourg | 12.50 | EUR | 50.00% | 17 November 2004 | P |
| Poseidon Investment B S.à.r.l. | LU | Luxembourg | 12.50 | EUR | 50.00% | 17 November 2004 | P |
| Poseidon Italy GP SAS | IT | Mestre | 10.00 | EUR | 50.00% | 31 March 2006 | P |
| Poseidon JV S.à.r.l. | LU | Luxembourg | 12.50 | EUR | 50.00% | 17 November 2004 | P |
| Prague Office Park I s.r.o. | CZ | Prague | 38,600,000.00 | CZK | 100.00% | 5 April 2006 | F |
| Prelude 2000 SRL | RO | Bucharest | 321.00 | RON | 100.00% | 24 January 2008 | F |
| Prinz-Eugen-Straße Liegenschaftsvermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 31 January 2013 | F |
| Probo Management LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| ProEast Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 16 April 2005 | F |
| Progeo Development SRL | RO | Bucharest | 200.00 | RON | 100.00% | 15 April 2008 | F |
| Promodo Development SRL | RO | Bucharest | 200.00 | RON | 100.00% | 15 April 2008 | F |
| Property Holding LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| PSD Wohnimmobilien GmbH & Co OG | AT | Vienna | 0.00 | EUR | 100.00% | 16 April 2013 | F |
| Quinta Immobilienanlagen GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 10 November 2009 | F |
| Quixotic Trading Ltd. | CY | Nicosia | 1.00 | EUR | 100.00% | 28 February 2008 | F |
| Raski Zalijey Vile d.o.o. | HR | Porec | 0.00 | HRK | 25.01% | 9 November 2011 | P |
| Real Habitation s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 22 June 2007 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Rekramext Holdings Ltd. | CY | Nicosia | 2.00 | EUR | 100.00% | 29 October 2008 | F |
| Rennweg 54 OG | AT | Vienna | 1.00 | EUR | 100.00% | 5 May 2009 | F |
| RentCon Handels- und Leasing GmbH | AT | Vienna | 36.34 | EUR | 100.00% | 31 December 1997 | F |
| Residea Alpha Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 50.00% | 20 December 2007 | P |
| Residea Limited | CY | Nicosia | 1.00 | EUR | 50.00% | 20 December 2007 | P |
| REVIVA Am Spitz Liegenschafts GmbH | AT | Vienna | 2,920,000.00 | EUR | 100.00% | 30 June 2003 | F |
| REVIVA Immobilien GmbH | AT | Vienna | 8,760,000.00 | EUR | 100.00% | 30 June 2003 | F |
| RHEIN-INVEST GmbH | DE | Essen | 25.00 | EUR | 100.00% | 30 November 2005 | F |
| Rheinische Lagerhaus GmbH | DE | Mülheim a. d. Ruhr | 1,000,000.00 | EUR | 100.00% | 30 November 2005 | F |
| Rheinische Lagerhaus Hannover GmbH u. Co KG | DE | Essen | 300.00 | EUR | 100.00% | 30 November 2005 | F |
| Rheinische Lagerhaus Rheine GmbH | DE | Mülheim a. d. Ruhr | 500.00 | EUR | 100.00% | 30 November 2005 | F |
| Rheinische Lagerhaus Wuppertal GmbH u. Co KG | DE | Essen | 700.00 | EUR | 100.00% | 30 November 2005 | F |
| Rhein-Park Rheinische Park Gewerbepark GmbH | DE | Mülheim a. d. Ruhr | 800.00 | EUR | 100.00% | 30 November 2005 | F |
| Riverpark Residential Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 6 March 2008 | F |
| Ronit Development SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Rosasgasse 17 Projektentwicklungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| Roua Vest SRL | RO | Bucharest | 1.00 | RON | 100.00% | 24 January 2008 | F |
| S.C. Almera New Capital Investment s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 13 July 2006 | F |
| S.C. Baneasa 6981 s.r.l. | RO | Bucharest | 5,550,000.00 | RON | 100.00% | 5 April 2007 | F |
| S.C. Brasov Imobiliara S.R.L. | RO | Bucharest | 1.00 | RON | 100.00% | 14 December 2006 | F |
| S.C. Dacian Second s.r.l. | RO | Bucharest | 200.00 | RON | 100.00% | 2 May 2007 | F |
| S.C. Flash Consult Invest s.r.l. | RO | Bucharest | 2.00 | RON | 100.00% | 22 May 2007 | F |
| S.C. IE Baneasa Project s.r.l. | RO | Bucharest | 200.00 | RON | 50.00% | 1 February 2007 | P |
| S.C. IMMOEAST Narbal Project s.r.l. | RO | Ilfov | 200.00 | RON | 100.00% | 11 July 2007 | F |
| S.C. Meteo Business Park s.r.l. | RO | Bucharest | 1.00 | RON | 100.00% | 27 July 2006 | F |
| S.C. Pantelimon II Development S.R.L | RO | Bucharest | 200.00 | RON | 100.00% | 20 December 2007 | F |
| S.C. Retail Development Invest 1 s.r.l. | RO | Bucharest | 34.00 | RON | 100.00% | 2 May 2007 | F |
| S.C. S-Park Offices s.r.l. | RO | Bucharest | 22,828,313.00 | RON | 100.00% | 10 July 2007 | F |
| S.C. Stupul de Albine s.r.l. | RO | Bucharest | 1.00 | RON | 100.00% | 27 July 2006 | F |
| S.C. Union Investitii S.r.l. | RO | Bucharest | 2.00 | RON | 100.00% | 7 March 2007 | F |
| S.C. Valero Invest s.r.l. | RO | Bucharest | 1,760,000.00 | RON | 100.00% | 20 March 2007 | F |
| Sadira Ltd. | CY | Limassol | 0.00 | EUR | 49.30% | 9 November 2011 | P |
| Sapir Investitii SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| SARIUS Holding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| SARIUS Liegenschaftsvermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| SAS Inter Kft. | HU | Budapest | 258,690,000.00 | HUF | 100.00% | 30 April 2005 | F |
| SB Praha 4 spol.s.r.o. | CZ | Prague | 26,532,000.00 | CZK | 100.00% | 1 January 2003 | F |
| SBE Rijeka d.o.o. | HR | Skrljevo | 0.00 | HRK | 50.01% | 9 November 2011 | P |
| SBF Development Praha spol.s.r.o. | CZ | Prague | 30,600,000.00 | CZK | 100.00% | 1 January 2003 | F |
| SCPO s.r.o. | SK | Bratislava | 6.64 | EUR | 100.00% | 24 August 2007 | F |
| SCT s.r.o. | SK | Bratislava | 1,756,489.41 | EUR | 100.00% | 21 December 2006 | F |
| Secunda Immobilienanlagen GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 10 November 2009 | F |
| SEGESTIA Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 4 November 2004 | F |
| Sehitler Gayrimenkul Yatirim A.S. | TR | Istanbul | 3,735,281.00 | TRY | 64.89% | 29 August 2007 | P |
| Septima Immobilienanlagen GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 10 November 2009 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| Severin Schreiber-Gasse 11–13 Liegenschafts-verwertungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 22 December 2010 | F |
| Sexta Immobilienanlagen GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 10 November 2009 | F |
| Shaked Development SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Shani Development SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| Shark Park Holding Kft. | HU | Budapest | 2,320,000,000.00 | HUF | 100.00% | 8 November 2005 | F |
| Sigalit Ltd. | CY | Nicosia | 0.00 | EUR | 98.40% | 9 November 2011 | F |
| Silesia Residential Holding Limited | CY | Nicosia | 2,358,621.90 | EUR | 100.00% | 9 October 2006 | F |
| Silesia Residential Project Sp. z o.o. | PL | Katowice | 9,321,000.00 | PLN | 100.00% | 9 October 2006 | F |
| SITUS Holding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| SITUS L Liegenschafts Vermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| SITUS L Liegenschafts Vermietungs GmbH & Co Seidengasse 39 KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| SITUS L Liegenschafts Vermietungs GmbH & Co. Kaiserstraße 44-46 KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| SITUS L Liegenschafts Vermietungs GmbH & Co. Neubaugasse 26 KG | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Snagov Lake Rezidential SRL | RO | Bucharest | 200.00 | RON | 100.00% | 15 April 2008 | F |
| SPE Liegenschaftsvermietung Gesellschaft m.b.H. | AT | Vienna | 36.34 | EUR | 100.00% | 31 December 1996 | F |
| Sphera Building Center International 2003 SRL | RO | Bucharest | 200.00 | RON | 100.00% | 24 January 2008 | F |
| Starkfriedgasse 83 Projektentwicklungs GmbH | AT | Gießhübl | 0.00 | EUR | 50.00% | 22 December 2010 | P |
| Starmaster Limited | CY | Larnaca | 2.00 | EUR | 100.00% | 24 January 2008 | F |
| Stephanshof Liegenschaftsverwaltungsgesellschaft m.b.H. | AT | Vienna | 36.34 | EUR | 100.00% | 1 August 2007 | F |
| STOP.SHOP. 4 Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 1 May 2012 | F |
| STOP.SHOP. 6 Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 100.00% | 31 January 2013 | F |
| STOP.SHOP. 7 Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 100.00% | 1 May 2012 | F |
| STOP.SHOP. 8 Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 100.00% | 31 January 2013 | F |
| STOP.SHOP. 9 Sp. z o.o. | PL | Warsaw | 0.00 | PLN | 100.00% | 1 May 2012 | F |
| STOP.SHOP. BCS Kft. | HU | Budapest | 1,530,000.00 | HUF | 100.00% | 8 June 2006 | F |
| STOP.SHOP. Dolny Kubin s.r.o. | SK | Bratislava | 9,958.18 | EUR | 100.00% | 22 December 2010 | F |
| STOP.SHOP. Dubnica s.r.o. | SK | Bratislava | 200.00 | EUR | 100.00% | 25 January 2008 | F |
| STOP.SHOP. Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 31 May 2005 | F |
| STOP.SHOP. Hranice s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 20 November 2006 | F |
| STOP.SHOP. Kisvárda Kft. | HU | Budapest | 3,000,001.00 | HUF | 100.00% | 14 July 2009 | F |
| STOP.SHOP. Legnica Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 19 December 2008 | F |
| STOP.SHOP. Liptovsky Mikulas s.r.o. | SK | Bratislava | 9,958.18 | EUR | 100.00% | 15 November 2011 | F |
| STOP.SHOP. Lucenec s.r.o. | SK | Bratislava | 6,638.78 | EUR | 100.00% | 19 February 2007 | F |
| STOP.SHOP. Nové Zámky s.r.o. | SK | Bratislava | 9,958.18 | EUR | 100.00% | 29 June 2007 | F |
| STOP.SHOP. Poprad s.r.o. | SK | Bratislava | 9,958.18 | EUR | 100.00% | 30 April 2008 | F |
| STOP.SHOP. Pribram s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 15 December 2006 | F |
| STOP.SHOP. Púchov s.r.o. | SK | Bratislava | 9,958.18 | EUR | 100.00% | 15 December 2010 | F |
| STOP.SHOP. Rakovnik s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 20 November 2006 | F |
| STOP.SHOP. Ruzomberok s.r.o. | SK | Bratislava | 6,638.78 | EUR | 100.00% | 19 February 2007 | F |
| STOP.SHOP. TB Kft. | HU | Budapest | 1,530,000.00 | HUF | 100.00% | 8 June 2006 | F |
| STOP.SHOP. Trencín s.r.o. | SK | Bratislava | 9,958.18 | EUR | 100.00% | 29 June 2007 | F |
| STOP.SHOP. Uherske Hradiste s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 10 March 2006 | F |
| STOP.SHOP. Usti nad Orlici s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 16 July 2007 | F |
| STOP.SHOP. Zatec s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 30 May 2006 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| STOP.SHOP. Znojmo s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 16 July 2007 | F |
| STOP.SHOP. Zvolen s.r.o. | SK | Bratislava | 6,638.78 | EUR | 100.00% | 19 February 2007 | F |
| STOP.SHOP. Czech Republic I B.V. | NL | Amsterdam | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| STOP.SHOP. Czech Republic II B.V. | NL | Amsterdam | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| STOP.SHOP. Holding B.V. | NL | Amsterdam | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| STOP.SHOP. Hungary B.V. | NL | Amsterdam | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| STOP.SHOP. Slovakia I B.V. | NL | Amsterdam | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| STOP.SHOP. lovakia II B.V. | NL | Amsterdam | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| STOP.SHOP. Slovenia B.V. | NL | Amsterdam | 0.00 | EUR | 100.00% | 30 April 2013 | F |
| Sunkta Ltd. | CY | Nicosia | 3.00 | EUR | 100.00% | 28 February 2008 | F |
| SYLEUS Holding GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Szepvölgyi Business Park Kft. | HU | Budapest | 601,000,000.00 | HUF | 100.00% | 5 August 2004 | F |
| Taifun Real Sp. z o.o. | PL | Warsaw | 52.50 | PLN | 100.00% | 31 July 2007 | F |
| Tamar Imob Investitii SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| TCB Telecom Beteiligungsgesellschaft m.b.H. | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Tempelhofer Feld AG | DE | Berlin | 1,278,229.70 | EUR | 99.64% | 31 May 2005 | F |
| Termanton Enterprises Limited | CY | Nicosia | 0.00 | EUR | 75.00% | 9 November 2011 | P |
| Topaz Development SRL | RO | Voluntari | 0.00 | RON | 100.00% | 9 November 2011 | F |
| TOV Arsenal City | UA | Kiev | 26,000,000.00 | UAH | 99.20% | 15 September 2008 | F |
| TOV Evro-Luno-Park | UA | Kiev | 8,490,906.00 | UAH | 50.00% | 5 March 2008 | P |
| TOV Vastator Ukraine | UA | Kiev | 47.79 | UAH | 99.20% | 15 September 2008 | F |
| TradeCon Handels- und Leasing GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| TradeCon Leasing- und Unternehmensbeteiligungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Trevima Ltd. | CY | Nicosia | 15,800.55 | EUR | 100.00% | 30 November 2006 | F |
| TriGránit Centrum a.s. | SK | Bratislava | 33,193.80 | EUR | 25.00% | 19 June 2006 | E |
| TriGránit Holding Ltd. | CY | Nicosia | 150.00 | EUR | 25.00% | 31 July 2006 | E |
| Tripont Invest s.r.l. | RO | Bucharest | 15,178,100.00 | RON | 100.00% | 26 May 2010 | F |
| UKS Finance Kft. | HU | Budapest | 3,000,000.00 | HUF | 100.00% | 30 April 2005 | F |
| UKS Liegenschaftsentwicklung GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 30 April 2005 | F |
| Vaci ut. | HU | Budapest | 0.00 | HUF | 38.90% | 22 December 2010 | E |
| Valecorp Limited | CY | Nicosia | 2.00 | EUR | 100.00% | 23 April 2008 | F |
| Valette Finance B.V. | NL | Amsterdam | 90.00 | EUR | 100.00% | 27 July 2007 | F |
| Vastator Limited | CY | Nicosia | 1.00 | EUR | 99.20% | 15 September 2008 | F |
| VCG Immobilienbesitz GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 20 December 2006 | F |
| Ventane Ltd. | CY | Nicosia | 0.00 | EUR | 98.40% | 9 November 2011 | F |
| Ventane Ukraine LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| Ventilatorul Real Estate SA | RO | Bucharest | 12,031,200.72 | RON | 100.00% | 24 January 2008 | F |
| Vertano Residence Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 50.00% | 1 August 2007 | P |
| Vertano Residence Sp. z o.o. 1 Sp.k. | PL | Warsaw | 17,000,000.00 | PLN | 90.67% | 1 August 2007 | F |
| Village Management LLC | UA | Kiev | 0.00 | UAH | 98.40% | 9 November 2011 | F |
| Visionär | DE | Rodgau | 25,000.00 | EUR | 32.00% | 22 December 2010 | E |
| Vitrust Ltd. | CY | Nicosia | 3.00 | EUR | 100.00% | 19 June 2008 | F |
| VIV Gebäudeerrichtungs GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 31 October 2007 | F |
| VTI Varna Trade Invest OOD | BG | Sofia | 5.00 | BGN | 50.00% | 24 July 2007 | P |
| W zehn Betriebs- & Service GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 17 February 2006 | F |
| Wakelin Promotions Limited | CY | Nicosia | 5.00 | EUR | 100.00% | 21 June 2006 | F |
| Walkabout Beteiligungs GmbH | DE | Rodgau | 0.00 | EUR | 66.67% | 31 January 2013 | E |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

| Company | Country | Headquarters | Nominal capital | Currency | Interest in capital | Initial consolidation | Type of consolidation |
|---|---|---|---|---|---|---|---|
| WEGE spol.s.r.o. | CZ | Prague | 100.00 | CZK | 100.00% | 1 January 2003 | F |
| West Gate Üzleti Park Fejlesztö Kft. | HU | Budapest | 3,180,000.00 | HUF | 100.00% | 2 July 2004 | F |
| Wienerberg City Errichtungsges.m.b.H. | AT | Vienna | 1,816,821.00 | EUR | 100.00% | 31 August 1998 | F |
| WINNIPEGIA SHELF s.r.o. | CZ | Prague | 200.00 | CZK | 100.00% | 13 November 2006 | F |
| WIPARK Holding GmbH | AT | Vienna | 35.00 | EUR | 100.00% | 1 May 2001 | F |
| Xantium Sp. z o.o. | PL | Warsaw | 50.00 | PLN | 100.00% | 4 August 2006 | F |
| Zeppelin Immoblienvermietungs GmbH | AT | Vienna | 0.00 | EUR | 100.00% | 25 August 2010 | F |
| Zieglergasse 69 Immobilienprojekt Gmbh | AT | Vienna | 35.00 | EUR | 100.00% | 1 February 2010 | F |
| Zweite FMZ Rosental Beteiligungsverwaltung GmbH | AT | Vienna | 0.00 | EUR | 80.00% | 16 April 2013 | F |

*F = Full Consolidation, P = Proportionate consolidation, E = Equity method*

# Statement by the Executive Board

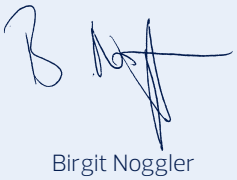
We confirm to the best of our knowledge that the consolidated financial statements of IMMOFINANZ provide a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the IMMOFINANZ group management report provides a true and fair view of the development and performance of the business and position of the group, together with a description of the principal risks and uncertainties faced by the group.

We confirm to the best of our knowledge that the individual financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report provides a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties faced by the company.

The consolidated financial statements were completed and signed by the Executive Board of IMMOFINANZ AG on 2 August 2013 and subsequently distributed to the Supervisory Board. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether or not it approves these documents.

Vienna, 2 August 2013

The Executive Board of IMMOFINANZ AG



Birgit Noggler
CFO

Eduard Zehetner
CEO

Daniel Riedl FRICS
COO

# Auditor's Report

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IMMOFINANZ AG, Vienna, for the fiscal year from 1 May 2012 to 30 April 2013. These consolidated financial statements comprise the consolidated balance sheet as of 30 April 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 30 April 2013 and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing issued by the International Auditing (ISAs) and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of IMMOFINANZ AG, Vienna, as of 30 April 2013 and of its financial performance and its cash flows for the fiscal year from 1 May 2012 to 30 April 2013, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

### Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the consolidated management report for the Group is consistent with the consolidated financial statements. The disclosures according to section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 2 August 2013

**Marieluise Krimmel**
(Austrian) Certified Public Accountant

**Claudia Fritscher-Notthaft**
(Austrian) Certified Public Accountant

Deloitte Audit Wirtschaftsprüfungs GmbH

# Balance Sheet as of 30 April 2013

| Assets | | | | 30 April 2013 EUR | 30 April 2012 TEUR |
|---|---|---|---|---|---|
| **A.** | **Non-current assets** | | | | |
| | **I. Intangible assets** | | | | |
| | | 1. Trademarks and software | 711,395.80 | 711,395.80 | 149 |
| | **II. Tangible assets** | | | | |
| | | 1. Buildings on land owned by third parties | 1,434,210.41 | | 1,245 |
| | | 2. Furnitures, fixtures and office equipment | 673,270.56 | | 730 |
| | | | | **2,107,480.97** | **1,975** |
| | **III. Financial assets** | | | | |
| | | 1. Investments in subsidiaries | 6,640,074,739.49 | | 6,654,956 |
| | | 2. Investments in associated companies | 850,000.00 | | 850 |
| | | 3. Treasury shares | 172,644,852.04 | | 145,756 |
| | | 4. Non-current securities (rights) | 8,129,033.31 | | 8,129 |
| | | | | **6,821,698,624.84** | **6,809,691** |
| | | | | **6,824,517,501.61** | **6,811,815** |
| **B.** | **Current assets** | | | | |
| | **I. Receivables** | | | | |
| | | 1. Trade receivables | 237,274.59 | | 2 |
| | | 2. Receivables from subsidiaries | 680,988,387.16 | | 716,552 |
| | | 3. Receivables from associated or jointly controlled entities | 11,758,923.59 | | 13,361 |
| | | 4. Other receivables | 9,044,132.35 | | 5,282 |
| | | | | **702,028,717.69** | **735,197** |
| | **II. Current marketable securities** | | | | |
| | | 1. Miscellaneous securities and shares | | 124,819,529.04 | 101,375 |
| | **III. Cash in bank** | | | **111,247,825.80** | **872** |
| | | | | **938,096,072.53** | **837,444** |
| **C.** | **Prepaid expenses and deferred charges** | | | **1,099,303.14** | **959** |
| | | | | **7,763,712,877.28** | **7,650,218** |

| Equity | | | 30 April 2013<br>EUR | 30 April 2012<br>TEUR |
|---|---|---|---|---|
| **A. Equity** | | | | |
| | **I. Share capital** | | **1,172,059,877.28** | **1,184,026** |
| | **II. Capital reserves** | | | |
| | 1. Appropriated | | 4,017,779,656.75 | 4,005,813 |
| | **III. Revenue reserves** | | | |
| | 1. Other reserves (voluntary) | 117,536,790.24 | | 302,860 |
| | 2. Reserve for treasury shares | 172,644,852.04 | | 145,756 |
| | | | 290,181,642.28 | 448,616 |
| | **IV. Profit (loss) account** | | | |
| | Thereof profit carried forward: EUR 11,267,344.66<br>(prior year: TEUR 14,361) | | 173,205,563.71 | 175,076 |
| | | | **5,653,226,740.02** | **5,813,531** |
| **B. Provisions** | | | | |
| | 1. Provisions for termination benefits | | 238,600.52 | 202 |
| | 2. Provisions for taxes | | 1,489,849.10 | 1,838 |
| | 3. Other provisions | | 19,227,680.22 | 20,447 |
| | | | **20,956,129.84** | **22,487** |
| **C. Liabilities** | | | | |
| | 1. Bonds | | 811,724,964.33 | 867,999 |
| | 2. Liabilities with financial institutions | | 186,526,093.39 | 36,541 |
| | 3. Trade liabilities | | 3,064,971.64 | 4,041 |
| | 4. Liabilities with subsidiaries | | 1,087,229,061.49 | 904,541 |
| | 5. Other liabilities | | 984,916.57 | 1,078 |
| | From taxes: EUR 503,960.17 (prior year: TEUR 449) | | | |
| | From social security: EUR 408,127.73 | | | |
| | (prior year: TEUR 355) | | | |
| | | | **2,089,530,007.42** | **1,814,200** |
| | | | **7,763,712,877.28** | **7,650,218** |
| Contingent liabilities | | | 249,723,279.96 | 321,266 |

# Income Statement for the Financial Year from 1 May 2012 to 30 April 2013

| | | | 2012/13 | 2011/12 |
|---|---|---|---|---|
| | | | EUR | TEUR |
| 1. | Revenues | | 51,381,917.27 | 69,033 |
| 2. | Other operating income | | | |
| | a) Income from the disposal of non-current assets with the exception of financial assets | 0.00 | | 2 |
| | b) Income from the reversal of provisions | 660,774.99 | | 145 |
| | c) Miscellaneous | 4,587,708.53 | | 3,077 |
| | | | **5,248,483.52** | **3,224** |
| 3. | Personnel expenses | | | |
| | a) Salaries | -22,669,403.78 | | -22,387 |
| | b) Expenses for contributions to employee pension/severance funds | -406,674.29 | | -397 |
| | c) Expenses for pensions | -188,540.84 | | -150 |
| | d) Expenses for legally required social security and payroll-related duties and mandatory contributions | -5,083,533.20 | | -3,876 |
| | e) Other employee benefits | -456,452.27 | | -642 |
| | | | **-28,804,604.38** | **-27,452** |
| 4. | Depreciation and amortisation | | -669,021.99 | -525 |
| 5. | Other operating expenses | | | |
| | a) Non-income based taxes | -446,250.88 | | -2,320 |
| | b) Miscellaneous | -37,423,347.59 | | -59,018 |
| | | | -37,869,598.47 | -61,338 |
| **6.** | **Subtotal of no. 1 to 5 (operating profit)** | | **-10,712,824.05** | **-17,058** |
| 7. | Income from investments in subsidiaries | | 81,111,364.86 | 350,503 |
| | (Thereof from subsidiaries: EUR 80,000,000.00; prior year: TEUR 350,000) | | | |
| 8. | Income from other securities classified as financial assets | | 17,145,689.53 | 458 |
| | (Thereof from subsidiaries: EUR 17,075,514.53; prior year: TEUR 388) | | | |
| 9. | Interest and similar income | | 23,833,880.70 | 22,281 |
| | (Thereof from subsidiaries: EUR 18,227,055.30; prior year: TEUR 21,533) | | | |
| 10. | Income from the write-up of financial assets | | 0.00 | 3,636 |
| 11. | Expenses arising from investments in subsidiaries | | | |
| | a) Impairment losses | | -15,489,761.68 | 0 |
| | (Thereof from subsidiaries: EUR 14,881,047.47; prior year: TEUR 0) | | | |
| 12. | Interest and similar expenses | | -69,090,366.60 | -58,482 |
| | (Thereof related to subsidiaries: EUR 29,740,730.52; prior year: TEUR 19,576) | | | |
| **13.** | **Subtotal of no. 7 to 12 (financial results)** | | **37,510,806.81** | **318,396** |
| **14.** | **Profit/(loss) on ordinary activities** | | **26,797,982.76** | **301,338** |
| 15. | Income tax expenses | | 12,178,813.07 | 5,377 |
| **16.** | **Profit/(Loss) for the year before changes to reserves** | | **38,976,795.83** | **306,715** |
| 17. | Release of revenue reserves | | | |
| | a) Other reserves (voluntary) | | 185,322,866.67 | 0 |
| 18. | Additions to other reserves | | | |
| | a) Other reserves (voluntary) | 0.00 | | -146,000 |
| | b) Reserve for treasury shares | -62,361,443.45 | | 0 |
| | | | -62,361,443.45 | -146,000 |
| 19. | Profit carried forward from prior year | | 11,267,344.66 | 14,361 |
| **20.** | **Profit/(loss) account** | | **173,205,563.71** | **175,076** |

# Notes

## 1. General Information

The annual financial statements of IMMOFINANZ AG as of 30 April 2013 were prepared in accordance with the provisions of the Austrian Commercial Code ("Unternehmensgesetzbuch") in the current version. The principles of correct bookkeeping as well as the general objective of providing a true and fair view of the asset, financial and earnings position were observed.

The reporting year of IMMOFINANZ AG covers the period from 1 May 2012 to 30 April 2013.

In accordance with § 223 (2) of the Austrian Commercial Code, the comparable prior year data are presented in EUR 1,000.

The company elected to utilise the option provided by § 223 (4) of the Austrian Commercial Code, which permits the inclusion of additional positions when their content is not covered by a required position.

The income statement was prepared in accordance with the nature of expense method under which "total costs" are shown.

Valuation was based on the going concern principle.

## 2. Accounting and Valuation Principles

**Intangible assets** are carried at acquisition cost, less scheduled straight-line amortisation that is based on the expected useful life of the respective asset. All intangible assets held by the company were purchased.

**Property, plant and equipment** are carried at acquisition cost, less scheduled straight-line depreciation.

**Depreciation and amortisation** for the various asset additions and disposals in the reporting year are calculated beginning with the month of acquisition, respectively terminated in the month of disposal.

**Financial assets** are carried at cost less any necessary impairment losses. Impairment is determined by comparing the carrying amount of the asset with the equity owned plus any undisclosed reserves. Each subsidiary is responsible for valuing its own assets, whereby the combined results are included in the consolidated financial statements of the Group parent company IMMOFINANZ AG. If the value of an asset increases in subsequent financial years, the previously recognised impairment loss is reversed. This process involves a write-up equal to the amount of the impairment loss, whereby the value of the asset is not increased above historical cost. Treasury shares are carried at acquisition cost, whereby the carrying amount is reduced through an impairment loss if there is a lasting decline in value.

**Receivables** are carried at their nominal amount less any necessary impairment losses. The calculation of impairment losses to Group receivables is based on the fair value of equity in the financed company. If the financial statements of a borrower show negative equity (at fair value), an appropriate impairment loss is recognised. In accordance with the option provided by § 208 (2) of the Austrian Commercial Code, potential write-ups are not recognised.

The **miscellaneous securities and shares** reported under current assets are carried at cost, which is reduced by any necessary impairment losses as required by § 207 of the Austrian Commercial Code.

**Provisions** are recorded at the amount of the expected use, in accordance with the principle of prudent business judgment.

**Liabilities** are carried at their repayment amount in keeping with the principle of conservatism.

All **foreign currency transactions** are translated at the average exchange rate in effect on the date of the transaction. The measurement of foreign currency receivables and liabilities as of the balance sheet date is based on the applicable average exchange rate in effect on that date in keeping with the principle of conservatism. Any resulting exchange rate gains or losses are recognised to profit or loss for the financial year.

**Derivative financial instruments** are measured at market value. In accordance with the principle allowing for the application of different methods to the realisation of income and expenses, positive changes in market value are not recognised as income but losses are accounted for through provisions.

# 3. Notes to the Balance Sheet

## Assets

### Non-current assets

The development of **non-current assets** is shown on the attached schedule.

The following useful lives are used to calculate scheduled straight-line depreciation and amortisation for non-current assets:

| | Useful life in years |
|---|---|
| Other intangible assets | 3–10 |
| Property, plant and equipment | 2–10 |

The major change to **investments in subsidiaries** involves an impairment charge of EUR 14,881,047.47 to IMMOWEST Immobilien Anlagen GmbH.

**Non-current securities** consist primarily of shares in the Vienna Stock Exchange with a value of EUR 1,000,699.26 (2011/12: TEUR 1,001) as well as participation rights of EUR 7,078,334.05 (2011/12: TEUR 7,078) in RentCon Handels- u. Leasing GmbH.

As of 30 April 2013 the company held **treasury shares** with a value of EUR 172,644,852.04 (2011/12: TEUR 145,756). These treasury shares had a value of TEUR 173,333 based on the market price as of 30 April 2013. In accordance with an authorisation of the annual general meeting to withdraw treasury shares pursuant to § 65 (1) no. 8 sentence 3 of the Austrian Stock Corporation Act, a capital decrease of EUR 11,966,532.08 was carried out in October 2012 through the withdrawal of 11,526,415 treasury shares.

IMMOFINANZ AG held 55,823,833 treasury shares as of 30 April 2013. IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ AG, held 57,071,429 IMMOFINANZ shares as of this same date. Aviso Zeta AG, a wholly owned subsidiary of IMBEA IMMOEAST Beteiligungsverwaltung GmbH, held six shares. In total, member companies of the IMMOFINANZ Group held slightly less than 10% (2011/12: 9.16) of the share capital of IMMOFINANZ AG as treasury shares as of 30 April 2013.

The annual general meeting of IMMOFINANZ AG on 5 October 2012 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital. This authorisation is valid for a period of 30 months beginning on the date the resolution was passed. The shares may be purchased in one or more transactions over the stock exchange or over the counter with repeated utilisation of the 10% limit, also with the exclusion of the proportional subscription rights of shareholders.

The annual general meeting of IMMOFINANZ AG on 5 October 2012 authorised the Executive Board, with the consent of the Supervisory Board, to sell treasury shares in another manner than over the stock exchange or through a pub-

lic offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act. These shares may be sold or used for any legal purpose, whereby the proportional purchase rights of shareholders are excluded (exclusion of subscription rights). This authorisation is valid for a period of five years beginning on the date the resolution was passed.

In 2012/13 44,534,312 treasury shares with a carrying amount of EUR 137,730,057.09 held by IMMOFINANZ AG and 57,071,429 shares with a carrying amount of EUR 156,859,656.91 held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ AG, were used as collateral for financing. Additional information on this financing is provided under the section on liabilities.

In accordance with § 240 (3) of the Austrian Commercial Code, treasury shares held directly by the company or by an entity controlled by the company are as follows:

| Date of purchase | Number of shares | Shareholding company | Circumstances and authorisation | Proportional amount of share capital 30 April 2013 in EUR | Proportional amount of share capital 30 April 2013 in % | Purchase price in EUR |
|---|---|---|---|---|---|---|
| Aug. 2010 | 55,005,409 | IMBEA IMMOEAST Beteiligungsverwaltung GmbH | Closing of the agreements with Constantia Packaging B.V. on the "IBAG bond" (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 57,105,699.52 | 4.87 | 151,264,874.75 |
| Sep. 2010 | 2,066,020 | IMBEA IMMOEAST Beteiligungsverwaltung GmbH | Settlement of Aviso Zeta banking business (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 2,144,907.56 | 0.18 | 5,594,782.16 |
| Dec. 2010 | 6 | Aviso Zeta AG | Acquisition of Aviso Zeta (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 6.23 | 0 | 16.85 |
| Nov. 2010–March 2011 | 47,350,248 | IMMOFINANZ AG | Share buyback programme 2010–2011 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act) | 49,158,238.87 | 4.19 | 145,755,598.51 |
| Oct. 2012 | -11,526,415 | IMMOFINANZ AG | With drawal of treasury shares (§ 65 (1) no.8 sent. 3 of the Austrian Stock Corporation Act) | -11,966,532.08 | -1.02 | -35,472,189.92 |
| Oct. 2012–Feb. 2013 | 20,000,000 | IMMOFINANZ AG | Share buyback programme 2012–2013 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act) | 20,763,666.91 | 1.77 | 62,361,443.45 (incl. fees) |
| **Total** | **112,895,268** | | | **117,205,987.01** | **10** | **329,504,525.80** |
| **Thereof used as collateral for financing** | | | | | | |
| Jan. 2013 | -44,534,312 | IMMOFINANZ AG | Sale for financing with treasury shares (§ 65 (1b) of the Austrian Stock Corporation Act) | -46,234,781.01 | -3.94 | -65,745,000.00 |
| Jan. 2013 | -57,071,429 | IMBEA IMMOEAST Beteiligungsverwaltung GmbH | Sale for financing with treasury shares (§ 65 (1b) of the Austrian Stock Corporation Act) | -59,250,607.08 | -5.06 | -84,255,000.00 |
| **Total** | **-101,605,741** | | **Sale for financing with treasury shares (§ 65 (1b) of the Austrian Stock Corporation Act)** | **-105,485,388.09** | **-9** | **-150,000,000.00** |

Information on the use of treasury shares as collateral for financing is provided in the notes under the section on liabilities.

## Current assets

### Receivables

The following table shows the classification of receivables by remaining term:

| Amounts in EUR | 30 April 2013 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|
| Trade receivables | 237,274.59 | 237,274.59 | 0 | 0 |
| Receivables from subsidiaries | 680,988,387.16 | 680,988,387.16 | 0 | 0 |
| Receivables from associated or jointly controlled entities | 11,758,923.59 | 11,758,923.59 | 0 | 0 |
| Other receivables and assets | 9,044,132.35 | 9,044,132.35 | 0 | 0 |
| **Total** | **702,028,717.69** | **702,028,717.69** | **0** | **0** |

| Amounts in EUR | 30 April 2012 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|
| Trade receivables | 2,438.46 | 2,438.46 | 0 | 0 |
| Receivables from subsidiaries | 716,551,816.66 | 716,551,816.66 | 0 | 0 |
| Receivables from associated or jointly controlled entities | 13,361,347.68 | 13,361,347.68 | 0 | 0 |
| Other receivables and assets | 5,282,165.73 | 5,282,165.73 | 0 | 0 |
| **Total** | **735,197,768.53** | **735,197,768.53** | **0** | **0** |

Receivables from subsidiaries and receivables from associated or jointly controlled entities are classified as current in cases where a specific payment term was not defined. However, these receivables are only collected if permitted by the liquidity situation of the respective creditor.

Receivables from subsidiaries comprise receivables of EUR 53,431,567.87 (2011/12: TEUR 93,248) from the provision of goods and services and receivables of EUR 363,364.17 (2011/12: TEUR 388) related to accrued interest for the participation rights in RentCon Handels- und Leasing GmbH. This position also includes other receivables of EUR 27,588,481.13 (2011/12: TEUR 15,415), dividends receivable of EUR 240,014,053.09 (2011/12: TEUR 350,000) and loans receivable of EUR 432,297,904.45 (2011/12: TEUR 327,296). Impairment losses of EUR 72,706,983.55 (2011/12: TEUR 69,795) were recognised to these loans receivable. The method used to assess impairment is explained in the section on accounting and valuation principles.

The value of selected properties held by subsidiaries of IMMOFINANZ AG increased during 2012/13 and earlier years and could have resulted in write-ups of EUR 16,864,110.83 (2011/12: TEUR 26,922) to receivables that were previously reduced through impairment losses. These write-ups would have led to an increase in income taxes, but were not recorded because Austrian tax law does not require the recognition of these value increases.

Other receivables consist primarily of EUR 6,548,079.28 (2011/12: TEUR 3,014) due from the taxation authorities.

In prior years, other receivables included TEUR 3,097 of loans granted to the members of the Executive Board of IMMOFINANZ AG during the prior year in connection with the long-term incentive programme. The Executive Board members repaid a total of EUR 3,168,764.35 (including interest) on these loans in 2011/12.

## Miscellaneous securities and shares

This position comprises 962 shares of the 2014 convertible bond with a nominal value of EUR 96,200,000.00 (2011/12: TEUR 96,200), 224 shares of the 2017 convertible bond with a nominal value of EUR 22,400,000.00 (2011/12: TEUR 6,800) and 1,562,000 shares of the 2018 convertible bond with a nominal value of EUR 6,435,440.00 (2011/12: TEUR 0). In 2012/13 the company repurchased 156 shares of the 2017 convertible bond with a nominal value of EUR 15,600,000.00 and 1,562,000 shares of the 2018 convertible bond with a nominal value of EUR 6,435,440.00.

The repurchases made in 2012/13 covered EUR 15.6 million of the CB 2017 and EUR 6.44 million of the CB 2018.

## Cash in bank

This item consists chiefly of deposits with UniCredit Bank Austria AG, Vienna, RAIFFEISEN BANK INTERNATIONAL AG, Vienna, ERSTE GROUP BANK AG, Vienna, Deutsche Bank Aktiengesellschaft, Frankfurt, Raiffeisenlandesbank Niederösterreich-Wien, Vienna, BAWAG P.S.K. Bank für Arbeit und Wirtschaft and Österreichische Postsparkasse Aktiengesellschaft, Vienna, LGT Bank AG, Vienna, and Landesbank Hessen-Thüringen, Frankfurt.

## Prepaid expenses

This position includes miscellaneous fees paid in 2012/32 that relate to the following financial year, e.g. amounts due to the Austrian Financial Market Authority as well as insurance, flights, maintenance and licenses.

# Equity and liabilities

## Equity

Share capital totals EUR 1,172,059,877.28 (2011/12: TEUR 1,184,026) and is classified as follows:

| | Number of shares 30 April 2013 | Share capital in EUR 30 April 2013 | Number of shares 30 April 2012 | Share capital in EUR 30 April 2012 |
|---|---|---|---|---|
| Bearer shares | 1,128,952,687 | 1,172,059,877.28 | 1,140,479,102 | 1,184,026,409.36 |
| **Total** | **1,128,952,687** | **1,172,059,877.28** | **1,140,479,102** | **1,184,026,409.36** |

Equity as of 30 April 2013 comprised the following:

| Amounts in EUR | 30 April 2013 | 30 April 2012 |
|---|---|---|
| Share capital | 1,172,059,877.28 | 1,184,026,409.36 |
| Capital reserves | | |
| 1) Appropriated | 4,017,779,656.75 | 4,005,813,124.67 |
| Revenue reserves | | |
| 1) Other reserves (voluntary) | 117,536,790.24 | 302,859,656.91 |
| 2) Reserve for treasury shares | 172,644,852.04 | 145,755,598.51 |
| Profit (loss) account | 173,205,563.71 | 175,076,208.76 |
| **Equity** | **5,653,226,740.02** | **5,813,530,998.21** |

In 2012/13 the company carried out a capital decrease of EUR 11,966,532.08 through the withdrawal of 11,526,415 treasury shares.

### Capital and revenue reserves

The reserves in the separate financial statements of IMMOFINANZ AG, which were prepared in accordance with the Austrian Commercial Code, comprise the following: appropriated capital reserves from capital increases pursuant to § 229 (2) no. 1 of the Austrian Commercial Code and from the merger of IMMOEAST AG with IMMOFINANZ AG; a reserve for treasury shares pursuant to §225 (5) of the Austrian Commercial Code; and a voluntary revenue reserve. The change in the appropriated capital reserve resulted from the capital decrease of EUR 11,966,532.08 carried out in 2012/13 through the withdrawal of 11,526,415 treasury shares.

### Provisions

The provision for termination benefits (EUR 238,600.52; 2011/12: TEUR 202) was calculated in accordance with actuarial principles, whereby the parameters included a discount rate of 3.5% and a retirement age of 60 years for men.

Other provisions consist primarily of accruals for taxes, legal and auditing expenses, legal proceedings, expert opinions, employees and derivatives.

### Liabilities

**Convertible bond 2007 – 2014, ISIN XS0283649977 (CB 2014)**

Based on an authorisation of the annual general meeting on 28 September 2006 and with the consent of the Supervisory Board, IMMOFINANZ AG issued 7,500 convertible bond certificates on 19 January 2007. These certificates have a nominal value of EUR 100,000– each and carry an interest rate of 2.75%. The bondholders as well as the company were accorded certain premature cancellation rights. The CB 2014 has a term ending on 20 January 2014.

The put period for the premature redemption of the 2.75% CB 2014 issued by IMMOFINANZ AG ended on 9 January 2012. These notices took effect on 19 January 2012. Bondholders registered 776 CB 2014 certificates for redemption. The amount due for principal and interest totalled EUR 77.6 million and was financed from available liquid funds.

The outstanding nominal value of the CB 2014 amounted to EUR 25.7 million as of 30 April 2013 (2011/12: EUR 25.7 million). It will be redeemed on 20 January 2014 (maturity date).

**Convertible bond 2007 – 2017, ISIN XS0332046043 (CB 2017)**

Based on an authorisation of the annual general meeting on 27 September 2007, IMMOFINANZ AG issued 7,500 convertible bond certificates on 19 November 2007. These certificates have a nominal value of EUR 100,000– each and carry an interest rate of 1.25%. The bondholders as well as the company were accorded certain premature cancellation rights. The CB 2014 has a term ending on 19 November 2014.

A total of 156 CB 2017 convertible bond certificates with a nominal value of EUR 15.6 million were repurchased during the reporting year.

The put period for the premature redemption of the 1.25% CB 2017 issued by IMMOFINANZ AG ended on 9 November 2012. Bondholders registered 1,443 CB 2017 certificates (nominal value: EUR 100,000 per convertible bond certificate) for redemption. The nominal amount outstanding as of 30 April 2013 totalled EUR 35.1 million (2012: EUR 195.0 million).

The convertible bondholders have a further opportunity to put their bonds prematurely as of 19 November 2014.

**Convertible bond 2009–2011, ISIN XS0416178530 (CB 2011)**

On 6 April 2009 IMMOFINANZ AG announced a tender to all holders of the CB 2014 convertible bond (nominal value: EUR 750.0 million) and all holders of the CB 2017 convertible bond (nominal value: EUR 750.0 million). This offer covered the exchange of the existing bonds for a new CB 2011 convertible bond at a ratio of five to two plus a EUR 5,000.– cash payment for each EUR 100,000.– certificate exchanged. In connection with this tender, CB 2014 convertible bonds with a nominal value of EUR 75.5 million and CB 2017 convertible bonds with a nominal value of EUR 498.5 million were exchanged for CB 2011 convertible bonds with a nominal value of EUR 229.6 million.

A resolution of the annual general meeting on 2 October 2009 authorised the Executive Board to execute a conditional increase of up to EUR 23.4 million in share capital through the issue of up to 22,524,726 new bearer shares of common stock.

The conversion period for the 7.00%, CB 2011 convertible bond issued by IMMOFINANZ AG ended on 6 October 2011. Of the originally issued nominal value of EUR 229.6 million, convertible bond certificates with a nominal value of EUR 224.7 million were converted. The liabilities from the CB 2011 were reclassified to the equity of IMMOFINANZ AG on the conversion date and resulted in an increase of EUR 196.2 million in equity after the deduction of EUR 1.4 million in transaction costs (after the deduction of EUR 0.5 million in taxes).

IMMOFINANZ AG will redeem the CB 2011 convertible bonds on the scheduled date (22 December 2011) – after the exercise of conversion rights – at the outstanding amount of EUR 4.9 million.

**Convertible bond 2011–2018, ISIN XS0592528870 (CB 2018)**

On 14 February 2011 the Executive Board of IMMOFINANZ AG announced its intention, with the approval of the Supervisory Board on the same date, to issue up to 125,029,692 convertible bonds with a term ending in 2018. Based on a bookbuilding procedure, the interest rate was set at 4.25% per year, payable semi-annually in arrears on 8 March and 8 September of each year beginning on 8 September 2011. A conversion premium was also defined, which equalled 32.50% over the average volume-weighted price of the company's share on the Vienna Stock Exchange from the start of trading up to the price setting at EUR 3.1069. The subscription price for the convertible bond was set at EUR 4.12 and represents the nominal value, the issue amount, the initial conversion price and the repayment price per convertible bond.

On 8 March 2011, IMMOFINANZ AG issued 125,029,692 certificates within the framework of the 2011–2018 convertible bond with a nominal value of EUR 4.12 each and an interest rate of 4.25%. The term of this instrument ends on 8 March 2018. The bondholders as well as the company were accorded certain premature cancellation rights.

In 2012/13 1,562,000 CB 2018 convertible bond certificates with a nominal value of EUR 6.44 million were repurchased. The nominal amount outstanding as of 30 April 2013 was EUR 508.7 million (2012: 515.5 million).

### Conversions and repurchases

No conversion rights were exercised during the 2012/13 financial year. In 2011/12 the exercise of conversion rights from the CB 2011 and CB 2018 convertible bonds increased the company's share capital by EUR 98.7 million through the issue of 95,105,516 IMMOFINANZ shares.

Convertible bonds with a total nominal value of EUR 22.0 million were repurchased in 2012/13 (2011/12: EUR 2.5 million).

### Authorisation to issue new convertible bonds

The annual general meeting of the company on 28 September 2011 authorised the Executive Board to issue convertible bonds with a total nominal amount of up to EUR 1.2 billion. These bonds may carry exchange and/or subscription rights for to up to 212,804,717 bearer shares in the company with a proportional share of up to EUR 220,930,312.99 in share capital, and may be issued with or without the exclusion of subscription rights and in one or more tranches. This annual general meeting also approved a conditional capital increase of EUR 220,930,312.99 in accordance with § 159 of the Austrian Stock Corporation Act to service the exchange or subscription rights of the holders of convertible bonds that were or will be issued or equipped with exchange rights for new shares (i) based on a resolution of the annual general meeting on 28 September 2011 and/or (ii) the annual general meeting on 27 September 2007.

The following table shows the classification of liabilities by remaining term:

| Amounts in EUR | 30 April 2013 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|
| Bonds | 811,724,964.33 | 130,602,205.09 | 681,122,759.24 | 0 |
| Liabilities with financial institutions | 186,526,093.39 | 609,188.21 | 152,200,000.00 | 33,716,905.18 |
| Trade liabilities | 3,064,971.64 | 3,064,971.64 | 0 | 0 |
| Liabilities with subsidiaries | 1,087,229,061.49 | 1,087,229,061.49 | 0 | 0 |
| Other liabilities | 984,916.57 | 984,916.57 | 0 | 0 |
| **Total** | **2,089,530,007.42** | **1,222,490,343.00** | **833,322,759.24** | **33,716,905.18** |

| Amounts in EUR | 30 April 2012 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years |
|---|---|---|---|---|
| Bonds | 867,998,732.46 | 230,978,774.54 | 637,019,957.92 | 0 |
| Liabilities with financial institutions | 36,541,273.70 | 374,269.22 | 1,750,000.00 | 34,417,004.48 |
| Trade liabilities | 4,041,582.98 | 4,041,582.98 | 0 | 0 |
| Liabilities with subsidiaries | 904,540,810.46 | 904,540,810.46 | 0 | 0 |
| Other liabilities | 1,078,291.99 | 1,078,291.99 | 0 | 0 |
| **Total** | **1,814,200,691.59** | **1,141,013,729.19** | **638,769,957.92** | **34,417,004.48** |

Liabilities with subsidiaries are classified as current in cases where a specific payment term was not defined.

In 2012/13 IMMOFINANZ AG issued a corporate bond with a total nominal value of EUR 100 million and an interest rate of 5.25%. The bond has a five-year term and a denomination of EUR 1,000.00.

### Financing with treasury shares

Based on a resolution of the annual general meeting on 5 October 2012 to sell treasury shares in accordance with § 65 (1b) of the Austrian Stock Corporation Act and to purchase treasury shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act, IMMOFINANZ AG sold and transferred 101,605,741 treasury shares to financial institutions on 10 January 2013 for financing purposes. In exchange, IMMOFINANZ AG received financing of EUR 150 million for a term of up to three years. These 101,605,741 shares represented a proportional amount of EUR 105,485,388.09, or 9.00%, in share capital as of 30 April 2013.

In this connection, the 57,071,429 IMMOFINANZ shares held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH (a wholly owned subsidiary of IMMOFINANZ AG) were also sold to IMMOFINANZ AG in January 2013 in exchange for a proportional share of the financing. This transfer of financing between IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH generally reflects the same conditions for the sale, financing and repurchase of the IMMOFINANZ shares as defined in the contract between IMMOFINANZ AG and the financing financial institutions.

The company is entitled to repurchase the 101,605,741 shares in exchange for repayment of the financing (EUR 150 million) at any time during the term. At the end of the term, the company is required to repay the financing and repurchase the shares. The interest payments during the term of the financing are linked to the EURIBOR. Dividends paid by IMMOFINANZ AG during the term will be returned to the company. The agreed repurchase price for the shares equals the sale price, i.e. the market risk and opportunities associated with the shares remain with the company. From an economic standpoint, this transaction represents credit financing with collateral in the form of treasury shares; the financing is therefore reported under liabilities to financial institutions.

**Liabilities with subsidiaries** consist entirely of other liabilities, above all loans of EUR 568,110,383.68 (2011/12: TEUR 387,573) granted to subsidiaries as well as other settlement items. Additional information is provided in the section on investments in subsidiaries.

## Guarantees

IMMOFINANZ AG has issued comfort letters on behalf of individual subsidiaries to guarantee their solvency. These comfort letters confirm that the involved companies will be able to meet their payment obligations at any time and oblige IMMOFINANZ AG to ensure that sufficient funds will be available to meet all liabilities at maturity. Furthermore, IMMOFINANZ AG is obliged to undertake all other necessary measures required by the applicable insolvency laws. IMMOFINANZ AG is also required to subordinate all liabilities that represent debt from the viewpoint of the involved company and must take a secondary position to all other creditors who are not shareholders of the involved companies or are subordinated in another manner.

Moreover, the company has provided guarantees or pledges of EUR 249,723,279.96 (2011/12: TEUR 321,266) to financial institutions on behalf of subsidiaries. The outstanding balance of the loan granted by Landesbank Hessen-Thüringen, for which IMMOFINANZ AG issued a guarantee in connection with a revolving credit facility, was repaid on 15 May 2013. The guarantee of EUR 173,493,975.90 also expired with this repayment.

## Financial instruments

IMMOFINANZ AG concluded a contract for the following derivative financial instrument to hedge interest rate risk:

| Type | Contract partner | Currency | Nominal value | Term | Net present value 30 April 2013 |
|---|---|---|---|---|---|
| ZIO Collar CAP | Raiffeisen Bank International AG | EUR | 182,000,000,00 | 27 Oct. 2011–13 May 2013 | -89,828,82 |
| **Included under other provisions** | | | | | **89,828,82** |

This derivative is valued at the average interbank rates using generally accepted financial models.

The interest rate cap was concluded to hedge the outstanding balance of the revolving credit facility. The interest rate cap also ended with the repayment of the loan in May 2013.

# 4. Notes to the Income Statement

## Revenues

Revenues consist of management fees charged out to the Group companies as well as insurance commissions.

IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH (operations of the former IMMOEAST AG) are executive holding companies that provide management services to subsidiaries in Austria and other countries. The performance-based allocation of costs between the two companies is based on third-party settlement conditions. In 2012/13 IMMOFINANZ AG recorded accruals of EUR 48,641,636.14 (2011/12: TEUR 49,976) for revenues due from IMBEA IMMOEAST Beteiligungsverwaltung GmbH to reflect costs carried by IMMOFINANZ AG that are economically attributable to IMBEA IMMOEAST Beteiligungsverwaltung GmbH.

## Other operating income

The major components of miscellaneous operating income include reversals of EUR 660,774.99 (2011/12: TEUR 145) to other provisions, income of EUR 1,102,318.36 (2011/12: TEUR 439) from the reversal of valuation allowances, income of EUR 1,591,508.01 (2011/12: TEUR 491) from expenses charged out and foreign exchange gains of EUR 900,221.00 (2011/12: TEUR 2,138).

## Personnel expenses

Personnel expenses amounted to EUR 28,804,604.38 for the reporting year (2011/12: TEUR 27,451).

## Other operating expenses

Impairment losses to and the derecognition of receivables totalled EUR 4,674,834.39 in 2012/13 (2011/12: TEUR 29,591).

Other major components of this position are administrative fees of EUR 5,977,281.88 (2011/12: TEUR 5,058), legal, auditing and consulting fees of EUR 6,912,428.80 (2011/12: TEUR 8,656), appraisal fees of EUR 1,326,959.60 (2011/12: TEUR 429), bookkeeping costs of EUR 1,135,609.85 (2011/12: TEUR 1,352) and mileage allowances and travel expenses of EUR 2,490,256.00 (2011/12: TEUR 1,968).

The company has elected not to disclose the fees charged by the auditor in accordance with the option provided by § 237 no. 14 last sentence of the Austrian Commercial Code.

The remuneration for the members of the Supervisory Board is approved during the current financial year for the previous financial year and subsequently distributed. The members of the Supervisory Board received remuneration of EUR 300,299.98 for the 2011/12 financial year (2011/12: TEUR 273).

## Income from investments in subsidiaries

This position includes a dividend of EUR 80,000,000.00 paid by IMBEA IMMOEAST Beteiligungsverwaltung GmbH for 2012 (2011/12: TEUR 350,000) and a dividend paid of EUR 1,111,364.86 paid by EHL Immobilien GmbH for 2011 (2011/12: TEUR 503).

## Interest and similar income

The major components of interest and similar income are interest of EUR 3,928,098.39 (2011/12: TEUR 7,056) on trustee loans granted by Immofinanz Corporate Finance Consulting GmbH and interest of EUR 14,298,956.91 (2011/12: TEUR 14,477) on Group receivables.

## Expenses arising from investments in subsidiaries

In 2012/13 impairment charges totalling EUR 14,881,047.47 were recognised to investments in subsidiaries (2011/12: write-ups of TEUR 3,635).

## Interest and similar expenses

This position includes interest expense from trustee loans granted by Immofinanz Corporate Finance Consulting GmbH (EUR 169,365.84; 2011/12: TEUR 8,416), interest on Group receivables (EUR 29,571,364.68; 2011/12: TEUR 9,188) and interest expense on the convertible bonds (EUR 35,365,637.10; 2011/12: TEUR 36,779).

## Income tax expenses

This position includes the following items:

| Amounts in EUR | 2012/13 | 2011/12 |
|---|---|---|
| Corporate income tax | -434,437.50 | -402,500.00 |
| Corporate income tax, credit prior years | 207,720.23 | 0 |
| Reversal of provision for corporate income taxes | 10,178.00 | 0 |
| Income tax expense (Group taxation), other periods | -1,870,590.03 | -13,343,051.74 |
| Income tax credits (Group taxation) | 13,700,226.97 | 18,043,055.04 |
| Income tax credits (Group taxation), other periods | 564,272.89 | 1,079,236.86 |
| Training bonus | 1,442.51 | 0 |
| **Total** | **12,178,813.07** | **5,376,740.16** |

Tax income for the reporting year includes EUR -1,306,317.14 of effects related to prior periods, which reflect the final corporate tax assessments for the members of the tax group for 2008 through 2012. These effects did not have a material influence on the financial statements.

In 2012/13 the company did not elect to use the option provided by § 198 (10) of the Austrian Commercial Code, which permits the recognition of deferred tax assets on temporary differences arising from the financial statements prepared in accordance with Austrian commercial law and the respective tax bases.

Deferred tax assets totalled TEUR 1,028 as of 30 April 2013 (2011/12: TEUR 2,149).

# 5. Other Information

## Information on size pursuant to § 221 of the Austrian Commercial Code:

The company is classified as a large corporation based on the criteria defined in § 221 (1) of the Austrian Commercial Code.

## Information on Group taxation pursuant to § 9 of the Austrian Corporate Income Tax Act

In accordance with a group application filed on 29 April 2005, the company has served as the head of a corporate group as defined in § 9 of the Austrian Corporate Income Tax Act since the 2005 tax assessment year. This corporate group has been expanded several times.

The company is the head of a corporate group as defined in § 9 of the Austrian Corporate Income Tax Act. The company and the members of the tax group concluded an agreement for the settlement of taxes, which was amended in 2011/12. In accordance with the amended agreement, each member of the Group with positive results must pay a tax charge equal to 25% of the assessment base to the head of the group. Any losses by members of the group are registered and can be offset in full against taxable profit recorded by the respective member in subsequent years. Consequently, there are no payments by the head of the group to members.

A provision of EUR 3.70 million was not recognised for negative taxable results generated and used by members of the IMMOFINANZ tax group because IMMOFINANZ does not expect any related tax liability in the future.

In previous years, members of the group were required to pay a tax charge to the head of the group when taxable results were positive. A taxable loss by a group member resulted in the payment of a tax credit by the head of the group to the member, whereby a corporate income tax rate of 12.5% was applied in both cases.

## Related party transactions in the sense of § 237 no. 8b of the Austrian Commercial Code

All transactions with related companies and persons during the reporting year took place at arm's length.

## Risk report

As an international property investor and developer, IMMOFINANZ Group is exposed to a variety of risks. A systematic risk management process ensures the timely identification of developments that could endanger the realisation of strategic and operating goals and also allows for the inclusion of important information in decision-making processes.

IMMOFINANZ Group has integrated an active risk management system into its operating processes and reporting paths. This system supports the rapid implementation of measures to counter risk and also has a direct impact on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout IMMOFINANZ Group to support the monitoring, evaluation and control of risks related to the operating business. Risk management in IMMOFINANZ Group takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions. The internal control system (ICS) was further optimised to support the early identification and monitoring of risk. Auditors evaluate the efficiency and effectiveness of the ICS each year, to the extent this is necessary for the preparation of the annual financial statements and the provision of a true and fair view of the asset, financial and earnings position of the company.

The most significant risk factors can be summarised under financial risks and market/property-specific risks.

Market-and property-specific risks arise from micro- and macroeconomic events in individual countries and developments at the property level. Included here are the market price risk as well as the competitive situation and transaction risk.

The primary objective of risk management is to identify risks at an early point in time and thereby support the rapid implementation of appropriate countermeasures.

## Financial risks

### Default/credit risk

Default and credit risks arise when a contract partner of IMMOFINANZ Group is unable to meet his or her obligations, and this situation leads to financial damage for IMMOFINANZ Group. The maximum credit risk represents the amounts reported under assets on the balance sheet and the amounts attributable to these risks. Default risk is reflected in appropriate valuation adjustments.

The most important instrument for managing default risk is the continuous evaluation of the credit standing of contract partners.

The risk of default on receivables due from tenants is low because tenants are generally required to provide security deposits (for residential properties: cash deposits; for commercial properties: bank guarantees or cash deposits) and the credit standing of tenants is monitored on a regular basis. The risk of default on receivables due from banks is also considered to be low because all financing transactions are concluded with financial institutions that have excellent credit ratings. Despite the high-quality of its financing partners, IMMOFINANZ Group will increase its monitoring of their credit standing in the future. This approach reflects the significant volumes of funds repeatedly invested with banks owing to the Group's business model as well as the regulatory changes planned for the banking sector in the EU.

### Capital market and financing risk

The ability to obtain refinancing on the capital markets is an important strategic factor for IMMOFINANZ Group. Significant fluctuations on these markets can limit the availability of equity and/or debt. In order to minimise refinancing risk, IMMOFINANZ Group works to maintain a balance between equity and debt and distributes bank financing over various terms.

In order to eliminate the risks associated with the failure to meet capital market regulations, IMMOFINANZ Group has issued a compliance guideline. This guideline is designed to ensure the fulfilment of all capital market regulations and, above all, to prevent the misuse or distribution of insider information. The measures implemented in this connection include: the development of a compliance organisation; the definition of authorisations and duties for the compliance officer; the implementation of permanent and, where necessary, temporary classified units as well as blackout periods and trading prohibitions for persons assigned to these units.

The generation of liquidity from the operating business represents a central element of IMMOFINANZ Group's strategy. Processes to evaluate opportunities for optimisation or a further reduction in operating costs are expanded and improved continuously. Internal procurement guidelines for the operating business, above all in the area of property services, construction and facility management, form an important part of this cost reduction and optimisation potential.

In order to receive or continue the use of funds obtained through loan agreements, IMMOFINANZ Group must meet certain obligations – so-called financial covenants. The Group continuously monitors compliance with these covenants and remains in close contact with the lending institutions. If these obligations are not met, the lender may cancel the loan agreement under certain circumstances. At the present time IMMOFINANZ Group is not aware of and does not expect a breach of any major covenants that could negatively influence its business activities.

## Foreign exchange risk

IMMOFINANZ Group is exposed to various forms of foreign exchange risk in connection with its balance sheet and cash flows.

The risk of devaluation associated with foreign currency cash balances is offset by the rapid conversion of these funds into the Euro.

## Interest rate risk

As an international company, IMMOFINANZ Group is exposed to the risk of interest rate fluctuations on various property submarkets. Rising interest rates can influence earnings because they increase the interest expense on the Group's floating rate financing.

A change in interest rates will have a direct influence on financial results through its impact on floating rate financing. IMMOFINANZ Group limits the risk associated with rising interest rates – which would lead to higher interest expense and a decline in financial results – through the use of fixed interest rate financing contracts and derivative financial instruments (above all caps and swaps). These derivative financial instruments are recorded as independent transactions and not as hedges.

## Liquidity risk

Liquidity risks are minimised by the preparation of a medium-term (five-year) forecast and an annual budget with monthly segmentation as well as monthly revolving liquidity reports that include variance analyses. Daily liquidity management ensures that all operating obligations can be met and funds can be optimally invested, and also gives the Group the necessary flexibility to realise short-term acquisition opportunities.

IMMOFINANZ Group also uses long-term financing that reflects the financial capability of the individual properties (interest coverage ratio and/or debt service coverage ratio) as well as their market value (loan-to-value ratio).

In order to prevent cost overruns and the resulting excess outflow of liquidity, IMMOFINANZ Group routinely monitors budgets and the progress of construction on all development projects and maintenance work.

## Legal risks

As an international company, IMMOFINANZ Group is exposed to a variety of legal risks. Included here are risks related to the purchase or sale of property and risks arising from legal disputes with tenants or joint venture and development partners. A list of the major legal proceedings in which the Group is involved is provided in the section on legal disputes.

The outcome of current and future proceedings cannot be predicted with certainty. Therefore, expenses may arise from decisions or settlement agreements by the courts or public authorities that are not covered in full or in part by insurance or provisions. These expenses could have an impact on the results recorded by IMMOFINANZ Group.

## Market risk and property-specific risks

The development of property markets is heavily dependent on economic growth and macroeconomic trends.

The related risks are based on the micro- and macroeconomic trends in the countries where IMMOFINANZ Group is active as well as developments on the global financial and investment markets. The resulting effects on market prices, market rents and yields also play an important role.

Property-specific risks are associated, above all, with the location of the properties, the architecture and the condition of the building as well as the local competitive situation.

In order to identify these risks and allow for the timely implementation of countermeasures, the property portfolio of IMMOFINANZ Group is analysed quarterly by means of a portfolio tracker. This analysis includes the systematic evaluation of quantitative and qualitative property factors, portfolio concentration, and sector and regional allocation and forms the basis for tactical decisions.

The examination of quantitative property factors includes the calculation of an expected future return for each property based on a detailed budget for the next financial year and medium-term forecasts derived from assumptions. The properties are then ranked according to their total return on equity. The qualitative factors are made measurable with a scoring model that values the quality of the building and location as well as the market attractiveness of each property.

Properties whose location and quality do not meet the portfolio requirements are sold over the medium-term.

The sector and regional diversification of the property portfolio provides an excellent balance for market cycles and fluctuations as well as concentration risks. IMMOFINANZ Group generally owns high-quality properties in good locations, and this provides special protection against the above-mentioned risks. Detailed market studies are prepared on a regular basis and analysed in connection with reports by recognised real estate experts to allow for timely reaction to changes in the market environment. All market changes are included in the portfolio analysis and have an important influence on investment, sales and project plans and thereby also on the Group's medium-term planning. The acquisition process in IMMOFINANZ Group includes extensive due diligence audits together with independent experts that are intended to identify any such risks in advance and to evaluate all risks related to legal, tax, economic, technical and social issues. IMMOFINANZ Group does not purchase properties that fail to meet its high quality standards. Regular commercial and technical reports are prepared after the acquisition, and the results are presented to the Executive Board.

The internal investment guideline of IMMOFINANZ Group regulates the framework and approval limits for all capital expenditure (property acquisitions, development projects and on-going investments). This process minimises or eliminates the major strategic and property-specific risks. Approval limits are defined in an extensive guideline that applies to all Group companies and regulates all authorisations from individual employees up to the Executive Board. In some cases, these transactions are also subject to the approval of the Supervisory Board.

Development projects are exposed to increased risks in the form of schedule and construction cost overruns as well as the success of rentals. IMMOFINANZ Group minimises these risks by starting projects only after a specific level of pre-rentals is reached and by the regular monitoring of costs and schedules through variance analyses.

IMMOFINANZ Group minimises inflationary risk by including index clauses in its standard leases.

The business model defined by IMMOFINANZ Group includes the acquisition of properties and real estate development projects at attractive conditions and the profitable sale of individual assets. The risk associated with these transactions is addressed, above all, through the diversification of the property portfolio. This broad-based portfolio which covers four asset classes in eight core countries has allowed for the repeated sale of properties in excess of fair value. Permanent market screening and wide-ranging business relationships as well as extensive knowledge of the relevant markets makes it possible for IMMOFINANZ Group to identify investment opportunities at an early point in time and to utilise these opportunities for new development projects.

### Concentration risk

Concentration risk is understood to mean the accumulation of similar risks that contradict the principle of risk diversification. IMMOFINANZ Group consciously reduces these risks through the sector and regional diversification of the property portfolio and the realisation of larger real estate projects together with a partner. In addition to sector and regional diversification, IMMOFINANZ Group also works to achieve a diversified tenant structure. In this way, the loss of a tenant will not have a significant influence on the Group. IMMOFINANZ Group has a very well balanced and diversified tenant mix no single tenant is responsible for more than 2% of total rental income.

The Russian market is associated with a number of specific concentration risks. On the one hand, IMMOFINANZ Group has a single investment the *Golden Babylon Rostokino* shopping center in Moscow – which represents more than 10% of the standing investment portfolio based on fair value. On the other hand, the investments in Russia are concentrated on the Moscow retail market, which comprises 16.8% of the Group's standing investment portfolio.

### Risks arising from legal proceedings

This section explains the status of legal proceedings related to lawsuits filed by (former) shareholders and lawsuits related to the management contract with Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG).

### Legal proceedings by shareholders against IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH

Since November 2008 a number of shareholders have filed claims against IMMOFINANZ AG (in short: IFAG) and IMMOEAST AG (now: IMBEA IMMOEAST Beteiligungsverwaltung GmbH, in short: IMBEA). Some of the plaintiffs are IMMOFINANZ AG shareholders, while others are shareholders of the former IMMOEAST AG, who are asserting various claims against IMMOFINANZ AG or against IMBEA as the legal successor of IMMOEAST AG. In all cases, the plaintiffs are claiming damages based on prospectus liability or other alleged inadequate capital market information. The plaintiffs' argumentation is based primarily on alleged deficiencies in the prospectuses of IMMOFINANZ AG or IMMOEAST AG. Many of the plaintiffs' claims are also based on other legal grounds, e.g. the violation of ad-hoc reporting requirements. Among others, the plaintiffs contend that the funds raised from the public offering were not used for acquisitions or the development of new real estate projects, but for the financing of IMMOFINANZ AG and IMMOEAST AG and for the purchase of shares in IMMOFINANZ AG and IMMOEAST AG. IMMOFINANZ AG and IMBEA reject these claims. Of special note are 19 class action lawsuits of Austrian origin involving between 10 and 910 plaintiffs who have filed claims against IMMOFINANZ AG.

By the end of April 2013 a total of 810 lawsuits had been filed against IMMOFINANZ AG (whereby IMBEA was also named in some of the cases) and 78 lawsuits only against IMMOEAST AG/IMBEA with a value in dispute totalling approx. EUR 253 million. Most of the plaintiffs are covered by insurance for legal expenses or represented by AdvoFin, a company that finances such proceedings. The status of the pending proceedings is different, whereby most are still in the early stages. In many of the cases the plaintiffs have already been heard, and a more extensive hearing of evidence has only taken place in a few cases. In 43 cases, a judgment in the first instance or a final judgment was issued, each – for different reasons – in favour of IMMOFINANZ AG or IMMOEAST AG/IMBEA. A decision in eight further cases is expected during the coming months. Some of the first-instance decisions were reversed by the Regional Appeals Court in Vienna or the Austrian Supreme Court and remanded to the first-instance court for renegotiation. In 17 of these proceedings, the plaintiffs withdrew their lawsuits. Seventy of the proceedings have been completed to date (19 legally binding judgments rejecting the lawsuits, 17 withdrawals of lawsuits and 34 agreements for withdrawal of the lawsuit under the waiver of claims).

| Pending proceedings: IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| IFAG | 376 | 25.3 |
| IMBEA | 66 | 7.7 |
| **IFAG and IMBEA** | **376** | **218** |

### Legal proceedings by shareholders against investment consultants and Aviso Zeta AG and third party notices against IMMOFINANZ AG/IMBEA

At the beginning of August 2008 shareholders of IMMOFINANZ AG and IMMOEAST AG (now: IMBEA) filed lawsuits against Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG) and AWD Gesellschaft für Wirtschaftsberatung GmbH (now: Swiss Life Select Österreich GmbH), through which they had purchased IMMOFINANZ and IMMOEAST shares. The plaintiffs allege, in particular, incorrect investment advising, misleading advertising and false depiction of IMMOFINANZ AG and IMMOEAST AG in public due to the withholding of information on the close relationship between the former Constantia Privatbank AG and IMMOFINANZ AG/IMMOEAST AG. Furthermore, the lawsuits contend that information was withheld on material transactions by the former Constantia Privatbank AG with shares of IMMOFINANZ AG and IMMOEAST AG and maintain that investors' funds were not used for the purposes stated in the prospectuses. The plaintiffs are seeking compensation and/or the assessment of the resulting financial losses. The plaintiffs did not lodge any direct claims against IMMOFINANZ AG in these cases. IMMOFINANZ AG and IMBEA are involved as intervening parties in some of the cases against Aviso Zeta AG or Swiss Life Select Österreich GmbH. An intervening party is someone who has a legal interest in the success of one party to pending legal proceedings between other persons or entities. The reason behind this type of intervention is that the defendant can file a recourse claim against IMMOFINANZ AG/IMBEA if the case is lost and is therefore taking action against IMMOFINANZ AG/IMBEA. If IMMOFINANZ AG/IMBEA did not join in these proceedings, IMMOFINANZ AG/IMBEA would not be able to raise the points addressed during the preliminary proceedings in any subsequent regress proceedings. The defendants' main argument against IMMOFINANZ AG/IMBEA is that the damages incurred by the plaintiffs were caused by actions on the part of IMMOFINANZ AG and IMMOEAST AG, which are currently under investigation by the Vienna public prosecutor in connection with criminal proceedings.

By the end of April 2013 Aviso Zeta AG had served IMMOFINANZ AG and/or IMBEA, in most cases both companies, with third party notices in 334 cases. Swiss Life Select Österreich GmbH has also served IMMOFINANZ AG and/or

IMBEA with third party notices in 226 cases, also in class action suits that were filed against Swiss Life Select Österreich GmbH. IMMOFINANZ AG and IMBEA joined in most of these cases.

According to the information currently available to IMMOFINANZ AG, judgments have been issued in 40 lawsuits against Swiss Life Select Österreich GmbH and Aviso Zeta AG. Some of these judgments were issued in favour of the respective defendant, others against. Neither Swiss Life Select Österreich GmbH nor Aviso Zeta AG has filed recourse claims against IMMOFINANZ AG or IMBEA.

| Third party notices to IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| Aviso Zeta | 334 | 36.9 |
| AWD (now: Swiss Life Select Österreich GmbH) | 226 | 17.6 |
| **Total** | **560** | **54.5** |

### Proceedings to review the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG

IMMOFINANZ AG, as the accepting company, was merged with IMMOEAST AG, as the transferring company, in accordance with a merger agreement dated 21 January 2010. In connection with this merger, the former shareholders of IMMOEAST AG were granted a total of 567,363,702 shares in IMMOFINANZ AG based on an agreed exchange ratio of three IMMOFINANZ shares for each two IMMOEAST shares. Petitions were subsequently filed with the commercial court of Vienna by IMMOFINANZ shareholders and shareholders of the former IMMOEAST AG for a review of this exchange ratio pursuant to §§ 225c ff of the Austrian Stock Corporation Act. This step led to the start of court proceedings, and IMMOFINANZ AG has filed an extensive statement in response to the petitions. In accordance with legal regulations (§ 225g of the Austrian Stock Corporation Act), the commercial court of Vienna has ordered an expert opinion on the exchange ratio.

Decisions or settlements in the proceedings to review the exchange ratio will apply to all shareholders in the respective shareholder groups (erga omnes right). If the proceedings lead to additional payments (additional settlement payments), the shareholders in the disadvantaged shareholder group will receive these payments plus interest at a rate of 2% over the base interest rate on the registration date (28 April 2010). IMMOFINANZ AG has requested permission to grant additional IMMOFINANZ shares in place of cash settlements.

At the present time it is not possible to estimate whether the shareholder groups will be granted additional payments (additional settlement payments) or what the amount of these payments might be.

### Other legal disputes

In March 2011 IMMOFINANZ AG filed a lawsuit against three former members of the Executive Board and members of the Supervisory Board of the former Constantia Privatbank AG that involved option transactions to the detriment of the former IMMOEAST AG. The proceedings were suspended after the first hearing in September 2011 until a final binding decision is issued in the criminal proceedings against these former Executive and Supervisory Board members. These criminal proceedings resulted in the (not yet legally binding) first-instance conviction, among others, of two of the three defendants. IMBEA was also awarded approx. EUR 7 million by this first-instance decision (not yet legally binding). In addition, Aviso Zeta was awarded approx. EUR 4 million.

IMMOFINANZ AG filed a further lawsuit in September 2011 to enforce claims against a former member of the Executive Board and other persons in connection with payments made to third parties without justifiable grounds on the instructions of this former board member. This case is still in the early stages.

In August 2011 a former member of the Executive Board filed a lawsuit against IMMOFINANZ AG to claim payment of remuneration for his duties on the Executive Board for a period of roughly three months. These proceedings are currently suspended until a decision is issued on a parallel case, which represents separate proceedings against IMBEA. The separate proceedings involve a claim by the same former Executive Board member for payment of remuneration for his duties on the Executive Board for the same period of roughly three months.

The above-mentioned values in dispute cover, in part, identical content. Based on estimates for the expected outcome of these proceedings, IMMOFINANZ Group has recognised an appropriate amount of provisions for legal disputes and provisions for legal proceedings in the consolidated financial statements.

## Investments in subsidiaries and associated companies

Shares in subsidiaries and associated companies comprise the following:

| Company | Balance sheet date | Share owned | Equity as of 30 April 2013 in EUR | | Profit /(loss) for the year in EUR | |
|---|---|---|---|---|---|---|
| IMBEA IMMOEAST Beteiligungsverwaltung GmbH, Vienna | 30 April 2012 | 100% | 4,687,097,930.54 | EUR | -309,287,968.24 | EUR |
| IMMOWEST Immobilien Anlagen GmbH, Vienna | 30 April 2012 | 100% | 190,365,059.02 | EUR | -75,696,287.60 | EUR |
| EHL Immobilien GmbH, Vienna | 31 Dec. 2012 | 49% | 4,037,832.78 | EUR | 3,916,832.78 | EUR |

## Average number of employees

| | Balance on 30 April 2013 | Balance on 30 April 2012 |
|---|---|---|
| Salaried employees | 271 | 241 |
| **Total** | **271** | **241** |

## Obligations arising from the use of tangible assets not shown on the balance sheet

| | 2012/13 | 2011/12 |
|---|---|---|
| | EUR | TEUR |
| Obligations for the next financial year | 2,354,609.07 | 2,200 |
| Obligations for the next five financial years | 7,011,803.18 | 8,510 |

# Corporate bodies

The corporate bodies of IMMOFINANZ AG are:

## Executive Board

**Eduard Zehetner** (Chairman)
**Daniel Riedl FRICS**
**Manfred Wiltschnigg MRICS** (up to 31 March 2013)
**Birgit Noggler**

The members of the Executive Board received remuneration totalling EUR 4.7 million in 2012/13 (2011/12: EUR 3.8 million). Contributions of TEUR 117.2 (2011/12: TEUR 58.6) were made to the employee severance compensation fund and TEUR 188.5 (2011/12: TEUR 149.5) to the pension fund.

In May 2012, EUR 3 million of turnaround bonuses were granted to the three Executive Board members who were active during the reorganisation phase from 2008 to 2011 and are still employed by the company. IMMOFINANZ Group was successfully directed out of the life-threatening crisis in the 2008/09 financial year, and equity and the NAV were substantially increased. Furthermore, dividend payments were made possible.

## Supervisory Board

**Herbert Kofler** – Chairman
**Michael Knap** – Vice-Chairman
**Guido Schmidt-Chiari** (up to 5 October 2012)
**Vitus Eckert**
**Rudolf Fries**
**Nick J. M. van Ommen**
**Klaus Hübner**
**Christian Böhm**

## Authorised Signatories

**Wolfgang Idl**
**Josef Mayer**
**Robert Operschall** (from 30 April 2011 to 14 June 2012)
**Alfons Mähr** (since 17 January 2013)
**Dietmar Reindl** (since 17 January 2013)
**Mario Josef Schmalzl** (since 17 January 2013)
**Martina Wimmer**

Vienna, 2 August 2013

The Executive Board

Birgit Noggler
CFO

Eduard Zehetner
CEO

Daniel Riedl FRICS
COO

# Development of Non-current Assets in acc. with § 226 (1) of the Austrian Commercial Code

| | | Acquisition or production cost | | | |
|---|---|---|---|---|---|
| **Amounts in EUR** | **Balance on 1 May 2012** | **Additions** | **Disposals** | **Reclassification** | **Balance on 30 April 2013** |
| 1. Trademarks and software | 443,030.78 | 665,745.92 | 0.00 | 0.00 | 1,108,776.70 |
| **Intangible assets** | **443,030.78** | **665,745.92** | **0.00** | **0.00** | **1,108,776.70** |
| 1. Buildings on land owned by third parties | 1,396,170.69 | 365,879.81 | | 0.00 | 1,762,050.50 |
| 2. Furniture, fixtures and office equipment | 1,017,720.81 | 338,661.58 | 118,149.73 | 0.00 | 1,238,232.66 |
| **Tangible assets** | **2,413,891.50** | **704,541.39** | **118,149.73** | **0.00** | **3,000,283.16** |
| 1. Investments in subsidiaries | 7,022,158,118.58 | 0.00 | 0.00 | 0.00 | 7,022,158,118.58 |
| 2. Investments in associated companies | 850,000.00 | 0.00 | 0.00 | 0.00 | 850,000.00 |
| 3. Non-current securities (rights) | 8,129,033.31 | 0.00 | 0.00 | 0.00 | 8,129,033.31 |
| Thereof subsidiaries | 7,078,334.05 | 0.00 | 0.00 | 0.00 | 7,078,334.05 |
| 4. Treasury shares | 145,755,598.51 | 62,361,443.45 | 35,472,189.92 | 0.00 | 172,644,852.04 |
| **Financial assets** | **7,176,892,750.40** | **62,361,443.45** | **35,472,189.92** | **0.00** | **7,203,782,003.93** |
| **Total non-current assets** | **7,179,749,672.68** | **63,731,730.76** | **35,590,339.65** | **0.00** | **7,207,891,063.79** |

| | **Accumulated** | **Carrying amount** | | **Impairment losses** | **Revaluations** |
|---|---|---|---|---|---|
| **Amounts in EUR** | **Depreciation** | **30 April 2013** | **30 April 2012** | **Current year** | **Current year** |
| 1. Trademarks and software | 397,380.90 | 711,395.80 | 149,069.97 | 103,420.09 | 0.00 |
| **Intangible assets** | **397,380.90** | **711,395.80** | **149,069.97** | **103,420.09** | **0.00** |
| 1. Buildings on land owned by third parties | 327,840.09 | 1,434,210.41 | 1,245,492.43 | 177,161.83 | 0.00 |
| 2. Furniture, fixtures and office equipment | 564,962.10 | 673,270.56 | 730,488.47 | 388,440.07 | 0.00 |
| **Tangible assets** | **892,802.19** | **2,107,480.97** | **1,975,980.90** | **565,601.90** | **0.00** |
| 1. Investments in subsidiaries | 382,083,379.09 | 6,640,074,739.49 | 6,654,955,786.96 | 14,881,047.47 | 0.00 |
| 2. Investments in associated companies | 0.00 | 850,000.00 | 850,000.00 | 0.00 | 0.00 |
| 3. Non-current securities (rights) | 0.00 | 8,129,033.31 | 8,129,033.31 | 0.00 | 0.00 |
| Thereof subsidiaries | 0.00 | 7,078,334.05 | 7,078,334.05 | 0.00 | 0.00 |
| 4. Treasury shares | 0.00 | 172,644,852.04 | 145,755,598.51 | 0.00 | 0.00 |
| **Financial assets** | **382,083,379.09** | **6,821,698,624.84** | **6,809,690,418.78** | **14,881,047.47** | **0.00** |
| **Total non-current assets** | **383,373,562.18** | **6,824,517,501.61** | **6,811,815,469.65** | **15,550,069.46** | **0.00** |

# Management Report for the 2012/13 Financial Year

## A. General information

IMMOFINANZ AG is the largest listed property company in Austria. The company headquarters are located at A-1100 Vienna, Wienerbergstrasse 11. IMMOFINANZ AG (in the following, IMMOFINANZ) is the parent company of IMMOFINANZ Group whose business activities cover the development, acquisition, rental and best possible commercial utilisation of properties to optimise asset management. IMMOFINANZ is listed in the ATX index (ISIN AT 0000809058) of the Vienna Stock Exchange. As of 30 April 2013, the company had 1,128,952,687 zero par value, voting shares outstanding. Market capitalisation amounted to approx. EUR 3.5 billion at the end of the 2012/13 financial year based on a closing price of EUR 3.105. As of 30 April 2013 5.8% of the IMMOFINANZ shares were held by the FRIES Family Private Foundation, the Dr. Rudolf FRIES Family Private Foundation, Mr. and Mrs. Rudolf Fries and other closely related persons. JPMorgan Chase & Co, together with companies under its control, held 6.1% of the IMMOFINANZ shares. The remaining 88.1% of the shares are held in free float by private and institutional investors.

## B. Business activities

### IMMOFINANZ Group – a profitable, stable and risk-optimised real estate company

### A real estate machine with a sustainable dividend policy

**Who we are**

IMMOFINANZ Group is a real estate investment and development corporation that is listed on the Vienna and Warsaw Stock Exchanges. Since its founding in 1990, the company has compiled a high-quality property portfolio that now includes more than 1,500 standing investments with a carrying amount of approx. EUR 9.4 billion. We currently manage 6,526,550 sqm of rentable space. The occupancy rate in these properties equals 89.5%, which confirms the quality of our portfolio.

**What we do**

We generate sustainable income for our shareholders with high-quality properties. Our activities are concentrated on prime properties in four asset classes – retail, office, logistics and residential. At the same time, our geographic portfolio in eight core countries – Austria, Germany, Poland, Czech Republic, Slovakia, Romania, Hungary and Russia creates a balanced diversification of risk.

**What we work on every day**

As a **real estate machine**, we concentrate on linking our three core business areas: the development of sustainable, specially designed prime properties in premium locations, the professional management of these properties and cycle-optimised sales. Our active and decentralised asset management increases rental income and, at the same time, reduces vacancies. The liquid funds generated by property sales are reinvested in new development projects. That's how we keep the machine running. Our goal is to generate greater profitability along the entire value change with a clearly defined, standardised and industrialised process.

**Why we believe in CEE**

The IMMOFINANZ portfolio is divided nearly equally between Eastern and Western Europe. Our earnings in CEE are substantially higher than in the west, and we believe in the long-term growth story and the convergence potential of this region. The total return on our CEE properties from 2010 to 2012 brought us the "IPD Property Investment Award in Central & Eastern Europe for balanced funds".

# C. Development of business

### Asset position

The assets held by IMMOFINANZ consist primarily of financial assets, receivables due from subsidiaries and marketable securities. The balance sheet total equalled EUR 7,763,712,877.28 as of 30 April 2013, which represents an increase of EUR 113,494,624.90 over the prior year. This development resulted, above all, from the repurchase of convertible bonds and treasury shares, the issue of a corporate bond and new financing. The equity ratio was 72.82% (2011/12: 75.99%).

### Earnings position

Net profit for the 2012/13 financial year amounted to EUR 38,976,795.53 (2011/12: TEUR 306,716) and is attributable mainly to the distribution from the subsidiary IMBEA IMMOEAST Beteiligungsverwaltung GmbH.

### Financial position

Cash and cash equivalents increased TEUR 110,376 in year-on-year comparison (2011/12: TEUR -22,401). Net cash flow from operating activities amounted to TEUR 249,565 (2011/12: TEUR 159,524). Net cash flow from investing activities totalled TEUR -1,363 (2011/12: TEUR -1,288). Net cash flow from financing activities equalled TEUR -137,826 (2011/12: TEUR 180,638) and was based, above all, on the issue of a corporate bond and bank financing with collateral in the form of treasury shares.

### Non-financial performance indicators

In 2012/13 IMMOFINANZ reduced the number of indirectly owned properties from von 1,618 to 1,542. As a result, the rentable space in the standing investments fell slightly from 6.696 million sqm to 6.527 million sqm.

| **Net cash flow from operating activities** | |
|---|---|
| Net profit for the year | 38,976,795.83 |
| Depreciation and amortisation | 16,158,783.67 |
| Write-ups to non-current assets | 0.00 |
| Change in provisions | -1,530,432.74 |
| Change in receivables | 33,169,050.84 |
| Change in liabilities | 162,931,788.25 |
| Change in prepaid-expenses and deferred charges | -140,540.53 |
| **Operating cash flow** | **249,565,445.32** |

| **Net cash flow from investing activities** | |
|---|---|
| Payments made for additions to non-current assets and intangible assets | -1,370,287.31 |
| Proceeds from disposal of non-current assets | 7,439.42 |
| **Total** | **-1,362,847.89** |

| **Net cash flow from financing activities** | |
|---|---|
| Change in borrowings from financial institutions and bonds | 112,397,527.58 |
| Repurchase of convertible bonds | -24,053,702.68 |
| Payments made for the repurchase of treasury shares | -62,361,443.45 |
| Dividend | -163,808,864.10 |
| **Total** | **-137,826,482.65** |

| **Cash change in cash and cash equivalents** | **110,376,114.78** |
|---|---|

| **Change in cash and cash equivalents** | |
|---|---|
| Balance at the beginning of the period | 871,711.02 |
| Balance at the end of the period | 111,247,825.80 |
| **Total** | **110,376,114.78** |

## D. Significant events after the end of the reporting year

A syndicated loan of EUR 173.5 million concluded in 2006 was repaid during May 2013. The collateral for this loan included a guarantee issued by IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH as well as real estate.

## E. Information on capital

The share capital of IMMOFINANZ AG totalled EUR 1,172,059,877.28 as of 30 April 2013 (30 April 2012: EUR 1,184,026,409.36). It is divided into 1,128,952,687 (2011/12: 1,140,479,102) zero par value bearer shares, each of which represents a proportional share of EUR 1.04 (rounded) in share capital.

All IMMOFINANZ shares are bearer shares that entitle the holders to participate in the annual general meeting and to exercise voting rights and other shareholder rights in accordance with applicable legal regulations. Each bearer share is entitled to one vote.

The Executive Board is not aware of any agreements between shareholders that restrict voting rights or the transfer of shares.

There are no shares with special controlling rights as defined in § 243a (1) no. 4 of the Austrian Commercial Code.

IMMOFINANZ AG has no employee share participation programme. Therefore, no information is provided on the control of voting rights pursuant to § 243a (1) no. 5 of the Austrian Commercial Code.

The development of the number of shares during 2012/13 is shown below:

| | Number of shares | Difference | Transaction |
|---|---|---|---|
| 30 April 2012 | 1,140,479,102 | | |
| October 2012 | 1,128,952,687 | 11,526,415 | Withdrawal of treasury shares |
| **30 April 2013** | **1,128,952,687** | | |

### Convertible bonds

#### Convertible bond 2014 (CB 2014)

Based on an authorisation of the annual general meeting on 28 September 2006, IMMOFINANZ AG issued convertible bonds on 19 January 2007. These convertible bonds have a total nominal value of EUR 750.0 million and a term ending on 20 January 2014 (ISIN XS0283649977). The conversion rights for the CB 2014 will be serviced by authorised capital (§ 159 of the Austrian Stock Corporation Act), which was approved by the annual general meetings of IMMOFINANZ AG on 28 September 2006, 27 September 2007 and 2 October 2009.

IMMOFINANZ AG holds repurchased CB 2014 bonds that have not yet been withdrawn with a total nominal value of EUR 96.2 million. CB 2014 bonds with a total nominal value of EUR 25.7 million were outstanding as of 30 April 2013. Based on the current applicable conversion price of EUR 13.33 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2014 bonds carry rights for conversion into a total of 1,927,982 IMMOFINANZ shares.

#### Convertible bond 2017 (CB 2017)

Based on an authorisation of the annual general meeting on 27 September 2007, IMMOFINANZ AG issued convertible bonds on 19 November 2007. These convertible bonds have a total nominal value of EUR 750.0 million and a term ending on 19 November 2017 (ISIN XS0332046043). The conversion rights for the CB 2017 will be serviced by authorised capital (§ 159 of the Austrian Stock Corporation Act), which was approved by the annual general meetings of IMMOFINANZ AG on 28 September 2006, 27 September 2007 and 2 October 2009.

### Premature redemption of the CB 2017 in 2012/13

In accordance with the terms of the issue, the CB 2017 bondholders were entitled to register their certificates for premature repayment on 19 November 2012. CB 2017 convertible bonds with a total nominal value of EUR 144.3 million were registered for repayment and redeemed by IMMOFINANZ AG.

In accordance with the terms of the issue, the CB 2017 bondholders are entitled to register their certificates for premature repayment on one further date during the remaining term: 19 November 2014.

IMMOFINANZ AG holds repurchased CB 2017 bonds that have not yet been withdrawn with a total nominal value of EUR 22.4 million. CB 2017 bonds with a total nominal value of EUR 35.1 million were outstanding as of 30 April 2013. Based on the current applicable conversion price of EUR 8.41 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2017 convertible bonds carry rights for conversion into a total of 4,173,602 IMMOFINANZ shares.

### Convertible bond 2018 (CB 2018)

Based on an authorisation of the annual general meeting on 27 September 2007 (issue of convertible bonds) and 28 September 2010 (sale of treasury shares), IMMOFINANZ AG issued 125,029,692 convertible bonds on 8 March 2011. These convertible bonds have a total nominal value of EUR 515.1 million and a term ending on 8 March 2018 (ISIN XS0592528870). The terms of the issue entitle all bondholders to register their CB 2018 certificates for premature repayment on 8 March 2016.

The annual general meeting of IMMOFINANZ AG on 28 September 2011 subsequently approved the issue of the convertible bond 2018 as well as an accompanying conversion right that initially involved up to 104,421,677 new bearer shares of common stock in the company. Moreover, the issue terms of the convertible bond 2018 were approved in accordance with § 174 of the Austrian Stock Corporation Act.

In order to service the conversion rights from the convertible bond 2018, the annual general meeting of IMMOFINANZ AG on 28 September 2011 approved a conditional capital increase of EUR 132.2 million pursuant to § 159 of the Austrian Stock Corporation Act.

IMMOFINANZ AG holds repurchased CB 2018 bonds that have not yet been withdrawn with a total nominal value of EUR 6.4 million. CB 2018 bonds with a total nominal value of EUR 508,684,500 were outstanding as of 30 April 2013. Based on the current applicable conversion price of EUR 3.74 (which was last adjusted on 8 October 2012 following the dividend payment for the 2011/12 financial year), the outstanding CB 2017 convertible bonds carry rights for conversion into a total of 136,011,903 IMMOFINANZ shares.

### No exercise of conversion rights or issue of new shares in 2012/13

No conversion rights for convertible bonds were exercised in 2012/13. Consequently, no new shares were issued by IMMOFINANZ AG.

The following table shows the development of the nominal value of the convertible bonds during 2012/13:

| | ISIN | Nominal value 30 April 2012 in TEUR | Conversions 2012/13 in TEUR | Repurchased/ redeemed 2012/13 in TEUR | Nominal value 30 April 2013 in TEUR |
|---|---|---|---|---|---|
| CB 2014 | XS0283649977 | 25,700.0 | 0.0 | 0.0 | 25,700.0 |
| CB 2017 | XS0332046043 | 195,000.0 | 0.0 | -159,900.0 | 35,100.0 |
| CB 2018 | XS0592528870 | 515,120.0 | 0.0 | -6,435.4 | 508,684.5 |
| **Total** | | **735,820.0** | | | **569,484.5** |

### Authorisation to issue new convertible bonds

The annual general meeting of the company on 28 September 2011 authorised the Executive Board to issue convertible bonds with a total nominal amount of up to EUR 1.2 billion. These bonds may carry exchange and/or subscription rights for up to 212,804,717 bearer shares in the company with a proportional share of up to EUR 220,9303,12.99 in share capital, and may be issued with or without the exclusion of subscription rights and in one or more tranches. This annual general meeting also approved a conditional capital increase of EUR 220,930,312.99 in accordance with § 159 of the Austrian Stock Corporation Act to service the exchange or subscription rights of the holders of convertible bonds that were or will be issued or equipped with exchange rights for new shares (i) based on a resolution of the annual general meeting on 28 September 2011 and/or (ii) the annual general meeting on 27 September 2007.

# Treasury shares

### Purchase of treasury shares in 2010/11 based on agreements for the "IBAG Bond" and Aviso Zeta

On 23 August 2010 55,005,409 IMMOFINANZ shares were purchased from IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ AG, at the closing price of EUR 2.75 per share in exchange for settlement of the financial receivables held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH. This transaction represented part of the contract performance by Constantia Packaging B.V. in connection with the closing of the agreements between IMMOFINANZ Group and Constantia Packaging B.V. on the so-called "IBAG Bond" (EUR 512 million). This purchase was based on the statutory provision for the prevention of damages as defined in § 65 (1) no. 1 of the Austrian Stock Corporation Act.

IMBEA IMMOEAST Beteiligungsverwaltung GmbH also purchased 2,066,020 IMMOFINANZ shares from Aviso Zeta AG (now a wholly owned subsidiary of IMMOFINANZ AG) on 29 September 2010 at the closing price of the IMMOFINANZ share on that date (i.e. EUR 2.708 per share). This purchase was based on the statutory provision for the prevention of damages as defined in § 65 (1) no. 1 of the Austrian Stock Corporation Act.

The 57,071,429 IMMOFINANZ shares purchased by IMBEA IMMOEAST Beteiligungsverwaltung GmbH represented a proportional amount of EUR 59,250,607.08, or 5.06%, in share capital as of 30 April 2013.

The purchase of the shares previously held by Aviso Zeta AG by IMBEA IMMOEAST Beteiligungsverwatung GmbH in December 2010 also included the indirect purchase of six bearer shares (formerly registered shares) of IMMOFINANZ AG. This purchase was based on the statutory provision for the prevention of damages as defined in § 65 (1) no. 1 of the Austrian Stock Corporation Act. The six IMMOFINANZ shares represent a proportional amount of EUR 6.23 in share capital.

### Share buyback programme 2010–2011

A resolution by the annual general meeting on 28 September 2010 authorised the Executive Board to repurchase the company's shares in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act. Based on this resolution, IMMOFINANZ AG carried out a share buyback programme from 12 November 2010 to 18 March 2011. This programme led to the repurchase of 47,350,248 IMMOFINANZ shares for a total price of EUR 145,755,598.48. These shares represented a proportional amount of EUR 49,158,238.87, or 4.19%, in share capital as of 30 April 2013.

### Withdrawal of treasury shares in 2012/13

Based on a resolution of the annual general meeting on 28 September 2011 that authorised the Executive Board pursuant to § 65 (1) no. 8 of the Austrian Stock Corporation Act to withdraw the company's shares, 11,526,415 of the 47,350,248 IMMOFINANZ shares repurchased during the 2010–2011 share buyback programme were withdrawn as of 3 October 2012. The withdrawn shares represented a proportional amount of EUR 11,966,532.08 in share capital. The company's share capital was subsequently reduced through a simplified capital decrease as defined in § 192 (3) no. 2 of the Austrian Stock Corporation Act by EUR 11,966,532.08 to EUR 1,172,059,877.27, divided into 1,128,952,687 bearer shares.

### Authorisation of the Executive Board to purchase treasury shares

The annual general meeting of IMMOFINANZ AG on 5 October 2012 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital. This authorisation is valid for a period of 30 months beginning on the date the resolution was passed. The shares may be purchased in one or more transactions over the stock exchange or over the counter with repeated utilisation of the 10% limit, also with the exclusion of the proportional subscription rights of shareholders.

### Authorisation of the Executive Board to sell treasury shares

The annual general meeting of IMMOFINANZ AG on 5 October 2012 authorised the Executive Board, with the consent of the Supervisory Board, to sell treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act. These shares may be sold or used for any legal purpose, whereby the proportional purchase rights of shareholders are excluded (exclusion of subscription rights). This authorisation is valid for a period of five years beginning on the date the resolution was passed.

### Share buyback programme 2012–2013

Based on resolutions by the annual general meetings on 28 September 2011 and 5 October 2012 for the repurchase of treasury shares, IMMOFINANZ AG carried out a share buyback programme from 1 October 2012 to 25 February 2013. This programme led to the repurchase of 20,000,000 IMMOFINANZ shares for a total price of EUR 62,361,443.45, including fees. These shares represented a proportional amount of EUR 20,763,666.91, or 1.77%, in share capital as of 30 April 2013.

### Financing with treasury shares

Based on a resolution of the annual general meeting on 5 October 2012 to sell treasury shares in accordance with § 65 (1b) of the Austrian Stock Corporation Act and to purchase treasury shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act, IMMOFINANZ AG sold and transferred 101,605,741 treasury shares to financial institutions on 10 January 2013 for financing purposes. In exchange, IMMOFINANZ AG received financing of EUR 150 million for a term of up to three years. These 101,605,741 shares represented a proportional amount of EUR 105,485,388.09, or 9.00%, in share capital as of 30 April 2013.

In this connection, the 57,071,429 IMMOFINANZ shares held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH (a wholly owned subsidiary of IMMOFINANZ AG) were also sold to IMMOFINANZ AG in January 2013 in exchange for a proportional share of the financing. This transfer of financing between IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH generally reflects the same conditions for the sale, financing and repurchase of the IMMOFINANZ shares as defined in the contract between IMMOFINANZ AG and the financing financial institutions.

The company is entitled to repurchase the 101,605,741 shares in exchange for repayment of the financing (EUR 150 million) at any time during the term. At the end of the term, the company is required to repay the financing and repurchase the shares. The interest payments during the term of the financing are linked to the EURIBOR. Dividends paid by IMMOFINANZ AG during the term will be returned to the company. The agreed repurchase price for the shares equals the sale price, i.e. the market risk and opportunities associated with the shares remain with the company. Based on the agreed right of IMMOFINANZ AG to repurchase the 101,605,741 shares during the term of the financing and the obligation to repurchase the shares at the end of the term, these 101,605,741 IMMOFINANZ shares are accounted for as treasury shares in accordance with International Financial Reporting Standards (IFRS) and the financing of EUR 150 million is reported as a liability.

The development of treasury shares is shown in the following table:

| Date | Number of shares | Owner | Circumstances and statutory provision | Proportional share of share capital 30 April 2013 in EUR | Proportional share of share capital 30 April 2013 in % | Purchase price in EUR |
|---|---|---|---|---|---|---|
| Aug. 2010 | 55,005,409 | IMBEA IMMOEAST Beteiligungsverwaltung GmbH | Closing of the agreements with Constantia Packaging B.V. on the "IBAG bond" (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 57,105,699.52 | 4.87 | 151,264,874.75 |
| Sep. 2010 | 2,066,020 | IMBEA IMMOEAST Beteiligungsverwaltung GmbH | Termination of banking activities by Aviso Zeta (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 2,144,907.56 | 0.18 | 5,594,782.16 |
| Dec. 2010 | 6 | Aviso Zeta AG | Acquisition of Aviso Zeta (§ 65 (1) no. 1 of the Austrian Stock Corporation Act) | 6.23 | 0 | 16.85 |
| Nov. 2010–March 2011 | 47,350,248 | IMMOFINANZ AG | Share buyback programme 2010–2011 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act) | 49,158,238.87 | 4.19 | 145,755,598.51 |
| Oct. 2012 | -11,526,415 | IMMOFINANZ AG | Withdrawal of treasury shares (§ (1) no. 8 sent. 3 of the Austrian Stock Corporation Act) | -11,966,532.08 | -1.02 | -35,472,189.92 |
| Oct. 2012–Feb. 2013 | 20,000,000 | IMMOFINANZ AG | Share buyback programme 2012–2013 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act) | 20,763,666.91 | 1.77 | 62,361,443.45 (incl. fees) |
| **Total** | **112,895,268** | | | **117,205,987.01** | **10** | **329,504,525.80** |
| **Thereof used as collateral for financing** | | | | | | |
| Jan. 2013 | -44,534,312 | IMMOFINANZ AG | Sale for financing with treasury shares (§ 65 (1b) of the Austrian Stock Corporation Act) | -46,234,781.01 | -3.94 | -65,745,000.00 |
| Jan. 2013 | -57,071,429 | IMBEA IMMOEAST Beteiligungsverwaltung GmbH | Sale for financing with treasury shares (§ 65 (1b) of the Austrian Stock Corporation Act) | -59,250,607.08 | -5.06 | -84,255,000.00 |
| | **-101,605,741** | | **Sale for financing with treasury shares (§ 65 (1b) of the Austrian Stock Corporation Act)** | **-105,485,388.09** | **-9** | **-150,000,000.00** |

As of 30 April 2013 IMMOFINANZ AG was the owner under Austrian civil law of 11,289,521 treasury shares. Six of these shares are held by Aviso Zeta AG, a wholly owned subsidiary of IMMOFINANZ AG. These 11,289,527 shares represented a proportional amount of EUR 11,720,598.91, or 1.00%, of the company's share capital as of 30 April 2013.

**Authorised capital**

The annual general meeting on 2 October 2009 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 238,289,496.40 through the issue of up to 229,525,447 new shares in exchange for cash or contributions in kind. These new shares may also be issued under the exclusion of subscription rights for contributions in kind, to service a greenshoe option or for the settlement of peak amounts. The authorisation is valid up to 22 October 2014.

## Change of control provisions

**Convertible bonds**

The terms of the convertible bonds CB 2014, CB 2017 and CB 2018 entitle the bondholders to put some or all of the securities not yet converted or redeemed in the event of a change of control. In such case, IMMOFINANZ AG must redeem the tendered securities at the nominal value plus accrued interest as of the respective date. Details on these provisions are provided in the terms of issue for convertible bonds CB 2014, CB 2017and CB 2018.

**Syndicated loan**

In 2006 a syndicate of Austrian and international banks granted IMMOFINANZ Finance B.V. a revolving credit facility (syndicated loan). In the event of a change of control, the lenders are entitled to demand immediate repayment of the outstanding amounts. IMMOFINANZ AG provided the lenders with a guarantee for the liabilities incurred under this arrangement. The outstanding nominal amount was EUR 173.5 million as of 30 April 2013. This outstanding balance of this syndicated loan was repaid from internal funds as planned shortly after the end of the reporting year.

**Corporate bond 2017**

In July 2012 IMMOFINANZ AG issued a 5.25% 2012–2017 partial debenture (corporate bond 2017, ISIN AT0000A0VDP8) with a total volume of EUR 100.0 million. This bond has a five-year term extending from 3 July 2012 to 2 July 2017. If there is a change of control and this change significantly impairs the ability of IMMOFINANZ AG to meet its obligations under the terms of the debenture, the bondholders are entitled to put their partial debentures to the company and to demand immediate repayment of the nominal amount plus accrued interest up to the repayment date. A change of control is defined as the attainment of a controlling majority of 30% in IMMOFINANZ AG by a person (or several persons acting in consort), who did not hold a controlling investment at the time the corporate bond 2017 was issued.

**Executive Board and Supervisory Board**

The employment agreements with the members of the Executive Board contain a change of control clause that may lead to the cancellation of a contract.

The company and the members of the Executive Board have concluded compensation agreements that will take effect in the event of a public takeover bid. Depending on the remaining term of the Executive Board member, the respective contract entitlement will equal one or two years at most.

There are no such agreements for the members of the Supervisory Board or for employees.

There are no other significant agreements which enter into force, change or terminate in the event of a change of control in the company following a takeover bid.

**Amendments to the articles of association, board appointments and dismissals**

In accordance with § 21 of the articles of association of IMMOFINANZ AG, the annual general meeting passes its resolutions based on a simple majority of the votes cast and, for resolutions that require a majority of capital, based on a simple majority of the share capital represented at the time of voting, unless legal regulations require another majority. The same applies to amendments to the articles of association and to the premature dismissal of members from the Supervisory Board.

In accordance with the articles of association of IMMOFINANZ AG, the person chairing the respective meeting will cast the deciding vote in the event of a tie in voting on the Supervisory Board. The same applies to the election to and dismissal of members from the Executive Board.

**Significant holdings**

On 15 April 2011 the company was informed that FRIES Familien-Privatstiftung, Dr. Rudolf FRIES Familien- Privatstiftung, Mr. and Mrs. Rudolf Fries and other closely related persons (together the "Fries Group") held a total of 65,006,048 voting rights directly and through their holdings. That represented a combined investment of more than 5% in the share capital of IMMOFINANZ AG as of 15 April 2011.

In connection with the conclusion of financing with treasury shares, IMMOFINANZ AG sold 67,737,161 treasury shares to J.P. Morgan Securities plc on 10 January 2013. On 10 January 2013 JPMorgan Chase & Co. announced that its holding, together with the holdings of controlled companies, exceeded a reportable threshold on that date. These combined holdings equalled a relevant stake of 69,131,831 IMMOFINANZ shares, or 6.12% of the total voting shares of IMMOFINANZ AG, on 10 January 2013.

## F. Research and development

IMMOFINANZ does not incur any expenses for research and development.

## G. Branch offices

IMMOFINANZ has no branch offices.

## H. Financial instruments and risk reporting

As an international property investor and developer, IMMOFINANZ Group is exposed to a variety of risks. A continuous risk management process ensures the timely identification of developments that could endanger the realisation of strategic and operating goals and also allows for the inclusion of important information in decision-making processes.

IMMOFINANZ Group has integrated an active risk management system into its operating processes and reporting paths. This system supports the rapid implementation of measures to counter risk and also has a direct impact on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout IMMOFINANZ Group to support the monitoring, evaluation and control of risks related to the operating business. Risk management in IMMOFINANZ Group takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions. In addition, the internal control system (ICS) was further optimised to support the early identification and monitoring of risk. Auditors evaluate the efficiency and effectiveness of the ICS each year, to the extent this is necessary for the preparation of the annual financial statements and the provision of a true and fair view of the asset, financial and earnings position of the company.

The most significant risk factors can be summarised under financial risks and market/property-specific risks. The major financial risk factors are associated with fluctuations in foreign exchange rates and interest rates as well as negative changes in the credit standing or liquidity of customers and business partners.

Market-and property-specific risks arise from micro- and macroeconomic events in individual countries and developments at the property level. Included here are the market price risk as well as the competitive situation and transaction risk.

The primary objective of risk management is to identify risks at an early point in time and thereby support the rapid implementation of appropriate countermeasures.

## Financial risks

### Default/credit risk

Default and credit risks arise when a contract partner of IMMOFINANZ Group is unable to meet his or her obligations, and this situation leads to financial damage for IMMOFINANZ Group. The amounts reported on the balance sheet under assets represent the maximum risk of default. Default risks are accounted for through appropriate value allowances.

The most important instrument for managing default risk is the continuous evaluation of the credit standing of contract partners.

The risk of default on receivables due from tenants is low because tenants are generally required to provide security deposits (for residential properties: cash deposits; for commercial properties: bank guarantees or cash deposits) and the credit standing of tenants is monitored on a regular basis. The risk of default on receivables due from banks is also considered to be low because all financing transactions are concluded with financial institutions that have excellent credit ratings. Despite the high-quality of its financing partners, IMMOFINANZ Group will increase its monitoring of their credit standing in the future. This approach reflects the significant volumes of funds repeatedly invested with banks owing to the Group's business model as well as the regulatory changes planned for the banking sector in the EU.

### Capital market and financing risk

The ability to obtain refinancing on the capital markets is an important strategic factor for IMMOFINANZ Group. Significant fluctuations on these markets can limit the availability of equity and/or debt. In order to minimise refinancing risk, IMMOFINANZ Group works to maintain a balance between equity and debt and distributes bank financing over various terms.

In order to eliminate the risks associated with the failure to meet capital market regulations, IMMOFINANZ Group has issued a compliance guideline. This guideline is designed to ensure the fulfilment of all capital market regulations and, above all, to prevent the misuse or distribution of insider information. The measures implemented in this connection include: the development of a compliance organisation; the definition of authorisations and duties for the compliance officer; the implementation of permanent and, where necessary, temporary classified units as well as blackout periods and trading prohibitions for persons assigned to these units.

The generation of liquidity from the operating business represents a central element of IMMOFINANZ Group's strategy. Processes to evaluate opportunities for optimisation or a further reduction in operating costs are expanded and improved continuously. Internal procurement guidelines for the operating business, above all in the area of property services, construction and facility management, form an important part of this cost reduction and optimisation potential.

In order to receive or continue the use of funds obtained through loan agreements, IMMOFINANZ Group must meet certain obligations – so-called financial covenants. The Group continuously monitors compliance with these covenants and remains in close contact with the lending institutions. If these obligations are not met, the lender may cancel the loan agreement under certain circumstances. At the present time IMMOFINANZ Group is not aware of and does not expect a breach of any major covenants that could negatively influence its business activities.

### Foreign exchange risk

IMMOFINANZ Group is exposed to various forms of foreign exchange risk in connection with its balance sheet and cash flows.

The risk of devaluation associated with foreign currency cash balances is offset by the rapid conversion of these funds into the Euro.

### Interest rate risk

As an international company, IMMOFINANZ Group is exposed to the risk of interest rate fluctuations on various property submarkets. Rising interest rates can influence earnings because they increase the interest expense on the Group's floating rate financing.

A change in interest rates will have a direct influence on financial results through its impact on floating rate financing. IMMOFINANZ Group limits the risk associated with rising interest rates – which would lead to higher interest expense and a decline in financial results – through the use of fixed interest rate financing contracts and derivative financial

instruments (above all CAPS and SWAPS). These derivative financial instruments are recorded as independent transactions and not as hedges.

### Liquidity risk

Liquidity risks are minimised by the preparation of a medium-term (five-year) forecast and an annual budget with monthly segmentation as well as monthly revolving liquidity reports. Daily liquidity management ensures that all operating obligations can be met and funds can be optimally invested, and also gives the Group the necessary flexibility to realise short-term acquisition opportunities.

IMMOFINANZ Group also uses long-term financing that reflects the financial capability of the individual properties (interest coverage ratio and/or debt service coverage ratio) as well as their market value (loan-to-value ratio).

In order to prevent cost overruns and the resulting excess outflow of liquidity, IMMOFINANZ Group routinely monitors budgets and the progress of construction on all development projects and maintenance work.

### Legal risks

As an international company, IMMOFINANZ Group is exposed to a variety of legal risks. Included here are risks related to the purchase or sale of property and risks arising from legal disputes with tenants or joint venture and development partners. A list of the major legal proceedings in which the Group is involved is provided in the section on legal disputes.

The outcome of current and future proceedings cannot be predicted with certainty. Therefore, expenses may arise from decisions or settlements by the courts or public authorities that are not covered in full or in part by insurance or provisions. These expenses could have an impact on the results recorded by IMMOFINANZ Group.

### Market risk and property-specific risks

The development of property markets is heavily dependent on economic growth and macroeconomic trends.

The related risks are based on the micro- and macroeconomic development of the countries where IMMOFINANZ Group is active as well as conditions on the global financial and investment markets. The resulting effects on market prices, market rents and yields also play an important role.

Property-specific risks are associated, above all, with the location of the properties, the architecture and the condition of the building as well as the local competitive situation.

In order to identify these risks and allow for the timely implementation of countermeasures, the property portfolio of IMMOFINANZ Group is analysed quarterly by means of a portfolio tracker. This analysis includes the systematic evaluation of quantitative and qualitative property factors as well as the portfolio concentration (i.e. sector and regional allocation) and forms the basis for tactical decisions.

The examination of quantitative property factors includes the calculation of an expected future return for each property based on a detailed budget for the next financial year and extrapolated medium-term forecasts. The properties are then ranked according to their total return on equity. Qualitative factors are made measurable with a scoring model that values the quality of the building and location as well as the market attractiveness of each property.

Properties whose location and quality do not meet the portfolio requirements are sold over the medium-term.

The sector and regional diversification of the property portfolio provides an excellent balance for market cycles and fluctuations as well as concentration risks. IMMOFINANZ Group generally owns high-quality properties in good locations, and this provides special protection against the above-mentioned risks. Detailed market studies are prepared on a regular basis and analysed in connection with reports by recognised real estate experts to allow for timely reaction to changes in the market environment. All market changes are included in the portfolio analysis and have an important influence on investment, sales and project plans and thereby also on the Group's medium-term planning. The acquisition process used by IMMOFINANZ Group includes extensive due diligence audits together with independent experts that are intended to identify any such risks in advance and to evaluate all risks related to legal, tax, economic, technical and social issues. IMMOFINANZ Group does not purchase properties that fail to meet its high quality standards. Regular commercial and technical reports are prepared after the acquisition, and the results are presented to the Executive Board.

An internal investment guideline issued by IMMOFINANZ Group regulates the framework and approval limits for all capital expenditure (property acquisitions, development projects and on-going investments). This established process minimises or eliminates the major strategic and property-specific risks. Approval limits are defined in an extensive guideline that applies to all Group companies and regulates all authorisations from individual employees up to the Executive Board. In some cases, these transactions are also subject to the approval of the Supervisory Board.

Development projects are exposed to increased risks in the form of schedule and construction cost overruns as well as the success of rentals. IMMOFINANZ Group minimises these risks by starting projects only after a specific level of pre-rentals is reached and by the regular monitoring of costs and schedules through variance analyses.

IMMOFINANZ Group minimises inflation risk by including index clauses in its standard leases.

IMMOFINANZ Group's business model includes the acquisition of properties and real estate development projects at attractive conditions as well as the profitable sale of individual assets. The risk associated with these transactions is addressed, above all, through the diversification of the property portfolio. This broad-based portfolio which covers four asset classes in eight core countries has allowed for numerous property sales in excess of fair value. Permanent market screening and wide-ranging business relationships as well as extensive knowledge of the relevant markets makes it possible for IMMOFINANZ Group to identify investment opportunities at an early point in time and to utilise these opportunities for new development projects.

**Concentration risk**

Concentration risk is understood to mean the accumulation of similar risks that contradict the principle of risk diversification. IMMOFINANZ Group consciously reduces these risks through the sector and regional diversification of the property portfolio and the realisation of larger real estate projects together with a partner. In addition to sector and regional diversification, IMMOFINANZ Group also works to achieve a diversified tenant structure. In this way, the loss of a tenant will not have a significant influence on the Group. IMMOFINANZ Group has a very well balanced and diversified tenant mix no single tenant is responsible for more than 2% of total rental income.

The Russian market is associated with a number of specific concentration risks. On the one hand, IMMOFINANZ Group has a single investment the *Golden Babylon Rostokino* shopping center in Moscow – which represents more than 10% of the standing investment portfolio based on fair value. On the other hand, the investments in Russia are concentrated on the Moscow retail market, which comprises 16.8% of the Group's standing investment portfolio.

## Legal disputes

This section explains the status of legal proceedings related to lawsuits filed by (former) shareholders and lawsuits related to the management contract with Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG).

**Legal proceedings by shareholders against IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH**

Since November 2008 a number of shareholders have filed claims against IMMOFINANZ AG (in short: IFAG) and IMMOEAST AG (now: IMBEA IMMOEAST Beteiligungsverwaltung GmbH, in short: IMBEA). Some of the plaintiffs are IMMOFINANZ AG shareholders, while others are shareholders of the former IMMOEAST AG, who are asserting various claims against IMMOFINANZ AG or against IMBEA as the legal successor of IMMOEAST AG. In all cases, the plaintiffs are claiming damages based on prospectus liability or other alleged inadequate capital market information. The plaintiffs' argumentation is based primarily on alleged deficiencies in the prospectuses of IMMOFINANZ AG or IMMOEAST AG. Many of the plaintiffs' claims are also based on other legal grounds, e.g. the violation of ad-hoc reporting requirements. Among others, the plaintiffs contend that the funds raised from the public offering were not used for acquisitions or the development of new real estate projects, but for the financing of IMMOFINANZ AG and IMMOEAST AG and for the purchase of shares in IMMOFINANZ AG and IMMOEAST AG. IMMOFINANZ AG and IMBEA reject these claims. Of special note are 19 class action lawsuits of Austrian origin involving between ten and 910 plaintiffs who have filed claims against IMMOFINANZ AG.

By the end of April 2013 a total of 810 lawsuits had been filed against IMMOFINANZ AG (whereby IMBEA was also named in some of the cases) and 78 lawsuits only against IMMOEAST AG/IMBEA with a value in dispute totalling approx. EUR 253 million. Most of the plaintiffs are covered by insurance for legal expenses or represented by AdvoFin, a company that finances such proceedings. The status of the pending proceedings is different, whereby most are still in the early stages. In many of the cases the plaintiffs have already been heard, and a more extensive hearing of evidence has only taken place in a few cases. In 43 cases, a judgment in the first instance or a final judgment was issued,

each – for different reasons – in favour of IMMOFINANZ AG or IMMOEAST AG/IMBEA. A decision in eight further cases is expected during the coming months. Some of the first-instance decisions were reversed by the Regional Appeals Court in Vienna or the Austrian Supreme Court and remanded to the first-instance court for renegotiation. In 17 of these proceedings, the plaintiffs withdrew their lawsuits. Seventy of the proceedings have been completed to date (19 legally binding judgments rejecting the lawsuits, 17 withdrawals of lawsuits and 34 agreements for withdrawal of the lawsuit under the waiver of claims).

| Pending proceedings: IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| IFAG | 376 | 25.3 |
| IMBEA | 66 | 7.7 |
| IFAG and IMBEA | 376 | 218 |

### Legal proceedings by shareholders against investment consultants and Aviso Zeta AG and third party notices against IMMOFINANZ AG/IMBEA

At the beginning of August 2008 shareholders of IMMOFINANZ AG and IMMOEAST AG (now: IMBEA) filed lawsuits against Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta AG) and AWD Gesellschaft für Wirtschaftsberatung GmbH (now: Swiss Life Select Österreich GmbH), through which they had purchased IMMOFINANZ and IMMOEAST shares. The plaintiffs allege, in particular, incorrect investment advising, misleading advertising and false depiction of IMMOFINANZ AG and IMMOEAST AG in public due to the withholding of information on the close relationship between the former Constantia Privatbank AG and IMMOFINANZ AG/IMMOEAST AG. Furthermore, the lawsuits contend that information was withheld on material transactions by the former Constantia Privatbank AG with shares of IMMOFINANZ AG and IMMOEAST AG and maintain that investors' funds were not used for the purposes stated in the prospectuses. The plaintiffs are seeking compensation and/or the assessment of the resulting financial losses. The plaintiffs did not lodge any direct claims against IMMOFINANZ AG in these cases. IMMOFINANZ AG and IMBEA are involved as intervening parties in some of the cases against Aviso Zeta AG or Swiss Life Select Österreich GmbH. An intervening party is someone who has a legal interest in the success of one party to pending legal proceedings between other persons or entities. The reason behind this type of intervention is that the defendant can file a recourse claim against IMMOFINANZ AG/IMBEA if the case is lost and is therefore taking action against IMMOFINANZ AG/IMBEA. If IMMOFINANZ AG/IMBEA did not join in these proceedings, IMMOFINANZ AG/IMBEA would not be able to raise the points addressed during the preliminary proceedings in any subsequent regress proceedings. The defendants' main argument against IMMOFINANZ AG/IMBEA is that the damages incurred by the plaintiffs were caused by actions on the part of IMMOFINANZ AG and IMMOEAST AG, which are currently under investigation by the Vienna public prosecutor in connection with criminal proceedings.

By the end of April 2013 Aviso Zeta AG had served IMMOFINANZ AG and/or IMBEA, in most cases both companies, with third party notices in 334 cases. Swiss Life Select Österreich GmbH has also served IMMOFINANZ AG and/or IMBEA with third party notices in 226 cases, also in class action suits that were filed against Swiss Life Select Österreich GmbH. IMMOFINANZ AG and IMBEA joined in most of these cases.

According to the information currently available to IMMOFINANZ AG, judgments have been issued in 40 lawsuits against Swiss Life Select Österreich GmbH and Aviso Zeta AG. Some of these judgments were issued in favour of the respective defendant, others against. Neither Swiss Life Select Österreich GmbH nor Aviso Zeta AG has filed recourse claims against IMMOFINANZ AG or IMBEA.

| Third party notices to IFAG/IMBEA | Number of proceedings | Value in dispute in MEUR |
|---|---|---|
| Aviso Zeta | 334 | 36.9 |
| AWD (now: Swiss Life Select Österreich GmbH) | 226 | 17.6 |
| **Total** | **560** | **54.5** |

### Proceedings to review the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG

IMMOFINANZ AG, as the accepting company, was merged with IMMOEAST AG, as the transferring company, in accordance with a merger agreement dated 21 January 2010. In connection with this merger, the former shareholders of IMMOEAST AG were granted a total of 567,363,702 shares in IMMOFINANZ AG based on an agreed exchange ratio of three IMMOFINANZ shares for each two IMMOEAST shares. Petitions were subsequently filed with the commer-

cial court of Vienna by IMMOFINANZ shareholders and shareholders of the former IMMOEAST AG for a review of this exchange ratio pursuant to §§ 225c ff of the Austrian Stock Corporation Act. This step led to the start of court proceedings, and IMMOFINANZ AG has filed an extensive statement in response to the petitions. In accordance with legal regulations (§ 225g of the Austrian Stock Corporation Act), the commercial court of Vienna has ordered an expert opinion on the exchange ratio.

Decisions or settlements in the proceedings to review the exchange ratio will apply to all shareholders in the respective shareholder groups (erga omnes right). If the proceedings lead to additional payments (additional settlement payments), the shareholders in the disadvantaged shareholder group will receive these payments plus interest at a rate of 2% over the base interest rate on the registration date (28 April 2010). IMMOFINANZ AG has requested permission to grant additional IMMOFINANZ shares in place of cash settlements.

The outcome of the proceedings to review the exchange ratio cannot be predicted at the present time. It is not possible to estimate whether the shareholder groups will be granted additional payments (additional settlement payments) or what the amount of these payments might be.

### Other legal disputes

In March 2011 IMMOFINANZ AG filed a lawsuit against three former members of the Executive Board and members of the Supervisory Board of the former Constantia Privatbank AG that involved option transactions to the detriment of the former IMMOEAST AG. The proceedings were suspended after the first hearing in September 2011 until a final binding decision is issued in the criminal proceedings against these former Executive and Supervisory Board members. These criminal proceedings resulted in the (not yet legally binding) first-instance conviction, among others, of two of the three defendants. IMBEA was also awarded approx. EUR 7 million by this first-instance decision (not yet legally binding). In addition, Aviso Zeta was awarded approx. EUR 4 million.

IMMOFINANZ AG filed a further lawsuit in September 2011 to enforce claims against a former member of the Executive Board and other persons in connection with payments made to third parties without justifiable grounds on the instructions of this former board member. This case is still in the early stages.

In August 2011 a former member of the Executive Board filed a lawsuit against IMMOFINANZ AG to claim payment of remuneration for his duties on the Executive Board for a period of roughly three months. These proceedings are currently suspended until a decision is issued on a parallel case, which represents separate proceedings against IMBEA. The separate proceedings involve a claim by the same former Executive Board member for payment of remuneration for his duties on the Executive Board for the same period of roughly three months.

The above-mentioned values in dispute cover, in part, identical content. Based on estimates for the expected outcome of these proceedings, IMMOFINANZ Group has recognised an appropriate amount of provisions for legal disputes and provisions for legal proceedings in the consolidated financial statements.

## Internal control system

IMMOFINANZ Group continued the development of its internal audit and control department during the reporting year and also implemented a number of measures to optimise the internal control system (ICS).

The ICS comprises a wide range of methods and measures to safeguard assets and to ensure the accuracy and reliability of data for accounting and financial reporting. The ICS is also intended to support compliance with the corporate policies defined by the Executive Board. The evaluation and design of controls are based on ICS benchmarks. The goals are to meet internal and external requirements and ensure that corporate processes and controls remain efficient.

As a multinational company, IMMOFINANZ Group utilises the framework developed by the Committee of Sponsoring Organisation of the Treadway Commission (COSO) in developing its ICS. This framework consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring.

The control environment at the group level represents the general framework under which internal control activities are designed and implemented. The most important components are statutory regulations and the standards and guidelines issued by IMMOFINANZ Group – e.g. the authorisation guideline, compliance guideline, investment guideline and general IT controls – as well as a clear management and organisational structure and the communication of basic values by management.

**Control environment: standards and guidelines**

The existing process landscape forms the starting point for the evaluation of the ICS at the process level. The control activities of IMMOFINANZ Group are integrated into procedures with special process management and ICS software as part of a risk control matrix.

**Process-based risk assessment**

The ICS in corporate accounting and financial reporting guarantees accuracy, security and efficiency and also ensures the correct, complete and timely preparation of all necessary information. The key features of the ICS in IMMOFINANZ Group's accounting processes are the appropriate segregation of duties, the application of the four-eyes principle in all order and invoice release procedures, compliance with internal guidelines (e.g. IMMOFINANZ Group's IFRS Accounting Manual), the review of accounting data by Group controlling for correctness, plausibility and completeness, the integration of preventive and detective controls in processes as well as the automation of key controls through specific system settings in the Navision financial accounting software and Hyperion consolidation software.

The implementation of new guidelines and control measures is supported by information events and feedback rounds. Progress and opportunities for improvement are subsequently reported at regularly scheduled management meetings. The monthly internal reporting includes a comparison of budget and actual data as well as a variance analysis, which supports the early identification of risks and the timely implementation of countermeasures.

Compliance with internal controls is monitored by the internal audit department as part of its auditing activities. The internal audit department is responsible for audits throughout the entire Group. It reports to the Executive Board, but the organisational responsibility lies with Chief Financial Officer Birgit Noggler. The corresponding corporate organisational guidelines apply to all auditing activities.

The internal audit department independently and regularly reviews operating processes and business transactions based on an annual audit plan that is approved by the Executive and Supervisory Boards. The priorities for this schedule are defined on the basis of risk criteria and organisational goals. These reviews focus primarily on compliance, the internal control systems and opportunities to improve efficiency.

**Monitoring by internal audit**

The results of the audits are reported to the Executive Board of IMMOFINANZ AG on a regular basis and to the Supervisory Board twice a year. As part of an annual report, the internal audit department gives an account of its performance during the audit year and presents a summary of all significant audit areas and results.

# I. Outlook

The IMMOFINANZ **real estate machine** gained considerable speed during the 2012/13 financial year. This is true, above all, for sales activities, where a volume of approx. EUR 661.3 million set a new record since the beginning of the sales programme. With these results, we exceeded the target of EUR 1.5 billion by EUR 153.2 million, or 10.2%, after three years. This figure does not include properties with a carrying amount of EUR 583.4 million that were classified as held for sale on the balance sheet as of 30 April 2013. A number of these properties have already been sold or the contract has been signed. Not least, results of operations rose from EUR 470.1 million to EUR 542.1 million, or by approx. EUR 71.9 million, in 2012/13 although results of property development were negative.

Our most important goals for the 2013/14 financial year are to significantly increase development activities and generate sound contributions to earnings, but to also create the requirements to raise the real estate machine to a new activity level. For 2014 we plan to separate the residential property management and development activities in Germany and Austria that are bundled in BUWOG from IMMOFINANZ Group and transfer this business to a separate company. This will take place through an initial public offering (IPO) or a "spin-off", depending on the relevant market environment at that time.

Both options will be designed to establish a fair balance between the interests of the company and shareholders, above all with a view to the potential effects of the individual alternatives on liquidity.

The remaining commercial part of IMMOFINANZ Group will concentrate on the highly profitable retail, office and logistics market segments especially in Central and Eastern Europe. Activities will be focused on real estate development, including the development of condominium apartments for sale in Central and Eastern Europe.

As in the past, we will also continue our efforts to optimise real estate management through
- the further reduction of vacancies in individual countries and asset classes, and
- the simplification of the portfolio through the sale of properties in non-core countries and the Opportunistic Office and Opportunistic Retail segments.

Our optimisation efforts will be accompanied by financial goals that include the sale of the remaining property assets that do not represent direct investments or are not under our direct control (e.g. fund investments etc.). These sales will support our goal to increase the percentage of directly owned assets on the balance sheet.

The turnover of the portfolio and an increase in profitability during the coming year will be supported by the above measures and other key factors: the steady continuation of the extremely successful sales programme that was launched in 2010/11 as an important cash generator for our real estate machine; the intensification of development activities with a focus on Germany, Poland, Russia and Romania; and the selective and opportunistic realisation of acquisitions to supplement the IMMOFINANZ portfolio.

We are optimistic that we will be able to further increase the value of IMMOFINANZ Group during the 2013/14 financial year and generate growing, risk-optimised cash flows for our shareholders.

Vienna, 2 August 2013

The Executive Board

Eduard Zehetner
CEO

Birgit Noggler
CFO

Daniel Riedl FRICS
COO

# Auditor's Report

### Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system of IMMOFINANZ AG, Vienna, for the fiscal year from 1 May 2012 to 30 April 2013. These financial statements comprise the balance sheet as of 30 April 2013, the income statement for the fiscal year ended 30 April 2013 and the notes.

### Management's Responsibility for the Financial Statements and for the Accounting System

The company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of IMMOFINANZ AG, Vienna, as of 30 April 2013 and of its financial performance for the fiscal year from 1 May 2012 to 30 April 2013 in accordance with Austrian Generally Accepted Accounting Principles.

### Comments on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate. In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 2 August 2013

**Marieluise Krimmel**
(Austrian) Certified Public Accountant

**Claudia Fritscher-Notthaft**
(Austrian) Certified Public Accountant

Deloitte Audit Wirtschaftsprüfungs GmbH

# Glossary

| | |
|---|---|
| Ad-hoc announcement | Corporate announcements that could influence the share price. These announcements are published by stock corporations in the form of ad-hoc press releases as required by 48d of the Austrian Stock Corporation Act and are designed to ensure that all market participants are provided with the same information |
| ADR programme | An American Depositary Receipt is a share certificate issued by an American depository bank, which represents a certain number of shares in a foreign company and is traded independently on the US capital market |
| Annualised rents | Projection of rental income for a specific period to total rental income for the year |
| Asset class | Classification categories for real estate based on the use of the property. IMMOFINANZ Group differentiates between the office, retail, residential, logistics and other assets classes |
| Asset management | Asset management covers the administration, rental and maintenance of standing investments. The services covered by asset management represent a source of income for IMMOFINANZ Group |
| ATX | Austria Traded Index, the leading index of the Vienna Stock Exchange |
| ATX Five | A price index comprising the five ATX shares with the highest weighting |
| ATX Prime | The shares traded in the Prime Market segment of the Vienna Stock Exchange |
| Benchmark | A comparative analysis, e.g. of companies or shares |
| BP | Basis point; a unit equal to one hundredth of a percentage point |
| BREEAM | The BRE Environmental Assessment Method is a certification method for buildings that concentrates on ecological aspects |
| CAPEX | Abbreviation for capital expenditure; capitalisable investments in real estate or other fixed assets |
| Carrying amount | The value of an asset or a liability as reported on the balance sheet |
| Cash flow | This indicator represents the inflows and outflows of cash and cash equivalents during a reporting period |
| CEE | Central and Eastern Europe |
| CIS | Commonwealth of Independent States |
| Closing price | The final trading price for a security at the end of a specific period |
| Commercial Code | The commercial (legal) code applicable to companies in Austria |
| Compliance rules | Compliance rules are issued to ensure conformity with legal, regulatory and voluntary regulations |
| Contingent liability | An obligation whose existence or amount is uncertain on the balance sheet date |
| Convertible bond | A financial instrument that creates a financial liability for the issuing company and gives the holder the right to convert the bond into a fixed number of common shares in the company |
| Corporate bond | An interest-bearing security issued by a company |
| Corporate governance | Corporate governance is the general term for a variety of policies and practices (e.g. management and control) in companies or other organisations |
| Capital yields tax | Also called withholding tax; a tax on income from investments |
| Cost model | A method to account for investment properties, which is based on the respective acquisition or production cost less accumulated depreciation (also see fair value model and IAS 40) |
| Coupon | A certificate that entitles the holder to receive dividends or interest |
| Coverage | The observation of a company and its share by analysts |
| Cross Currency SWAP | A derivative for the exchange of interest and principle payments in different currencies |

| | |
|---|---|
| DAX | German share index; originally Deutsche Aktienindex |
| Debt Service Coverage Ratio | An indicator that compares income to interest and principle payments |
| Deferred taxes | A balance sheet position resulting from the valuation differences on taxes between the financial statements prepared under IFRS and the financial statements prepared for tax purposes |
| Development project (property) | A property built or developed by the company; development projects are a source of revenue for IMMOFINANZ Group |
| Discount rate | The interest rate used to discount future cash flows; also see discounted cash flow method. |
| Discounted cash flow method | See section 7.3.5.2 of the notes to the consolidated financial statements on page 214 |
| Diversification | Distribution of real estate investments over various types of use and geographical regions in order to minimise risk |
| Dividend | A distribution of profit by the company to its shareholders |
| DNGB | German Sustainable Building Council (Deutsche Gesellschaft für nachhaltiges Bauen) |
| Dow Jones Industrial Index | US stock index |
| EBIT | Earnings before interest and tax |
| EBT | Earnings before tax |
| ECB | European Central Bank |
| EV | Enterprise value, i.e. the value of a company |
| EPRA | European Public Real Estate Association; the association of listed real estate companies in Europe |
| EPRA Best Practice Policy Recommendations | Recommendations made by the EPRA to increase transparency |
| EPRA/NAREIT Emerging Europe Index | EPRA stock index |
| EPS | Earnings per share; net profit for the period divided by the weighted number of shares outstanding |
| Equity | The amount of a company's assets that remains after the deduction of liabilities |
| Euro Stoxx 50 | Stock index of the 50 largest listed companies in Europe |
| EuroStat | Statistical office of the European Union |
| Full consolidation | A consolidation method under which the assets and liabilities of a subsidiary are included in the consolidated financial statements at 100% |
| Fair value | The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing and independent business partners |
| Fair value method | IAS/IFRS approach for the valuation of assets (including real estate); it is based on the actual price that could be realised on the market |
| FFO | Funds from Operations; financial indicator that is used to evaluate profitability of a company, above all in the real estate branch |
| Free float | The shares held by a large number of investors that are readily available on the market |
| FRICS | Fellow of the Royal Institution of Chartered Surveyors; the title held by the members of a British association of real estate experts (see MRICS). |
| FX effects | Foreign exchange effects; all financial effects resulting from exchange rate differences |
| Gearing | An indicator that measures the ratio of a company's debt to its equity (financial liabilities less cash and cash equivalents divided by equity) |

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|---|---|
| Gross return on a property | Annual gross return on a property, based on its carrying amount |
| HfT | Held for Trading; HfT means the respective securities are held for trading purposes |
| HtM | Held to Maturity; HtM means the respective securities will be held until they mature |
| IAS | International Accounting Standards |
| IAS 40 | The International Accounting Standard that regulates the accounting treatment and valuation of investment properties; it includes an option that allows companies to choose between the fair value model and the cost model |
| IATX | Branch index for property stocks in the ATX |
| ICS | Internal Control System |
| IFRIC | International Financial Reporting Interpretations Committee; subgroup of the International Accounting Standards Committee Foundation (IASCF) that deals with the interpretation of IFRSs and IASs |
| IFRS | International Financial Reporting Standards |
| Interest Coverage Ratio | Indicator that shows the ratio of a company's earnings to its interest payments |
| ISIN | International Security Identification Number |
| IVA | Austrian Shareholder Association (Österreichischer Interessenverband für Anleger) |
| Joint venture | A joint arrangement where the partner companies with joint control rights also share rights to the net assets of the joint arrangement |
| L&R | Loans and receivables |
| LTV | Loan to Value ratio; the actual debt (nominal debt) remaining on a property divided by its fair value on a specific date |
| Market capitalisation | Market value of a stock corporation (share price x number of shares outstanding) |
| Market value | See fair value |
| MRICS | Member of the Royal Institution of Chartered Surveyors; the title held by members of a British association of real estate experts (see FRICS). |
| NAV | Net Asset Value; see page 176 for calculation |
| NAV per share | NAV divided by the number of shares (excluding treasury shares) |
| Net profit | Profit or loss recorded by a company during a specific period |
| NNNAV | Triple Net Asset Value; NAV adjusted for the fair value of deferred taxes |
| NOI | Net Operating Income; the cash flows directly allocated to a particular property, which also form the basis for valuation |
| Nominal value | Repayment amount of a liability |
| ÖGNI | Austrian Sustainable Building Council (Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft) |
| Operating expenses | Costs that normally arise in connection with the use of a property (e.g. building management); these costs are charged to the tenants. |
| Operating segment | A component of a corporation |
| Proportionate consolidation | A consolidation method under which the assets and liabilities of a joint venture are included in the consolidated financial statements based on the percentage of ownership ("proportional share") |
| Participation right | An investment form that carries the right to receive a share of the company's net profit |
| Passive lawsuit | Under this type of lawsuit, a person is sued by another party |
| Property assets | Properties held to generate rental income (standing investments) and/or to realise an increase in value |

| | |
|---|---|
| Property portfolio | All properties held by a company |
| Real estate valuation | The determination of the value of properties by external experts (e.g. as of 30 April or 31 October) |
| Risk management | Active measures to provide protection against risks |
| SEE | South-Eastern Europe |
| Share capital | The total nominal value of the shares issued by a company |
| Share performance | The development of a share price during a specific period |
| Share price | The price at which a share trades on the stock exchange |
| Standing investment | Real estate that is held to generate rental income |
| Trade | The purchase and sale of properties; trading is a source of income for IMMOFINANZ Group |
| Turnover rate | The frequency with which properties are developed, bought and sold |
| US-GAAP | United States Generally Accepted Accounting Principles |
| USGBC | US Green Building Council; a non-profit organisation dedicated to promoting sustainable construction |
| Value date | The date on which funds are credited to an account and interest payments begin |
| Value in dispute | An expression used in legal proceedings that refers to the monetary value of the disputed object |
| Volatility | The variation in a value (e.g. a property market or the price of a stock) over time |
| Voting rights | The right to vote on motions at the annual general meeting. |
| Weighted average interest rate | The average interest rate on liabilities, weighted by the volume of the respective instruments |
| Yield | An indicator that shows the relationship between the income from an investment and the amount of the investment |

**Imprint**

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**Photos**

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**Key Data on the IMMOFINANZ Share**

| | |
|---|---|
| **Established** | April 1990 |
| **Listing** | Vienna Stock Exchange, Warsaw Stock Exchange |
| **Segment** | ATX, WIG |
| **ISIN** | AT0000809058 |
| **Ticker symbol Vienna Stock Exchange** | IIA |
| **Ticker symbol Warsaw Stock Exchange** | IIA |
| **Reuters** | IMFI VI |
| **Bloomberg** | IIA AV |
| **Datastream** | O: IMMO 866289 |
| **ISIN ADR programme** | US45253U2015 |
| **Included in the following indexes (selection)** | ATX, ATX five, ATX Prime, Immobilien-ATX, NTX, WBI, EMEA Real Estate Index, Europe 500 Real Estate Index, World Real Estate Index, Emerging Europe Index, EURO STOXX Real Estate EUR, STOXX EUROPE 600 Real Estate EUR |
| **Number of shares** | 1,128,952,687 |
| **Financial year** | 1 May to 30 April |

**Financial calender 2013/14**

| | |
|---|---|
| 25 September 2013 | Report on the first quarter |
| 2 October 2013 | Annual general meeting |
| 19 December 2013 | Report on the first half-year |
| 20 March 2014 | Report on the third quarter |

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