

# Report of the Supervisory Board

The Supervisory Board of IMMOFINANZ AG can look back on a productive and successful year in 2013/14. In a total of seven meetings, we discussed the economic environment and the strategy of IMMOFINANZ Group as well as the latest market conditions and developments.

In accordance with the articles of association, the Supervisory Board held an organisational session immediately after the 20th annual general meeting of shareholders in October 2013. The presidium and committees structures were changed at this meeting following the election of Michael Knap as chairman.

## Extension of Executive Board contract

In May 2013 Birgit Nogglger's term of office as Chief Financial Officer was extended for four years to 30 September 2017.

## Sale of Silesia City Center

The Supervisory Board also approved the sale of the *Silesia City Center* in Katowice, Poland, in May 2013.

## BUWOG spin-off

The restructuring process to separate BUWOG and preparations for the spin-off and the acquisition of a portfolio in Northern Germany (DGAG portfolio) were approved by the Supervisory Board in its December 2013 meeting.

In the January 2014 meeting, the Supervisory Board approved the spin-off documents for presentation to and voting by the extraordinary general meeting.

## Changes on the Supervisory Board

Herbert Kofler resigned from the Supervisory Board for personal reasons at the end of January 2014.

Vitus Eckert and Klaus Hübner resigned from the Supervisory Board at the end of April 2014 with the registration of the spin-off of BUWOG AG. They were elected by the annual general meeting of BUWOG AG to the Supervisory Board in May 2014, after the end of the 2013/14 financial year. As of 30 April 2014 the following persons served as shareholder representatives on the Supervisory Board

of IMMOFINANZ AG: Michael Knap, Rudolf Fries, Christian Böhm and Nick J. M. van Ommen FRICS.

## Budget for the 2014/15 financial year

The budget for the 2014/15 financial year was presented by the Executive Board and approved by the Supervisory Board during the April 2014 meeting. A revised medium-term forecast was also presented to and approved by the Supervisory Board.

## New appointment to the Executive Board

At the April meeting Dietmar Reindl was appointed to the Executive Board as of 1 May 2014 for a three-year term. He succeeds Daniel Riedl FRICS, who resigned from the IMMOFINANZ Executive Board following the spin-off of BUWOG.

## Announcement of a successor to the CEO

A successor to Eduard Zehetner was appointed after the end of the 2013/14 financial year. Oliver Schumy will take over as CEO at the beginning of May 2015. Eduard Zehetner's term of office, which would have expired on 30 November 2014, was extended to 30 April 2015.

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

The Audit Committee meeting in August 2014 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 2013/14 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 2013/14.

### 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 2013/14 annual financial statements

The Executive Board presented the Supervisory Board with the following documents: the annual financial statements for 2013/14, which were prepared in accordance with the Austrian Commercial Code, and the management report; the consolidated financial statements for 2013/14, which were prepared in accordance with International Financial Reporting Standards (IFRS), and the group management report; the recommendation of the

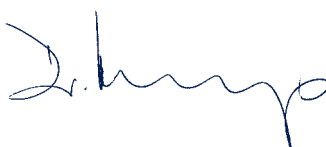
Executive Board for the distribution of profit and the corporate governance report for 2013/14. The annual financial statements for 2013/14 and the management report as well as the consolidated financial statements for 2013/14 and the group management report were audited by Deloitte Audit Wirtschaftsprüfungs GmbH and each awarded an unqualified opinion.

The annual financial statements and consolidated financial statements as well as the 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 2014, 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, 1 August 2014

For the Supervisory Board



Michael Knap  
Chairman