IMMOFINANZ AG

Closing Balance Sheet including Notes as of

31 October 2013

IMMOFINANZ AG, Vienna
FN 114425 y

Attachment 1

CLOSING BALANCE SHEET as of 31 October 2013

(All amounts in Euro)

ASSETS

				30.04.2013 TEUR
A.	**Non-current assets**			
I.	Intangible assets			
	1. Trademarks and software	646.030,41	646.030,41	711
II.	Property, plant and equipment			
	1. Buildings on land owned by third parties	1.343.628,71		1.434
	2. Furniture, fixtures and office equipment	550.978,07		673
			1.894.606,78	2.107
III.	Financial assets			
	1. Investments in subsidiaries	6.545.532.330,00		6.640.075
	2. Investments in associated companies	850.000,00		850
	3. Treasury shares	137.730.057,09		172.645
	4. Non-current securities (rights)	8.129.033,31		8.129
			6.692.241.420,40	6.821.699
			6.694.782.057,59	**6.824.517**
B.	**Current assets**			
I.	Receivables			
	1. Trade receivables	4.391,35		237
	2. Receivables from subsidiaries	445.057.017,41		680.989
	3. Receivables from associated or jointly controlled companies	19.307.912,32		11.759
	4. Other receivables	12.456.049,15		9.044
			476.825.370,23	702.029
II.	Current marketable securities			
	1. Miscellaneous securities and shares		126.358.054,66	124.820
III.	Cash in bank		48.019.508,28	111.248
			651.202.933,17	**938.097**
C.	**Prepaid expenses and deferred charges**		**979.729,34**	**1.099**
			7.346.964.720,10	**7.763.713**

EQUITY AND LIABILITIES

				30.04.2013 TEUR
A.	**Equity**			
I.	Share capital		1.172.059.877,28	1.172.060
II.	Capital reserves			
	1. Appropriated		4.017.779.656,75	4.017.780
III.	Revenue reserves			
	1. Other reserves (voluntary)	20.056.196,51		117.537
	2. Reserve for treasury shares	137.730.057,09		172.644
			157.786.253,60	290.181
IV.	Profit (loss) account Thereof profit carried forward EUR 10,542,807.46 (prior year: TEUR 11,267)		0,00	173.206
			5.347.625.787,63	**5.653.227**
B.	**Provisions**			
1.	Provisions for termination benefits		238.600,52	239
2.	Provisions for taxes		16.111.620,17	1.490
3.	Other provisions		27.806.704,31	19.227
			44.156.925,00	**20.956**
C.	**Liabilities**			
1.	Bonds		812.113.731,16	811.725
2.	Liabilities with financial institutions		186.505.688,10	186.526
3.	Trade liabilities		2.332.374,62	3.065
4.	Liabilities with subsidiaries		953.428.117,31	1.087.229
5.	Other liabilities From taxes: EUR 367,446.87 (prior year: TEUR 504) From social security: EUR 386,885.75 (prior year: TEUR 408)		802.096,28	985
			1.955.182.007,47	**2.089.530**
			7.346.964.720,10	**7.763.713**
	Contingent liabilities		85.470.214,78	249.723

N O T E S

1. General Information

The closing balance sheet of IMMOFINANZ AG as of 31 October 2013 was prepared in accordance with the provisions of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) 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.

This six-month reporting period for IMMOFINANZ AG cover the months from 1 May 2013 to 31 October 2013.

In accordance with § 223 (2) UGB, 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.

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 during the reporting period 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. The investment in IMBEA IMMOEAST Beteiligungsverwaltung GmbH was valued as of the above balance sheet date based on an external appraisal and in accordance with the discounted cash flow method.

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) UGB, 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 UGB.

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 change to **investments in subsidiaries** resulted from an impairment charge of EUR 174,890,909.49 (prior year: TEUR 0) to the investment in IMBEA IMMOEAST Beteiligungsverwaltung GmbH. This investment was valued as of the above balance sheet date based on an external appraisal and in accordance with the discounted cash flow method. Other changes involve an indirect contribution of EUR 80,223,000.00 to GENA ZWEI Immobilienholding GmbH and the acquisition of three investments, GENA SECHS Immobilienholding GmbH, BUWOG AG and Parthica Immobilien 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 (prior year: TEUR 7.078) in RentCon Handels- u. Leasing GmbH.

As of 31 October 2013 the company held **treasury shares** with a carrying amount of EUR 137,730,057.09 (prior year: TEUR 172,645). These treasury shares had a market value of TEUR 143,623 as of 31 October 2013. On 2 August 2013, 11,289,521 treasury shares with a value of EUR 34,914,794.95 were sold to IMBEA IMMOEAST Beteiligungsverwaltung GmbH for EUR 35,449,095.94.

IMMOFINANZ AG held 44,534,312 treasury shares as of 31 October 2013. IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ AG, held 68,360,950 shares of IMMOFINANZ AG 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 IMMOFINANZ Group held slightly less than 10% (prior year: 10%) of the share capital of IMMOFINANZ AG as of 31 October 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 para. 1 no. 8 and para. 1b of the Austrian Stock Corporation Act (*Aktiengesetz*, AktG) 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 public offering in accordance with § 65 para. 1b AktG. 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.

As of 31 October 2013 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 para. 3 UGB, 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 share of share capital on 31.10.2013 (in EUR)	Proportional share of share capital on 31.10.2013 (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 para. 1 no. 1 AktG)	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 para. 1 no. 1 AktG)	2,144,907.56	0.18	5,594,782.16
Dec 2010	6	Aviso Zeta AG	Acquisition of Aviso Zeta (§ 65 para. 1 no. 1 AktG)	6.23	0.00	16.85
Nov 2010 - Mar 2011	47,350,248	IMMOFINANZ AG	Share buyback programme 2010 – 2011 (§65 para. 1 no. 8 AktG)	49,158,238.87	4.19	145,755,598.51
Oct.12	-11,526,415	IMMOFINANZ AG	Withdrawal of treasury shares (§65 para. 1 no. 8 sent. 3 AktG)	-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 para. 1 no. 8 AktG)	20,763,666.91	1.77	62,361,443.45
Total	**112,895,268**			**117,205,987.01**	**10.00**	**329,504,525.80**
Thereof used as collateral for financing						
Jan.13	-44,534,312	IMMOFINANZ AG	Sale for financing with treasury shares (§ 65 para. 1b AktG)	-46,234,781.01	-3.94	
Jan.13	-57,071,429	IMBEA IMMOEAST Beteiligungsverwatlung GmbH	Sale for financing with treasury shares (§ 65 para. 1b AktG)	-59,250,607.08	-5.06	
	-101,605,741		**Sale for financing with treasury shares (§ 65 para. 1b AktG)**	**-105,485,388.09**	**-9.00**	

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:

All amounts in EUR	31 October 2013	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Trade receivables	4,391.35	4,391.35	0.00	0.00
Receivables from subsidiaries	445,057,017.41	445,057,017.41	0.00	0.00
Receivables from associated or jointly controlled companies	19,307,912.32	19,307,912.32	0.00	0.00
Other receivables and assets	12,456,049.15	12,456,049.15	0.00	0.00
Total	**476,825,370.23**	**476,825,370.23**	**0.00**	**0.00**

All 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	0.00	0.00
Receivables from subsidiaries	680,988,387.16	680,988,387.16	0.00	0.00
Receivables from associated or jointly controlled companies	11,758,923.59	11,758,923.59	0.00	0.00
Other receivables and assets	9,044,132.35	9,044,132.35	0.00	0.00
Total	**702,028,717.69**	**702,028,717.69**	**0.00**	**0.00**

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 include EUR 28,260,621.69 (prior year: TEUR 53,432) of receivables from the provision of goods and services and receivables of EUR 183,175.36 (prior year: TEUR 363) related to accrued interest for the participation rights in RentCon Handels- und Leasing GmbH. This position also includes other receivables of EUR 12,744,403.64 (prior year: TEUR 27,588), dividends receivable of EUR 50,137,331.34 (prior year: TEUR 240,014) and loans receivable of EUR 428,128,218.95 (prior year: TEUR 432,298). Impairment losses of EUR 74,396,733.57 (prior year: TEUR 72,707) 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 the reporting year and earlier years and could have resulted in write-ups of EUR 14,471,835.59 (2011/12: TEUR 16,864) 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 6,386,629.03 (prior year: TEUR 6,548) due from tax authorities.

Miscellaneous securities and shares

This position comprises 962 shares of the 2014 convertible bond with a nominal value of EUR 96,200,000.00 (prior year: TEUR 96,200), 224 shares of the 2017 convertible bond with a nominal value of EUR 22,400,000.00 (prior year: TEUR 22.400) and 1,562,000 shares of the 2018 convertible bond with a nominal value of EUR 6,435,440.00 (prior year: TEUR 6,435). There were no changes to miscellaneous shares and securities during the reporting period from 1 May 2013 to 31 October 2013.

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, BACBG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Vienna, LGT Bank AG, Vienna, and Landesbank Hessen-Thüringen, Frankfurt.

Prepaid expenses

This position includes miscellaneous fees paid during the reporting year that relate to the following financial year, e.g. amounts due to the Austrian Financial Market Authority, insurance, flights, maintenance and licenses.

EQUITY AND LIABILITIES

Equity

Share capital totals EUR 1,172,059,877.28 (prior year: TEUR 1,172,060) and is classified as follows:

	Number of shares 31.10.2013	Share capital in EUR 31.10.2013	Number of shares 30.04.2013	Share capital in EUR 30.04.2013
Bearer shares	1,128,952.687	1,172,059,877.28	1,128,952,687	1,172,059,877.28
Total	**1,128,952.687**	**1,172,059,877.28**	**1,128,952,687**	**1,172,059,877.28**

Equity as of 31 October 2013 comprised the following:

All amounts in EUR	31.10.2013	30.04.2013
Share capital	1,172,059,877.28	1,172,059,877.28
Capital reserves		
1) Appropriated	4,017,779,656.75	4,017,779,656.75
Revenue reserves		
1) Other reserves (voluntary)	20,056,196.51	117,536,790.24
2) Reserve for treasury shares	137,730,057.09	172,644,852.04
Profit (loss) account	0.00	173,205,563.71
Equity	**5,347,625,787.63**	**5,653,226,740.02**

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 para. 2 no. 1 UGB and from the merger of IMMOEAST AG with IMMOFINANZ AG; a reserve for treasury shares pursuant to §225 para. 5 UGB; and a voluntary revenue reserve. The change in the revenue reserves resulted from the sale of treasury shares to the wholly owned subsidiary IMBEA IMMOEAST Beteiligungsverwaltung GmbH during the reporting period. In addition, EUR 97,480,593.73 was released from the revenue reserves to cover the balance sheet loss that would otherwise have resulted.

Provisions

The provision for termination benefits (EUR 238,600.52 prior year: TEUR 239) 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.

The provisions for taxes consist primarily of the final tax settlement with BUWOG – Bauen und Wohnen Gesellschaft mbH and its subsidiaries (EUR 7,827,383.00) and a provision for negative taxable results generated and used by members of the IMMOFINANZ tax group (EUR 6,794,388.07). Additional information is provided under the section on group taxation pursuant to § 9 of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*, KStG).

Other provisions consist primarily of accruals for 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 31 October 2013 (2013: 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 2012/13 financial 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 31 October 2013 totalled EUR 35.1 million (2013: 35.1 million).

The convertible bondholders have a further opportunity to put their bonds prematurely as of 19 November 2014.

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.

The nominal amount outstanding as of 31 October 2013 was EUR 508.7 million (2013: EUR 508.7 million).

Conversions and repurchases

No conversions were exercised during the reporting period.

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 AktG 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:

All amounts in EUR	31 October 2013	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Bonds	812,113,731.16	130,110,990.28	682,002,740.88	0.00
Liabilities with financial institutions	186,505,688.10	788,782.93	152,400,000.00	33,316,905.17
Trade liabilities	2,332,374.62	2,332.374.62	0.00	0.00
Liabilities with subsidiaries	953,428,117.31	953,428,117.31	0.00	0.00
Other liabilities	802,096.28	802,096.28	0.00	0.00
Total	**1,955,182,007.47**	**1,087,462,361.42**	**834,402,740.88**	**33,316,905.17**

All 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	0.00
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	0.00	0.00
Liabilities with subsidiaries	1,087,229,061.49	1,087,229,061.49	0.00	0.00
Other liabilities	984,916.57	984,916.57	0.00	0.00
Total	**2,089,530,007.42**	**1,222,490,343.00**	**833,322,759.24**	**33,716,905.18**

Liabilities with subsidiaries are classified as current in cases where a specific payment term was not defined.

In the 2012/13 financial year, 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 para. 1b AktG and to purchase treasury shares in accordance with § 65 para. 1 no. 8 and para. 1b AktG, 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% of share capital as of 31 October 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 350,771,414.13 (prior year: TEUR 568,110) granted to subsidiaries, other liabilities of EUR 522,331,257.05 (prior year: TEUR 515) due to IMMOEAST Beteiligungs GmbH and EUR 80,223,000.00 (prior year: TEUR 0) due to Parthica Immobilien GmbH 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 85,470,214.78 (prior year: TEUR 249,723) 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

The company has concluded contracts for the following derivative financial instruments:

Type	Contract partner	Currency	Nominal value	Term	Net present value 31.10.2013
FX FOR CBRD TRANSACTION	Raiffeisen Bank International AG	USD	50,000,000.00	27.9.2013 - 31.1.2014	-381,132.37
SCBP	Deutsche Bank AG	EUR	163,588,739.88	31.7.2013 - 6.10.2016	-7,677,772.03
SCBP	Deutsche Bank AG	EUR	40,308,898.72	31.7.2013 - 6.10.2016	-1,013,356.03
				Included under other provisions	**-9,072,260.43**

The derivatives are valued at the average interbank rates using generally accepted financial models.

4. 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 para. 1 of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB).

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 (*Körperschaftsteuergesetz*, KStG) 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 KStG. 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 6,794,388.07 was recognised during the reporting period for negative taxable results generated and used by members of the IMMOFINANZ tax group.

A provision of EUR 5.32 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.

Prior to the 2011/12 financial year, 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 optimization 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 in Moscow, the Golden Babylon Rostokino shopping center which represents more than 10% of the standing investment portfolio based on fair value. On the other hand, the investments in Russia are concentrated in the Moscow retail market.

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 proceeding 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 908 plaintiffs who have filed claims against IMMOFINANZ AG.

By the end of October 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 Advo-Fin, 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 60 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 six further cases is expected during the coming months. In one case the claim was upheld; IMMOFINANZ AG has appealed this ruling, and a decision by the Regional Appeals Court in Vienna 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 19 of these proceedings, the plaintiffs withdrew their lawsuits. Ninety-four of the proceedings have been completed to date (29 legally binding judgments rejecting the lawsuits, 19 withdrawals of lawsuits and 46 agreements for withdrawal of the lawsuit under the waiver of claims).

Pending proceedings: IFAG/IMBEA	Number of proceedings	Value in dispute in MEUR
IFAG	362	24,8
IMBEA	59	7.5
IFAG und IMBEA	373	217.7

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 October 2013, Aviso Zeta AG had served IMMOFINANZ AG and/or IMBEA, in most cases both companies, with third party notices in 376 cases. Swiss Life Select Österreich GmbH has also served IMMOFINANZ AG and/or IMBEA with third party notices in 230 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 43 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. Most of the proceedings against Swiss Life Select Österreich GmbH have been closed.

Third party notices to IFAG/IMBEA	Number of proceedings	Value in dispute in MEUR
Aviso Zeta	376	40.1
AWD (now: Swiss Life Select Österreich GmbH)	230	32.3
Total	**606**	**72.4**

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 AktG. 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 AktG), 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. The collection of evidence in this case has started after the repeal of the postponement authorised by the first-instance court.

In October 2013 IMMOFINANZ AG filed a lawsuit against a former member of the Executive Board, claiming a violation of due diligence by this person during 2007 and 2008.

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 balance sheet date		Profit / (loss) for the year	
IMBEA IMMOEAST Beteiligungsverwaltung GmbH, Vienna	30.04.2013	100%	4,579,601,647.01	EUR	-27,496,283.53	EUR
IMMOWEST Immobilien Anlagen GmbH, Vienna	30.04.2013	100%	200,814,281.15	EUR	10,449,222.13	EUR
GENA SECHS Immobilienholding GmbH, Vienna	30.04.2013	100%	12,318.38	EUR	-2,876.68	EUR
BUWOG AG, Vienna	30.04.2013	100%	-6,085.79	EUR	-3,621.74	EUR
Parthica Immobilien GmbH, Vienna	30.04.2013	100%	10,999.27	EUR	-2,653.96	EUR
EHL Immobilien GmbH, Vienna	31.12.2012	49%	4,037,832.78	EUR	3,916,832.78	EUR

Average number of employees

	Balance on 31.10.2013	Balance on 30.04.2013
Salaried employees	270	271
Total	270	271

Obligations arising from the use of tangible assets not shown on the balance sheet

	31.10.2013 EUR	30.04.2013 TEUR
Obligations for the next financial year	1,259,004.14	2,355
Obligations for the next five financial years	6,089,522.95	7,012

Information on corporate bodies

The corporate bodies of IMMOFINANZ AG are:

Executive Board:

Eduard Zehetner (Chief Executive Officer)

Daniel Riedl

Birgit Noggler

The members of the Executive Board received remuneration totalling EUR 2.4 million during the reporting period (2012/13: EUR 5.5 million). Contributions of TEUR 22.7 (2012/13: TEUR 117.2) were made to the employee severance compensation fund and TEUR 70.5 (2012/13: TEUR 188.6) to the pension fund.

The remuneration for the members of the Supervisory Board is approved and distributed during the current financial year for the previous year. The members of the Supervisory Board received remuneration of EUR 300,300.00 for the 2012/13 financial year (prior year: TEUR 300).

Supervisory Board:

Michael Knap – Chairman (since 2 October 2013)

(Michael Knap – Vice-Chairman up to 2 October 2013)

Rudolf Fries – Vice-Chairman (since 2 October 2013)

(Rudolf Fries – Member up to 2 October 2013)

Herbert Kofler (since 2 October 2013)

(Herbert Kofler – Chairman up to 2 October 2013)

Vitus Eckert

Nick van Ommen

Klaus Hübner

Christian Böhm

Siegfried Burger-Schattauer (delegated by the Works Council since 2 October 2013)

Mark Anthony Held (delegated by the Works Council since 2 October 2013)

Nikolaus Obermair (delegated by the Works Council since 2 October 2013)

Philipp Amadeus Obermair (delegated by the Works Council since 2 October 2013)

Authorised signatories:

Gerold Hellmich (since 21 August 2013)

Wolfgang Idl

Josef Mayer

Alfons Mähr (from 17 January 2013 to 31 August 2013)

Dietmar Reindl

Mario Josef Schmalzl

Martina Wimmer

Vienna, 27 January 2014

THE EXECUTIVE BOARD

Eduard Zehetner m.p.

Chief Executive Officer

Daniel Riedl m.p.

Birgit Noggler m.p.

Auditor's report

Report about closing balance sheet and appendix

We have audited the enclosed closing balance sheet including the accounting system of IMMOFINANZ AG, Vienna, as of 31.10.2013.

Management's Responsibility for the closing balance sheet and the Accounting System

The company's management is responsible for the accounting system and for the preparation and fair presentation of this closing balance 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 misstatements, 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 this closing balance sheet 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 closing balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the closing balance sheet, 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 closing balance sheet 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 closing balance sheet.

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 closing balance sheet complies with legal requirements and gives a true and fair view of the financial position of IMMOFINANZ AG, Vienna, as of 31 October 2013 in accordance with Austrian Generally Accepted Accounting Principles.

Vienna, 27 January 2014

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Marieluise Krimmel	Mag. Dr. Claudia Fritscher-Notthaft
Wirtschaftsprüfer	Wirtschaftsprüfer