

Report on Item 9a of the
Agenda

22nd Ordinary Shareholders' Meeting
of
IMMOFINANZ AG
on 01 December 2015

Report of the Executive Board of IMMOFINANZ AG in accordance with section 2 para 5 Austria Capital Adjustment Act regarding the proposed capital increase from company own funds

For the ordinary shareholders' meeting of IMMOFINANZ AG (the "**Company**") on 01 December 2015 the resolution upon a capital increase from company own funds in accordance with sections 1 et seq. Austrian Capital Adjustment Act shall be proposed. The Executive Board hereby reports to the shareholders' meeting in accordance with section 2 para 5 Austrian Capital Adjustment Act.

The report in accordance with sec 2 para 5 Austrian Capital Adjustment Act shall render the proposals for the capital increase and describe the relevant circumstances leading to the proposals.

1. At the date of this report, the share capital of the company amounts to EUR 1,114,171,813.16 and is divided in 1,073,193,688 non-par value bearer shares. Thus, the pro-rata amount of the share capital per share amounts to EUR 1.0382 (rounded to four digits).
2. The annual financial statements as of 30 April 2015 were audited by the auditor of the Company, Deloitte Audit Wirtschaftsprüfungs GmbH. An unqualified opinion was granted. The financial statements as of 30 April 2015 is adopted and will be submitted to the ordinary shareholders' meeting. The financial statements as of 30 April 2015 show appropriated capital reserves in the amount of EUR 2,750,866,252.79. Neither unappropriated reserves nor profits carried forward, each in accordance with section 2 para 5 Austrian Capital Adjustment Act, are shown in the financial statements as of 30 April 2015. The capital adjustment is based on the financial statements as of 30 April 2015.
3. A partial amount of EUR 1,800,000,000.00 of the appropriated capital reserves shown in the financial statements as of 30 April 2015 shall be converted into share capital by way of capital adjustment in order to thereafter reduce the share capital by way of ordinary reduction of the share capital for the purpose of allocating the funds to unappropriated reserves, which can be released for distributions to the shareholders. To adjust the pro-rata amount of the share capital per share to EUR 1.00, the amount for the ordinary reduction of the share capital shall include - in addition to the amount of the share capital increase (EUR 1.8 billion) - EUR 40,978,125.16 to adjust the pro-rata amount of the share capital per share.

4. Thus, the Executive Board of the Company proposes to increase the share capital of the Company from currently EUR 1,114,171,813.16 by EUR 1,800,000,000.00 to EUR 2,914,171,813.16 by converting the respective amount of the appropriated capital reserve shown in the annual financial statement as of 30 April 2015 without issuance of new shares (capital adjustment in accordance with sections 1 et seq Austrian Capital Adjustment Act). The proposed capital increase from company own funds shall become effective in accordance with section 2 para 1 Austrian Capital Adjustment Act retroactively as of 30 April 2015.
5. The Company issued non-par value bearer shares. The number of issued shares will remain unchanged in the course of the proposed capital adjustment. The increase of the share capital of the Company from company own funds will be executed without issuance of new shares in accordance with section 4 para 1 Austrian Capital Adjustment Act.
6. The increased amount of the share capital shall not remain in place, but the shareholders' meeting shall – in connection with the resolution upon the increase of the share capital (capital adjustment) – also resolve upon the reduction of the share capital in accordance with the provisions on the ordinary reduction of share capital (sections 175 et seq. Austrian Stock Corporation Act). The resolutions are linked to each other: the resolution upon the capital increase from company own funds (capital adjustment) shall be passed under the condition that the resolution upon the ordinary reduction of the share capital is passed.
7. The ordinary reduction of the share capital shall have the purpose to allocate the funds from the capital reduction to unappropriated reserves. Further, the pro-rata amount of the share capital per share shall be adjusted by way of reduction of the share capital to EUR 1.00. The amount for the proposed ordinary reduction of the share capital includes in addition to the capital increase of EUR 1,800,000,000 the amount of EUR 40,978,125.16, corresponding to the required amount for the adjustment of the share capital in order that the pro-rata amount of the share capital per share amounts to EUR 1.00. Further, in the course of the ordinary reduction of the share capital the number of issued shares will not be changed (no combining of shares). By way of ordinary reduction of the share capital the share capital of the company shall be reduced by EUR 1,840,978,125.16 to EUR 1,073,193,688.
8. The conversion of appropriated reserves to share capital (capital adjustment) together with the ordinary reduction of the share capital for the purpose of allocation unappropriated reserves shall allow the release of unappropriated reserves for distributions to the shareholders. The first step to increase the share capital by conversion of a partial amount of the appropriated reserves to share capital (capital adjustment) is required, as the Austrian Stock Corporation Act does not provide a resolution upon a (direct) release or reduction of appropriated reserves.
9. After registration of the ordinary reduction of the share capital with the companies register the share capital of the Company will amount to EUR 1,073,193,688.00 and will be, based on the

current number of issued shares, divided in 1,073,193,688 non-par value bearer shares. The pro-rata amount of the share capital per share will amount to EUR 1.00.

10. After registration of the capital adjustment and the ordinary reduction of the share capital the equity of the Company as of 30 April 2015 would be as follows:

Balance Sheet as of 30 April 2015	Prior to capital increase of company own funds in EUR	After capital increase of company own funds in EUR	After ordinary reduction of the share capital in EUR
I. Share capital	1,114,171,813.16	2,914,171,813.16	1,073,193,688.00
II. Capital reserves 1. Appropriated	2,750,866,252.79	950,866,252.79	950,866,252.79
III. Revenue reserves 1. Other reserves (voluntary)	0.00	0.00	1,840,978,125.16
IV. Reserves for treasury shares	0.00	0.00	0.00
V. Profit (loss) account Thereof profit carried forward EUR 0.00	0.00	0.00	0.00
Sum	3,865,038,065.95	3,865,038,065.95	3,865,038,065.95

11. The resolution of the shareholders' meeting upon the capital adjustment has to be filed for registration with the companies register by the Executive Board together with the chairman of the Supervisory Board (or the vice chairman) within nine months from the date of the financial statements as of 30 April 2015 on which the capital adjustment is based on, thus until 30 January 2016. The capital adjustment will become effective upon registration with the companies register. Further, the reduction of the share capital has to be filed for registration with the companies register and will become effective upon registration with the companies register.
12. According to sec 2 para 3 Austrian Capital Adjustment Act appropriated reserves may only be converted into share capital to the extent that the remaining appropriated reserves equals at least one tenth of the share capital after the conversion. The remaining appropriated reserves after the execution of the proposed capital increase amount to EUR 950,866,252.79. These appropriated reserves fulfil the statutory requirement of section 2 para 3 Austrian Capital Adjustment Act.
13. Further, no impairment of assets have occurred since the date of the financial statements as of 30 April 2015 on which the proposed capital adjustment is based until the date of this report, which would preclude the capital increase from company own funds in the sense of section 3 para 1 Austrian Capital Adjustment Act.

14. This report of the Executive Board will be audited by the auditor of the Company, Deloitte Audit Wirtschaftsprüfungs GmbH, in accordance with section 2 para 5 Austrian Capital Adjustment Act and the audit report will be submitted to the shareholders' meeting. Also, the Supervisory Board of the Company will submit a report.

Vienna, November 2015

The Executive Board