



From left to right standing : Vitus Eckert, Christian Böhm, Nick J. M. van Ommen, Rudolf Fries

Report of the Supervisory Board

The Supervisory Board of IMMOFINANZ AG can look back on a productive and successful year in 2012/13. In a total of six meetings, we discussed the financial position and strategy of IMMOFINANZ Group as well as market conditions and the latest developments.

In accordance with the articles of association, the Supervisory Board held an organisational session immediately after the 19th annual general meeting of shareholders in October 2012. The structures of the presidium and committees were changed at this meeting following the resignation of Guido Schmidt-Chiari from the Supervisory Board.

Successful issue of 2017 corporate bond

In May 2012 the Supervisory Board approved the issue of a five-year corporate bond with a minimum volume

of EUR 100 million. The bond was successfully issued in July 2012 with a volume of EUR 100 million and an interest rate of 5.25%.

***Casa Stupenda* Project**

The Supervisory Board approved the participation of IMMOFINANZ Group in the *Casa Stupenda* development project in Düsseldorf at its August 2012 meeting. This project, which will be realised through a joint venture, involves the construction of a plus energy building based on sustainability principles.

Share buyback programme 2012/13

The repurchase of up to 20 million IMMOFINANZ shares at a maximum price of EUR 3.00 per share was approved by the Supervisory Board in September 2012. In the December 2012 meeting, the Supervisory Board agreed



From left to right seated: Michael Knap, Herbert Kofler, Klaus Hübner

to a change in the existing share buyback programme. The maximum repurchase price was raised to EUR 3.33 per share based on an unchanged volume.

Innovative financing with use of treasury shares

In January 2013 the Supervisory Board approved the use of approx. 9% of share capital as collateral for financing of EUR 150 million. The shares were sold to financial institutions, with IMMOFINANZ agreeing to repurchase the shares at the end of the term of up to three years.

Sale of Kempinski Residences and Hotel in St. Moritz

The Supervisory Board also approved the sale of the investment in Les Bains de St. Moritz Holding AG, owner of the *Kempinski Grand Hotel des Bains* in Switzerland, during January 2013.

Budget for the 2013/14 financial year

The budget for the 2013/14 financial year was presented by the Executive Board and approved by the Supervisory Board during the April 2013 meeting. The revised medium-term planning was also presented to and approved by the Supervisory Board.

Amendment of the rules of procedure for the Executive Board

At the April 2013 meeting, the distribution of duties among the members of the Executive Board of IMMOFINANZ AG was amended following the resignation of Manfred Wiltschnigg (as of 31 March 2013).

Eduard Zehetner took over the areas of the business previously managed by Manfred Wiltschnigg. The responsibilities of the individual Executive Board



From left to right: Herbert Kofler, Klaus Hübner

members are listed in the corporate governance report on page 51.

Extension of Executive Board contracts

The term of office for Birgit Noggler as chief financial officer was extended by four years. Her contract as a member of the Executive Board now runs to 30 September 2017.

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 system, the internal audit system and the risk management system.

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

The Audit Committee meeting in August 2013 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 2012/13 financial year. The results of this review were presented to the full Supervisory Board.

Strategy Committee

The Strategy Committee is responsible for the company's strategic orientation, investments and divestments.

Personnel and Nominating Committee

The duties of the Personnel and Nominating Committee of the Supervisory Board 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. In addition to the above-mentioned issues, the Supervisory Board held extensive discussions on the company's strategic orientation, financial position and developments in the target markets as well as capital market trends. Special focus was placed on the optimisation and financing of the property portfolio. Selected topical issues were also handled outside these meetings in direct



From left to right: Michael Knap, Rudolf Fries

discussions between the Executive Board and the chairman and members of the Supervisory Board.

Approval of the annual financial statements for 2012/13

The Executive Board presented the Supervisory Board with the following documents: the annual financial statements for 2012/13, which were prepared in accordance with the Austrian Commercial Code, and the management report; the consolidated financial statements for 2012/13, 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 2012/13. The annual financial statements for 2012/13 and the management report as well as the consolidated financial statements for 2012/13 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 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 2013, 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, 2 August 2013

For the Supervisory Board

Herbert Kofler
Chairman