

Report of the Supervisory Board

The Supervisory Board of IMMOFINANZ AG can look back on a productive year in 2014/15. In eight meetings, discussions covered the economic environment and the strategy of IMMOFINANZ as well as the latest market conditions and developments. Further decisions were taken by circular resolution.

In accordance with the articles of association, the Supervisory Board held an organisational session immediately after the 21st annual general meeting of shareholders in September 2014. This meeting confirmed the existing structures for the presidium and committees.

Succession plan for CEO

A succession plan for the transfer of responsibilities from CEO Eduard Zehetner was defined at the meeting in June 2014 and the handover to Oliver Schumy took place at the beginning of May 2015. Eduard Zehetner's term of office on the Executive Board was extended from the scheduled expiration date on 30 November 2014 to 30 April 2015. Oliver Schumy was appointed to the Executive Board of IMMOFINANZ AG for a five year period starting on 1 March 2015, i.e. up to 29 February 2020.

Issue of an exchangeable bond

The issue of a EUR 375.0 million exchangeable bond for shares of BUWOG AG was approved in September and then successfully placed on the market.

Share buyback programme 2014/15

Following the withdrawal of treasury shares, the Supervisory Board approved a share buyback up to a maximum price of EUR 3.00 per share and a volume of up to 10,167,053 million shares at the December 2014 meeting.

Acquisition of *EMPARK Business Park*

At the December 2014 meeting, the Supervisory Board also approved an increase in the investment in the *EMPARK Business Park* in Warsaw, Poland. IMMOFINANZ Group previously held a 50% stake in this office complex. The purchase contract was signed after the end of the reporting year, and the closing is expected to take place in August 2015.

Special report on Russia

The Executive Board presented a special report on the current situation in Russia to the Supervisory Board at its December 2014 meeting and reported on various measures related to the development of the IMMOFINANZ shopping centers in Moscow.

Share buyback programme 2015

Following the withdrawal of treasury shares, the Supervisory Board approved a share buyback up to a maximum price of EUR 3.20 per share and a volume of up to 30 million shares at the March 2015 meeting.

Sale of City Box

The sale of the Dutch self-storage provider City Box was also approved at the March 2015 meeting. This transaction represents a further strategic step to optimise the portfolio. The sale was announced and concluded after the end of the reporting year.

Development report

At the Supervisory Board meeting in March 2015, the Executive Board presented a report on the current status of development projects in the IMMOFINANZ core countries and discussed the opportunities, risks and potential of various development projects in detail with the Supervisory Board.

Partial public takeover offer for CA Immo

A voluntary partial public offer for up to 29% of the outstanding share capital of CA Immobilien Anlage AG (CA Immo) was also approved in March 2015. IMMOFINANZ AG retracted this offer in April 2015 because the ordinary general meeting of CA Immo on 28 April 2015 was asked to approve an amendment to the articles of association at the recommendation of O1 Group Limited, the major shareholder, which would have made it impossible for IMMOFINANZ AG to exercise adequate influence on the supervisory board of CA Immo. This proposed amendment to the articles of association was subsequently approved by the CA Immo general meeting.

Budget for the 2015/16 financial year

The budget for the 2015/16 financial year was presented by the Executive Board and approved by the Supervisory Board during the April 2015 meeting. A revised medium-term forecast for 2016/17–2019/20 was also presented to and accepted by the Supervisory Board.

The Supervisory Board held an organisational session immediately after the extraordinary general meeting of shareholders in April 2015, which also included the newly elected Supervisory Board members. The structures for the presidium and committees were enlarged to include these new members.

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, internal audit and risk management systems.

At the meetings in August 2014 and March 2015, the Audit Committee received interim reports on the results of internal audits in the Group as well as schedules for the implementation of the resulting recommendations and future internal audits.

The Audit Committee meeting in August 2015 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; and the corporate governance report, each for the 2014/15 financial year. The results of this review were presented to the full Supervisory Board.

Strategy Committee

The Strategy Committee is responsible for defining the company's strategic orientation and approving investments and divestments. The duties of the Strategy Committee were filled by the full Supervisory Board in 2014/15.

Personnel and Nominating Committee

The duties of the Supervisory Board's Personnel and Nominating Committee 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 throughout the reporting year. In addition to the above-mentioned issues, discussions by the Supervisory Board centered on the company's strategic orientation, financial position and developments in the target markets as well as capital market trends. A special focus was placed on the optimisation and financing of the property portfolio. Selected topical issues were also handled outside the scheduled meetings in direct discussions between the Executive Board and the chairman and members of the Supervisory Board.

Approval of the 2014/15 annual financial statements

The Executive Board presented the Supervisory Board with the following documents: the annual financial statements for 2014/15, which were prepared in accordance with the Austrian Commercial Code, and the management report; the consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards (IFRS), and the group management report; and the corporate governance report, each for the 2014/15 financial year. The annual financial statements for 2014/15 and the management report as well as the consolidated financial statements for 2014/15 and the group management report were audited by Deloitte Audit Wirtschaftsprüfung GmbH and each awarded an unqualified opinion.

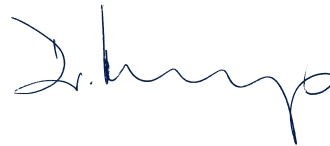
The annual financial statements and consolidated financial statements as well as the related auditor's reports were discussed by the Audit Committee in detail in the presence of the auditor and

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 2015, 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, 6 August 2015

For the Supervisory Board



Michael Knap
Chairman