

Report on Item 10 of the
Agenda

25th Ordinary Shareholders' Meeting
of
IMMOFINANZ AG
on 11 May 2018

Report of the Supervisory Board of IMMOFINANZ AG regarding the proposed capital increase from company own funds

The shareholders' meeting of IMMOFINANZ AG (the "**Company**") shall resolve upon a capital increase from company own funds in accordance with sections 1 et seq. Austrian Capital Adjustment Act under agenda item 10. The resolution on the increase of the share capital from company own funds is combined with the resolution on a share split (reverse stock split) and a resolution on an ordinary reduction of the share capital. Each resolution shall be passed under the condition that the other two resolutions are passed.

At first, a share split (reverse stock split) in a ratio of 10: 1 shall be resolved upon to this agenda item (item 10). As a result, the share capital of the Company in the amount of EUR 1,120,852,699.00 shall be divided into 112,085,269 bearer shares with - as an intermediate step until ordinary capital reduction - a pro rata amount of the share capital of approximately EUR 10.00 each.

In the annual financial statements as of 31 December 2017 appropriated capital reserves in the amount of EUR 1,149,878,868.14 are shown. A partial amount of EUR 750,000,000.00 of these appropriated capital reserves shall be converted into share capital by way of capital adjustment in accordance with sections 1 et seq. Austrian Capital Adjustment Act. Subsequently the increased share capital shall be reduced by way of ordinary reduction of the share capital (sections 175 et seq. Austrian stock Corporation Act) for the purpose of allocating the funds to unappropriated reserves. The reduction of the share capital shall include - in addition to the amount of the capital increase of EUR 750,000,000.00 - the amount of EUR 1,008,767,430.00, in order to reduce the pro-rata amount of the share capital per share to EUR 1.00 again. Thus the share capital will be aligned with the number of outstanding shares again and will amount to EUR 112,085,269.00 after the ordinary capital reduction. The number of shares issued - reduced after the resolution upon the reverse stock split - does not change as a result of the capital increase and the capital reduction.

In preparation for this resolution the Executive Board of the Company submitted a report regarding the proposals and the relevant circumstances for these proposals with respect to the capital increase in accordance with section 2 para 5 Austrian Capital Adjustment Act.

The report of the Executive Board of the Company was audited separately by the auditor of the Company for the financial year 2017, Deloitte Audit Wirtschaftsprüfungs GmbH, in accordance with section 2 para 5 Austrian Capital Adjustment Act. According to the audit the proposed capital increase from company own funds fulfils the statutory requirements.

The report of the Executive Board as well as the report of the auditor has been submitted to the Supervisory Board in accordance with section 2 para 5 Austrian Capital Adjustment Act. The Supervisory Board examined the proposed capital adjustment on the basis of the report of the Executive Board and the report of the auditor. The measure fulfils the statutory requirements. The Supervisory Board agrees with the report submitted by the Executive Board.

Vienna, April 2018

The Supervisory Board