

Q1-3

News for our investors

FINANCIAL REPORT ON THE FIRST THREE QUARTERS OF THE 2017 FINANCIAL YEAR

1 January – 30 September 2017

Balance sheet strengthened

Approx. EUR 4.2 billion of property assets plus CA Immo investment
at approx. EUR 660 million

Occupancy rate significantly increased

92.9% occupancy in the standing investment portfolio

Credit profile further improved

Debt rate and financing costs substantially reduced

CONTENT

CEO letter	2
Corporate Profile	4
Investor Relations	7
Group Management Report	12
Portfolio Report	12
Property Valuation	29
Financing	31
Earnings, Balance Sheet and Cash Flow Analysis	38
Consolidated Interim Financial Statements	45
Consolidated Balance Sheet	46
Consolidated Income Statement	47
Consolidated Statement of Comprehensive Income	48
Consolidated Cash Flow Statement	49
Consolidated Statement of Changes in Equity	50
Notes	52

KEY FIGURES

Earnings Data

		Q1-3 2017	Q1-3 2016	Change in %
Rental income	in MEUR	174.1	174.0	0.0%
Results of asset management	in MEUR	122.6	110.2	11.3%
Results of property sales	in MEUR	2.7	-28.4	n.a.
Results of property development	in MEUR	-26.1	18.4	n.a.
Results of operations	in MEUR	66.2	73.9	-10.4%
Revaluations	in MEUR	11.3	-102.7	n.a.
EBIT	in MEUR	65.4	-71.9	n.a.
Financial results	in MEUR	88.6	-143.9	n.a.
EBT	in MEUR	154.0	-215.9	n.a.
Net profit for the period	in MEUR	-59.1	-409.5	85.6%
FFO 1 (excl. results of property sales & property development) ¹	in MEUR	48.6	19.3	≥ +100.0%
FFO 2 (incl. results of property sales) ¹	in MEUR	51.3	-9.1	n.a.

¹ See calculation on page 41

Asset Data

		30 Sep. 2017	31 Dec. 2016	Change in %
Balance sheet total	in MEUR	6,721.2	7,003.4	-4.0%
Equity as % of the balance sheet total	in %	38.8%	37.8%	n.a.
Net financial liabilities	in MEUR	3,089.8	3,316.9	-6.8%
Cash and cash equivalents	in MEUR	242.2	189.3	28.0%
Loan-to-value ratio (net, incl. Russia)	in %	50.5%	52.2%	n.a.
Loan-to-value ratio (net, excl. Russia) & incl. incentivised conversion CB 2018 ¹	in %	42.3%	n.a.	n.a.
Gearing	in %	94.2%	92.6%	n.a.
Average interest rate on financial liabilities, incl. hedging	in %	3.6%	4.0%	n.a.
Average interest rate on financial liabilities, incl. hedging (excl. Russia) & incl. incentivised conversion of CB 2018 ¹	in %	2.4%	n.a.	n.a.
Average term of financial liabilities (incl. Russia)	in years	3.3 ²	3.3	0.0%

¹ The incentivised conversion was settled in October 2017

² Incl. incentivised conversion of CB 2018

Property Data

		30 Sep. 2017	31 Dec. 2016	Change in %
Total number of properties		251	244	2.9%
Rentable space	in sqm	1,890,464	1,770,031	6.8%
Occupancy rate	in %	92.9%	89.6%	n.a.
Gross return	in %	6.3%	6.1%	n.a.
Gross return adjusted for occupancy	in %	6.7%	6.8%	n.a.
Portfolio value	in MEUR	4,179.5	4,003.5	4.4%
thereof investment properties	in MEUR	3,740.5	3,531.4	5.9%
thereof property under construction	in MEUR	380.9	379.0	0.5%
thereof real estate inventories	in MEUR	58.0	93.1	-37.7%
Unencumbered investment property	in MEUR	606.2	755.2	-19.7%

EPRA Indicators

		30 Sep. 2017	31 Dec. 2016	Change in %
EPRA Net Asset Value	in MEUR	3,167.6	3,014.2	5.1%
EPRA Net Asset Value per share	in EUR	2.81	3.12	-9.8%
EPRA Triple Net Asset Value	in MEUR	3,369.6	2,867.9	17.5%
EPRA Triple Net Asset Value per share	in EUR	2.99	2.97	0.8%

		30 Sep. 2017	30 Sep. 2016	Change in %
EPRA earnings	in MEUR	102.2	-87.7	n.a.
EPRA earnings per share	in EUR	0.10	-0.09	n.a.
EPRA earnings after company-specific adjustments	in MEUR	4.4	7.4	-40.8%
EPRA earnings per share after company-specific adjustments	in EUR	0.004	0.007	-42.8%
EPRA Net Initial Yield	in %	5.3%	5.1%	n.a.

Stock Exchange Data

		30 Sep. 2017	31 Dec. 2016	Change in %
Book value per share	in EUR	2.52	2.75	-8.6%
Share price at end of period	in EUR	2.18	1.85	17.9%
Discount of share price to diluted NAV per share	in %	22.4%	40.6%	n.a.
Number of shares		1,052,525,375	975,955,651	7.8%
thereof number of treasury shares		13,051,924	9,999,973	30.5%
Market capitalisation at end of period	in MEUR	2,298.7	1,808.4	27.1%

		30 Sep. 2017	30 Sep. 2016	Change in %
Earnings per share	in EUR	-0.05	-0.41	86.7%
Earnings per share (diluted)	in EUR	-0.05	-0.41	86.7%

Due to the harmonisation of the financial year with the calendar year as of 31 December 2016, the comparative data is based on the respective period in the 2016 calendar year (Q1–3 2016).

The retail portfolio Moscow, which was presented as a discontinued operation for the first time in IMMOFINANZ's consolidated financial statements as of 31 December 2016, is also included in these (new) comparative figures in accordance with IFRS 5 – i.e. through the separate presentation of the retail portfolio Moscow as a discontinued operation in the consolidated income statement. This entire portfolio was sold through a purchase contract which was signed on 13 November 2017. The transaction is expected to close during December 2017.

The plus and minus signs assigned to the changes reflect the business point of view: improvements are shown with a plus sign (+), deteriorations with a minus sign (-). Very high positive or negative per cent changes are reported as $\geq +100\%$ or $\leq -100\%$. The designation "not applicable" (n.a.) is used when there is a change in the sign (i.e. from plus to minus or from minus to plus) and for changes in percentage rates.

“In the first three quarters we made substantial progress in the operating business and significantly strengthened our balance sheet.”

Oliver Schumy, CEO

Dear Shareholders,

In the first three quarters of our 2017 financial year we made substantial progress in our operating business and strengthened our balance sheet. The IMMOFINANZ property portfolio now has a value of roughly EUR 4.2 billion, with a further EUR 660 million attributable to our investment in CA Immo. Our liquid funds, which totalled approximately EUR 240 million at the end of September, rose to roughly EUR 580 million by the end of November following the pay-out of refinancing. At the same time, we significantly reduced both interest expense and gearing. This sets the stage for our next step: our efforts to attain an investment grade rating.

The last historical legal dispute at the shareholders' level was also resolved with a settlement agreement to terminate the legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST and IMMOFINANZ in 2010.

Other steps involved the successful elimination of risks in our portfolio: An important milestone for IMMOFINANZ's further development is the sale of our retail portfolio in Moscow. The purchase contract was signed in November, namely after the balance sheet date for this quarterly report.

The highlights in detail:

The **occupancy rate** in our standing investment portfolio (excluding Russia) rose to 92.9% at the end of September. In comparison, this indicator equalled 89.6% at the end of December 2016. The occupancy rate in our office properties increased from 87.3% to 90.1%, and our retail properties are essentially fully rented at 96.6%. Our rental income on a like-for-like basis, in other words after an adjustment for purchases, sales and completions, improved by 3.9% during the past nine months. Growth of more than 5% was recorded, for example, in Hungary and also in Romania. This sound development was based on new rentals as well as a higher occupancy rate.

Our **project development work** included a number of completions in the last three quarters: Our *Cluster Produktionstechnik* in Aachen, Germany, was opened in May. It is the largest building complex to date on the RWTH Aachen Campus with approximately 30,000 sqm of gross floor space. We also opened two retail properties with more than 31,000 sqm of rentable space in total during September – a VIVO! shopping center in the Polish city of Krosno and a STOP SHOP in the Serbian city of Lazarevac. Both locations are fully occupied. Another completion was the closing for the nine retail parks in Slovakia, Hungary and Romania which were acquired at the end of 2016.

The STOP SHOP portfolio now includes 68 locations in eight countries with approximately 465,000 sqm of rentable space. Our VIVO! portfolio has grown to ten locations in four countries with more than 314,000 sqm. These two brands now generate roughly 42% of our total rental income and form a stable backbone for our portfolio.

As part of our **portfolio optimisation** we sold a number of properties as planned, among others the *Gerling Quartier* in Cologne. This transaction took place in two steps – during January and July – and involve the complete sale of the property. However, outstanding obligations from the transfer and completion of the Cologne real estate had a further negative effect on the results of property development.

Activities in the financing area included important steps to further **optimise our capital and financing structure**. Two incentivised conversions in January and September* reduced the outstanding nominal value of the convertible bond 2018 from EUR 507.1 million to approximately EUR 32.8 million and increased equity by EUR 255 million.

* Settlement after the balance sheet date



Oliver Schumy

These measures will reduce our financing costs by more than EUR 21 million over the medium-term. Our net loan-to-value ratio, which shows the relation of debt to the property carrying amounts, fell to 41.5%* during the past quarters from a level of nearly 50% at year-end 2016.

We set a milestone for the future development of IMMOFINANZ after the balance sheet date with the **sale of our retail portfolio Moscow**. The ongoing difficult market environment in Russia has had a substantial negative effect on the Group's asset and earnings position during the past financial years. As previously announced, we are now selling the retail properties in Russia in line with our corporate strategy. This transaction is connected with an immediate negative valuation effect of roughly EUR -158 million, which is included in the results of discontinued operations for the third quarter of 2017.

We have, however, an additional earnings potential in the form of an undisclosed reserve of up to EUR 145 million that is connected with future revenue-based earn-outs and possible tax refunds. The sale will also eliminate any further burden on liquidity through equity contributions for the retail portfolio in Russia. This step will immediately recover equity and significantly reduce our financial liabilities and average financing costs. The sale of the Moscow shopping centers is expected to close by the end of December 2017.

Plans for the 2017 financial year include the payment of an ordinary dividend of six Euro cents per share.

Vienna, 27 November 2017

A handwritten signature in black ink, appearing to read 'Oliver Schumy'. The signature is stylized and cursive.

Oliver Schumy
CEO

Our Company at a Glance

Focus on office and retail properties in seven core markets

Our portfolio includes office and retail properties at the best locations in the most promising countries. In addition to the professional management of these properties, we focus on value-creating growth through our own development projects and acquisitions and on the further optimisation of the portfolio structure – always with the goal of strengthening our standing investments and sustainable cash flow.

Seven core markets form the geographical focus of our business activities: Austria, Germany, Poland, Czech Republic, Slovakia, Romania and Hungary. Our local teams in each of the core markets are the guarantee for a strong service orientation and customer satisfaction.

On 19 December 2016 the Executive Board and Supervisory Board approved the separation of the retail portfolio in Russia. In accordance with IFRS 5, the Russian portfolio has therefore been presented as a discontinued operation since 31 December 2016. On 13 November 2017, i.e. after the end of the reporting period, we announced the sale of the Russian shopping centers to the FORT Group. This transaction is expected to close by the end of December 2017. Details on the transaction are provided in the consolidated interim financial statements under note 8 *Subsequent events*, on page 78.

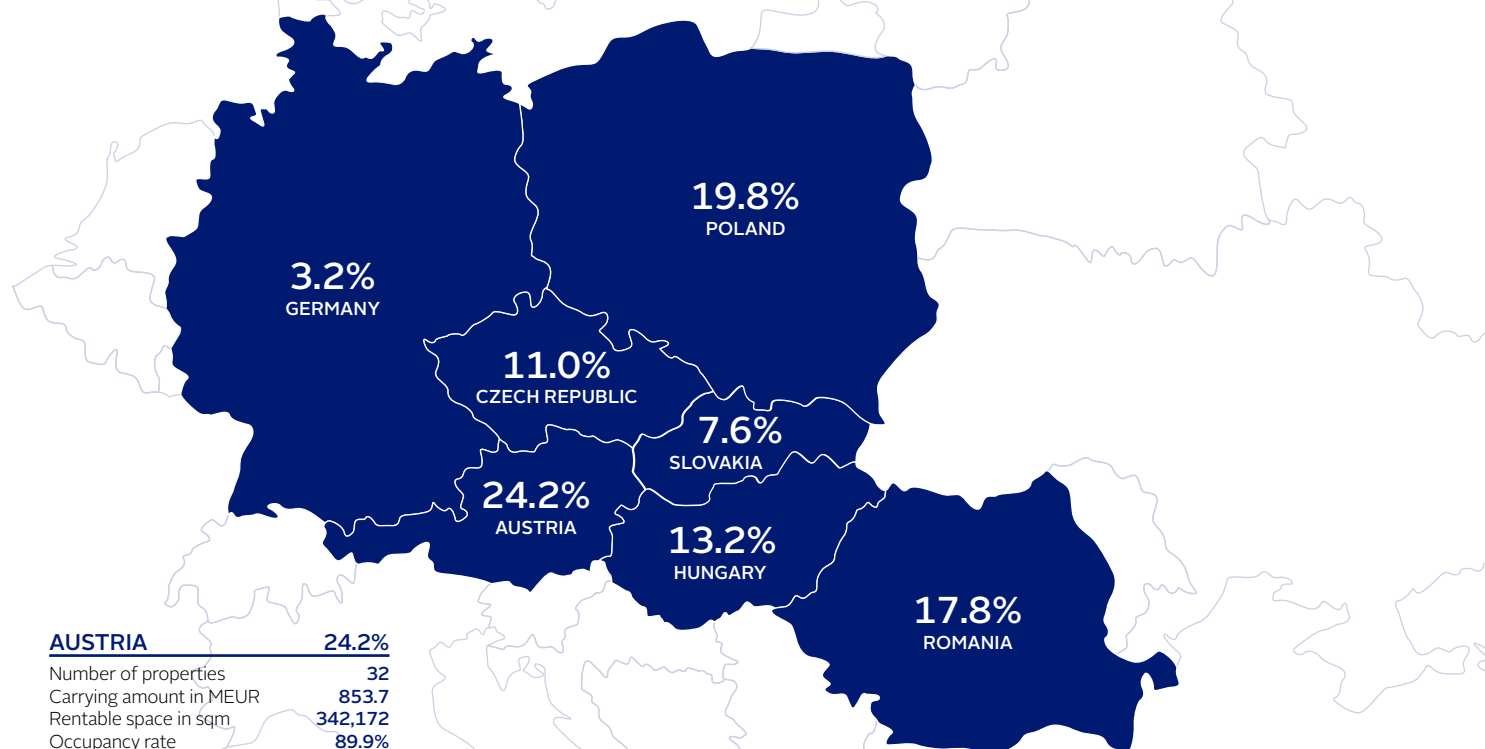
The IMMOFINANZ share has traded on the Vienna Stock Exchange since December 1994 and on the Warsaw Stock Exchange since May 2013.

Key data on the property portfolio excl. Russia		30 September 2017	31 December 2016	Change in %
Total number of properties		250	244	2.5%
Rentable space	in sqm	1,890,464	1,770,031	6.8%
Occupancy rate	in %	92.9%	89.6%	n.a.
Gross return on the standing investments	in %	6.3%	6.1%	n.a.
Gross return on the standing investments, occupancy-adjusted	in %	6.7%	6.8%	n.a.
Portfolio value	in MEUR	4,179	4,004	4.4%
thereof office	in MEUR	2,631	2,510	4.8%
thereof retail	in MEUR	1,376	1,264	8.9%
thereof other	in MEUR	173	230	-24.8%

Bureau am Belvedere
Vienna | AT | approx. 9,000 sqm
rentable space

KEY DATA ON THE STANDING INVESTMENT PORTFOLIO BY CORE MARKET AS OF 30 SEPTEMBER 2017

Share of the standing investment portfolio
(based on the carrying amount of MEUR 3,524.2¹)



AUSTRIA	24.2%
Number of properties	32
Carrying amount in MEUR	853.7
Rentable space in sqm	342,172
Occupancy rate	89.9%
Rental income Q3 2017 in MEUR ²	11.6
Gross return	5.4%
Gross return occupancy-adjusted	6.0%

POLAND	19.8%
Number of properties	26
Carrying amount in MEUR	698.1
Rentable space in sqm	373,369
Occupancy rate	94.4%
Rental income Q3 2017 in MEUR ²	10.2
Gross return	5.9%
Gross return occupancy-adjusted	6.2%

CZECH REPUBLIC	11.0%
Number of properties	20
Carrying amount in MEUR	386.2
Rentable space in sqm	236,352
Occupancy rate	87.6%
Rental income Q3 2017 in MEUR ²	5.8
Gross return	6.0%
Gross return occupancy-adjusted	6.9%

NON-CORE COUNTRIES	3.3%
Number of properties	11
Carrying amount in MEUR	115.3
Rentable space in sqm	81,889
Occupancy rate	98.3%
Rental income Q3 2017 in MEUR ²	2.1
Gross return	7.2%
Gross return occupancy-adjusted	7.3%

ROMANIA	17.8%
Number of properties	20
Carrying amount in MEUR	625.7
Rentable space in sqm	350,311
Occupancy rate	95.5%
Rental income Q3 2017 in MEUR ²	11.9
Gross return	7.6%
Gross return occupancy-adjusted	7.9%

SLOVAKIA	7.6%
Number of properties	19
Carrying amount in MEUR	266.1
Rentable space in sqm	170,593
Occupancy rate	91.5%
Rental income Q3 2017 in MEUR ²	4.7
Gross return	7.1%
Gross return occupancy-adjusted	7.8%

IMMOFINANZ¹	100%
Number of properties	155
Carrying amount in MEUR	3,524.2
Rentable space in sqm	1,890,464
Occupancy rate	92.9%
Rental income Q3 2017 in MEUR ²	55.2
Gross return	6.3%
Gross return occupancy-adjusted	6.7%

HUNGARY	13.2%
Number of properties	25
Carrying amount in MEUR	465.8
Rentable space in sqm	299,448
Occupancy rate	94.2%
Rental income Q3 2017 in MEUR ²	7.4
Gross return	6.4%
Gross return occupancy-adjusted	6.8%

GERMANY	3.2%
Number of properties	2
Carrying amount in MEUR	113.4
Rentable space in sqm	36,330
Occupancy rate	99.5%
Rental income Q3 2017 in MEUR ²	1.4
Gross return	4.9%
Gross return occupancy-adjusted	4.9%

RUSSIA³	–
Number of properties	5
Carrying amount in MEUR	792.8
Rentable space in sqm	278,790
Occupancy rate	86.2%
Rental income Q3 2017 in MEUR ²	18.7
Gross return	9.4%
Gross return occupancy-adjusted	11.0%

1 Excluding the discontinued operation Russia

2 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

3 Discontinued operation; excl. a Russian pure land-owning company (IFRS 5)

OUR BRANDS

In recent years we have developed and established two brands for our retail portfolio: STOP SHOP and VIVO!. Our latest step was the introduction of myhive, our international office brand, in September 2016. This brand strategy is driving the steady expansion of our competitive position.

myhive

Our offices meet all the expectations of a modern working environment and are concentrated at locations in capital cities and the major office locations in Germany. We rely on innovative office concepts to meet the needs of our tenants. myhive stands for a friendly and lively atmosphere and for an international community, combined with optimal infrastructure and services.

OUR OFFICE PORTFOLIO AS OF 30 SEPTEMBER 2017

	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline-projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Office	83	2,190.2	358.0	23.1	59.8	2,631.1	63.0%
thereof myhive	20	957.1	34.5	0.0	0.0	991.6	23.7%

VIVO!

VIVO! is our brand for shopping centers. These facilities are designed for cities with a catchment area of at least 200,000 residents and are characterised by strong anchor tenants and an attractive branch mix. VIVO! combines shopping with a special experience factor for the entire family. These shopping centers are generally single-storey, have a high recognition value and are ideally suited for further growth.

STOP SHOP

STOP SHOP is our brand for retail parks in Central and Eastern Europe. They are appealing and practical local suppliers in catchment areas of 30,000 to 150,000 residents and have a diverse product offering with attractive value for money. With their good traffic links and extensive parking, they address price-conscious "smart shoppers" who value easy accessibility.

OUR RETAIL PORTFOLIO AS OF 30 SEPTEMBER 2017, EXCL. RUSSIA

	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline-projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Retail	106	1,325.7	10.7	39.2	1,375.6	32.9%
thereof VIVO!/ Shopping Center	12	639.5	1.1	0.3	640.9	15.3%
thereof STOP SHOP/ Retail Park	82	648.9	9.7	7.3	665.9	15.9%

You can find detailed information on the development and structure of the property portfolio starting on page 12 of this report.

IMMOFINANZ on the Capital Market

THE MARKET ENVIRONMENT AND THE IMMOFINANZ SHARE

The favourable development of corporate profits, positive economic indicators and the outlook for a continuation of the low interest rate environment were responsible for a generally friendly mood on the financial markets during the third quarter of 2017. Rising corporate profits and reduced inflationary expectations supported an increase in share prices on the US exchanges. In Europe, the markets were favourably influenced by sound macroeconomic data and, in particular, good news from the corporate sector beginning in August which equalised the weaker second quarter growth. The Vienna Stock Exchange continued the positive trend from previous quarters during the first nine months of 2017.

The IMMOFINANZ share started the 2017 financial year at EUR 1.85 and closed the third quarter on 29 September 2017 at EUR 2.18. The highest price to date in 2017 was recorded on 1 September at EUR 2.29. As of the editorial deadline for this report (27 November 2017), the share traded at EUR 2.09.

INFORMATION ON THE IMMOFINANZ SHARE

		30 Sep. 2017	31 Dec. 2016	Change in %
EPRA Net Asset Value per share	in EUR	2.81	3.12	-9.8%
EPRA Triple Net Asset Value per share	in EUR	2.99	2.97	0.8%
Book value per share	in EUR	2.52	2.75	-8.6%
Discount of share price to NAV per share	in %	22.4%	40.6%	n.a.

		30 Sep. 2017	6 Oct. 2017 ¹
Share capital	in EUR	1,052,525,375	1,116,113,533
Total number of shares		1,052,525,375	1,116,113,533
thereof treasury shares		13,051,924	0
Free float	in %	approx. 77%	approx. 79%

Established		April 1990
Segment		ATX, WIG
Class of shares		Bearer common shares
ISIN		AT0000809058
Reuters		IMFI VI
Bloomberg		IIA AV
Datastream		O: IMMO 866289
2017 financial year		1 January to 31 December

Share price on 30 Sep. 2017	in EUR	2.18
Share price high Q1–3 2017 (end of the day)	in EUR	2.29
Share price low Q1–3 2017 (end of the day)	in EUR	1.70
Market capitalisation on 30 Sep. 2017	in MEUR	2,298.7

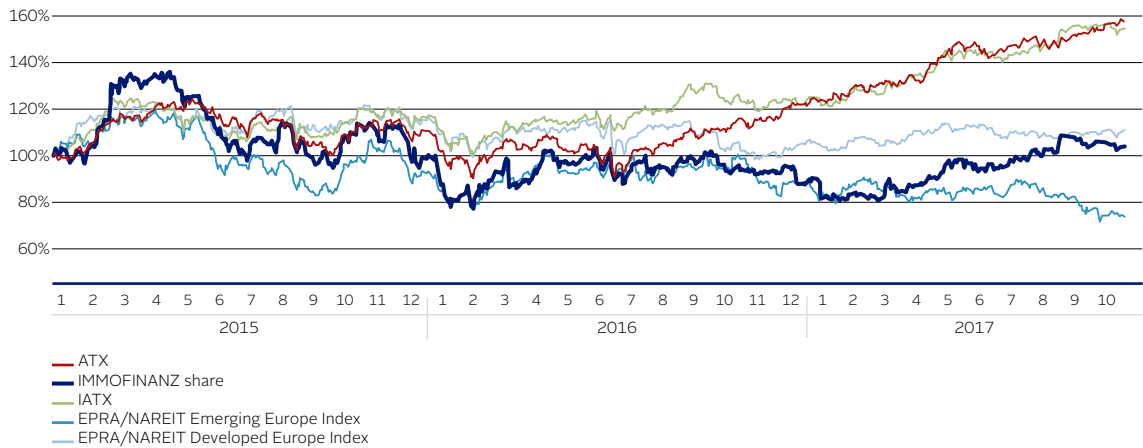
¹ The number of voting rights totalled 1,116,113,533 on 6th of October 2017, i.e. after the end of the reporting period. The change resulted from the capital increase of EUR 63,588,158.00 from conditional capital, which was carried out in order to issue 63,588,158 zero par value voting shares of IMMOFINANZ. These shares were used to service the conversion rights of the holders of the convertible bond 2018 in connection with the incentivised conversion invitation on 20 September 2017.

PERFORMANCE COMPARISON

1 January to 30 September 2017	in %
IMMOFINANZ share	17.9%
ATX	26.6%
Immobilien ATX	25.7%
EPRA/NAREIT Emerging Europe Index	-13.3%
EPRA/NAREIT Developed Europe Index	3.5%

DEVELOPMENT OF THE IMMOFINANZ SHARE VS. SELECTED INDEXES

Indexed as of 1 January 2015



SHARE CAPITAL AND DISTRIBUTION POLICY

The share capital of IMMOFINANZ AG totalled EUR 1,052.5 million as of 30 September 2017 (31 December 2016: EUR 976.0 million) and was divided into 1,052,525,375 bearer shares (ISIN AT0000809058; 31 December 2016: 975,955,651 shares), each of which represents a proportional share of EUR 1.00 in share capital. The number of voting rights totalled 1,116,113,533 at the end of October 2017, i.e. after the end of the reporting period. This change resulted from the capital increase of EUR 63,588,158.00 from conditional capital, which was carried out in order to issue 63,588,158 zero par value voting shares of IMMOFINANZ. These shares were used to service the conversion rights of the holders of the convertible bond 2018 in connection with the second incentivised conversion invitation on 20 September 2017 (see below).

Following is a chronological overview of the development of share capital:

The first incentivised conversion for approximately 43.4% (EUR 219.8 million) of the outstanding nominal value of the convertible bond 2018 was accepted in **January 2017**. It was connected with the issue of 63.5 million IMMOFINANZ shares.

The legal proceedings over the review of the exchange ratio applied to the 2010 merger of IMMOEAST and IMMOFINANZ were terminated through a settlement in **May 2017**. The resulting agreement called for the

STOP SHOP
 Cačak | SRB | approx.
 6,000 sqm rentable space



distribution of an additional 29,985,306 IMMOFINANZ shares to the former IMMOEAST shareholders. Of this total, 16,948,049 shares were taken from treasury stock and the remaining 13,037,257 shares came from a capital increase from authorised capital.

In **September 2017** IMMOFINANZ issued another invitation to the holders of the convertible bond 2018 for an incentivised conversion into the underlying IMMOFINANZ and BUWOG shares together with a conversion premium. The offer covered the conversion of each bond certificate at the nominal value of EUR 4.12 into 1.241 IMMOFINANZ shares and 0.0653 BUWOG shares plus a conversion premium of EUR 0.206 for each outstanding bond certificate. This offer was accepted by 88.6% (EUR 254.4 million) of the bondholders. The transaction reduced the outstanding nominal value of the convertible bond 2018 to approximately EUR 32.8 million. IMMOFINANZ used roughly 13.1 million treasury shares and a further 63.6 million new shares from conditional capital to service the conversion rights. The settlement of the offer took place on 2 October 2017, i.e. after the end of reporting period.

Share buyback programme

The share buyback programme 1/2017 was approved on 14 March 2017. The maximum volume of 20 million shares was reached on 7 September, and the share buyback programme 1/2017 was therefore terminated prematurely. The shares were repurchased over the stock exchange at a weighted average price of EUR 2.012 per share. IMMOFINANZ held 13.1 million treasury shares as of 30 September 2017 which were – as indicated above – distributed to shareholders in connection with the second incentivised conversion of the convertible bond 2018.

Dividends

The 24th annual general meeting on 1 June 2017 approved a dividend of EUR 0.06 per share for the abbreviated 2016 financial year (1 May 2016 to 31 December 2016). The dividend is classified as a repayment of capital under Austrian law (§ 4 (12) of the Austrian Income Tax Act) and is therefore not subject to withholding tax for natural persons who are resident in Austria and who hold IMMOFINANZ shares as part of their private assets*. The ex-dividend date was 2 June, and the dividend was paid on 7 June 2017.

Plans also call for the payment of an ordinary dividend for the 2017 financial year.

SHAREHOLDER STRUCTURE

IMMOFINANZ shares are widely held, primarily by Austrian private investors and long-term value-oriented institutional investors from Europe and the USA. Free float, excluding treasury shares, amounted to roughly 77% as of 30 September 2017.

LARGEST SINGLE SHAREHOLDERS

		30 September 2017
Fries Group	69,781,813 shares	6.6%
CA Immobilien Anlagen (via PHI Finanzbeteiligungs und Investment GmbH)	54,805,566 shares	5.2%
Och-Ziff Capital Management Group LLC (together with subsidiaries)	52,766,698 voting rights ¹	5.0% ¹
Erste Asset Management (together with subsidiaries)	52,827,102 shares	5.0%
s Immo (via CEE Immobilien GmbH)	52,890,522 shares	5.0%

1 Includes shares and other financial instruments of IMMOFINANZ AG. On 5 October 2017 Och-Ziff Capital Management Group LLC reported that its investment, together with the investments held by companies under its control, fell below the 4% threshold on 3 October.

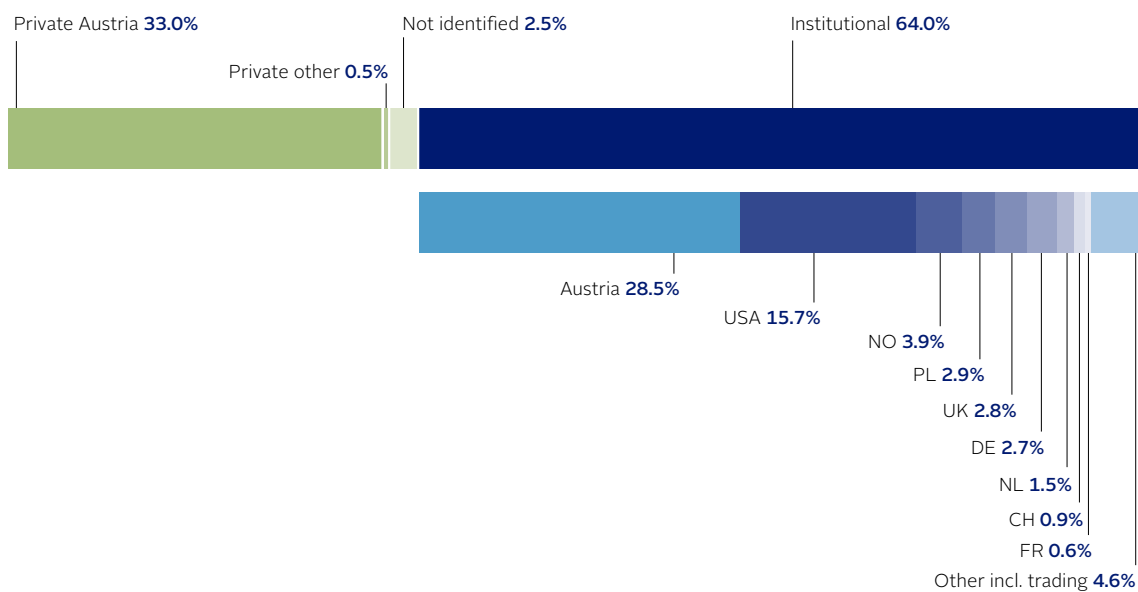
There are no other reports of shareholdings over 4%, respectively 5%.

Detailed Analysis

Regular shareholder surveys help to define the regional focal points for investor relations activities. The latest survey was carried out in May 2017 and shows the following picture: 33.0% of IMMOFINANZ shares are held by private investors in Austria. Institutional investors hold 64.0%, whereby most come from Austria (28.5%), the USA (15.7%) and Norway (3.9%). Polish investors hold 2.9% of the shares. The remaining 3.0% are not identified investors or represent treasury shares or holdings by foreign private investors.

* Subject to certain assumptions, e.g. when the capital repayment exceeds the purchase cost of the shares for tax purposes.

PRIVATE AND INSTITUTIONAL INVESTORS BY COUNTRY



Source: IPREO, May 2017

BONDS

IMMOFINANZ had three convertible bonds with a total nominal value of EUR 605.9 million outstanding as of 30 September 2017. The 5.25% corporate bond 2017 (ISIN AT0000A0VDP8), which had a volume of EUR 100.0 million, was redeemed at 100% of the nominal value on 3 July 2017. Including the second incentivised conversion of the convertible bond 2018 shortly after the end of the reporting period, the total outstanding nominal value of the bonds had declined to EUR 351.4 million.

The 4.25% convertible bond 2018 (ISIN XS0592528870) had an outstanding volume of EUR 287.3 million at the end of September 2017. The second incentivised conversion (settlement on 2 October, i.e. after the end of the reporting period) reduced the outstanding nominal value to approximately EUR 32.8 million. The remaining balance will be repaid on 8 March 2018 (maturity date) unless there are conversions into shares before that date. The bond was "in the money" as of 30 September 2017, whereby one certificate (nominal value: EUR 4.12) can be converted into 1.2410 IMMOFINANZ shares and 0.0653* BUWOG shares.

The 1.25% convertible bond 2017 (ISIN XS0332046043) still has a nominal value of EUR 21.4 million outstanding and will be redeemed on 19 November 2017 (maturity date) unless it is converted in full or in part before that date. As of 30 September 2017, one certificate of the convertible bond 2017 (nominal value: EUR 100,000.0) can be converted into 13,308.36 IMMOFINANZ shares and 722.21** BUWOG shares.

IMMOFINANZ held roughly 10 million BUWOG shares as of 31 December 2016, which represented an investment of approx. 10%. After the incentivised conversion of the convertible bond 2018 in January 2017 (see above), approximately 4.5 million BUWOG shares were successfully placed through an accelerated bookbuilding process. The net proceeds from the transaction totalled EUR 97.4 million. IMMOFINANZ held approximately 4.7 million BUWOG shares, representing an investment of 4.2%, as of 30 September 2017. After the settlement of the second incentivised conversion offer on 2 October 2017, IMMOFINANZ still held roughly 0.7 million BUWOG shares.

Parallel to the incentivised conversion of the convertible bond 2018 in January 2017, IMMOFINANZ issued a seven-year convertible bond (ISIN XS1551932046) with a 2% coupon and a volume of EUR 297.2 million. The bond terms call for a reduction of 50 basis points in the coupon starting with the interest payment period which begins on the day after the company receives an investment grade rating from S&P, Moody's or Fitch. The conversion price equalled EUR 2.2937 as of 30 September 2017 (original conversion price on the issue date: EUR 2.3933). The convertible bond 2024 includes a put option for bondholders after five years (i.e. on 24 January 2022) and will be repaid at 100% of the nominal value on 24 January 2024 (maturity date) unless it is redeemed in full or in part before that date.

Additional details on the bonds are provided under *Financing* on page 37.

* Convertible bond 2018: new number of shares to be delivered after an adjustment of the conversion price to reflect the dividend payment by BUWOG on 19 October 2017: 0.0671.

** Convertible bond 2017: new number of shares to be delivered after an adjustment of the conversion price to reflect the dividend payment by BUWOG on 19 October 2017: 745.65

INVESTOR RELATIONS ACTIVITIES

The goal of investor relations activities is to communicate an accurate picture of the Group and thereby ensure an appropriate valuation of the IMMOFINANZ share. We also took part in a wide variety of investor conferences, roadshows and information events to date in 2017, among others in Berlin, Frankfurt/Main, Helsinki, London, Munich, Paris, Stegersbach (Austria), Stockholm, Tallinn, New York, Vienna, Warsaw, Zurich and Zürs. Numerous investors and analysts also took advantage of the opportunity to learn about the IMMOFINANZ property portfolio through visits to our various core markets. The continuous and timely distribution of information is supported by our website www.immofinanz.com and by our corporate blog <http://blog.immofinanz.com> and newsletter.

As an additional service for investors and analysts, the IMMOFINANZ investor relations app provides up-to-date information on the share price as well as financial reports, presentations, ad-hoc press releases and corporate news. IMMOFINANZ's financial reporting dates can also be transferred directly to a personal calendar with a simple click.

ANALYSTS' RECOMMENDATIONS

The following seven national and international houses publish regular evaluations and studies on IMMOFINANZ: Baader Bank, Erste Group, HSBC, Kepler Cheuvreux, Raiffeisen Centrobank, Société Générale and Wood & Company. These evaluations are updated regularly and can be reviewed on the IMMOFINANZ website under www.immofinanz.com/en/investor-relations/our-share/analyses.

FINANCIAL CALENDAR 2018

4 April 2018	Announcement of results for 2017 (after the close of trading)
5 April 2018	Press conference on results for 2017
5 April 2018	Annual report 2017
1 May 2018	Record date for participation in the 25th annual general meeting
11 May 2018	25th annual general meeting
15 May 2018	Expected ex-dividend date ¹
16 May 2018	Expected date for the determination of dividend rights (record date) ¹
17 May 2018	Expected dividend payment date ¹
29 May 2018	Announcement of results for the first quarter of 2018 (after the close of trading)
30 May 2018	Report on the first quarter of 2018
29 August 2018	Announcement of results for the first half of 2018 (after the close of trading)
30 August 2018	Press conference on results for the first half of 2018
30 August 2018	Report on the first half of 2018
28 November 2018	Announcement of results for the first three quarters of 2018 (after the close of trading)
29 November 2018	Report on the first three quarters of 2018

¹ The above information is preliminary and will be confirmed at a later date.

CONTACT

The investor relations team is available to answer your questions and provide additional information on IMMOFINANZ AG and its share.

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Portfolio Report

The core business of IMMOFINANZ covers the management and development of retail and office properties in selected countries of Central and Eastern Europe. The company's activities in the office sector – with the international brand myhive – are concentrated on the capital cities of the core countries and on the largest office locations (“Big 7” cities) in Germany. Office properties represented 63.0% of the portfolio value and 56.2% of the rental income from standing investments at the end of the third quarter of 2017. The expansion of the retail portfolio is focused on the STOP SHOP and VIVO! brands, which are designed primarily for secondary and tertiary cities. Retail properties represented 32.9% of the portfolio value and 43.5% of the rental income from standing investments. IMMOFINANZ's goal is to create a high-quality, profitable portfolio of commercial properties.

The properties assigned to the Other asset class represent 4.1% of the total portfolio and are not part of IMMOFINANZ's core real estate assets. They cover all other activities that cannot be allocated to the office or retail businesses. This category includes, above all, land and the condominium apartments developed by IMMOFINANZ in Romania (Adama) and Poland as well as a residential building in Austria that is designated for sale and previously sold apartments in the *Gerling Quartier* in Germany.

Portfolio value of EUR 4.2 billion, excluding Russia

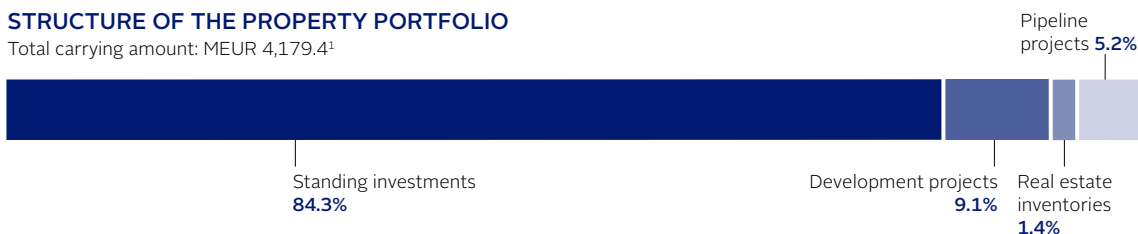
The property portfolio covered 250* properties with a combined value of EUR 4,179.4 million* as of 30 September 2017, which are located in the core markets of Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland. Standing investments represent the largest component at EUR 3,524.2 million* or 84.3%* of the total carrying amount and approximately 1.9 million* sqm of rentable space. These properties generate steady rental income and are allocated to the Asset Management sector. Active development projects comprise EUR 380.9 million or 9.1% of the carrying amount and real estate inventories EUR 58.0 million or 1.4%. A carrying amount of EUR 216.3 million or 5.2% is attributable to pipeline projects, which include future planned development projects and undeveloped land.

On 19 December 2016 the Executive Board and Supervisory Board approved the separation of the Russian retail portfolio (Retail Moscow). The Russian portfolio has therefore been reported in the consolidated financial statements since 31 December 2016 as a discontinued operation in accordance with IFRS 5. On 13 November 2017, i.e. after the end of the reporting period, IMMOFINANZ announced the sale of the Russian shopping centers to the FORT Group. The transaction will take place as a share deal which will transfer all of the assets held for sale and all of the liabilities held for sale in the retail portfolio Moscow to the FORT Group. The sale is expected to close by the end of December 2017. Details on the transaction are provided in the consolidated interim financial statements under note 8. *Subsequent events*, on page 78.

The key indicators on Russia and Retail Moscow are still presented separately in this portfolio report due to the size of the portfolio (property value as of 30 September 2017: EUR 792.8 million**). Other properties that fall under the scope of application of IFRS 5 – i.e. properties classified as held for sale – are not included in the portfolio report in line with previous practice (detailed information is provided in section 4.5, page 64, of the consolidated interim financial statements).

STRUCTURE OF THE PROPERTY PORTFOLIO

Total carrying amount: MEUR 4,179.4¹



¹ Excluding the discontinued operation Russia

A geographical analysis shows the main focus of the portfolio in Austria with 20.9%, followed by Romania with 20.1%, Poland with 17.9% and Hungary with 11.9%. Properties in the non-core countries represent 3.0% of the carrying amount of the property portfolio.

* Excluding the discontinued operation Russia

** Excluding a Russian pure land-owning company (IFRS 5)

PROPERTY PORTFOLIO BY CORE MARKET

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Austria	35	853.7	10.9	0.0	9.7	874.3	20.9%
Germany	13	113.4	247.8	54.1	0.0	415.3	9.9%
Czech Republic	21	386.2	0.0	0.0	0.9	387.1	9.3%
Hungary	32	465.8	0.0	0.0	31.9	497.7	11.9%
Poland	35	698.1	45.5	2.5	1.6	747.7	17.9%
Romania	74	625.7	49.0	1.3	164.2	840.2	20.1%
Slovakia	21	266.1	24.7	0.0	1.2	291.9	7.0%
Non-Core Countries ¹	19	115.3	3.0	0.2	6.8	125.3	3.0%
IMMOFINANZ continuing operations	250	3,524.2	380.9	58.0	216.3	4,179.4	100.0%
		84.3%	9.1%	1.4%	5.2%	100.0%	
Russia ²	5	792.8	0.0	0.0	0.0	792.8	

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

¹ In declining order based on the carrying amount: Serbia, Slovenia, Croatia, Bulgaria and Ukraine

² The Russian portfolio is presented as a discontinued operation because of the sale and is therefore not included in the total (purchase contract as of 13 November 2017); excl. a Russian pure land-owning company (IFRS 5)

PROPERTY SALES

The optimisation of the portfolio structure also includes the sale of properties that are not part of the core business. These sales are directed, above all, to properties that no longer fit with the core portfolio because of their size, location, quality or other features. The focus in the office sector, for example, is on larger buildings because they can be managed more efficiently. The proceeds from these sales are invested to expand the portfolio, in other words in development projects and acquisitions.

This strategy was consistently followed in the first three quarters of 2017 with the sale of properties totalling EUR 179.8 million. These transactions included, for example, two German and two Austrian office buildings, an Austrian retail property as well as real estate inventories in Poland, the Czech Republic and Romania. The *Friesenquartier* in Cologne, a package with mixed use properties and an underground garage, was sold at the end of January 2017. The closing for the transaction took place in April 2017. In addition, the hotel in Cologne's *Gerling Quartier*, which is currently in the project development phase and will be completed by IMMOFINANZ, was sold through a forward purchase. This package also includes the undeveloped property in the second construction section of the *Gerling Quartier*. In July 2017 the six office buildings in the first construction section of the *Gerling Quartier* with approximately 21,500 sqm of rentable space in total were sold to Quantum Immobilien Kapitalverwaltungsgesellschaft mbH. Quantum and PROXIMUS also acquired a currently unused commercial property at *Hohenzollernring 62* in Cologne with roughly 10,000 sqm of rentable space and the remaining apartments in the first construction section of the *Gerling Quartier*.

PROPERTY ACQUISITIONS

In November 2016 IMMOFINANZ announced the acquisition of eight retail parks in Slovakia and Hungary. A further retail park was also purchased in Romania. These transactions closed in several stages during the first half of 2017.

INVESTMENTS

IMMOFINANZ invested a total of EUR 215.2 million in the property portfolio during the first three quarters of 2017 (Q1–3 2016: EUR 125.0 million).

THE IMMOFINANZ BRANDS

IMMOFINANZ developed and established the STOP SHOP and VIVO! brands for its retail portfolio in recent years. myhive, an international office brand, was introduced in September 2016. This clearly defined brand strategy is supporting the steady expansion of the company's competitive position.

OFFICE

*myhive: the office
of the future*

The international office concept **myhive** is directed exclusively to locations in capital cities. myhive stands for a friendly and lively atmosphere, communicative interaction between tenants and optimal infrastructure. The offices are characterised by attentive and helpful staff, easy accessibility and numerous services. Included here, for example, are shops and services for everyday needs, flexible and serviced offices, fast WLAN in the common areas and a sport offering. The interaction and cooperation between tenants is also supported by attractive communication zones, tenant lounges and interesting events.

The first phase is almost complete and involves the redesign and rebranding of 20 office properties as myhive locations. This category represents an important source of income for IMMOFINANZ with a 23.7% share of the portfolio value and 23.9% of the rental income from standing investments. The myhive office buildings include, among others, the *myhive Twin Towers* (Vienna, Austria), *myhive S-Park* (Bucharest, Romania), *myhive Park Postępu* and *myhive Nimbus* (Warsaw, Poland) and *myhive Átrium Park* (Budapest, Hungary).

RETAIL

*VIVO! shopping
centers in four
markets*

VIVO! stands for high-quality shopping centers, primarily on a single level. The tenants are generally a mix of international and local retailers, with a focus on fashion and entertainment. The VIVO! concept is based on high standardisation and therefore optimally suited for further development projects. Recent activities also involved the roll-out of the VIVO! brand to further shopping centers. The VIVO!/shopping center properties represent 15.3% of the portfolio value and 19.8% of the rental income from standing investments. These shopping centers include, among others, the four Romanian locations *VIVO! Cluj*, *VIVO! Constanța*, *VIVO! Baia Mare* and *VIVO! Pitești* as well as the three VIVO! shopping centers in the Polish cities of Piła, Stalowa Wola and Krosno.

VIVO!

Krosno | PL | approx.
21,000 sqm rentable space



STOP SHOPs are retail parks with a standardised format and an attractive tenant mix. They represent 15.9% of the total portfolio value and 22.2% of the rental income from standing investments. The STOP SHOP locations are found primarily in catchment areas with 30,000 to 150,000 residents and have 8,000 to 15,000 sqm of rentable space. This concept is suitable, above all, for secondary and tertiary cities in lower-income regions. The STOP SHOPS are attractive properties with uniform quality standards, an easy-shopping concept for everyday needs and high recognition value.

STOP SHOP:
retail parks for
everyday needs

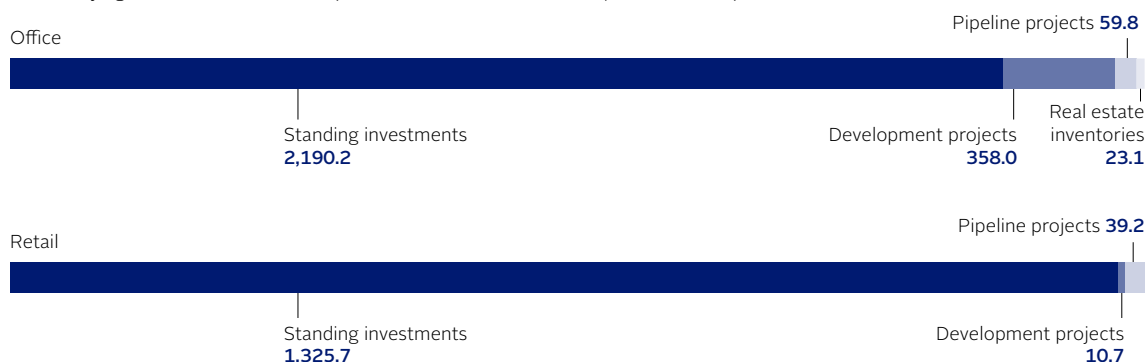
RUSSIA (DISCONTINUED OPERATION)

The portfolio category **Retail Moscow** consists of five shopping centers in Moscow, which had a combined value of EUR 792.8 million* and generated rental income of EUR 18.7 million in the third quarter of 2017. These Russian properties have distinct market characteristics and a different risk profile than the remainder of the portfolio and were therefore sold, as planned, after the end of the reporting period (purchase contract: 13 November 2017). Retail Moscow is therefore still presented in this financial report as a discontinued operation in accordance with IFRS 5. The transaction is expected to close by the end of December 2017. Details on the transaction are provided in the consolidated interim financial statements under note 8. *Subsequent events*, on page 78.

**Sale of the Retail
Moscow portfolio
after the end of
the reporting
period**

STRUCTURE OF THE PROPERTY PORTFOLIO BY ASSET CLASS AND CLASSIFICATION

Total carrying amount: MEUR 4,006.7 (excl. Other, excl. discontinued operation Russia). In MEUR



The following table shows the carrying amount of IMMOFINANZ's property portfolio as of 30 September 2017:

PROPERTY PORTFOLIO BY CATEGORY

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Office	83	2,190.2	358.0	23.1	59.8	2,631.1	63.0%
thereof myhive	20	957.1	34.5	0.0	0.0	991.6	23.7%
Retail	106	1,325.7	10.7	0.0	39.2	1,375.6	32.9%
thereof VIVO!/ Shopping Center	12	639.5	1.1	0.0	0.3	640.9	15.3%
thereof STOP SHOP/ Retail Park	82	648.9	9.7	0.0	7.3	665.9	15.9%
Other	61	8.3	12.2	34.9	117.2	172.7	4.1%
IMMOFINANZ continuing operations	250	3,524.2	380.9	58.0	216.3	4,179.4	100.0%
Retail Moscow ¹	5	792.8	0.0	0.0	0.0	792.8	

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates. The presentation is based on the primary use of the property (in the income statement based on the actual use of the property; marginal differences to the income statement are therefore possible).

¹ The Russian portfolio is presented as a discontinued operation because of the sale and is therefore not included in the total (purchase contract as of 13 November 2017); excl. a Russian pure land-owning company (IFRS 5)

* Excluding a Russian pure land-owning company (IFRS 5)

STANDING INVESTMENTS

With 84.3%* of the total property portfolio, the standing investments are the major source of earnings for IMMOFINANZ. Standing investments are properties held to generate rental income. The most important objectives for the management of these properties include the continuous improvement of quality and efficiency, the strengthening of ties with existing tenants and the acquisition of new tenants.

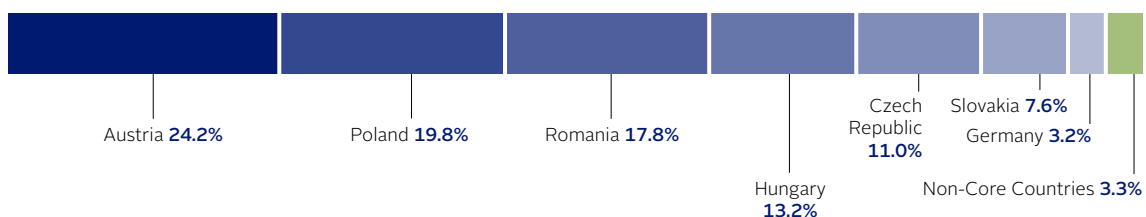
The 155* standing investments had a combined carrying amount of EUR 3,524.2 million* as of 30 September 2017. Of this total, 62.1% are attributable to office properties and 37.6%* to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Austria (EUR 853.7 million), Poland (EUR 698.1 million) and Romania (EUR 625.7 million).

These properties have 1,890,464* sqm of rentable space. Based on annualised rental income**, the portfolio has a gross return of 6.3%, respectively 6.7% after an adjustment for occupancy.

Occupancy rate raised to 92.9%

The occupancy rate rose to 92.9% in the first three quarters of 2017 (31 December 2016: 89.6%). IMMOFINANZ rented approx. 181,000 sqm of usable space during the reporting period (excl. Other standing investments and excl. Russia), including roughly 6% (11,000 sqm) of pre-rentals in development projects. The take-up in the standing investments amounted to approx. 170,000 sqm, or 9% of the total rentable space in these properties. Of this total, approx. 67,000 sqm, or roughly 39%, represent new rentals and 103,000 sqm contract extensions with existing tenants. The average unexpired lease term (WAULT***) weighted by rental income equalled 4.3* years as of 30 September 2017.

The following graph shows the geographical distribution of IMMOFINANZ's standing investment portfolio as of 30 September 2017, based on the carrying amount:



CONTRACT EXPIRATION PROFILE STANDING INVESTMENTS (TOTAL)

Expiring space up to the earliest possible contract end in relation to the total rented space (only in gross leasable/lettable "GLA" areas¹), excluding the discontinued operation Russia:

1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
15%	12%	16%	17%	13%	5%	3%	17%	2%

1 Gross lettable area: total space available to tenants for exclusive use, i.e. excluding common areas like traffic areas, parking facilities, service areas etc.

* Excluding the discontinued operation Russia

** Rental income for the third quarter of 2017 multiplied by four to develop an annualised amount.

*** Average unexpired lease term weighted by rental income; excl. open-end contracts

STANDING INVESTMENTS BY CORE MARKET

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
Austria	32	853.7	24.2%	342,172	307,749	89.9%
Germany	2	113.4	3.2%	36,330	36,136	99.5%
Czech Republic	20	386.2	11.0%	236,352	207,087	87.6%
Hungary	25	465.8	13.2%	299,448	282,112	94.2%
Poland	26	698.1	19.8%	373,369	352,444	94.4%
Romania	20	625.7	17.8%	350,311	334,659	95.5%
Slovakia	19	266.1	7.6%	170,593	156,140	91.5%
Non-Core Countries	11	115.3	3.3%	81,889	80,489	98.3%
IMMOFINANZ continuing operations	155	3,524.2	100.0%	1,890,464	1,756,816	92.9%
Russia ³	5	792.8		278,790	240,237	86.2%

Standing investments	Rental income Q3 2017 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
Austria	11.6	5.4% (6.0%)	479.3	1.9%	2.8%	56.1%
Germany	1.4	4.9% (4.9%)	44.2	1.6%	1.8%	39.0%
Czech Republic	5.8	6.0% (6.9%)	127.9	1.9%	2.3%	33.1%
Hungary	7.4	6.4% (6.8%)	126.3	1.9%	2.1%	27.1%
Poland	10.2	5.9% (6.2%)	465.4	2.1%	2.3%	66.7%
Romania	11.9	7.6% (7.9%)	170.6	3.3%	3.6%	27.3%
Slovakia	4.7	7.1% (7.8%)	36.9	2.7%	3.6%	13.9%
Non-Core Countries	2.1	7.2% (7.3%)	37.8	3.2%	3.6%	32.8%
IMMOFINANZ continuing operations	55.2	6.3% (6.7%)	1,488.3	2.1%	2.6%	42.2%

Development projects and pipeline projects	1.4		179.2	1.4%	1.5%	
Rental income from properties sold/acquired and development projects	2.6		0.0	0.0%	0.0%	
Group financing	0.0		841.1	2.8%	2.8%	
IMMOFINANZ continuing operations	59.2		2,508.7	2.3%	2.6%	
Market value property portfolio						4,179.4
Market value BUWOG shares (4.7 million shares) ⁴						119.8
EPRA NAV CA Immo shares (25.7 million shares) ⁵						723.9
Cash and cash equivalents			-242.2			
Properties/liabilities held for sale (asset & share deals)			196.6			297.7
IMMOFINANZ continuing operations			2,463.1			46.3%⁶
Russia ³	18.7	9.4% (11.0%)	630.1	8.2%	8.2%	79.5%

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

1 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

2 Financing costs based on the nominal outstanding liability

3 The Russian portfolio is presented as a discontinued operation because of the sale and is therefore not included in the total (purchase contract as of 13 November 2017); excl. a Russian pure land-owning company (IFRS 5)

4 Approx. 4.7 million BUWOG shares multiplied by the closing price of EUR 25.36 on 30 September 2017

5 25.7 million CA Immobilien Anlagen AG shares at the EPRA NAV per share of EUR 28.18 on 30 September 2017

6 The LTV of the standing investment portfolio, including the discontinued operation Russia, equals 50.5%

RENTAL INCOME LIKE-FOR-LIKE

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with the first three quarters of 2016) shows an improvement in rental income to EUR 138.4 million in the first three quarters of 2017. That represents an increase of 3.9% compared with the first three quarters of 2016. Higher occupancy led to the following growth in rental income: 5.1% to EUR 35.2 million in Romania, 8.3% to EUR 20.6 million in Hungary, 2.0% to EUR 34.2 million in Austria, 3.4% to EUR 17.0 million in Poland and 3.3% to EUR 16.6 million in the Czech Republic.

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET

Standing investments like-for-like ¹	Number of properties	Carrying amount 30 Sep. 2017 in MEUR	Carrying amount in %	Rental income Q1–3 2017 in MEUR	Rental income Q1–3 2016 in MEUR	Change in rental income Q1–3 2017 vs. Q1–3 2016 in MEUR
Austria	32	853.7	28.9%	34.2	33.5	0.7
Germany	1	40.3	1.4%	1.4	1.4	0.1
Czech Republic	19	363.2	12.3%	16.6	16.1	0.5
Hungary	23	444.9	15.1%	20.6	19.0	1.6
Poland	14	376.9	12.8%	17.0	16.4	0.6
Romania	18	618.3	21.0%	35.2	33.5	1.7
Slovakia	12	181.9	6.2%	9.9	9.7	0.2
Non-Core Countries	7	71.4	2.4%	3.6	3.7	-0.1
IMMOFINANZ continuing operations	126	2,950.6	100.0%	138.4	133.2	5.2
Rental income from properties sold/ acquired and development projects				35.6		
IMMOFINANZ continuing operations				174.0		
Russia ²	5	792.8		62.1	54.9	7.2

STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS

Standing investments like-for-like ¹	Number of properties	Carrying amount 30 Sep. 2017 in MEUR	Carrying amount in %	Rental income Q1–3 2017 in MEUR	Rental income Q1–3 2016 in MEUR	Change in rental income Q1–3 2017 vs. Q1–3 2016 in MEUR
Office	56	1,932.7	65.5%	80.9	78.0	2.8
Retail	64	1,009.5	34.2%	57.2	55.0	2.2
Other	6	8.3	0.3%	0.4	0.2	0.2
IMMOFINANZ continuing operations	126	2,950.6	100.0%	138.4	133.2	5.2

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

¹ This calculation only includes the properties which were fully owned by IMMOFINANZ during both periods. In other words, the calculation excludes new acquisitions, completions and sales.

² The Russian portfolio is presented as a discontinued operation because of the sale and is therefore not included in the total (purchase contract as of 13 November 2017); excl. a Russian pure land-owning company (IFRS 5)

OFFICE STANDING INVESTMENTS

The carrying amount of the 65 office standing investments totalled EUR 2,190.2 million as of 30 September 2017 and represents 62.1% of the standing investment portfolio. A regional analysis shows the focal points of these properties in the core markets of Austria (EUR 738.3 million), Poland (EUR 446.4 million) and Romania (EUR 314.0 million).

These standing investments have 1,068,615 sqm of rentable space. Based on annualised rental income (rental income Q3 2017: EUR 31.0 million), the office portfolio generated a gross return of 5.7% or 6.3% after an adjustment for occupancy.

The occupancy rate in the office portfolio rose to 90.1% in the first three quarters of 2017 (31 December 2016: 87.3%). The take-up in these properties totalled approximately 149,000 sqm. Nearly 138,000 sqm of this take-up was located in standing investments and represents over 13% of the total space in the office properties. The standing investment take-up covered roughly 35% of new rentals and contract supplements and 65% of contract extensions by existing tenants. The largest individual new rentals were registered at approx. 2,400 sqm each in the Romanian *Baneasa Airport Tower* with a bank and in Warsaw for *EMPARK* with a food and beverage company. The take-up in development projects amounted to roughly 11,000 sqm.

**Occupancy rate
in the office
portfolio rises
to 90.1%**

The office portfolio has a balanced tenant structure. The ten largest tenants are responsible for 18% of the space in the standing investments, and no single tenant has rented more than 3% of the total space in these office properties. Of the total leases for office space, 37% have a term of five years or longer. The WAULT* equalled 4.5 years as of 30 September 2017.

CONTRACT EXPIRATION OFFICE SECTOR

Expiring space up to the earliest possible contract end in relation to the total rented space (only in gross leasable/lettable "GLA" areas¹):

1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
16%	11%	16%	18%	14%	4%	2%	17%	2%

¹ Gross lettable area: total space available to tenants for exclusive use, i.e. excluding common areas like traffic areas, parking facilities, service areas etc.

The ten largest standing investments in the office portfolio based on the carrying amount (in declining order) are the *Business Park Vienna*, *myhive Twin Towers* and *City Tower Vienna* (Vienna), *IRIDE Business Park* (Budapest), *BB Centrum Gamma* (Prague), *myhive S-Park* (Bucharest), *myhive Park Postępu* (Warsaw), *myhive Átrium Park* (Budapest), *Cluster Produktionstechnik* (Aachen) and *myhive Haller Gardens* (Budapest).

KEY DATA ON THE OFFICE STANDING INVESTMENTS BY CATEGORY

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	65	2,190.2	100.0%	1,068,615	963,138	90.1%
thereof myhive	19	957.1	43.7%	435,466	401,101	92.1%
Standing investments	Rental income Q3 2017 in MEUR ¹	Gross return in % (occupancy adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	31.0	5.7% (6.3%)	1,026.1	2.1%	2.7%	46.9%
thereof myhive	13.2	5.5% (6.0%)	479.5	2.1%	2.6%	50.1%

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates

¹ Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Financing costs based on the nominal outstanding liability

* Average unexpired lease term weighted by rental income; excl. open-end contracts

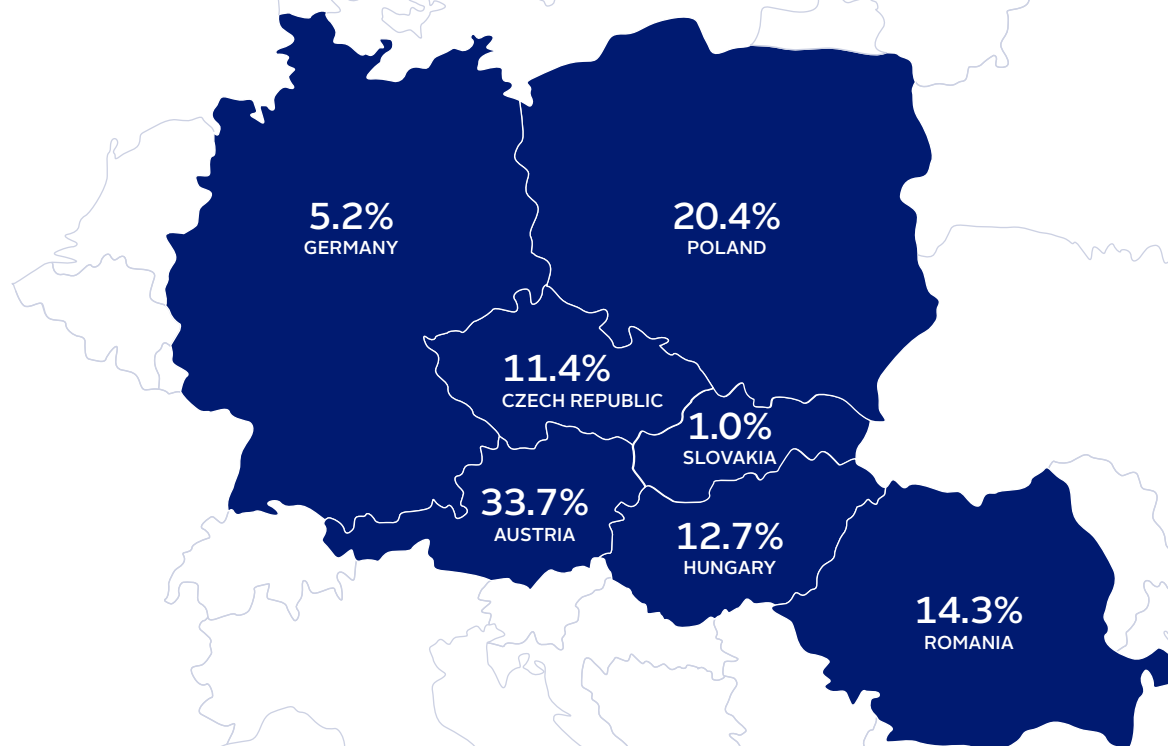
myhive TWIN TOWERS
Vienna | AT | approx.
67,000 sqm rentable space





THE OFFICE SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 2,190.2)



AUSTRIA 33.7%

Number of properties	17
Carrying amount in MEUR	738.3
Rentable space in sqm	281,901
Occupancy rate	88.3%
Rental income Q3 2017 in MEUR ¹	9.4
Gross return	5.1%
Gross return occupancy-adjusted	5.8%

POLAND 20.4%

Number of properties	15
Carrying amount in MEUR	446.4
Rentable space in sqm	226,682
Occupancy rate	92.5%
Rental income Q3 2017 in MEUR ¹	6.7
Gross return	6.0%
Gross return occupancy-adjusted	6.5%

ROMANIA 14.3%

Number of properties	10
Carrying amount in MEUR	314.0
Rentable space in sqm	196,794
Occupancy rate	93.5%
Rental income Q3 2017 in MEUR ¹	5.4
Gross return	6.9%
Gross return occupancy-adjusted	7.4%

HUNGARY 12.7%

Number of properties	11
Carrying amount in MEUR	278.1
Rentable space in sqm	163,549
Occupancy rate	91.7%
Rental income Q3 2017 in MEUR ¹	4.1
Gross return	5.9%
Gross return occupancy-adjusted	6.4%

CZECH REPUBLIC 11.4%

Number of properties	8
Carrying amount in MEUR	250.1
Rentable space in sqm	130,583
Occupancy rate	80.4%
Rental income Q3 2017 in MEUR ¹	3.3
Gross return	5.3%
Gross return occupancy-adjusted	6.5%

GERMANY 5.2%

Number of properties	2
Carrying amount in MEUR	113.4
Rentable space in sqm	36,330
Occupancy rate	99.5%
Rental income Q3 2017 in MEUR ¹	1.4
Gross return	4.9%
Gross return occupancy-adjusted	4.9%

SLOVAKIA 1.0%

Number of properties	1
Carrying amount in MEUR	21.5
Rentable space in sqm	16,888
Occupancy rate	82.0%
Rental income Q3 2017 in MEUR ¹	0.3
Gross return	6.3%
Gross return occupancy-adjusted	7.6%

Non-Core Countries² 1.3%

Number of properties	1
Carrying amount in MEUR	28.4
Rentable space in sqm	15,887
Occupancy rate	99.7%
Rental income Q3 2017 in MEUR ¹	0.4
Gross return	6.0%
Gross return occupancy-adjusted	6.0%

IMMOFINANZ 100%

Number of properties	65
Carrying amount in MEUR	2,190.2
Rentable space in sqm	1,068,615
Occupancy rate	90.1%
Rental income Q3 2017 in MEUR ¹	31.0
Gross return	5.7%
Gross return occupancy-adjusted	6.3%

¹ Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Non-core countries: Croatia

RETAIL STANDING INVESTMENTS

The carrying amount of the 84* standing investments in the retail sector totalled EUR 1,325.7 million* as of 30 September 2017 and represents 37.6%* of the total standing investment portfolio. The largest regional markets are Romania with EUR 310.4 million, Poland with EUR 251.6 million and Slovakia with EUR 244.6 million.

The retail standing investments have 821,849* sqm of rentable space. Based on annualised rental income (rental income in Q3 2017: EUR 24.0 million*), these properties generated a gross return of 7.2%* or 7.5% after an adjustment for occupancy.

39% of the retail rental contracts have a term of five years or longer

The occupancy rate in the retail properties rose to 96.6%* as of 30 September 2017 (31 December 2016: 93.0%*). The take-up in the retail properties, excluding Russia, amounted to roughly 32,000 sqm in the reporting period. This volume corresponds to roughly 4% of the total space in the retail standing investments. The take-up covered roughly 59% of new rentals and contract supplements and 41% of contract extensions by existing tenants. Major new rentals roughly 1,100 sqm each included, for example, the *VIVO! Krosno* in Poland and the *Na Příkopě* standing investment in Prague.

IMMOFINANZ relies on a balanced tenant mix and the inclusion of recreational and entertainment opportunities to create an optimal environment for retailers and their customers. All of the larger IMMOFINANZ retail properties have numerous solid international and local anchor tenants. Retailers from the fashion sector are the largest tenant group based on rented space, followed by food products. Other important tenant groups are electronics, health & beauty, furniture & household and sports. Of the total rental contracts, 39% have a term of five years or longer. The WAULT** equalled 4.1 years* as of 30 September 2017.

CONTRACT EXPIRATION RETAIL SECTOR

Expiring space up to the earliest possible contract end in relation to the total rented space (only in gross leasable/lettable "GLA" areas¹), excluding the discontinued operation Russia:

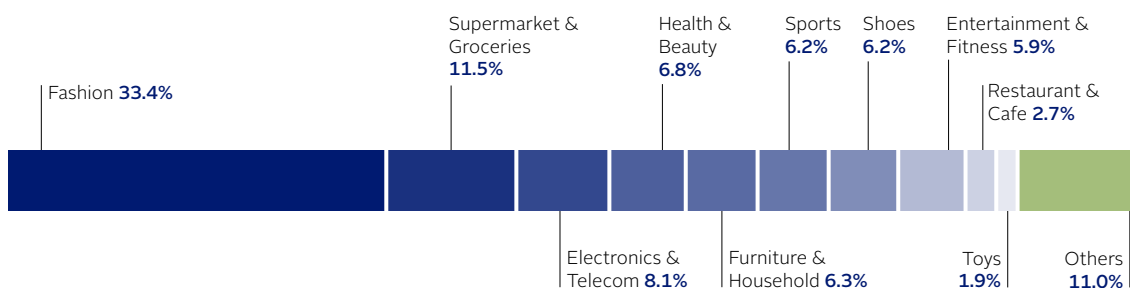
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
13%	13%	17%	16%	13%	5%	4%	17%	2%

¹ Gross leasable area: total space available to tenants for exclusive use, i.e. excluding common areas like traffic areas, parking facilities, service areas etc.

BRANCH MIX – RETAIL, EXCLUDING RUSSIA

Only rented space in the standing investments.

As of 30 September 2017



The ten largest standing investments in the retail portfolio based on the carrying amount (in declining order, excluding the discontinued operation Russia) are the *VIVO! Cluj* (Romania), *Taraszy Zamkowe* (Poland), *Polus City Center* (Slovakia), *VIVO! Constanța* (Romania), *VIVO! Baia Mare* (Romania), *VIVO! Piła* (Poland), *VIVO! Stalowa Wola* (Poland), *VIVO! Hostivař* (Czech Republic), *STOP SHOP Veszprém* (Hungary) and *VIVO! Krosno* (Poland).

* Excluding the discontinued operation Russia

** Average unexpired lease term weighted by rental income; excl. open-end contracts

KEY DATA ON THE RETAIL STANDING INVESTMENTS BY CATEGORY

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	84	1,325.7	100.0%	821,849	793,678	96.6%
thereof VIVO!/ Shopping Center	10	639.5	48.2%	314,071	298,875	95.2%
thereof STOP SHOP/ Retail Park	68	648.9	49.0%	465,313	455,220	97.8%
Standing investments	Rental income Q3 2017 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	24.0	7.2% (7.5%)	458.9	2.1%	2.4%	34.6%
thereof VIVO!/ Shopping Center	10.9	6.8% (7.2%)	211.5	2.3%	2.6%	33.1%
thereof STOP SHOP/ Retail Park	12.2	7.5% (7.7%)	242.4	2.0%	2.3%	37.3%

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

¹ Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Financing costs based on the nominal outstanding liability



myhive S-Park
Bucharest | RO |
approx. 34,000 sqm
rentable space

RETAIL MOSCOW (DISCONTINUED OPERATION)

The carrying amount of the five standing investments in the retail sector, which have 278,790 sqm of rentable space, totalled EUR 792.8 million* as of 30 September 2017. Based on annualised rental income (rental income Q3 2017: EUR 18.7 million), the gross return equalled 9.4% or 11.0% after an adjustment for occupancy. On 13 November 2017 IMMOFINANZ signed a contract for the sale of the retail Moscow portfolio to the FORT Group. Details on the transaction are provided in the consolidated interim financial statements under note 8. *Subsequent events*, on page 78.

KEY DATA ON RETAIL MOSCOW

Standing investments	Number of properties	Carrying amount in MEUR	Rentable space in sqm	Rented space in sqm	Occupancy rate in %	
Retail Moscow ³	5	792.8	278,790	240,237	86.2%	
Standing investments	Rental income Q3 2017 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
Retail Moscow ³	18.7	9.4% (11.0%)	630.1	8.2%	8.2%	79.5%

1 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

2 Financing costs based on the nominal outstanding liability

3 The Russian portfolio is presented as a discontinued operation because of the sale (purchase contract as of 13 November 2017); excl. a Russian pure land-owning company (IFRS 5)

* Excluding a Russian pure land-owning company (IFRS 5)

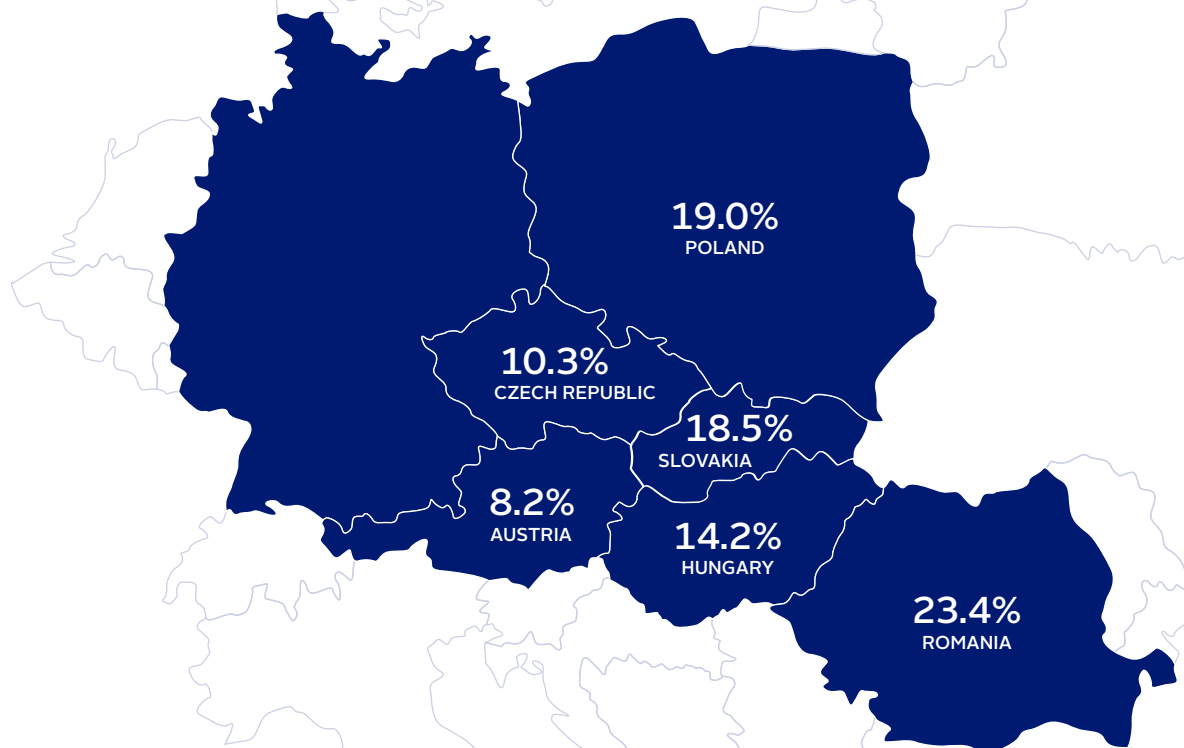


STOP SHOP
Čačak | SRB | approx.
6,000 sqm rentable space



THE RETAIL SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 3,524.2⁴)



ROMANIA 23.4%

Number of properties	6
Carrying amount in MEUR	310.4
Rentable space in sqm	153,517
Occupancy rate	98.2%
Rental income Q3 2017 in MEUR ¹	6.5
Gross return	8.3%
Gross return occupancy-adjusted	8.5%

POLAND 19.0%

Number of properties	11
Carrying amount in MEUR	251.6
Rentable space in sqm	146,686
Occupancy rate	97.4%
Rental income Q3 2017 in MEUR ¹	3.5
Gross return	5.6%
Gross return occupancy-adjusted	5.7%

SLOVAKIA 18.5%

Number of properties	18
Carrying amount in MEUR	244.6
Rentable space in sqm	153,705
Occupancy rate	92.6%
Rental income Q3 2017 in MEUR ¹	4.4
Gross return	7.2%
Gross return occupancy-adjusted	7.8%

HUNGARY 14.2%

Number of properties	14
Carrying amount in MEUR	187.7
Rentable space in sqm	135,899
Occupancy rate	97.3%
Rental income Q3 2017 in MEUR ¹	3.4
Gross return	7.1%
Gross return occupancy-adjusted	7.3%

CZECH REPUBLIC 10.3%

Number of properties	12
Carrying amount in MEUR	136.1
Rentable space in sqm	105,769
Occupancy rate	96.5%
Rental income Q3 2017 in MEUR ¹	2.5
Gross return	7.4%
Gross return occupancy-adjusted	7.7%

AUSTRIA 8.2%

Number of properties	13
Carrying amount in MEUR	108.3
Rentable space in sqm	60,271
Occupancy rate	97.8%
Rental income Q3 2017 in MEUR ¹	2.1
Gross return	7.7%
Gross return occupancy-adjusted	7.9%

NON-CORE COUNTRIES² 6.6%

Number of properties	10
Carrying amount in MEUR	86.9
Rentable space in sqm	66,002
Occupancy rate	97.9%
Rental income Q3 2017 in MEUR ¹	1.7
Gross return	7.6%
Gross return occupancy-adjusted	7.8%

IMMOFINANZ⁴ 100.0%

Number of properties	84
Carrying amount in MEUR	1,325.7
Rentable space in sqm	821,849
Occupancy rate	96.6%
Rental income Q3 2017 in MEUR ¹	24.0
Gross return	7.2%
Gross return occupancy-adjusted	7.5%

RUSSIA³ -

Number of properties	5
Carrying amount in MEUR	792.8
Rentable space in sqm	278,790
Occupancy rate	86.2%
Rental income Q3 2017 in MEUR ¹	18.7
Gross return	9.4%
Gross return occupancy-adjusted	11.0%

1 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

2 Non-core countries: Slovenia and Serbia

3 Discontinued operation; excl. a Russian pure land-owning company (IFRS 5)

4 Excluding the discontinued operation Russia

DEVELOPMENT PROJECTS

With the development of office and retail properties in the core markets, IMMOFINANZ strengthens its standing investment portfolio and safeguards organic growth. The company covers the entire value chain on these projects – from site preparation to property rental.

Development projects with a carrying amount of EUR 380.9 million

The active development projects had a carrying amount of EUR 380.9 million as of 30 September 2017, which represents 9.1% of the total property portfolio. The expected fair value on completion amounts to EUR 492.8 million. Activities are currently focused on the core markets of Germany, Romania and Poland. Germany is responsible for 69.5% (EUR 342.4 million), Romania for 11.9% (EUR 58.7 million) and Poland for 9.9% (EUR 48.6 million) of the expected fair value after completion. The development projects also include the extensive modernisation of existing properties which will be reclassified to the standing investment portfolio after completion. Modernisation projects were ongoing in two buildings as of 30 September 2017.

CURRENT FOCUS OF DEVELOPMENT ACTIVITIES

GERMANY

Düsseldorf

Development projects focused on Germany

The new global headquarters for trivago is currently under construction in the Medienhafen with approx. 26,000 sqm of rentable office space in the first building section. This six-storey, horizontally structured building opens towards the harbour basin, which creates an expansive campus with a welcoming atmosphere. Construction started during spring 2016, and the topping-out ceremony to mark the completion of the building shell was held at the beginning of July 2017. The first section is scheduled for completion in the third quarter 2018. Additional expansion areas can be realised in the second section (up to approx. 16,000 sqm).

Also under development in the Medienhafen is the *FLOAT*, an office ensemble with six buildings designed by the star architect Renzo Piano. The utility company Uniper has leased the entire office space of approx. 28,000 sqm and will use the building as its new headquarters starting in the third quarter 2018.

POLAND

IMMOFINANZ is continuing the expansion of its STOP SHOP brand in Poland. Six retail parks have already opened in this country, and other locations are currently in preparation or under evaluation. A VIVO! shopping center with roughly 21,000 sqm of rentable space was also built in the Polish city of Krosno – it is fully rented and opened at the end of September 2017.

SERBIA

The fourth STOP SHOP location in Serbia opened in Lazarevac at the end of September. The retail park with roughly 10,000 sqm of rentable space is fully rented. Three other STOP SHOP locations are currently under development in this country: the new retail parks in Požarevac, Vršac and Sremska Mitrovica will have approx. 30,000 sqm in total and are currently in different stages of construction. The openings are scheduled for 2018.

DEVELOPMENT PROJECTS BY CORE MARKET

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Estimated fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % ¹
Austria ²	1	10.9	2.9%	n.a.	n.a.	10.9	0.0	n.a.
Germany	3	247.8	65.1%	75.4	62,789	342.4	16.0	5.0%
Poland	7	45.5	11.9%	3.1	41,695	48.6	3.5	7.1%
Romania	3	49.0	12.9%	9.7	30,793	58.7	5.2	8.8%
Slovakia	1	24.7	6.5%	4.5	18,744	29.2	2.8	9.5%
Non-Core Countries ²	3	3.0	0.8%	n.a.	n.a.	3.0	0.0	n.a.
IMMOFINANZ	18	380.9	100.0%	92.6	154,021	492.8	27.4³	5.8%

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

¹ Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs

² Projects in the planning stage, i.e. outstanding construction costs not available, rental income based on current use

³ Approx. EUR 1.3 million included in Q3 2017

DEVELOPMENT PROJECTS BY CATEGORY

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Estimated fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % ¹
IMMOFINANZ	18	380.9	100.0%	92.6	154,021	492.8	27.4	5.8%
thereof myhive	1	34.5	9.1%	3.6	20,884	38.2	3.8	9.8%
thereof VIVO!/ Shopping Center ²	1	1.1	0.3%	n.a.	n.a.	1.1	0.0	n.a.
thereof STOP SHOP/ Retail Park	6	9.7	2.5%	3.1	3,862	12.7	0.5	3.6%

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

¹ Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs

² Projects in the planning stage, i.e. outstanding construction costs not available, rental income based on current use

Based on the expected fair value after completion, the most important development projects as of 30 September 2017 are as follows:

SELECTED DEVELOPMENT PROJECTS UNDER CONSTRUCTION

Largest projects in Germany	Primary use	Planned rentable/ sellable space in sqm (rounded)	Pre-occupancy rate in %	Scheduled completion
trivago ¹	Office	26,000	100%	Q3 2018
FLOAT	Office	30,000	95%	Q3 2018

¹ Office construction phase I

REAL ESTATE INVENTORIES

Real estate inventories include apartments that are intended for sale after completion or, in the case of Germany, apartments that were sold as well as underground garages. This category also includes the hotel in the *Gerling Quartier* in Cologne which was sold as a forward purchase, but will be completed by IMMOFINANZ.

Real estate inventories	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Expected fair value after completion in MEUR
Germany	8	54.1	93.2%	35.3	89.4
Poland	1	2.5	4.3%	0.0	2.5
Romania	7	1.3	2.2%	0.0	1.3
Non-Core Countries	1	0.2	0.3%	0.0	0.2
IMMOFINANZ	17	58.0	100.0%	35.3	93.3

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates..

PIPELINE PROJECTS

Pipeline projects include planned development projects, undeveloped land and/or temporarily suspended projects.

Pipeline projects with a carrying amount of EUR 216.3 million

The pipeline projects had a carrying amount of EUR 216.3 million as of 30 September 2017. They are evaluated quarterly for possible transfer to an active development status. IMMOFINANZ intends to reduce the number of pipeline projects in the property portfolio through selected sales.

PIPELINE PROJECTS BY CORE MARKET

Pipeline projects	Number of properties	Carrying amount in MEUR	Carrying amount in %
Austria	2	9.7	4.5%
Czech Republic	1	0.9	0.4%
Hungary	7	31.9	14.7%
Poland	1	1.6	0.8%
Romania	44	164.2	75.9%
Slovakia	1	1.2	0.5%
Non-Core Countries	4	6.8	3.1%
IMMOFINANZ	60	216.3	100.0%

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates..

ASSETS HELD FOR SALE

The assets held for sale, excluding the discontinued operation Russia, totalled EUR 297.4 million as of 30 September 2017 and are not included in this portfolio report. Concrete sale plans have been approved for these properties, and their sale is intended in the near future. Including the discontinued operation Russia, the assets held for sale amount to EUR 1,121.9 million. Details are provided in the consolidated interim financial statements under note 4.5 on page 64.

Property Valuation

IMMOFINANZ prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Accordingly, the properties must be appraised on a regular basis by independent experts. The valuation of the property portfolio follows the EPRA's Best Practices Policy Recommendations for the application of the fair value method as defined in IFRS.

The IMMOFINANZ properties were valued internally by the asset management and controlling departments as of 30 September 2017. Independent external appraisers carry out the valuations as of 30 June and 31 December 2017, whereby CBRE is responsible for the CEE and Russia portfolio and BNP Paribas Real Estate Consult (BNPP REC) for the portfolios in Austria and Germany.

Retail Moscow is presented as a discontinued operation because of the sale (purchase contract as of 13 November 2017). Due to the size of this portfolio (property value as of 30 September 2017: EUR 792.8 million*), Russia, respectively Retail Moscow is presented separately in the property valuation. Details on the transaction are provided in the consolidated interim financial statements under note 8, *Subsequent events*, on page 78. Other properties which fall under the scope of application of IFRS 5 – i.e. properties held for sale – are not included in accordance with previous practice.

DEVELOPMENT OF PROPERTY VALUATION IN THE FIRST THREE QUARTERS OF 2017

Revaluation results (from continuing operations) totalled EUR 11.3 million in the first three quarters of 2017 (Q1–3 2016: EUR -102.7 million) and include EUR 7.9 million (Q1–3 2016: EUR -104.3 million) of foreign exchange-adjusted revaluations. Positive effects were provided, among others, by the *FLOAT*, *trivago Campus* and *Cluster Produktionstechnik* development projects in Germany as well as by *VIVO! Krosno*. These effects were contrasted, among others, by value declines to smaller or non-strategic office properties in Austria, the Czech Republic and Poland as well as retail properties in Austria and a retail property in Poland.

The foreign exchange-based revaluations of investment property amounted to EUR 3.4 million (Q1–3 2016: EUR 1.6 million) and were related primarily to non-core countries whose functional currency is not the Euro.

DEVELOPMENT OF PROPERTY VALUATION LIKE-FOR-LIKE

The following tables present a like-for-like analysis of the valuation effects in the first three quarters of 2017. In order to improve comparability, the data are adjusted for new acquisitions, completions and sales. Value increases were recorded in Hungary, the Czech Republic and Slovakia due to an improvement in the market environment or higher occupancy in the retail properties. This growth was contrasted by declines in Poland and Romania, which were based primarily on expenses connected with the myhive roll-out. The relocation of several larger tenants from one office property each in Austria and Romania also had a negative effect. The new rentals are already in progress.

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKETS

Standing investments like-for-like ¹	Number of properties	Carrying amount 30 Sep. 2017 in MEUR	Carrying amount in %	Valuation effects Q1–3 2017 in MEUR
Austria	32	853.7	28.9%	-3.2
Germany	1	40.3	1.4%	0.1
Czech Republic	19	363.2	12.3%	5.3
Hungary	23	444.9	15.1%	7.4
Poland	14	376.9	12.8%	-3.6
Romania	18	618.3	21.0%	-4.0
Slovakia	12	181.9	6.2%	4.4
Non-Core Countries	7	71.4	2.4%	0.6
IMMOFINANZ continuing operations	126	2.950,6	100.0%	7.1

¹ This calculation only includes the properties which were fully owned by IMMOFINANZ during both periods. In other words, the calculation excludes new acquisitions, completions and sales

* Excluding a Russian pure land-owning company (IFRS 5)


STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS

Standing investments like-for-like ¹	Number of properties	Carrying amount 30 Sep. 2017 in MEUR	Carrying amount in %	Valuation effects Q1–3 2017 in MEUR
Office	56	1,932.7	65.5%	-3.2
Retail	64	1,009.5	34.2%	10.3
Other	6	8.3	0.3%	0.0
IMMOFINANZ continuing operations	126	2,950.6	100.0%	7.1

¹ This calculation only includes the properties which were fully owned by IMMOFINANZ during both periods. In other words, the calculation excludes new acquisitions, completions and sales

DEVELOPMENT OF PROPERTY VALUATION IN THE DISCONTINUED OPERATION RUSSIA

The results of discontinued operations totalled EUR -175.4 million and represent the discontinued core market Russia (Q1–3 2016: EUR -184.7 million). These results were influenced primarily by a negative valuation effect of EUR -157.8 million which resulted from the sale of the retail portfolio Moscow to the FORT Group. The negative valuation effect is related to goodwill (EUR -56.1 million) as well as to investment property (EUR -123.8 million) and was contrasted by effects of EUR 22.2 million from deferred taxes. Details on the transaction are provided in the consolidated interim financial statements under note 8, *Subsequent events*, on page 78.



City Tower Vienna
Vienna | AT |
approx. 27,000 sqm
rentable space

Financing

IMMOFINANZ successfully arranged all necessary refinancing and extensions for standing investments and development projects as planned during the first three quarters of the 2017 financial year. In order to utilise the currently favourable environment, IMMOFINANZ also regularly evaluates opportunities to renew and optimise existing financing prior to maturity while, at the same time, maintaining a balanced term structure. The focus is placed on the combination of individual properties in an asset class and region into a portfolio in order to arrange for financing at more attractive conditions.

Multi-stage refinancing

The first three quarters of 2017 brought important steps to further optimise IMMOFINANZ's capital and financing structure. Two incentivised conversions reduced the outstanding nominal value of the convertible bond 2018 from EUR 507.1 million to roughly EUR 32.8 million and increased equity by EUR 254.9 million.

In January 2017 an invitation was issued to all holders of the convertible bond 2018 (ISIN XS0592528870) for an incentivised conversion into the underlying IMMOFINANZ and BUWOG shares together with a conversion premium. This offer led to the premature conversion of EUR 219.8 million, or 43.4%, of the outstanding certificates from the convertible bond 2018 and reduced the outstanding nominal value of this bond to EUR 287.3 million.

Parallel to this incentivised conversion, IMMOFINANZ issued a new convertible bond with a 2% coupon, a volume of EUR 297.2 million and a maturity date in 2024. The terms for the convertible bond 2024 (XS1551932046) give the bondholders a put option after five years (i.e. on 24 January 2022). The conversion price equalled EUR 2.2937* as of 30 September 2017 (original conversion price on the issue date: EUR 2.3933), which means the convertible bond 2024 currently entitles the bondholders to conversion into 129.6 million IMMOFINANZ shares.

In addition, roughly 4.5 million BUWOG shares were placed on the capital market at the beginning of February 2017. The net proceeds from the transaction totalled EUR 97.4 million

In September 2017 IMMOFINANZ issued another invitation to the holders of the convertible bond 2018 for an incentivised conversion into the underlying IMMOFINANZ and BUWOG shares together with a conversion premium. The offer covered the conversion of each bond certificate at the nominal value of EUR 4.12 into 1.241 IMMOFINANZ shares and 0.0653 BUWOG shares plus a conversion premium of EUR 0.206 for each outstanding bond certificate. This offer was accepted by 88.6% (EUR 254.4 million) of the bondholders. The transaction reduced the outstanding nominal value of the convertible bond 2018 to approximately EUR 32.8 million. IMMOFINANZ used roughly 13.1 million treasury shares and a further 63.6 million new shares from conditional capital to service the conversion rights. The settlement of the offer took place on 2 October 2017, i.e. after the end of reporting period. This transaction reduced IMMOFINANZ's investment in BUWOG to 0.7 million shares.

*Improvement in
term structure
and financing
costs*

Financial liabilities, excluding the discontinued operation Russia, totalled EUR 2.7 billion as of 30 September 2017 (31 December 2016: EUR 2.8 billion). Cash and cash equivalents amounted to EUR 242.8 million, incl. cash and cash equivalents from IFRS 5 (31 December 2016: EUR 189.3 million). Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.5 billion (31 December 2016: EUR 2.6 billion). Financial liabilities attributable to the discontinued operation Russia amounted to EUR 630.1 million as of 30 September 2017 (31 December 2016: EUR 721.7 million).

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 38.8% (31 December 2016: 37.8%) and a net loan-to-value ratio (net LTV) of 46.3%, respectively 50.5% including Russia (31 December 2016: 49.0%, incl. Russia 52.2%). Including the incentivised conversion of the convertible bond 2018, which took place on 2 October 2017, the net LTV equalled 42.3% excl. Russia and 47.2% incl. Russia.

*Significant
reduction in net
loan-to-value*

* The settlement of the legal proceedings to review the exchange ratio applied to the merger of IMMOEAST and IMMOFINANZ and the payment of the EUR 0.06 dividend per share, both in the second quarter of 2017, led to an adjustment of the conversion price for the convertible bond 2024.

The net LTV shows the carrying amount of financing less cash and cash equivalents in relation to the total carrying amount of the properties, the market value of the investment in BUWOG shares and the EPRA net asset value (EPRA NAV) of the investment in CA Immobilien Anlagen AG (CA Immo).

CALCULATION OF NET LTV AS OF 30 SEPTEMBER 2017

	Amounts in TEUR (incl. RU)	Amounts in TEUR (excl. RU)
Carrying amount of financing	3,335,418.87	2,705,277.15
- Cash and cash equivalents	-245,616.21	-242,800.25 ¹
Net carrying amount of financing	3,089,802.66	2,462,476.90
Carrying amount of properties ² & market value of BUWOG shares plus EPRA NAV of CA Immo shares ³	6,113,717.62	5,320,919.75
Net LTV	50.54%	46.28%
Net LTV (including incentivised conversion of CB 2018)⁴	47.17%	42.31%

1 Excluding cash and cash equivalents in discontinued operations; including cash and cash equivalents in IFRS 5.

2 The calculation of the net LTV excl. RU reflects the deduction of the net asset value (NAV) of the Russian properties (carrying amount of the properties less attributable debt) as well as the assumption that the NAV will be reinvested at the average net LTV.

3 Market value of the BUWOG shares: approx. 4.7 million shares à EUR 25.36 (closing price on the Vienna Stock Exchange on 29 September 2017), CA Immo shares at the EPRA NAV as of 30 September 2017: 25.7 million shares à EUR 28.18

4 The incentivised conversion was settled in October 2017.

Financing costs

The average financing costs for IMMOFINANZ equalled 3.62% per year as of 30 September 2017 (31 December 2016: 4.01% per year) including the derivatives used for interest rate hedging and 3.37% per year excluding derivatives (31 December 2016: 3.71% per year). After an adjustment for the financing arranged in Russia, the average financing costs equalled 2.56% per year (31 December 2016: 3.02% per year) including the derivatives used for interest rate hedging and 2.25% per year excluding derivatives (31 December 2016: 2.64% per year).

Average financing costs	IMMOFINANZ continuing operations		incl. Russia	
	30 Sep. 2017	31 Dec. 2016	30 Sep. 2017	31 Dec. 2016
Incl. derivatives	2.56%	3.02%	3.62%	4.01%
Excl. derivatives	2.25%	2.64%	3.37%	3.71%
Incl. derivatives & incentivised conversion invitation ¹	2.39%	n.a.	3.57%	n.a.
Excl. derivatives & incl. incentivised conversion invitation ¹	2.05%	n.a.	3.30%	n.a.

1 The incentivised conversion was settled in October 2017

The average financing costs for the standing investments (excl. Russia) amount to 2.63% per year including derivatives and 2.11% per year excluding derivatives.

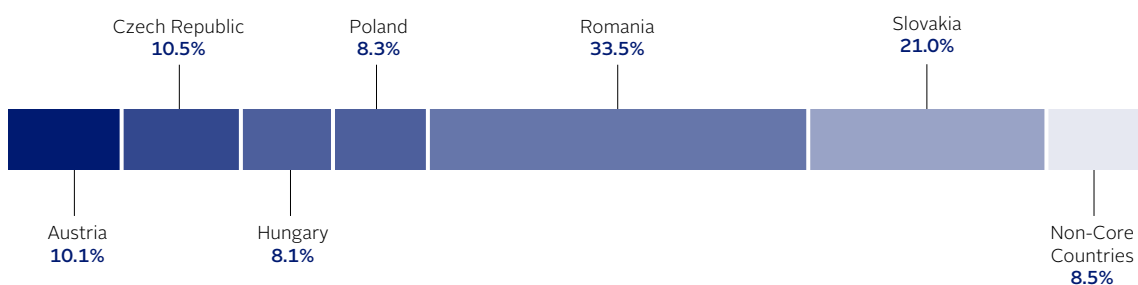
Unencumbered property

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 606.4 million or 11.51% of the total property carrying amount was not externally financed and therefore unencumbered as of 30 September 2017 (31 December 2016: 15.2%). The unencumbered standing investments have a combined carrying amount of EUR 312.4 million or 8.77%.

11.51%
of property
carrying amount
unencumbered

UNENCUMBERED PROPERTY BY COUNTRY

Total unencumbered property: MEUR 606.4



COMPOSITION OF FINANCIAL LIABILITIES

The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from convertible and corporate bonds. The composition of these liabilities as of 30 September 2017 is shown below:

	Outstanding liability ¹ in TEUR as of 30 Sept. 2017	Weighted average interest rate excl. derivatives ²	Share of fixed interest in % ²	Share of floating interest in % ²	Fixed interest rate in % ²	Floating interest rate in % ²
Convertible bonds in EUR	591,119.1	3.13%	100.00%	0.00%	3.13%	n.a.
Bank liabilities in EUR	2,114,158.1	2.00%	3.28%	96.72%	0.01%	2.07%
IMMOFINANZ continuing operations	2,705,277.1	2.25%	24.81%	75.19%	2.81%	2.07%
Russia ³	630,141.7	8.20%	0.00%	100.00%	n.a.	8.20%

1 Excl. the discontinued operation Russia

2 Calculation basis: actual remaining debt (nominal amount) excl. the discontinued operation Russia

3 As a result of the sale, Russia is reported as a discontinued operation and is therefore not included in the total (purchase contract signed on 13 November 2017).

The remaining balance of the financial liabilities held by IMMOFINANZ (continuing operations) totalled EUR 2,705.3 million as of 30 September 2017. As of that date, all of the financing was denominated in Euros.

*Reduction in
interest costs*

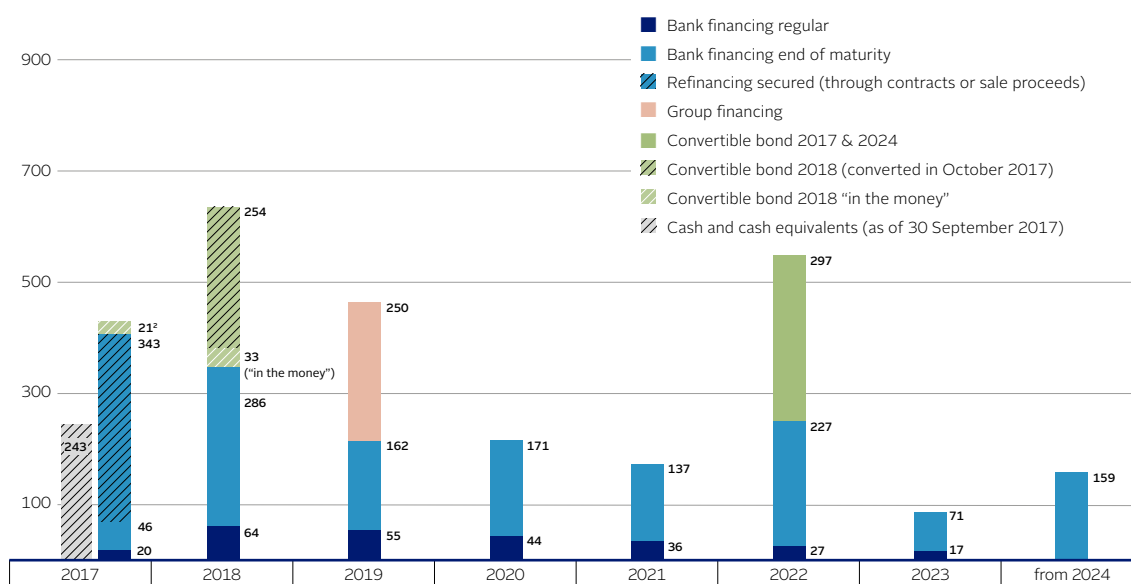
TERM STRUCTURE

The weighted average remaining term of the financial liabilities, excluding Russia, equals three years. The following graph shows the term structure by years as of 30 September 2017. The liabilities scheduled to mature during the 2017 financial year amounted to EUR 676.9 million as of 31 December 2016, whereby EUR 266.2 million had been refinanced by the end of the third quarter of 2017 through planned repayments or extensions. A further EUR 343.2 million are covered by contractual commitments or sale proceeds. The weighted average remaining term of the property financing equals 3.25 years.

IMMOFINANZ refinanced borrowings of EUR 210.0 million which were scheduled to mature in 2018 prior to the end of the term and increased the volume to EUR 250.0 million during the second quarter of 2017. This financing was arranged for the acquisition of roughly 26% of the shares in CA Immo for a total price of approximately EUR 604 million. The refinancing sustainably improved the term structure of the Group's financial liabilities and led to a significant reduction in interest costs compared with the financing it replaced.

*Attractive
refinancing of
Group borrowings*

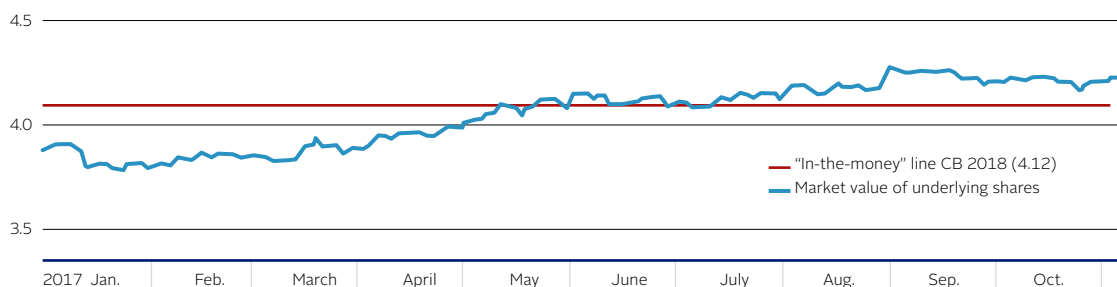
TERM STRUCTURE OF FINANCIAL LIABILITIES BY FINANCIAL YEARS AS OF 30 SEPTEMBER 2017¹



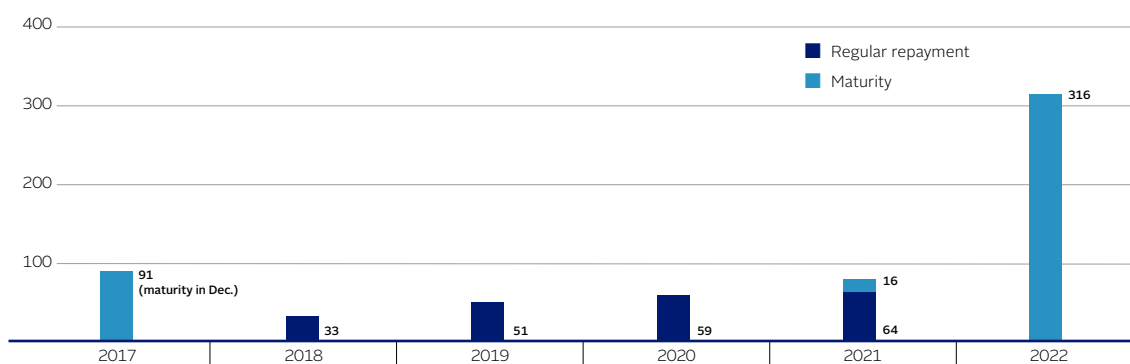
1 Excl. the discontinued operation Russia

2 Convertible bond 2017 was redeemed as of 19 November 2017

Cash and cash equivalents totalled EUR 242.8 million (incl. IFRS 5), respectively EUR 245.6 million including the cash and cash equivalents in discontinued operations and disposal groups, as of 30 September 2017. The convertible bond 2018 was "in the money" as of 30 September 2017 due to the sound development of the share price.

“IN-THE-MONEY” LINE CONVERTIBLE BOND 2018

Calculation of market value following the adjustment of the conversion price as of 29 September 2017: Closing price of the IMMOFINANZ share x conversion factor IMMOFINANZ + closing price of the BUWOG share x conversion factor BUWOG: $2.184 \times 1.2410 + 25.36 \times 0.0653 = 4.37$

TERM STRUCTURE OF FINANCIAL LIABILITIES DISCONTINUED OPERATION RUSSIA BY FINANCIAL YEARS AS OF 30 SEPTEMBER 2017

The Russian financial liabilities totalled EUR 630.1 million at the end of September 2017. An agreement for the full suspension of scheduled repayments was concluded with SBERBANK, which covers the period up to and including the first quarter of 2018. A waiver agreement was also concluded which suspends the calculation of financial covenants up to and including the first quarter of 2018. The purchase contract concluded on 13 November 2017 will transfer all assets held for sale and all liabilities held for sale which are attributable to the retail portfolio Moscow to the FORT Group as the acquirer. The transaction is expected to close by the end of December 2017.

BANK LIABILITIES**Successful loan financing**

The total volume of refinancing, long-term extensions and cash inflows from new financing amounted to EUR 901.7 million in the first three quarters of 2017.

Total volume of loan financing: EUR 901.7 million

One highlight for the reporting period was the refinancing arranged for the STOP SHOP properties in the asset class retail.

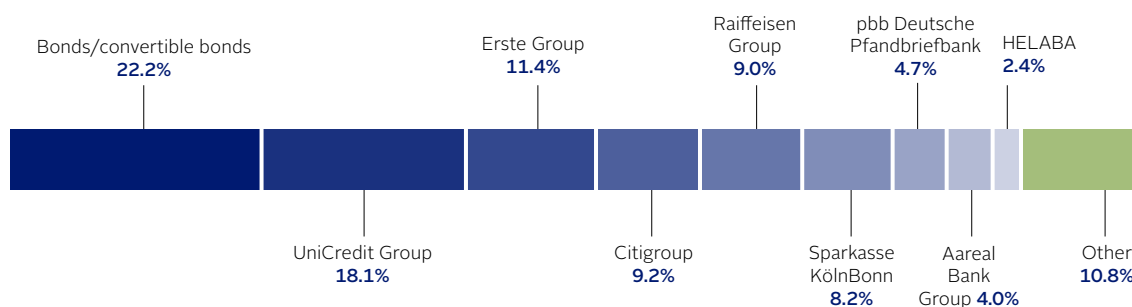
STOP SHOP portfolio	Financing volume in MEUR
Several countries (AT, PL, SRB, SLO, RO)	142.9
Hungary	110.0
Slovakia	96.9
Czech Republic	64.3
Total	414.1

This early refinancing will reduce financing costs and further optimise the term structure of the financial liabilities. The financing for Austria, Poland and the Czech Republic was received during the reporting period, and the remaining financing should be transferred during the fourth quarter of 2017.

Refinancing of EUR 237.6 million was arranged for the asset class office during the first three quarters of 2017. Of this total, EUR 176.6 million were attributable to the development projects in Germany: *FLOAT*, RWTH Aachen and *trivago*. Attractive standing investment financing with an interest rate of less than 1.00% per year over a five-year term was secured for the *Cluster Produktionstechnik*, and the transfer of the funds is expected in the fourth quarter. The remaining financing volume was related to standing investment financing for the *IRIDE Business Park* in Bucharest, Romania.

Diversification of lenders

FINANCING SOURCES AS OF 30 SEPTEMBER 2017¹



¹ Excl. discontinued operation Russia

DERIVATIVES

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged with interest rate derivatives amounted to EUR 1,038.3 million as of 30 September 2017 (31 December 2016: EUR 1,178.8 million). In total, 62.96% of financial liabilities are hedged against interest rate risk: 38.15% via interest rate derivatives, while a further 24.81% represent financial liabilities with fixed interest rates.

62.96% of financial liabilities hedged against interest rate risk

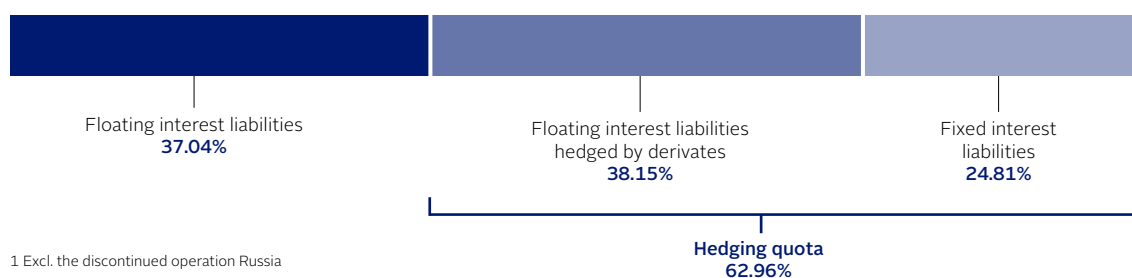
Interest rate derivative ¹	Floating leg	Market value incl. interest & CVA/ DVA as of 30 September 2017 in TEUR	Notional amount in TEUR	Average hedged interest rate
Interest rate swap	3-M-EURIBOR	-8,796.8	801,866.9	0.56%
Interest rate swap	6-M-EURIBOR	-2,487.9	236,470.0	0.94%
IMMOFINANZ AG		-11,284.7	1,038,336.9	

¹ Incl. IFRS 5 and excl. discontinued operation Russia

A swap exchanges floating for fixed interest payments. Therefore, floating rate liabilities that are hedged with a swap can be regarded as fixed interest rate liabilities from an economic standpoint.

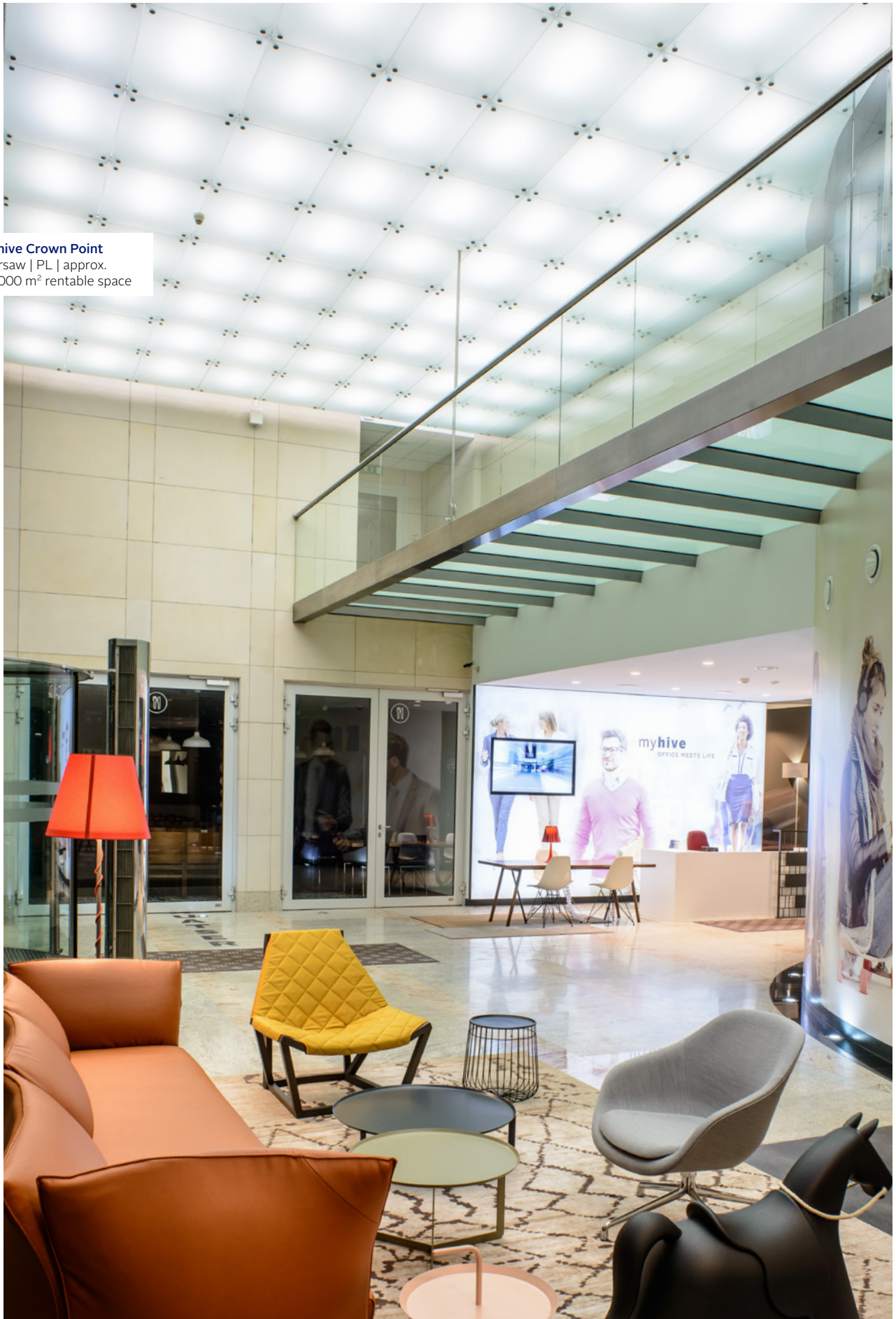
The interest rates used for discounting and the calculation of variable payment flows are based on interest rate curves for each currency and matching maturities that are observable on the market. In accordance with IFRS 13 (Fair Value Measurement), the resulting market values were adjusted to include a credit value adjustment (CVA) and a debt value adjustment (DVA).

FINANCIAL LIABILITIES – TYPE OF INTEREST AS OF 30 SEPTEMBER 2017¹



¹ Excl. the discontinued operation Russia

myhive Crown Point
Warsaw | PL | approx.
11,000 m² rentable space



BONDS

The outstanding nominal value of the bonds equalled EUR 605.9 million as of 30 September 2017 (31 December 2016: EUR 628.5 million). The corporate bond 2017, which had a volume of EUR 100.0 million, was redeemed at the beginning of the third quarter. Including the second incentivised conversion of the convertible bond 2018 shortly after the end of the reporting period, the nominal amount of the outstanding liabilities from bonds totalled EUR 351.4 million.

Bonds with a total nominal amount of EUR 605.9 million reduced to EUR 351.4 million

IMMOFINANZ had three convertible bonds outstanding as of 30 September 2017. These bonds are listed in the following table:

	ISIN	Maturity	Interest rate in %	Nominal value as of 31 Dec. 2016 in TEUR	Repurchases/redemptions/conversions/new emissions in TEUR	Nominal value as of 30 Sep. 2017 in TEUR
Convertible bond 2007–2017 ²	XS0332046043	19 Nov. 2017	3.75% ¹	21,400.0	0.0	21,400.0
Convertible bond 2011–2018 ²	XS0592528870	8 Mar. 2018	4.25%	507,094.2	-219,813.5	287,280.7 ⁵
Convertible bond 2017–2024	XS1551932046	24 Jan. 2022 ³	2.00% ⁴	0.0	297,200.0	297,200.0
Corporate bond 2012–2017	AT0000A0VDP8	3 Jul. 2017	5.25%	100,000.0	-100,000.0	0.0
IMMOFINANZ				628,494.2	-22,613.5	605,880.7

¹ Held to maturity (coupon 1.25%)

² 1 certificate from the convertible bond 2018 (nominal value: EUR 4.12) entitled the bondholder to conversion into 1.2410 IMMOFINANZ shares and 0.0653 BUWOG shares as of 30 September 2017 (new number of shares to be delivered after an adjustment of the conversion price to reflect the dividend payment by BUWOG AG on 19 October 2017: 0.0671)

³ 1 certificate from the convertible bond 2017 (nominal value: EUR 100,000.0) entitled the bondholder to conversion into 13,308.36 IMMOFINANZ shares and 722.21 BUWOG shares as of 30 September 2017 (new number of shares to be delivered after an adjustment of the conversion price to reflect the dividend payment by BUWOG AG on 19 October 2017: 745.65)

⁴ Maturity at put option

⁵ Coupon reduction of 0.50 basis points upon receipt of investment grade rating

⁵ The settlement of the second incentivised conversion on 2 October 2017 reduced the outstanding nominal amount of the convertible bond 2018 to EUR 32.8 million

The terms for the conversion rights and the conversion prices of the convertible bonds due in 2017 and 2018 were amended with the spin-off of BUWOG AG from IMMOFINANZ AG on 26 April 2014. The revised terms give each bondholder the right to receive IMMOFINANZ shares as well as a proportional amount of BUWOG shares when the conversion right is exercised.

If dividends are paid by IMMOFINANZ or BUWOG, the conversion rights to shares in IMMOFINANZ and BUWOG are adjusted in accordance with the respective bond terms.

Adjustment of conversion rights

The legal proceedings to review the exchange ratio applied to the merger of IMMOCAP and IMMOFINANZ, which took place in 2010, were terminated through a settlement in the second quarter of 2017. The settlement resulted in the issue of additional IMMOFINANZ shares to the former IMMOCAP shareholders. The related capital increase from authorised capital (for a total of 13,037,257 IMMOFINANZ shares) led to the adjustment of the conversion rights for the convertible bonds 2018 and 2024 as of 23 May 2017.

The conversion rights were also adjusted to reflect the EUR 0.06 per share dividend paid by IMMOFINANZ AG and a capital increase by BUWOG AG in the second quarter. After the end of the reporting period, the annual general meeting of BUWOG AG approved a cash dividend of EUR 0.69 per BUWOG share. This led to a further adjustment of the conversion rights as of 19 October 2017.

As of 30 September 2017 one certificate from the convertible bond 2018 (nominal value: EUR 4.12) entitled the bondholder to conversion into 1.2410 IMMOFINANZ shares (31 December 2016: 1.1908 shares) and 0.0653 BUWOG shares (31 December 2016: 0.0649 shares; 19 October 2017: 0.0671 shares).

As of 30 September 2017 one certificate from the convertible bond 2017 (nominal value: EUR 100,000.0) entitled the bondholder to conversion into 13,308.36 IMMOFINANZ shares (31 December 2016: 12,909.75 shares) and 722.21 BUWOG shares (31 December 2016: 718.10 shares; 19 October 2017: 745.65 shares).

The conversion price for the convertible bond 2024 (nominal value: EUR 100,000.0) equalled EUR 2.2937 as of 30 September 2017 (issue date: EUR 2.3933).

Earnings, Balance Sheet and Cash Flow Analysis

General information:

- Due to the harmonisation of the financial year with the calendar year as of 31 December 2016, the comparative data is based on the respective period in the 2016 calendar year (Q1–3 2016).
- The retail portfolio Moscow, which was presented as a discontinued operation for the first time in IMMOFINANZ's consolidated financial statements as of 31 December 2016, is also included in these (new) comparative figures in accordance with IFRS 5 – i.e. through the separate presentation of the retail portfolio Moscow as a discontinued operation in the consolidated income statement. This entire portfolio was sold through a purchase contract which was signed on 13 November 2017. The transaction is expected to close during December 2017.

INCOME STATEMENT

A condensed version of the consolidated income statement is presented below:

All amounts in TEUR	Q1–3 2017	Q1–3 2016
Rental income	174,059	174,027
Results of asset management	122,584	110,152
Results of property sales	2,683	-28,383
Results of property development	-26,146	18,356
Other operating income	6,990	10,278
Other operating expenses	-39,919	-36,514
Results of operations	66,192	73,889
Other revaluation results	-836	-145,833
Operating profit (EBIT)	65,356	-71,944
Financial results	88,618	-143,933
Earnings before tax (EBT)	153,974	-215,877
Net profit for the period from continuing operations	116,273	-217,794
Net profit or loss from discontinued operations ¹	-175,401	-191,709
Net profit or loss	-59,128	-409,503

1) Due to the sale of the Russian portfolio, the earnings contribution from Russia is reported under net profit or loss from discontinued operations.

RESULTS OF ASSET MANAGEMENT

The results of asset management include rental income, other revenues, operating income and operating costs as well as the expenses directly attributable to investment property. Rental income remained stable during the first three quarters of 2017 at EUR 174.1 million (Q1–3 2016: EUR 174.0 million). The decline in rental income resulting from the sale of properties was offset by completions and new rentals. Rental income in the office sector rose by 2.4% to EUR 85.4 million. The retail sector generated rental income of EUR 75.2 million, which roughly matched the previous year due to portfolio adjustments in Austria.

Revenues totalled EUR 241.9 million (Q1–3 2016: EUR 239.2 million). The results of asset management rose by a sound 11.3% to EUR 122.6 million (Q1–3 2016: EUR 110.2 million). Property expenses amounted to EUR -60.2 million (Q1–3 2016: EUR -71.4 million) and were 15.8% lower than the previous year. This decline resulted primarily from a reduction in maintenance costs (EUR -16.0 million versus EUR -20.7 million), operating costs charged to building owners (EUR -8.3 million versus EUR -12.9 million) and vacancy costs (EUR -8.9 million versus EUR -10.0 million). In contrast, fit-out costs for newly rented space increased to EUR -8.2 million (Q1–3 2016: EUR -5.1 million) following the conclusion of large-scale rental contracts.

RESULTS OF PROPERTY SALES

The results of property sales turned positive at EUR 2.7 million for the first three quarters of 2017 (Q1–3 2016: EUR -28.4 million) and were influenced by the ongoing portfolio optimisation. Valuation effects (foreign exchange-adjusted and foreign exchange-related) totalled EUR -4.4 million (Q1–3 2016: EUR -23.2 million), whereby positive valuation effects from the sale of properties in Germany (*Gerling Quartier*) and non-core countries were contrasted by negative effects from the sale of non-strategic or smaller properties in Austria, the Czech Republic and Romania. These transactions had a combined sales volume of EUR 152.3 million (EUR 135.6 million of asset deals and EUR 16.7 million of share deals).

RESULTS OF PROPERTY DEVELOPMENT

The results of property development cover the sale of real estate inventories as well as the valuation of development projects completed in 2017 or currently in progress. The results of property development fell to EUR -26.1 million in the first three quarters of 2017 (Q1–3 2016: EUR 18.4 million) despite clearly positive valuation effects from the development projects in Germany (EUR 24.1 million), above all the *trivago*, *FLOAT* and *Cluster Produktionstechnik*. This loss is attributable – as reported in the second quarter – primarily to additional costs for real estate inventories in the *Gerling Quartier* as well as outstanding obligations related to the transfer, repair of deficiencies and completion of the Cologne properties.

RESULTS OF OPERATIONS

The results of operations equalled EUR 66.2 million compared with EUR 73.9 million in the first three quarters of the previous year. Other operating expenses rose by 9.3% to EUR -39.9 million (EUR -36.5 million). This increase was related, among others, to the roll-out of various special projects that are designed to sustainably improve efficiency, for example in the IT area (EUR -2.6 million versus EUR -1.4 million).

REVALUATION, FINANCIAL RESULTS AND EBT

The foreign exchange-adjusted revaluation of investment property amounted to EUR 1.4 million (Q1–3 2016: EUR -119.5 million). Financial results turned positive at EUR 88.6 million (Q1–3 2016: EUR -143.9 million). Financing costs fell by 8.2% to EUR -75.0 million (Q1–3 2016: EUR -81.7 million), above all due to interest savings which resulted from the incentivised conversion of 43.4% of the convertible bond 2018 (coupon: 4.25%) at the beginning of the year and the issue of the new convertible bond 2024 (coupon: 2.0%). In addition, the 5.25%, EUR 100 million corporate bond was redeemed at the beginning of the third quarter.

Other financial results of EUR -10.1 million (Q1–3 2016: EUR -20.4 million) were related primarily to the valuation of derivatives at EUR -10.3 million and the earnings effect of EUR -12.6 million from the incentivised conversion of the convertible bond 2917. The valuation of the BUWOG shares at the market price on 30 September 2017 contributed a further EUR 10.0 million.

The share of profit/loss from equity-accounted investments increased substantially to EUR 175.1 million (Q1–3 2016: EUR -43.4 million) and consisted primarily of the following: EUR 38.8 million for the proportional share of earnings from CA Immo, a valuation gain of EUR 91.9 million on the CA Immo shares, a gain of EUR 18.0 million on the sale of 4.5 million BUWOG shares and a gain of EUR 25.8 million on the valuation of the BUWOG shares at the market price following the termination of equity accounting. The book price of the CA Immo share equalled EUR 25.67 as of 30 September 2017 (31 December 2016: EUR 21.02).

Earnings before tax (EBT) improved significantly to EUR 154.0 million (Q1–3 2016: EUR -215.9 million), and income tax equalled EUR -37.7 million for the reporting period (Q1–3 2016: EUR -1.9 million).

RESULTS OF DISCONTINUED OPERATIONS

The results of discontinued operations totalled EUR -175.4 million and represent the discontinued core market Russia (Q1–3 2016: EUR -184.7 million). These results were influenced primarily by a negative valuation effect of EUR -157.8 million which resulted from the sale of the retail portfolio Moscow to the FORT Group. The negative valuation effect is related to goodwill (EUR -56.1 million) as well as to investment property (EUR -123.8 million) and was contrasted by effects of EUR 22.2 million from deferred taxes.

The purchase contract with the FORT Group was signed on 13 November 2017, and the transaction is expected to close during December 2017. As previously announced, the purchase price for the net assets equals up to RUB 15 billion and comprises three purchase components: a cash purchase price of RUB 5.0 billion (converted at a forward EUR/RUB exchange rate of 69.5730: EUR 71.9 million), a guaranteed payment in January 2022 of RUB 1.0 billion (converted at a fixed EUR/RUB exchange rate of 68.9655: EUR 14.5 million with a present

value of EUR 9.4 million) and a non-recognisable earn out of up to RUB 9.0 billion which is based on the revenue from the shopping centers in 2021 and also payable in 2022. IMMOFINANZ can also participate with up to RUB 1.0 billion from the potential realisation of contingent receivables from tax refund proceedings which are current in progress. Details on the transaction are provided in the consolidated interim financial statements under note 8, *Subsequent events*, on page 78.

NET PROFIT

Net profit from continuing operations rose substantially to EUR 116.3 million in the first three quarters of 2017 (Q1–3 2016: EUR -217.8 million). Net profit (including the results of discontinued operations) also improved significantly to EUR -59.1 million (Q1–3 2016: EUR -409.5 million). Diluted earnings per share equalled EUR -0.05 (Q1–3 2016: EUR -0.41).

BALANCE SHEET

The condensed balance sheet is shown below:

All amounts in TEUR	30 Sep. 2017	in %	31 Dec. 2016	in %
Investment property	3,740,483		3,531,379	
Property under construction	380,946	78.9%	379,036	80.0%
Real estate inventories	58,021		93,100	
Assets held for sale	1,121,892		1,602,428	
Other tangible assets	1,823	0.0%	2,243	0.0%
Intangible assets	25,216	0.4%	25,955	0.4%
Equity-accounted investments	662,559	9.9%	739,254	10.6%
Trade and other receivables	338,240	5.0%	414,190	5.9%
Other financial assets	131,000	1.9%	10,493	0.1%
Deferred tax assets	8,157	0.1%	4,385	0.1%
Income tax receivables	10,685	0.2%	11,626	0.2%
Cash and cash equivalents	242,219	3.6%	189,287	2.7%
ASSETS	6,721,241	100.0%	7,003,376	100.0%
Equity	2,606,423	38.8%	2,650,616	37.8%
Liabilities from convertible bonds	591,119	8.8%	530,265	7.6%
Financial liabilities	2,105,773	31.3%	2,114,794	30.2%
Trade and other payables	254,416	3.8%	270,168	3.9%
Income tax liabilities	12,793	0.2%	12,973	0.2%
Provisions	48,115	0.7%	50,773	0.7%
Deferred tax liabilities	344,229	5.1%	312,414	4.5%
Financial liabilities held for sale	758,373	11.3%	1,061,373	15.2%
EQUITY AND LIABILITIES	6,721,241	100.0%	7,003,376	100.0%

Assets totalled EUR 6.7 billion (31 December 2016: EUR 7.0 billion) and comprise non-current assets of EUR 5.1 billion and current assets of EUR 1.6 billion.

The value of the property portfolio amounted to EUR 5.3 billion and represented 78.9% of total assets as of 30 September 2017. These properties are reported on the balance sheet under the following positions: investment property, property under construction, real estate inventories and non-current assets held for sale. Non-current assets held for sale include properties as well as other assets which will be transferred to the buyer in the event of a sale.

The additions to investment property during the reporting period include, in particular, the acquisition of nine retail parks in Slovakia, Hungary and Romania.

The investments accounted for at equity declined from EUR 739.3 million to EUR 662.6 million following the sale of approximately 4.5 million BUWOG shares and the recognition of the remaining BUWOG shares as other financial assets. In addition to the proportional share of CA Immo results for the first nine months of 2017 (EUR 38.8 million), this position also includes a revaluation gain of EUR 91.9 million on the CA Immo investment.

Cash and cash equivalents increased from EUR 189.3 million on 31 December 2016 to EUR 242.2 million on 30 September 2017. This is a result, among others, of the multi-stage refinancing transaction carried out in January, which included the sale of the BUWOG shares as well as the issue of a new convertible bond with a term extending to 2024 (see the section *Financing* on page 31). Cash and cash equivalents rose to roughly EUR 580.0 million by the end of November 2017, i.e. after the end of the reporting period, following the conclusion of refinancing agreements and the sale of non-strategic properties.

Equity totalled EUR 2.6 billion as of 30 September 2017 (31 December 2016: EUR 2.7 billion) and was increased, above all, by the issue of new shares for the incentivised conversion of the convertible bond 2018. Equity was reduced, among others, by the dividend payment, the share buyback and the negative net profit recorded for the reporting period.

Liabilities totalled EUR 4.1 billion (31 December 2016: EUR 4.4 billion). The non-current component equalled EUR 2.1 billion and the current component EUR 2.0 billion. The corporate bond 2012-2017 with a nominal value of EUR 100.0 million was redeemed in full at the beginning of July 2017.

The equity ratio equalled 38.8% as of 30 September 2017 (31 December 2016: 37.8%).

CASH FLOW STATEMENT

The condensed cash flow statement is presented below:

All amounts in TEUR	Q1-3 2017	Q1-3 2016
Gross cash flow after tax	105,324	87,501
Cash flow from operating activities	67,137	76,325
Cash flow from investing activities	105,916	268,245
Cash flow from financing activities	-131,137	-207,541

Gross cash flow before tax totalled EUR 128.4 million (Q1-3 2016: EUR 110.2 million), and cash flow after tax equalled EUR 105.3 million (Q1-3 2016: EUR 87.5 million). Cash flow from operating activities amounted to EUR 67.1 million (Q1-3 2016: EUR 76.3 million).

FUNDS FROM OPERATIONS 1 & 2 (FFO 1 & 2)

All amounts in TEUR	Q1-3 2017	Q1-3 2016	Change	Change in %
Gross cash flow before tax	128,439	110,235	18,204	16.5%
Gross cash flow before tax from discontinued operations	-41,940	-24,705	-17,235	-69.8%
Gross cash flow before tax from continuing operations	86,499	85,530	969	1.1%
Ancillary costs for property sales (included in gross cash flow, recognised through profit or loss)	237	3,430	-3,193	-93.1%
Results of property development (included in gross cash flow, recognised through profit or loss)	901	9,981	-9,080	-91.0%
Dividends received from equity-accounted investments	1,666	0	1,666	n.a.
Economic interest in FFO I of the CA Immo Group ¹	23,366	0	23,366	n.a.
Interest and dividends received from financial instruments	1,990	4,531	-2,541	-56.1%
Interest paid	-55,507	-62,138	6,631	10.7%
Derivatives	-10,532	-22,036	11,504	52.2%
FFO 1	48,620	19,298	29,322	≥ +100.0%
Results of property sales	2,683	-28,383	31,066	n.a.
FFO 2	51,303	-9,085	60,388	n.a.

¹ The economic interest in the CA Immo Group is based on the investment held by IMMOFINANZ in relation to the number of CA Immo shares outstanding over a nine-month period – similar to the recognition of the net profit or loss from equity-accounted investments.

EPRA INDICATORS

NET ASSET VALUE (NAV) AND TRIPLE NET ASSET VALUE (NNNAV)

Net asset value (NAV) is calculated in accordance with the Best Practices Recommendations issued by the European Public Real Estate Association (EPRA). The EPRA NAV concept is used to present the fair value of equity on a long-term basis in order to give investors an overview of a company's sustainable asset position. The calculation of EPRA NAV also includes the undisclosed reserves in real estate inventories as well as the (negative) fair value of derivative financial instruments. Undisclosed reserves are not included in carrying amounts in accordance with IFRS accounting rules, while the (negative) fair values of derivative financial instruments regularly serve as a means of hedging long-term financing so these gains or losses will remain hypothetical as of the balance sheet date. The deferred taxes on these items are included. In accordance with the EPRA NAV concept, the calculation should include the deferred taxes that would be realised on the sale of property. Goodwill, which arises as a technical figure due to the recognition of deferred taxes on business combinations, is deducted.

Triple net asset value (NNNAV) is also calculated in accordance with the EPRA's Best Practices Recommendations. The calculation of EPRA NNNAV involves an adjustment to reverse the (negative) fair value of derivative financial instruments from the NAV calculation. In addition, financial liabilities are restated at their fair value. This calculation also includes the deduction of the deferred taxes expected from the sale of properties. Asset deals generally result in the full realisation of deferred taxes, while the assumption for sales through share deals is that IMMOFINANZ will (economically) bear 50% of the deferred tax liabilities.

The EPRA NNNAV calculation also includes the deferred taxes from the adjustments to derivative financial instruments and from the fair value measurement of financial liabilities. The objective is to give investors an overview of the current value of all assets and liabilities.

The calculation of EPRA NAV and EPRA NNNAV as of 30 September 2017 also included diluting effects that could result from the conversion of the IMMOFINANZ convertible bond 2018. These effects were initially included as of 30 June 2017 because the convertible bond 2018 was "in the money" as of 30 June and 30 September and rational investors can therefore be expected to convert their bond certificates.

The number of shares underlying the calculation of the EPRA NAV per share and the EPRA NNNAV per share rose by 16.6% to 1,126,006.000 as of 30 September 2017.

The results of the NAV and NNNAV calculations are shown below:

	30 Sep. 2017		31 Dec. 2016	
	in TEUR	in EUR per share	in TEUR	in EUR per share
Equity excl. non-controlling interests	2.616.199		2.660.300	
Diluting effects of convertible bond 2018	180.989		0	
Diluted equity excl. non-controlling interests after an adjustment for convertible bonds and the exercise of options	2.797.188		2.660.300	
Undisclosed reserves in the investment in the CA Immo Group	113.069			
Undisclosed reserves in real estate inventories	16		336	
Fair value of derivative financial instruments	10.147		30.455	
Deferred taxes on investment property	274.384		421.067	
Deferred taxes on real estate inventories and derivative financial instruments	-2.207		-7.032	
Goodwill excl. deferred taxes	-24.980		-90.935	
Number of shares excl. treasury shares (in 1,000)		1.039.473		965.956
Potential shares (in 1,000)		86.533		
EPRA NAV	3.167.619	2,81	3.014.190	3,12
Fair value of derivative financial instruments	-10.147		-30.455	
Effect of fair value measurement of financial liabilities	301.868		-38.757	
Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities	-73.265		16.476	
Deferred taxes on investment property	-16.427		-93.596	
EPRA NNNAV	3.369.648	2,99	2.867.859	2,97

The EPRA net asset value rose by 5.1% to EUR 3.2 billion. The higher number of shares and the valuation effect resulting from the sale of the retail portfolio Moscow led to a decline in the EPRA NAV per share to EUR 2.81 (31 December 2016: EUR 3.12). The EPRA triple net asset value rose by 17.5% to EUR 3.4 billion and the EPRA NNNNAV per share rose from EUR 2.97 to EUR 2.99 as of 30 September 2017.

EPRA EARNINGS PER SHARE

The calculation of EPRA earnings per share as of 30 September 2017 and 30 September 2016 was based on the weighted average number of shares outstanding and included the new shares issued for the IMMOEAST settlement. In accordance with IAS 33, the settlement led to the retroactive adjustment of earnings per share for the first three quarters of 2016. The weighted average number of shares was multiplied by a factor of 1.029 in each case. This factor reflects the ratio of the number of shares outstanding after (1,052,525,375 shares) and before (1,022,540,069 shares) the payment of the settlement.

All amounts in TEUR	Q1–3 2017	Q1–3 2016
Weighted average number of shares	1,030,729	996,306
Net profit or loss from continuing operations excl. non-controlling interests	119,014	-216,675
Revaluation of investment properties and development properties	-15,715	79,527
Results of property sales	-2,683	28,382
Goodwill impairment, negative differences and earn-out effects on income	733	26,475
Changes in fair value of financial instruments	-3,462	16,691
Taxes in respect of EPRA adjustments	1,556	-19,227
EPRA adjustment in respect of joint ventures and non-controlling interests	2,770	-2,899
EPRA earnings	102,214	-87,726
EPRA earnings per share	0.099	-0.088
Company-specific adjustments		
Result from termination of equity accounting of BUWOG AG	-25,841	0
Result from incentivised conversion of the convertible bond 2018	12,580	0
Foreign exchange gains and losses	5,358	5,133
Reversal of impairment CA IMMO Group	-91,850	91,051
Deferred tax in respect of the company-specific adjustments	1,934	-1,034
Company-specific adjusted earnings	4,394	7,424
EPRA earnings per share after company-specific adjustments	0.004	0.007

The EPRA earnings per share equalled EUR 0.10 in the first three quarters of 2017 and EUR 0.004 after company-specific adjustments.

EPRA NET INITIAL YIELD

All amounts in TEUR	Q1–3 2017	Q1–3 2016
Investment property	4,678,744	4,974,365
Investment property – proportional share of joint ventures	43,823	49,077
Less undeveloped land	-199,185	-192,689
Less logistics portfolio	0	-11,543
Less Russian portfolio	-796,021	-1,047,354
Less undeveloped land – proportional share of joint ventures	-1,283	-1,927
Total property portfolio	3,726,078	3,769,928
Allowance for estimated purchasers' costs	67,069	67,859
Gross value of total property portfolio	3,793,147	3,837,787
Annualised cash rental income	232,635	236,972
Annualised cash rental income - proportional share of joint ventures	1,793	1,376
Non-recoverable property operating expenses	-34,235	-42,718
Non-recoverable property operating expenses - proportional share of joint ventures	-56	-72
Annualised net rental income	200,137	195,557
EPRA NIY	5.3%	5.1%

The EPRA net initial yield improved from 5.1% in the first three quarters of 2016 to 5.3% in the first three quarters of 2017.

myhive Park Postępu
Warsaw | PL | approx.
34,000 sqm rentable space



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Balance Sheet	46
Consolidated Income Statement	47
Consolidated Statement of Comprehensive Income	48
Consolidated Cash Flow Statement	49
Consolidated Statement of Changes in Equity	50
Notes	52
1. Basis of Preparation	52
2. Scope of Consolidation	54
3. Information on Operating Segments	57
4. Notes to the Consolidated Balance Sheet	62
5. Notes to the Consolidated Income Statement	70
6. Information on Financial Instruments	74
7. Transactions with Related Parties	77
8. Subsequent Events	78
Statement by the Executive Board	79

Consolidated Balance Sheet

All amounts in TEUR	Notes	30 9 2017	31 12 2016
Investment property	4.1	3,740,483	3,531,379
Property under construction	4.2	380,946	379,036
Other tangible assets		1,823	2,243
Intangible assets		25,216	25,955
Equity-accounted investments	4.3	662,559	739,254
Trade and other receivables	4.4	191,205	210,014
Other financial assets		130,992	10,493
Deferred tax assets		8,157	4,385
Non-current assets		5,141,381	4,902,759
Trade and other receivables	4.4	147,035	204,176
Income tax receivables		10,685	11,626
Other financial assets		8	0
Assets held for sale	4.5	1,121,892	1,602,428
Real estate inventories		58,021	93,100
Cash and cash equivalents		242,219	189,287
Current assets		1,579,860	2,100,617
Assets		6,721,241	7,003,376
Share capital	4.6	1,052,525	975,956
Capital reserves	4.6	3,374,696	3,353,263
Treasury shares	4.6	-27,138	-18,214
Accumulated other equity		-645,094	-631,163
Retained earnings		-1,138,790	-1,019,542
Equity attributable to owners of IMMOFINANZ AG		2,616,199	2,660,300
Non-controlling interests		-9,776	-9,684
Equity		2,606,423	2,650,616
Liabilities from convertible bonds	4.7	273,359	497,031
Financial liabilities	4.8	1,464,067	1,406,783
Trade and other payables	4.9	43,561	49,312
Provisions		2,161	2,877
Deferred tax liabilities		344,229	312,414
Non-current liabilities		2,127,377	2,268,417
Liabilities from convertible bonds	4.7	317,760	33,234
Financial liabilities	4.8	641,706	708,011
Trade and other payables	4.9	210,855	220,856
Income tax liabilities		12,793	12,973
Provisions		45,954	47,896
Liabilities held for sale	4.5	758,373	1,061,373
Current liabilities		1,987,441	2,084,343
Equity and liabilities		6,721,241	7,003,376

Consolidated Income Statement

All amounts in TEUR	Notes	Q3 2017	Q1-3 2017	Q3 2016	Q1-3 2016
Rental income	5.1	59,153	174,059	58,126	174,027
Operating costs charged to tenants		21,152	62,862	19,129	59,941
Other revenues		1,434	4,938	1,681	5,226
Revenues		81,739	241,859	78,936	239,194
Expenses from investment property	5.2	-18,479	-60,154	-21,483	-71,443
Operating expenses		-19,736	-59,121	-19,170	-57,599
Results of asset management		43,524	122,584	38,283	110,152
Proceeds from the sale of properties	5.3	29,483	135,584	81,043	132,368
Carrying amount of sold properties		-29,483	-135,584	-81,043	-132,368
Results from deconsolidation	2.2	-350	7,663	-2,677	-1,761
Expenses from property sales		2,236	-541	-678	-3,430
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	5.7	-4,028	-9,554	-12,802	-24,360
Results of property sales before foreign exchange effects		-2,142	-2,432	-16,157	-29,551
Revaluation of properties sold and held for sale resulting from foreign exchange effects	5.7	2,780	5,115	325	1,168
Results of property sales		638	2,683	-15,832	-28,383
Proceeds from the sale of real estate inventories		6,203	28,111	17,301	44,448
Cost of real estate inventories sold		-6,310	-24,086	-15,644	-42,842
Expenses from real estate inventories	5.4	-4,022	-43,709	-6,535	-15,189
Expenses from real estate development		-132	-2,281	-1,639	-7,891
Revaluation of properties under construction adjusted for foreign exchange effects	5.7	7,170	16,051	17,543	39,610
Results of property development before foreign exchange effects		2,909	-25,914	11,026	18,136
Revaluation of properties under construction resulting from foreign exchange effects	5.7	-124	-232	-19	220
Results of property development	5.4	2,785	-26,146	11,007	18,356
Other operating income	5.5	1,598	6,990	1,124	10,278
Other operating expenses	5.6	-16,146	-39,919	-10,504	-36,514
Results of operations		32,399	66,192	24,078	73,889
Revaluation of investment properties adjusted for foreign exchange effects	5.7	-2,103	1,419	-26,111	-119,523
Revaluation of investment properties resulting from foreign exchange effects	5.7	-712	-1,522	-78	165
Goodwill impairment		0	-733	-1,287	-26,475
Other revaluation results		-2,815	-836	-27,476	-145,833
Operating profit (EBIT)		29,584	65,356	-3,398	-71,944
Financing costs	5.8	-22,776	-74,979	-27,102	-81,692
Financing income	5.8	1,205	3,975	2,525	6,675
Foreign exchange differences		-5,380	-5,359	779	-5,133
Other financial results	5.8	263	-10,112	-17,777	-20,372
Net profit or loss from equity-accounted investments	4.3	10,923	175,093	-44,359	-43,411
Financial results	5.8	-15,765	88,618	-85,934	-143,933
Earnings before tax (EBT)		13,819	153,974	-89,332	-215,877
Current income tax		-6,865	-14,049	-15,890	-36,830
Deferred tax		-3,824	-23,652	11,321	34,913
Net profit or loss from continuing operations		3,130	116,273	-93,901	-217,794
Net profit or loss from discontinued operations	2.3	-167,525	-175,401	-72,261	-191,709
Net profit or loss		-164,395	-59,128	-166,162	-409,503
Thereof attributable to owners of IMMOFINANZ AG		-164,049	-56,387	-165,254	-408,384
Thereof attributable to non-controlling interests		-346	-2,741	-908	-1,119
Basic earnings per share in EUR		-0.16	-0.05	-0.17	-0.41
Net profit or loss from continuing operations per share in EUR		0.00	0.12	-0.09	-0.22
Net profit or loss from discontinued operations per share in EUR		-0.16	-0.17	-0.07	-0.19
Diluted earnings per share in EUR		-0.15	-0.05	-0.17	-0.41
Net profit or loss from continuing operations per share in EUR		0.02	0.12	-0.09	-0.22
Net profit or loss from discontinued operations per share in EUR		-0.16	-0.17	-0.07	-0.19

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q3 2017	Q1-3 2017	Q3 2016	Q1-3 2016
Net profit or loss		-164,395	-59,128	-166,162	-409,503
Other comprehensive income (reclassifiable)					
Measurement of available-for-sale financial instruments		0	0	2,493	2,494
Thereof changes during the financial year		0	0	2,544	2,544
Thereof reclassification to profit or loss		0	0	-9	-9
Thereof income taxes		0	0	-42	-43
Thereof reclassification of deferred taxes to profit or loss		0	0	0	2
Currency translation adjustment		-3,774	-22,335	6,572	29,873
Thereof changes during the financial year		-3,774	-14,439	6,086	19,281
Thereof reclassification to profit or loss	2.2	0	-7,896	486	10,592
Other comprehensive income from equity-accounted investments	4.3	2,386	5,597	318	381
Thereof changes during the financial year		2,640	6,146	880	879
Thereof reclassification to profit or loss		0	0	-562	-498
Thereof income taxes		-254	-549	0	0
Total other comprehensive income (reclassifiable)		-1,388	-16,738	9,383	32,748
Other comprehensive income (not reclassifiable)					
Other comprehensive income from equity-accounted investments	4.3	0	72	0	82
Thereof changes during the financial year		0	106	0	86
Thereof income taxes		0	-34	0	-4
Total other comprehensive income (not reclassifiable)		0	72	0	82
Total other comprehensive income after tax		-1,388	-16,666	9,383	32,830
Total comprehensive income		-165,783	-75,794	-156,779	-376,673
Thereof attributable to owners of IMMOFINANZ AG		-164,541	-70,318	-155,620	-374,459
Thereof attributable to non-controlling interests		-1,242	-5,476	-1,159	-2,214

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1-3 2017	Q1-3 2016
Earnings before tax (EBT)		153,974	-215,877
Earnings before tax (EBT) from discontinued operations	2.3	-196,628	-232,365
Revaluations of investment properties	2.3 / 5.7	150,336	371,429
Goodwill impairment		62,045	53,210
Write-downs and write-ups on real estate inventories (including impending losses from forward sales)	5.4	41,064	11,806
Write-downs and write-ups on receivables and other assets		2,149	10,573
Net profit or loss from equity-accounted investments	4.3	-175,093	43,413
Foreign exchange differences and fair value measurement of financial instruments		-14,113	-30,852
Net interest income/expense		112,027	115,516
Results from deconsolidation	2.2	-7,664	4,730
Other non-cash income/expense/reclassifications		342	-21,348
Gross cash flow before tax		128,439	110,235
Income taxes paid		-23,115	-22,734
Gross cash flow after tax		105,324	87,501
Change in real estate inventories		-7,808	7,454
Change in trade and other receivables		-1,017	41,616
Change in trade payables and other liabilities		-20,716	5,610
Change in provisions		-8,646	-65,856
Cash flow from operating activities		67,137	76,325
Acquisition of investment property and property under construction		-206,653	-138,880
Business combinations and other acquisitions, net of cash and cash equivalents		0	-174
Consideration transferred from disposal of discontinued operations, net of cash and cash equivalents		0	290,782
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		24,158	7,242
Acquisition of other assets		-19,135	-3,400
Acquisition of equity-accounted investments	4.3	0	-608,839
Disposal of investment property and property under construction		170,251	137,413
Disposal of other non-current assets		9,096	22,973
Disposal of equity-accounted investments and cash flows from other net investment positions		107,844	556,597
Dividends received from equity-accounted investments	4.3	18,365	0
Interest or dividends received from financial instruments		1,990	4,531
Cash flow from investing activities		105,916	268,245
Increase in financial liabilities		619,382	466,338
Proceeds from the issue of convertible bonds less transaction costs	4.7	294,972	0
Repayment of financial liabilities		-741,242	-529,589
Redemption of convertible bonds		0	-1,353
Transaction costs from the issue of shares (settlement of the legal proceedings over the review of the exchange ratio)	4.6	-203	0
Incentivised conversion of convertible bonds plus transaction costs	4.7	-112,934	0
Derivatives		-10,532	-22,914
Interest paid		-96,307	-101,809
Distributions	4.6	-63,152	0
Transactions with non-controlling interest owners		19,111	0
Share buyback	4.6	-40,232	-18,214
Cash flow from financing activities		-131,137	-207,541
Net foreign exchange differences		-2,528	-4,210
Change in cash and cash equivalents		39,388	132,819
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		189,287	261,366
Plus cash and cash equivalents in discontinued operations and disposal groups		16,941	24,097
Cash and cash equivalents at the beginning of the period		206,228	285,463
Cash and cash equivalents at the end of the period		245,616	418,282
Less cash and cash equivalents in discontinued operations and disposal groups	4.5	3,397	11,684
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		242,219	406,598

Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 31 December 2016		975,956	3,353,263	-18,214
Other comprehensive income	4.6			
Net profit or loss				
Total comprehensive income				
Share buyback	4.6			-40,230
Issue of shares (incentivised conversion of convertible bond 2011–2018)	4.6	63,532	45,108	
Issue of convertible bond 2017-2024	4.6		21,655	
Settlement of the legal proceedings over the review of the exchange ratio applied in the merger of IMMOEAST and IMMOFINANZ	4.6	13,037	-45,330	31,306
Distributions	4.6			
Transactions with non-controlling interest owners				
Balance on 30 September 2017		1,052,525	3,374,696	-27,138
Balance on 31 December 2015		1,114,172	3,473,570	-258,523
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Share buyback				-18,214
Withdrawal of treasury shares		-97,238	-161,285	258,523
Increase in share capital from internal funds		1,800,000	-1,800,000	
Ordinary capital decrease		-1,840,978	1,840,978	
Transactions with non-controlling interest owners				
Disposal of non-controlling interests				
Balance on 30 September 2016		975,956	3,353,263	-18,214

Accumulated other equity							
	AFS reserve	IAS 19 reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	-783	-461	-629,919	-1,019,542	2,660,300	-9,684	2,650,616
	5,453	72	-19,456		-13,931	-2,735	-16,666
				-56,387	-56,387	-2,741	-59,128
	5,453	72	-19,456	-56,387	-70,318	-5,476	-75,794
					-40,230		-40,230
					108,640		108,640
					21,655		21,655
					-987		-987
				-63,152	-63,152	-13,405	-76,557
				291	291	18,789	19,080
	4,670	-389	-649,375	-1,138,790	2,616,199	-9,776	2,606,423
	5	-532	-656,786	-540,521	3,131,385	-4,882	3,126,503
	2,494	82	31,349		33,925	-1,095	32,830
				-408,384	-408,384	-1,119	-409,503
	2,494	82	31,349	-408,384	-374,459	-2,214	-376,673
					-18,214		-18,214
					0		0
					0		0
					0		0
				4,446	4,446	-4,446	0
			-542		-542	1	-541
	2,499	-450	-625,979	-944,459	2,742,616	-11,541	2,731,075

NOTES

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 September 2017 were prepared for the period from 1 January 2017 to 30 September 2017 (Q1-3 2017) in accordance with the International Financial Reporting Standards (IFRS) which were adopted by the EU and are applicable to interim reporting.

The condensed scope of reporting in these consolidated interim financial statements is in agreement with IAS 34. Information on the application of IFRS, on the significant accounting policies and on further disclosures is provided in the consolidated financial statements of IMMOFINANZ as of 31 December 2016, which form the basis for these consolidated interim financial statements.

These consolidated interim financial statements of IMMOFINANZ were not subjected to a full audit or review by the auditor, Deloitte Audit Wirtschaftsprüfungs GmbH.

The consolidated interim financial statements are presented in thousand Euros ("TEUR", rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates.

1.1 FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

No new or amended standards required mandatory application in Q1-3 2017, and there were no voluntary first-time applications.

1.2 STANDARDS AND INTERPRETATIONS APPLICABLE IN THE FUTURE

IAS 7: Disclosure Initiative – Statement of Cash Flows

This standard amendment was adopted by the EU on 6 November 2017 and requires additional disclosures on the change in financial liabilities; it is to be applied retrospectively as of 1 January 2017. The additional disclosures involve both cash and non-cash changes in financial liabilities. For IMMOFINANZ, this leads to additional first-time disclosures in the notes for the financial year from 1 January 2017 to 31 December 2017.

IFRS 9: Financial Instruments

IFRS 9 will replace the current rules defined by IAS 39 for the recognition and measurement of financial instruments as of 1 January 2018. IMMOFINANZ did not apply IFRS 9 prematurely. The effects of the initial application were analysed during Q1-3 2017 and do not lead to expectations of any material effects on the consolidated financial statements of IMMOFINANZ AG from the new classification of financial instruments or the changed impairment model. For financial liabilities which were modified but not derecognised in the past, the amortised cost as defined in IAS 39 were carried forward based on an adjusted effective interest rate. IFRS 9 requires the immediate recognition through profit or loss of changes in present value that result from the modification of a credit agreement and do not lead to derecognition of the financial liability. This leads to the adjustment of the carrying amounts at the date of initial application, and the resulting valuation effects are currently being determined. IMMOFINANZ does not plan to adjust previous financial years, but will recognise any differences in the carrying amounts resulting from the initial application of IFRS 9 as of 1 January 2018 directly in equity without recognition in profit or loss.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 will replace the current rules for revenue recognition defined by IAS 18, IAS 11 and the related interpretations as of 1 January 2018. IMMOFINANZ did not apply IFRS 15 prematurely. Based on the expected reduction of real estate inventories by year-end 2017, it can be assumed that a transition from the recognition of revenue on apartment developments and sales from a specific point in time to recognition over time will not result in any material effects to the reported amounts. The analyses carried out during Q1-3 2017 do not lead to expectations of any material effects on the consolidated financial statements of IMMOFINANZ AG from the sale of investment properties or from service contracts and any supplementary agreements in rental contracts. IMMOFINANZ does not plan to adjust previous financial years, but will recognise any material accumulated effects as of 1 January 2018 directly in equity without recognition in profit or loss.

IFRS 16: Leasing

IFRS 16 will replace the current rules for the accounting treatment of leases (above all by the lessee) as of 1 January 2019 following the adoption by the EU on 31 October 2017. IMMOFINANZ will initially apply the new standard as of 1 January 2019; premature application is not planned. IMMOFINANZ is a lessee in connection with rights-of-use assets to land (building rights, leasehold rights), in particular, in Russia, Poland and Germany. These rights-of-use assets are to be accounted for separately as defined by IFRS 16 and presented as part of investment property, and a corresponding lease liability is to be recognised at the same time. Any effects thereof are currently being evaluated. The analyses carried out also indicated that the scope of other assets used under operating lease contracts (individual offices, automobiles and miscellaneous office and operating equipment) is not material. The initial application of this new standard is not expected to have any material effects on the consolidated financial statements of IMMOFINANZ AG in connection with lessor accounting.

1.3 CHANGE IN COMPARATIVE INFORMATION

The comparative figures are based on the corresponding period in the 2016 calendar year. There was no comparable nine-month period in the abbreviated 2016 financial year (2016A). The retail portfolio Moscow, which was presented as a discontinued operation for the first time in IMMOFINANZ's consolidated financial statements as of 31 December 2016, is also included in these (new) comparative figures in accordance with IFRS 5 – i.e. through the separate presentation of the retail portfolio Moscow as a discontinued operation (see section 2.3) in the consolidated income statement.

2. Scope of Consolidation

2.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

The following table shows the development of the scope of consolidation during Q1-3 2017:

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2016	488	11	13	512
Companies initially included				
New foundations	3	0	1	4
Companies no longer included				
Sales	-9	-2	0	-11
Loss of significant influence with retention of investment (see 4.3)	0	0	-1	-1
Mergers	-13	0	0	-13
Liquidations	-5	0	0	-5
Balance on 30 September 2017	464	9	13	486
Thereof foreign companies	278	6	6	290
Thereof in liquidation	61	2	0	63
Thereof intragroup merger resolution adopted	2	0	0	2

Of the companies currently in liquidation, 40 are attributable to a group of companies referred to as the "Leintuch" taken over from Constantia Packaging B.V. as part of agreements reached during the 2010/11 financial year.

2.2 SALE AND LIQUIDATION OF SUBSIDIARIES

The effects on the balance sheet items as well as the result from deconsolidation are summarised in the following table:

All amounts in TEUR	Q1-3 2017
Receivables and other assets	25
Deferred tax assets	34
Assets held for sale	16,725
Cash and cash equivalents held for sale	258
Cash and cash equivalents	20
Trade payables	-2
Other liabilities	-23
Deferred tax liabilities	-35
Liabilities held for sale	-415
Net assets sold	16,587
Consideration received in cash and cash equivalents	14,347
Outstanding purchase price receivables	2,000
Less net assets sold	-16,587
Less non-controlling interests	7
Reclassification of foreign exchange differences to profit or loss	7,896
Results from deconsolidation	7,663
Consideration received in cash and cash equivalents	14,347
Less cash and cash equivalents sold	-278
Net inflow of cash and cash equivalents	14,069

2.3 DISCONTINUED OPERATIONS

On 19 December 2016 the Executive Board and Supervisory Board of IMMOFINANZ approved the company's exit from the previous core market Russia. The five Russian shopping centers (with roughly 280,000 sqm of rentable space and a combined property value of EUR 792.8 million as of 30 September 2017 (31 December 2016: EUR 1,024.1 million) together with the related service companies (the retail portfolio Moscow) have therefore been presented as a discontinued operation since that date in accordance with IFRS 5. This decision by IMMOFINANZ reflects the fact that the shopping centers in Moscow are characterised by different market dynamics than the other portfolio properties and, consequently, have a negative effect on the Group's risk profile. The exit from the former core market Russia also represents a necessary preparatory step towards the planned merger of IMMOFINANZ and the CA Immo Group. The signing for the sale of the five Russian shopping centers and one Russian land plot with a property value of EUR 3.2 million as of 30 September 2017 (31 December 2016: EUR 3.9 million) took place on 13 November 2017 (see section 8) and was reflected in the valuation as of 30 September 2017.

All of the assets and liabilities attributable to the retail portfolio Moscow are reported on the consolidated balance sheet as of 30 September 2017 under "assets held for sale" or "liabilities held for sale" (see section 4.5). On the consolidated income statement, the net profit or loss (after tax) from the retail portfolio Moscow is presented on a separate line for Q1-3 2017 and the comparative period (see section 1.3).

The fair value less costs to sell for the disposal group was calculated at EUR 78.3 million and represents the total cash price receivable at the closing of EUR 71.9 million plus the present value of the future payment of EUR 9.4 million (see section 8) less estimated outstanding transaction costs of EUR 3.0 million. The fair value of the revenue-based earn-out (see section 8) currently equals zero according to an estimate by management. These factors led to the write-off of goodwill totalling EUR 56.1 million, revaluation losses of EUR 123.8 million on property values and the recognition of not material impairment losses to intangible and tangible assets. The loss from the valuation of the disposal group comprising the discontinued operation therefore amounted to EUR 180.0 million; it is presented separately in the following earnings summary outside of earnings from discontinued operations. The resulting changes in deferred tax liabilities had a contrary effect.

The comparative figures reported for the net profit or loss from discontinued operations on the consolidated income statement also include the results from the sale of the logistics portfolio, which was concluded during the abbreviated 2016 financial year.

The following table shows the results of the two discontinued operations as presented in the consolidated income statement:

All amounts in TEUR	Q1-3 2017	Q1-3 2016
Net profit or loss retail portfolio Moscow	-175,401	-184,737
Net profit or loss logistics portfolio	0	-6,972
Net profit or loss from discontinued operations	-175,401	-191,709

The detailed results from the retail portfolio Moscow and the logistics portfolio are as follows:

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Rental income	62,084	54,865	0	3,522
Operating costs charged to tenants	13,450	13,994	0	1,058
Other revenues	1,328	822	0	3
Revenues	76,862	69,679	0	4,583
Expenses from investment property	-21,824	-17,393	0	-3,918
Operating expenses	-13,000	-13,429	0	-1,336
Results of asset management	42,038	38,857	0	-671
Proceeds from the sale of properties	0	0	0	48,293
Carrying amount of sold properties	0	0	0	-48,293
Results of property sales	0	-6	0	0
Expenses from property development and inventories	0	-144	0	-101
Revaluation of properties under construction adjusted for foreign exchange effects	0	0	0	2,925
Results of property development	0	-144	0	2,824
Other operating income	582	202	0	248
Other operating expenses	-3,038	-4,031	0	-1,576
Results of operations	39,582	34,878	0	825
Revaluation of investment properties adjusted for foreign exchange effects	6,474	-160,455	0	1,194
Revaluation of investment properties resulting from foreign exchange effects	-44,239	-113,056	0	683
Goodwill impairment	-5,197	-22,352	0	0
Other revaluation results	-42,962	-295,863	0	1,877
Operating profit (EBIT)	-3,380	-260,985	0	2,702
Financing costs	-41,030	-39,889	0	-631
Financing income	8	14	0	4
Foreign exchange differences	27,757	77,707	0	-1,928
Other financial results	0	0	0	-961
Financial results	-13,265	37,832	0	-3,516
Earnings before tax (EBT)	-16,645	-223,153	0	-814
Current income tax	-3,685	-1,170	0	-239
Deferred tax	2,731	39,586	0	2,479
Earnings from discontinued operations	-17,599	-184,737	0	1,426
Loss from fair value measurement less costs to sell	-179,983	0	0	-5,429
Income tax on the valuation loss attributable to the sale	22,181	0	0	0
Loss from the disposal of the business operation (including reclassification of foreign exchange differences to profit or loss)	0	0	0	-2,969
Subsequent purchase-price-adjustment effects on income	0	0	0	0
Net profit or loss from discontinued operations	-175,401	-184,737	0	-6,972
Thereof attributable to owners of IMMOFINANZ AG	-175,401	-184,737	0	-6,972

The cash flows from the discontinued operations can be summarised as follows:

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Cash flow from operating activities	24,656	59,651	0	5,146
Cash flow from investing activities	-1,589	-2,230	0	-6,326
Cash flow from financing activities	-52,060	-71,478	0	-2,392
Net cash flow from discontinued operations	-28,993	-14,057	0	-3,572

3. Information on Operating Segments

The following information on the reportable segments of IMMOFINANZ is based on the continuing operations and therefore excludes the retail portfolio Moscow and the logistics portfolio. Segment assets also include investment property held for sale.

All amounts in TEUR	Austria		Germany	
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Office	23,777	25,816	5,355	3,084
Retail	11,848	17,300	351	394
Other	4,473	5,016	1,553	1,896
Rental income	40,098	48,132	7,259	5,374
Operating costs charged to tenants	8,322	9,573	2,142	709
Other revenues	1,392	1,275	6	83
Revenues	49,812	58,980	9,407	6,166
Expenses from investment property	-23,480	-28,537	-3,522	-4,458
Operating expenses	-8,193	-9,464	-2,059	-1,218
Results of asset management	18,139	20,979	3,826	490
Proceeds from the sale of properties	58,438	112,533	70,128	10,845
Carrying amount of sold properties	-58,438	-112,533	-70,128	-10,845
Results from deconsolidation	-327	-10	0	0
Expenses from property sales	-1,762	-2,030	-648	-156
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-5,084	7,332	4,181	-3,033
Results of property sales before foreign exchange effects	-7,173	5,292	3,533	-3,189
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-7,173	5,292	3,533	-3,189
Proceeds from the sale of real estate inventories	0	18	22,929	28,623
Cost of real estate inventories sold	0	0	-18,603	-28,668
Expenses from real estate inventories	-255	0	-43,120	-8,655
Expenses from real estate development	-276	-166	-793	-5,303
Revaluation of properties under construction adjusted for foreign exchange effects	-2,796	-1,653	24,113	27,856
Results of property development before foreign exchange effects	-3,327	-1,801	-15,474	13,853
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-3,327	-1,801	-15,474	13,853
Other operating income	1,065	825	261	293
Other operating expenses	-2,009	-768	-2,778	-1,212
Results of operations	6,695	24,527	-10,632	10,235
Revaluation of investment properties adjusted for foreign exchange effects	-3,140	22,663	70	-5,483
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment	0	0	0	0
Other revaluation results	-3,140	22,663	70	-5,483
Operating profit (EBIT)	3,555	47,190	-10,562	4,752
	30 9 2017	31 12 2016	30 9 2017	31 12 2016
Investment property	863,386	918,004	113,408	65,600
Property under construction	10,881	34,000	247,821	237,700
Goodwill	0	0	0	0
Investment properties held for sale	74,612	73,470	141,700	152,565
Real estate inventories	0	255	54,066	83,543
Segment assets	948,879	1,025,729	556,995	539,408
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Segment investments	5,513	4,387	78,591	79,154

All amounts in TEUR	Poland		Czech Republic	
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Office	19,998	19,225	8,651	10,215
Retail	9,811	10,094	7,630	7,335
Other	2,278	2,296	779	1,119
Rental income	32,087	31,615	17,060	18,669
Operating costs charged to tenants	15,320	14,502	5,129	5,565
Other revenues	1,444	1,317	157	141
Revenues	48,851	47,434	22,346	24,375
Expenses from investment property	-10,142	-10,790	-3,738	-6,006
Operating expenses	-14,236	-13,690	-4,974	-5,455
Results of asset management	24,473	22,954	13,634	12,914
Proceeds from the sale of properties	0	0	0	0
Carrying amount of sold properties	0	0	0	0
Results from deconsolidation	-2,400	251	95	77
Expenses from property sales	1,056	-105	-566	-198
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-1,592	-21,093	-2,038	-38
Results of property sales before foreign exchange effects	-2,936	-20,947	-2,509	-159
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-2,936	-20,947	-2,509	-159
Proceeds from the sale of real estate inventories	4,764	9,991	0	0
Cost of real estate inventories sold	-5,237	-8,644	0	0
Expenses from real estate inventories	-146	-4,736	0	0
Expenses from real estate development	-973	-1,265	-188	-115
Revaluation of properties under construction adjusted for foreign exchange effects	1,495	195	0	-1,000
Results of property development before foreign exchange effects	-97	-4,459	-188	-1,115
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-97	-4,459	-188	-1,115
Other operating income	397	3,969	1,499	549
Other operating expenses	-1,983	-2,588	-1,126	-1,436
Results of operations	19,854	-1,071	11,310	10,753
Revaluation of investment properties adjusted for foreign exchange effects	-11,265	-29,004	6,084	-2,944
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment	-554	-857	-99	-12,525
Other revaluation results	-11,819	-29,861	5,985	-15,469
Operating profit (EBIT)	8,035	-30,932	17,295	-4,716
	30 9 2017	31 12 2016	30 9 2017	31 12 2016
Investment property	699,696	598,910	387,074	375,610
Property under construction	45,517	5,767	0	20,920
Goodwill	32	586	7,530	7,629
Investment properties held for sale	16,120	141,760	19,083	0
Real estate inventories	2,470	7,581	0	0
Segment assets	763,835	754,604	413,687	404,159
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Segment investments	22,862	12,394	4,491	710

All amounts in TEUR	Slovakia		Hungary	
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Office	1,503	1,177	10,707	9,499
Retail	11,072	9,669	10,110	9,336
Other	244	182	836	760
Rental income	12,819	11,028	21,653	19,595
Operating costs charged to tenants	6,437	6,336	8,341	8,000
Other revenues	154	371	181	357
Revenues	19,410	17,735	30,175	27,952
Expenses from investment property	-2,750	-4,927	-5,770	-5,509
Operating expenses	-5,160	-5,392	-8,114	-7,363
Results of asset management	11,500	7,416	16,291	15,080
Proceeds from the sale of properties	0	0	6,112	163
Carrying amount of sold properties	0	0	-6,112	-163
Results from deconsolidation	0	-125	0	-1,370
Expenses from property sales	-10	-9	-33	-86
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-10	-5,450	0	-198
Results of property sales before foreign exchange effects	-20	-5,584	-33	-1,654
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-20	-5,584	-33	-1,654
Proceeds from the sale of real estate inventories	0	0	0	0
Cost of real estate inventories sold	0	0	0	0
Expenses from real estate inventories	0	0	0	0
Expenses from real estate development	-79	218	-82	-72
Revaluation of properties under construction adjusted for foreign exchange effects	-1,022	3,034	0	280
Results of property development before foreign exchange effects	-1,101	3,252	-82	208
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-1,101	3,252	-82	208
Other operating income	106	363	16	244
Other operating expenses	-968	-1,205	-1,043	209
Results of operations	9,517	4,242	15,149	14,087
Revaluation of investment properties adjusted for foreign exchange effects	4,009	-16,875	9,106	15,521
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment	-25	-532	0	-2,472
Other revaluation results	3,984	-17,407	9,106	13,049
Operating profit (EBIT)	13,501	-13,165	24,255	27,136
	30 9 2017	31 12 2016	30 9 2017	31 12 2016
Investment property	267,263	201,980	497,692	468,770
Property under construction	24,686	22,100	0	0
Goodwill	184	209	2,708	2,708
Investment properties held for sale	2,500	2,510	0	6,112
Real estate inventories	0	0	0	0
Segment assets	294,633	226,799	500,400	477,590
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Segment investments	65,099	3,592	19,793	487

All amounts in TEUR	Romania		Other non-core countries		Total reportable segments	
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Office	14,529	13,385	907	1,043	85,427	83,444
Retail	19,530	17,954	4,881	3,844	75,233	75,926
Other	2,967	3,116	269	272	13,399	14,657
Rental income	37,026	34,455	6,057	5,159	174,059	174,027
Operating costs charged to tenants	15,689	14,126	1,482	1,130	62,862	59,941
Other revenues	1,407	1,494	197	188	4,938	5,226
Revenues	54,122	50,075	7,736	6,477	241,859	239,194
Expenses from investment property	-9,437	-9,268	-1,315	-1,948	-60,154	-71,443
Operating expenses	-14,959	-13,975	-1,426	-1,042	-59,121	-57,599
Results of asset management	29,726	26,832	4,995	3,487	122,584	110,152
Proceeds from the sale of properties	906	8,461	0	366	135,584	132,368
Carrying amount of sold properties	-906	-8,461	0	-366	-135,584	-132,368
Results from deconsolidation	0	0	10,295	-584	7,663	-1,761
Expenses from property sales	-159	-466	1,581	-380	-541	-3,430
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-148	484	-4,863	-2,364	-9,554	-24,360
Results of property sales before foreign exchange effects	-307	18	7,013	-3,328	-2,432	-29,551
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	5,115	1,168	5,115	1,168
Results of property sales	-307	18	12,128	-2,160	2,683	-28,383
Proceeds from the sale of real estate inventories	418	5,486	0	330	28,111	44,448
Cost of real estate inventories sold	-246	-5,195	0	-335	-24,086	-42,842
Expenses from real estate inventories	-169	-1,219	-19	-579	-43,709	-15,189
Expenses from real estate development	260	-839	-150	-349	-2,281	-7,891
Revaluation of properties under construction adjusted for foreign exchange effects	-5,810	9,373	71	1,525	16,051	39,610
Results of property development before foreign exchange effects	-5,547	7,606	-98	592	-25,914	18,136
Revaluation of properties under construction resulting from foreign exchange effects	0	0	-232	220	-232	220
Results of property development	-5,547	7,606	-330	812	-26,146	18,356
Other operating income	305	1,261	190	512	3,839	8,016
Other operating expenses	-3,835	-6,428	-1,665	-1,844	-15,407	-15,272
Results of operations	20,342	29,289	15,318	807	87,553	92,869
Revaluation of investment properties adjusted for foreign exchange effects	-3,600	-75,731	155	-27,670	1,419	-119,523
Revaluation of investment properties resulting from foreign exchange effects	0	0	-1,522	165	-1,522	165
Goodwill impairment	-8	-6,947	-47	-3,142	-733	-26,475
Other revaluation results	-3,608	-82,678	-1,414	-30,647	-836	-145,833
Operating profit (EBIT)	16,734	-53,389	13,904	-29,840	86,717	-52,964
	30 9 2017	31 12 2016	30 9 2017	31 12 2016	30 9 2017	31 12 2016
Investment property	789,904	784,825	122,060	117,680	3,740,483	3,531,379
Property under construction	49,014	56,820	3,027	1,729	380,946	379,036
Goodwill	13,529	13,537	997	1,044	24,980	25,713
Investment properties held for sale	1,890	0	38,557	42,480	294,462	418,897
Real estate inventories	1,300	1,536	185	185	58,021	93,100
Segment assets	855,637	856,718	164,826	163,118	4,498,892	4,448,125
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Segment investments	7,227	16,403	11,634	7,914	215,210	125,041

All amounts in TEUR	Total reportable segments		Reconciliation to consolidated financial statements		IMMOFINANZ	
	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016	Q1-3 2017	Q1-3 2016
Office	85,427	83,444	0	0	85,427	83,444
Retail	75,233	75,926	0	0	75,233	75,926
Other	13,399	14,657	0	0	13,399	14,657
Rental income	174,059	174,027	0	0	174,059	174,027
Operating costs charged to tenants	62,862	59,941	0	0	62,862	59,941
Other revenues	4,938	5,226	0	0	4,938	5,226
Revenues	241,859	239,194	0	0	241,859	239,194
Expenses from investment property	-60,154	-71,443	0	0	-60,154	-71,443
Operating expenses	-59,121	-57,599	0	0	-59,121	-57,599
Results of asset management	122,584	110,152	0	0	122,584	110,152
Proceeds from the sale of properties	135,584	132,368	0	0	135,584	132,368
Carrying amount of sold properties	-135,584	-132,368	0	0	-135,584	-132,368
Results from deconsolidation	7,663	-1,761	0	0	7,663	-1,761
Expenses from property sales	-541	-3,430	0	0	-541	-3,430
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-9,554	-24,360	0	0	-9,554	-24,360
Results of property sales before foreign exchange effects	-2,432	-29,551	0	0	-2,432	-29,551
Revaluation of properties sold and held for sale resulting from foreign exchange effects	5,115	1,168	0	0	5,115	1,168
Results of property sales	2,683	-28,383	0	0	2,683	-28,383
Proceeds from the sale of real estate inventories	28,111	44,448	0	0	28,111	44,448
Cost of real estate inventories sold	-24,086	-42,842	0	0	-24,086	-42,842
Expenses from real estate inventories	-43,709	-15,189	0	0	-43,709	-15,189
Expenses from real estate development	-2,281	-7,891	0	0	-2,281	-7,891
Revaluation of properties under construction adjusted for foreign exchange effects	16,051	39,610	0	0	16,051	39,610
Results of property development before foreign exchange effects	-25,914	18,136	0	0	-25,914	18,136
Revaluation of properties under construction resulting from foreign exchange effects	-232	220	0	0	-232	220
Results of property development	-26,146	18,356	0	0	-26,146	18,356
Other operating income	3,839	8,016	3,151	2,262	6,990	10,278
Other operating expenses	-15,407	-15,272	-24,512	-21,242	-39,919	-36,514
Results of operations	87,553	92,869	-21,361	-18,980	66,192	73,889
Revaluation of investment properties adjusted for foreign exchange effects	1,419	-119,523	0	0	1,419	-119,523
Revaluation of investment properties resulting from foreign exchange effects	-1,522	165	0	0	-1,522	165
Goodwill impairment	-733	-26,475	0	0	-733	-26,475
Other revaluation results	-836	-145,833	0	0	-836	-145,833
Operating profit (EBIT)	86,717	-52,964	-21,361	-18,980	65,356	-71,944
	30 9 2017	31 12 2016	30 9 2017¹	31 12 2016¹	30 9 2017	31 12 2016
Investment property	3,740,483	3,531,379	0	0	3,740,483	3,531,379
Property under construction	380,946	379,036	0	0	380,946	379,036
Goodwill	24,980	25,713	0	0	24,980	25,713
Investment properties held for sale	294,462	418,897	796,021	1,024,051	1,090,483	1,442,948
Real estate inventories	58,021	93,100	0	0	58,021	93,100
Segment assets	4,498,892	4,448,125	796,021	1,024,051	5,294,913	5,472,176
	Q1-3 2017	Q1-3 2016	Q1-3 2017¹	Q1-3 2016¹	Q1-3 2017	Q1-3 2016
Segment investments	215,210	125,041	1,537	2,219	216,747	127,260

1 The reconciliation includes the amounts from the discontinued retail portfolio Moscow; a full presentation of the retail portfolio Moscow is provided in section 4.5.

4. Notes to the Consolidated Balance Sheet

4.1 INVESTMENT PROPERTY

The development of the investment properties during Q1-3 2017 is as follows:

All amounts in TEUR	Q1-3 2017
Beginning balance	3,531,379
Currency translation adjustments	1,116
Additions	98,435
Disposals	-63,858
Revaluation	-3,730
Reclassifications	121,641
Reclassification from IFRS 5	87,149
Reclassification to IFRS 5	-31,649
Ending balance	3,740,483

Additions include, in particular, the acquisitions of six retail parks in Slovakia, as well as of three retail parks in the Hungarian cities of Hatvan and Szolnok and in the Romanian city of Botoşani.

4.2 PROPERTY UNDER CONSTRUCTION

The development of the properties under construction during Q1-3 2017 is as follows:

All amounts in TEUR	Q1-3 2017
Beginning balance	379,036
Currency translation adjustments	232
Additions	116,775
Revaluation	13,425
Reclassifications	-113,380
Reclassification from IFRS 5	44,181
Reclassification to IFRS 5	-59,323
Ending balance	380,946

Additions include, in particular, the German development projects *trivago Campus*, *FLOAT* and *Cluster Produktionstechnik* as well as the *VIVO! Krosno* in Poland.

4.3 EQUITY-ACCOUNTED INVESTMENTS

The following table shows the development of the equity-accounted investments:

All amounts in TEUR	CA Immo Group	BUWOG Group	NP Investments a.s.	Other	Total
Interest held by IMMOFINANZ	26.0%	10.0%	50.0%		
Beginning balance	539,896	176,363	0	22,995	739,254
Disposals	0	-176,363	0	-1,067	-177,430
Net profit or loss from equity-accounted investments	38,818	0	644	-57	39,405
Other comprehensive income from currency translation adjustment	146	0	-103	101	144
Other comprehensive income from the measurement of available-for-sale financial instruments	5,453	0	0	0	5,453
Other comprehensive income from measurement of defined benefit plans	72	0	0	0	72
Offset of results with other net investment positions	0	0	-541	418	-123
Dividend	-16,699	0	0	-19,367	-36,066
Reversals of impairment losses	91,850	0	0	0	91,850
Ending balance	659,536	0	0	3,023	662,559

CA Immobilien Anlagen Aktiengesellschaft (CA Immo) was IMMOFINANZ's most important associate as of 30 September 2017. IMMOFINANZ holds 25,690,163 bearer shares, which represent 26% of share capital, as well as four registered shares with restricted transferability (Golden Shares) which carry rights to delegate up to four members to the CA Immo supervisory board. The investment was acquired as of 2 August 2016, and the facts and circumstances that represent indications of de-facto control as defined in IFRS 10 have been continuously reviewed since that time. The 30th annual general meeting of CA Immo was held on 11 May 2017, and IMMOFINANZ did not have a majority presence. Consequently, de-facto control as defined in IFRS 10 continued not to exist as of 30 September 2017.

A 'close to market' valuation model (Level 3) was developed for impairment testing as of 31 December 2016 because the fair value (less costs to sell) of the unit of account – i.e. the share package of bearer and registered shares with restricted transferability – could not be determined solely on the basis of the quoted price on the Prime Market of the Vienna Stock Exchange. This valuation model was also applied as of 30 September 2017 and reflects the disparity between voting rights and contractual rights to receive cash flows and the size of the capital investment through the addition of a 23.8% premium (31 December 2016: 22.4%) to the stock market price of EUR 24.30 per share (31 December 2016: EUR 17.47 per share). As of 30 September 2017 the recoverable amount – which represents the resulting fair value of EUR 772.6 million less estimated costs to sell of 1.75% – equalled EUR 759.1 million (31 December 2016: EUR 539.9 million). Consequently, the recoverable amount exceeded the acquisition cost carried forward of EUR 659.5 million; this latter amount represents the book value as of 30 September 2017. The book price of the investment in the CA Immo Group equalled EUR 25.67 per share (31 December 2016: EUR 21.02 per share). The net profit or loss from equity-accounted investments includes therefore not only the proportional results of the CA Immo Group for nine months (incl. effects from the carryforward of the fair value adjustments from the purchase price allocation) but also a reversal of impairment losses of EUR 91.9 million.

IMMOFINANZ carried out an incentivised conversion of the convertible bond 2011–2018 as of 24 January 2017 (see section 4.7), which also included the delivery of 802,219 BUWOG shares. This reduced the carrying amount of the BUWOG investment by EUR 14.2 million. Moreover, IMMOFINANZ sold 4,484,698 BUWOG shares for EUR 21.72 per share as of 6 February 2017 through an accelerated bookbuilding process. The proceeds from this sale (less selling costs) totalled EUR 97.4 million. Based on the book price of the BUWOG share on 31 December 2016 (EUR 17.70 per share), the gain on sale amounted to EUR 18.0 million.

Oliver Schumy resigned as vice-chairman of the supervisory board of BUWOG AG on 6 March 2017. IMMOFINANZ has not exercised significant influence over the BUWOG Group in the sense of IAS 28 since that date, which also marked the end of equity accounting. The termination of equity accounting also required the fair value measurement of the remaining BUWOG shares (closing price on the Vienna Stock Exchange on 6 March 2017: EUR 23.23 per share) and the reclassification of this investment to other financial assets. The

corresponding results of EUR 25.8 million were recorded under profit or loss from equity-accounted investments.

The balance of 4.725.430 BUWOG shares remaining as of 30 September 2017 is reserved for the possible (proportional) servicing of conversions from the convertible bonds 2007–2017 and 2011–2018 (see section 4.7). Therefore, the fair value option provided by IAS 39 was applied to avoid an accounting mismatch which would otherwise occur between the measurement of the financial asset and the financial liability (from the standalone derivatives for the convertible bonds). The BUWOG shares have been subsequently measured at fair value through profit or loss since that time, based on the closing price at the Vienna Stock Exchange as of the respective balance sheet date (Level 1) (see section 5.8).

4.4 TRADE AND OTHER RECEIVABLES

All amounts in TEUR	30 9 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Rents receivable	22,806	22,779	27	0	15,589
Miscellaneous	37,099	35,075	2,024	0	31,485
Total trade accounts receivable	59,905	57,854	2,051	0	47,074
Receivables due from associates	1,083	1	0	1,082	1,925
Receivables due from joint ventures	25,701	761	24,118	822	33,740
Receivables due from equity-accounted investments	26,784	762	24,118	1,904	35,665
Restricted funds	144,757	23,729	121,028	0	179,585
Financing	16,168	3,944	30	12,194	18,553
Property management	2,199	2,140	19	40	1,560
Outstanding purchase price receivables – sale of properties	7,229	7,229	0	0	42,277
Outstanding purchase price receivables – sale of shares in other companies	28,544	4,758	23,786	0	38,198
Miscellaneous	20,721	14,686	5,810	225	20,065
Total other financial receivables	219,618	56,486	150,673	12,459	300,238
Tax authorities	31,933	31,933	0	0	31,213
Total other non-financial receivables	31,933	31,933	0	0	31,213
Total	338,240	147,035	176,842	14,363	414,190

4.5 ASSETS AND LIABILITIES HELD FOR SALE

The following assets and liabilities classified as held for sale as of 31 December 2016 were sold during Q1-3 2017: one Bulgarian standing investment, the *Friesenquartier* in Cologne, one Austrian office property and one Austrian retail property each as well as a further tranche of a small Austrian retail portfolio and a retail property in Hungary. The closing for the sale of five real estate fund shares classified as held for sale also took place during Q1-3 2017. The structured sale process for the *EMPARK Mokotów Business Park (EMPARK)* in Warsaw, a property previously been classified as held for sale, has shown that – with the exception of one office building – a sale in the near future at a sales price reasonable in relation to the current fair value is not realistic. Five office buildings were therefore reclassified to investment property (see section 4.1). The redevelopment and refurbishment of three office buildings is planned; these properties, together with a land reserve, are now presented as part of property under construction (see section 4.2). For two properties in the remaining tranche of the small Austrian retail portfolio, the immediate intention to sell has also been abandoned. With regard to the other sales that have not yet been realised, management's intention to sell these properties remains intact.

Of the properties initially classified as held for sale during Q1-3 2017, the following were sold by 30 September 2017: two office properties in Austria, two office properties in Germany and one retail property in Austria. The newly classified held-for-sale properties as of 30 September 2017 include property in the asset class other which is under construction in Poland, an office property in the Czech Republic which is under construction, a retail property in Romania, two office properties in Germany and one property each in the asset class other in Austria and Ukraine. The properties in the Czech Republic, Romania and Ukraine are expected to be sold in share deals, while the other properties are expected to be sold in asset deals. These sales are intended to align the portfolio with IMMOFINANZ's strategic focus.

The assets and liabilities held for sale as of 30 September 2017 can be summarised as follows:

All amounts in TEUR	Retail portfolio Moscow	Friesen-/ Gerling- Quartier	Specialised Austrian retail portfolio	Other	Carrying amount as of 30 9 2017	Carrying amount as of 31 12 2016
Investment property	796,021	28,461	32,212	81,567	938,261	1,363,177
Property under construction	0	106,989	0	38,983	145,972	74,340
Real estate inventories	0	6,250	0	0	6,250	5,431
Other tangible assets	117	0	0	0	117	211
Intangible assets	12	0	0	0	12	65,226
Deferred tax assets	0	0	0	0	0	2,029
Trade and other receivables	25,573	0	0	528	26,101	68,080
Other financial assets	0	0	0	1,782	1,782	6,993
Cash and cash equivalents	2,816	56	0	525	3,397	16,941
Assets held for sale	824,539	141,756	32,212	123,385	1,121,892	1,602,428
Currency translation reserve	-539,967	0	0	37,019	-502,948	-543,537
Financial liabilities	630,142	0	0	8,386	638,528	878,062
Trade and other payables	29,605	56	0	637	30,298	49,856
Provisions	269	920	1,332	316	2,837	6,271
Deferred tax liabilities	86,205	0	0	505	86,710	127,184
Liabilities held for sale	746,221	976	1,332	9,844	758,373	1,061,373

Details on the discontinued retail portfolio Moscow are provided in section 2.3.

The closing for the sale of the *Friesenquartier*, which was classified as a disposal group based on resolutions of the Executive and Supervisory Boards on 27 July 2016 and 19 December 2016, took place in the second quarter of 2017. The properties in the *Gerling Quartier* were still included in the portfolio as of 30 September 2017. The signing for the sale of six office properties and the remaining unsold residential properties in the first construction section of the *Gerling Quartier* plus an unused office building on am Hohenzollernring in Cologne took place on 24 July 2017. Revaluations (foreign exchange-adjusted) and write-downs totalling EUR 6.8 million were recognised to investment properties and real estate inventories in Q1-3 2017.

In addition to the properties attributed to the disposal group comprising the *Friesenquartier* and the two construction sections of the *Gerling Quartier*, a hotel under construction and the accompanying underground parking spaces were sold through a forward sale as of 30 January 2017. These two properties remain classified as real estate inventories because they cannot be sold in their current condition. Write-downs of EUR -14.1 million and an addition of EUR -3.2 million to a provision for onerous contracts were recognised to these two real estate inventories in Q1-3 2017 under expenses from real estate inventories to reflect construction cost overruns.

The disposal group comprising 64 Austrian retail properties was reduced by the scheduled sale of additional 16 properties during Q1-3 2017. The intention to sell was abandoned for two properties. A (foreign exchange-adjusted) revaluation of EUR -4.3 million was recognised to the properties held for sale in this disposal group during the reporting period.

Based on a resolution by the Executive Board on 4 May 2015, the assets and liabilities in a portfolio of land reserves in Turkey (segment: other non-core countries) have been presented for some time as a disposal group. The political and economic uncertainty as well as the devaluation of the Turkish Lira has, however, reduced the refinancing alternatives for interested investors, and the sale could not be completed as planned within 12 months. IMMOFINANZ's management stands by the original sale decision, but the start of the sale process has shown that a sale in the form of separate asset deals represents the more realistic alternative. Therefore, a disposal group as defined in IFRS 5 had ceased to exist as of 30 September 2017. The land reserves in Turkey are still classified as held for sale.

4.6 EQUITY

The agreement reached by IMMOFINANZ with the claimants and the representatives appointed for the respective shareholder groups to settle the legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG became legally effective on 23 May 2017. The settlement calls for compensation of 0.088 IMMOFINANZ shares for each former share of IMMOEAST AG, representing a total of 29,985,306 IMMOFINANZ AG shares, to the former shareholders of IMMOEAST AG. The compensation was made in part from treasury shares (16,948,049 shares) and in part through the issue of new shares from previously authorised capital (13,037,257 shares); it represented a transaction with shareholders that was recorded directly in equity without recognition in profit or loss. Share capital increased by EUR 13.0 million through the issue of the new shares, and capital reserves declined by EUR 45.3 million after consideration of income tax as a result of the settlement. Included in this amount are issue costs of roughly EUR 0.2 million attributable to the equity transaction. In accordance with IAS 33, the settlement compensation led to the retrospective adjustment of basic and diluted earnings per share – for the comparable period in the 2016 calendar year where comparative figures are referring to, as well. The weighted average number of shares was multiplied by a factor of 1.029 in each case. This factor represents the ratio of the shares outstanding after (1,052,525,375 shares) and before (1,022,540,069 shares) the settlement.

The incentivised conversion of the convertible bond 2011–2018 (see section 4.7) resulted in the issue from conditional capital of 63,532,467 IMMOFINANZ shares in total. This led to an increase of EUR 63.5 million in share capital and EUR 45.1 million in capital reserves

The issue of the convertible bond 2017–2024 resulted in the addition of an equity component totalling EUR 21.7 million to capital reserves. Included here are roughly EUR 0.1 million of directly attributable issue costs.

IMMOFINANZ held 9,999,973 treasury shares as of 31 December 2016. On 14 March 2017 the Executive Board and Supervisory Board of IMMOFINANZ approved to utilize the authorization of the 23rd annual general meeting on 29 September 2016, in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act, to carry out a share buyback programme for up to 20.0 million shares. The maximum volume of 20.0 million shares was reached on 7 September 2017, and the share buyback programme was therefore terminated prematurely. The repurchase value totalled EUR 40.2 million, and the weighted average acquisition costs equalled EUR 2.012 per share. The settlement of the legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG, which became legally effective on 23 May 2017, included the issue of 16,948,049 treasury shares. IMMOFINANZ held 13,051.924 treasury shares as of 30 September 2017.

The 24th annual general meeting of IMMOFINANZ AG on 1 June 2017 approved the payment of an ordinary dividend of EUR 0.06 per share for the abbreviated 2016 financial year. A total of EUR 63.1 million were distributed on 7 June 2017.

Other comprehensive income of EUR -13,9 million (Q1-3 2016: EUR 33,9 million) is attributable to the shareholders of IMMOFINANZ and EUR -2,7 million (Q1-3 2016: EUR -1,1 million) to non-controlling interests. The share of other comprehensive income attributable to non-controlling interests resulted entirely from foreign currency translation adjustments.

A Turkish subsidiary with non-controlling interests of 35.1% distributed profits totalling EUR 11.1 million and EUR 4.8 million resulting from an ordinary capital decrease to the minority shareholder in connection with transactions to simplify the investment and financing structure of a portfolio of Turkish land reserves (see section 4.5). The resulting distribution liability was offset against outstanding financial receivables due from the minority shareholder.

4.7 LIABILITIES FROM CONVERTIBLE BONDS

All amounts in TEUR	30 9 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Convertible bond 2007-2017	27,784	27,784	0	0	26,536
Convertible bond 2011-2018	285,897	285,897	0	0	503,729
Convertible bond 2017-2024	277,438	4,079	273,359	0	0
Total	591,119	317,760	273,359	0	530,265

Convertible bond 2007–2017

The conversion rights for the convertible bond issued by IMMOFINANZ AG were adjusted to reflect the EUR 0.06 cash dividend per share for the abbreviated 2016 financial year which was approved by the annual general meeting of IMMOFINANZ AG on 1 June 2017 (see section 4.6) and the capital increase carried out by BUWOG AG. On 30 September 2017 one certificate of the convertible bond 2007–2017 with a nominal value of EUR 100,000 each entitled the bondholder to conversion into 13,308.36 IMMOFINANZ shares (31 December 2016: 12,909.75 shares) and 722.21 BUWOG shares (31 December 2016: 718.10 shares). The conversion right was again adjusted to reflect the cash dividend of EUR 0.69 per share approved by the annual general meeting of BUWOG AG on 17 October 2017 and now entitles the bondholders to conversion into 745.65 BUWOG shares.

The nominal amount outstanding totalled EUR 21.4 million and remained unchanged as of 30 September 2017. This outstanding nominal value will be redeemed on 19 November 2017 if there are no conversions into the company's shares before that date.

The value of the standalone derivative from the convertible bond 2007–2017, which is recognised under other liabilities (see section 4.9), equalled EUR 0.0 million as of 30 September 2017 (31 December 2016: EUR 0.0 million).

Convertible bond 2011–2018

In order to optimise the capital structure and sustainably reduce financing costs, IMMOFINANZ carried out an incentivised conversion of the convertible bond 2011–2018 on 19 January 2017. It reduced the outstanding nominal value of the convertible bond 2011–2018 (including own holdings) from EUR 507.1 million as of 31 December 2016 to EUR 287.3 million. The incentivised conversion resulted in the exchange of an outstanding nominal value of EUR 219.8 million for 63,532,467 new shares of IMMOFINANZ AG, 802,219 BUWOG shares and cash of EUR 58.7 million representing 2,660,362 shares of BUWOG AG. In addition, a premium of EUR 52.9 million and transaction costs of EUR 1.4 million were paid.

The conversion rights for this convertible bond were also adjusted to reflect the capital increase (see section 4.6) carried out in connection with the settlement of the legal proceedings over the review of the exchange ratio applied to the merger of IMMONEAST AG and IMMOFINANZ AG, which became legally effective on 23 May 2017. One certificate of the convertible bond 2018 with a nominal value of EUR 4.12 currently entitles the bondholder to conversion into 1.2047 IMMOFINANZ shares (31 December 2016: 1.1908 shares) and 0.0649 BUWOG shares (31 December 2016: 0.0649 shares).

The conversion rights for this convertible bond were further adjusted to reflect the EUR 0.06 cash dividend per share for the abbreviated 2016 financial year which was approved by the annual general meeting of IMMOFINANZ AG on 1 June 2017 (see section 4.6). One certificate of the convertible bond with a nominal value of EUR 4.12 currently entitles the bondholders to conversion into 1.2410 IMMOFINANZ shares. On 30 September 2017 as a result of the capital increase carried out by BUWOG AG, the conversion right also entitles to a conversion into 0.0653 BUWOG AG shares. The conversion right was again adjusted to reflect the cash dividend of EUR 0.69 per share approved by the annual general meeting of BUWOG AG on 17 October 2017 and now entitles the bondholders to conversion into 0.0671 BUWOG shares.

The value of the standalone derivative from the convertible bond 2011–2018, which is recorded under other liabilities (see section 4.9) equalled EUR 24.5 million as of 30 September 2017 (31 December 2016: EUR 9.4 million).

Convertible bond 2017–2024

On 24 January 2017 IMMOFINANZ issued a convertible bond through an accelerate bookbuilding process with institutional investors. The bond has a nominal value of EUR 297.2 million, an interest rate of 2.0% and a term ending on 24 January 2024. The coupon will be reduced by 50 basis points when IMMOFINANZ receives and maintains an investment grade rating from S&P, Moody's or Fitch. The conversion price was set at EUR 2.3933 per share on the issue date and adjusted to EUR 2.3637 following the capital increase (see section 4.6) carried out in connected with the settlement of the legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG.

The conversion rights for this convertible bond were further adjusted to reflect the EUR 0.06 cash dividend per share for the abbreviated 2016 financial year which was approved by the annual general meeting of IMMOFINANZ AG on 1 June 2017 (see section 4.6). The conversion right was reset at EUR 2.2937 per share and currently entitles the bondholders to conversion into 129,572,307 shares (as of the issue date: 124.180.003 shares) of IMMOFINANZ AG. The conversion right can be exercised up to 10 January 2024.

In addition, the convertible bond 2017–2024 includes a (non-separable) put option at the nominal value plus accrued interest as of 24 January 2022, which also determines the instrument's maturity at the present time. The issue proceeds less transaction costs of EUR 2.2 million totalled EUR 295.0 million. The equity component less proportional transaction costs equalled EUR 21.7 million and was included in equity under capital reserves.

4.8 FINANCIAL LIABILITIES

The following table shows the composition and classification of financial liabilities by remaining term as of 30 September 2017:

All amounts in TEUR	30 9 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Amounts due to financial institutions	2,104,387	641,310	1,216,792	246,285	2,010,806
Thereof secured by collateral	2,104,239	641,162	1,216,792	246,285	2,010,696
Thereof not secured by collateral	148	148	0	0	110
Liabilities arising from the issue of bonds	0	0	0	0	102,446
Other financial liabilities	1,386	396	0	990	1,542
Total	2,105,773	641,706	1,216,792	247,275	2,114,794

The corporate bond 2012–2017 with a nominal value of EUR 100.0 million was repaid in full on 3 July 2017.

4.9 TRADE AND OTHER PAYABLES

All amounts in TEUR	30 9 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Trade payables	111,313	109,119	2,163	31	97,758
Derivative financial instruments (liabilities)	37,250	25,309	10,953	988	29,599
Property management	3,396	3,396	0	0	2,996
Amounts due to non-controlling interests	7,257	555	262	6,440	6,425
Amounts due to associated companies	184	163	0	21	1,005
Amounts due to joint ventures	393	58	21	314	23,616
Deposits and guarantees received	25,030	5,987	13,643	5,400	20,602
Prepayments received on property sales	25,187	24,426	761	0	31,263
Construction and refurbishment	1,312	1,264	48	0	2,465
Outstanding purchase prices (share deals)	373	326	47	0	406
Outstanding purchase prices (acquisition of properties)	2,846	1,850	996	0	1,732
Miscellaneous	7,536	7,412	117	7	12,291
Total other financial liabilities	110,764	70,746	26,848	13,170	132,400
Tax authorities	10,617	10,617	0	0	18,129
Rental and lease prepayments received	21,710	20,361	1,349	0	21,850
Miscellaneous	12	12	0	0	31
Total non-financial liabilities	32,339	30,990	1,349	0	40,010
Total	254,416	210,855	30,360	13,201	270,168

5. Notes to the Consolidated Income Statement

5.1 RENTAL INCOME

The following table shows the classification of rental income by asset class:

All amounts in TEUR	Q1-3 2017	Q1-3 2016
Office	85,427	83,444
Retail	75,233	75,926
Other	13,399	14,657
Total	174,059	174,027

5.2 EXPENSES FROM INVESTMENT PROPERTY

All amounts in TEUR	Q1-3 2017	Q1-3 2016
Vacancies	-8,941	-9,953
Commission expenses	-868	-803
Maintenance	-16,019	-20,686
Operating costs charged to building owners	-8,307	-12,946
Property marketing	-3,451	-4,090
Personnel expenses from asset management	-3,402	-6,539
Other expenses from asset management	-3,152	-2,669
Rental and lease payments	-2,074	-2,294
Extension costs	-8,197	-5,117
Write-off of receivables from asset management	-672	-2,763
Other expenses	-5,071	-3,583
Total	-60,154	-71,443

The decline in maintenance expenses resulted, above all, from standing investments in Austria and is attributable partly to portfolio streamlining.

5.3 PROCEEDS FROM THE SALE OF PROPERTIES

The proceeds from the sale of properties in the form of asset deals were generated primarily in the Austria and Germany segments during Q1-3 2017. Of these proceeds, EUR 28.1 million (Q1-3 2016: EUR 99.0 million) are attributable to office properties in Austria, EUR 27.3 million (Q1-3 2016: EUR 8.3 million) to retail properties in Austria and EUR 3.0 million (Q1-3 2016: EUR 5.2 million) to Austrian standing investments assigned to the asset class other. In Germany, proceeds of EUR 70.1 million (Q1-3 2016: EUR 10.8 million) were realised on the sale of office properties. Other sales in Q1-3 of 2017 involved a retail property in Hungary for EUR 6.1 million and several standing investments in Romania assigned to the asset class other for EUR 0.9 million (Q1-3 2016: EUR 8.1 million).

5.4 RESULTS OF PROPERTY DEVELOPMENT

All amounts in TEUR	Q1-3 2017	Q1-3 2016
Proceeds from the sale of real estate inventories	28,111	44,448
Cost of real estate inventories sold	-24,086	-42,842
Marketing for real estate inventories	-2	-241
Brokerage fees for real estate inventories	-283	-787
Other costs to sell for real estate inventories	-3,002	-1,986
Write-down related reversals of real estate inventories	762	5,311
Write-down of real estate inventories	-38,518	-17,117
Income and expenses related to written-off purchase price receivables from the sale of real estate inventories	0	313
Impending losses from the forward sale of real estate inventories	-3,308	0
Operating costs charged to building owners-inventories	642	-682
Expenses from real estate inventories	-43,709	-15,189
Expenses from property development	-2,281	-7,891
Revaluation results from properties under construction (see 5.7)	15,819	39,830
Total	-26,146	18,356

Write-downs totalling EUR -38.5 million were recognised to real estate inventories in Q1-3 2017 (Q1-3 2016: EUR -17.1 million). Included here, in particular, are costs for construction, the repair of deficiencies and project completion due to the divestiture decision concerning the *Gerling Quartier* (see section 4.5).

5.5 OTHER OPERATING INCOME

Other operating income consists of the following:

All amounts in TEUR	Q1-3 2017	Q1-3 2016
Expenses charged on	602	-122
Insurance compensation	171	2,611
Income from derecognised liabilities	2,106	617
Reimbursement for penalties	77	435
Miscellaneous	4,034	6,737
Total	6,990	10,278

Miscellaneous other operating income in Q1-3 2017 resulted primarily from settlement claims against a former Executive Board member.

5.6 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

All amounts in TEUR	Q1-3 2017	Q1-3 2016
Administrative expenses	-560	10
Legal, auditing and consulting fees	-9,310	-11,968
Penalties	-31	-42
Levies	-2,540	-2,365
Advertising	-1,560	-1,449
Expenses charged on	-226	4
Rental and lease expenses	-432	-149
EDP and communications	-2,566	-1,388
Expert opinions	-556	-507
Personnel expenses	-17,981	-16,809
Addition to/reversal of provision for onerous contracts	0	1,167
Other write-downs	-627	-957
Miscellaneous	-3,530	-2,061
Total	-39,919	-36,514

5.7 REVALUATION OF PROPERTIES ADJUSTED FOR FOREIGN EXCHANGE EFFECTS AND REVALUATION OF PROPERTIES RESULTING FROM FOREIGN EXCHANGE EFFECTS

The following table shows the revaluation gains and losses resulting from the revaluation of properties adjusted for and resulting from foreign exchange effects. Detailed information on the regional distribution of revaluation gains and losses is provided under segment reporting.

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			Q1-3 2017
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Revaluation Total
Investment property	37,786	-36,367	1,419	-215	-1,307	-1,522	-103
Property under construction	27,109	-11,058	16,051	0	-232	-232	15,819
Properties sold and held for sale	10,262	-19,816	-9,554	4,995	120	5,115	-4,439
Total	75,157	-67,241	7,916	4,780	-1,419	3,361	11,277

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			Q1-3 2016
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Revaluation Total
Investment property	126,885	-246,408	-119,523	229	-64	165	-119,358
Property under construction	51,288	-11,678	39,610	200	20	220	39,830
Properties sold and held for sale	20,803	-45,163	-24,360	1,109	59	1,168	-23,192
Total	198,976	-303,249	-104,273	1,538	15	1,553	-102,720

5.8 FINANCIAL RESULTS

All amounts in TEUR	Q1-3 2017	Q1-3 2016
For financial liabilities FLAC	-66,380	-73,395
For derivative financial instruments	-8,599	-8,297
Total financing costs	-74,979	-81,692
For financial receivables L&R	3,488	6,656
For derivative financial instruments	487	19
Total financing income	3,975	6,675
Foreign exchange differences	-5,359	-5,133
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-22,017	1,003
Valuation of financial instruments at fair value through profit or loss (fair value option)	12,899	-17,694
Distributions	1,318	1,571
Write-off of receivables	-2,312	-5,252
Other financial results	-10,112	-20,372
Net profit or loss from equity-accounted investments (see 4.3)	175,093	-43,411
Total	88,618	-143,933

FLAC: financial liabilities measured at amortised cost)

L&R: loans and receivables, miscellaneous other financial instruments at cost

Profit or loss on other financial instruments and proceeds on the disposal of financial instruments includes expenses of EUR -12.6 million from the incentivised conversion of the convertible bond 2011–2018, primarily of results from the measurement of derivatives. Of the total, EUR -19.2 million (Q1-3 2016: EUR -2.5 million) is attributable to the standalone derivative from the convertible bond 2011–2018 and EUR 8.9 million (Q1-3 2016: EUR -17.8 million) to other derivatives.

The results from the valuation of financial instruments at fair value through profit or loss include the valuation of the remaining shares in BUWOG AG at EUR 10.0 million and the valuation of real estate fund shares at EUR 2.9 million (Q1-3 2016: EUR -17.7 million).

Information on the profit or loss from equity-accounted investments is provided in section 4.3.

6. Information on Financial Instruments

6.1 CLASSES AND CATEGORIES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair value of each class of financial assets and financial liabilities defined by the company and reconciles these amounts to the appropriate balance sheet line items.

	Carrying amount of financial assets	Carrying amount of non-financial assets	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	30 9 2017	30 9 2017	30 9 2017	31 12 2016	30 9 2017	31 12 2016
Trade accounts receivable	59,905	0	59,905	47,074	59,905	47,074
Financing receivables	42,952	0	42,952	54,218	42,952	54,218
Loans and other receivables	203,450	31,933	235,383	312,898	235,383	312,898
Trade and other receivables	306,307	31,933	338,240	414,190	338,240	414,190
Real estate fund shares	3,519	0	3,519	4,253	3,519	4,253
Derivatives	2,589	0	2,589	1,185	2,589	1,185
Miscellaneous other financial instruments	124,892	0	124,892	5,055	124,892	5,055
Other financial assets	131,000	0	131,000	10,493	131,000	10,493
Cash and cash equivalents	242,219	0	242,219	189,287	242,219	189,287
Total assets	679,526	31,933	711,459	613,970	711,459	613,970

Non-FI: non-financial assets

The increase in the miscellaneous other financial instruments resulted, above all, from the reclassification of the remaining BUWOG shares to this category (see section 4.3).

	Carrying amount of financial assets	Carrying amount of non-financial liabilities	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	30 9 2017	30 9 2017	30 9 2017	31 12 2016	30 9 2017	31 12 2016
Liabilities from convertible bonds	591,119	0	591,119	530,265	591,483	544,692
Bonds	0	0	0	102,446	0	104,111
Amounts due to financial institutions	2,104,387	0	2,104,387	2,010,806	2,095,273	2,029,858
Other financial liabilities	1,386	0	1,386	1,542	1,386	1,542
Financial liabilities	2,105,773	0	2,105,773	2,114,794	2,096,659	2,135,511
Trade payables	111,313	0	111,313	97,758	111,313	97,758
Derivatives	37,250	0	37,250	29,599	37,250	29,599
Miscellaneous other liabilities	73,514	32,339	105,853	142,811	105,853	142,811
Trade and other payables	222,077	32,339	254,416	270,168	254,416	270,168
Total equity and liabilities	2,918,969	32,339	2,951,308	2,915,227	2,942,558	2,950,371

Non-FI: non-financial liabilities

The following table shows the reconciliation of the opening and closing balances of the financial instruments classified under Level 3:

	Real estate fund shares	Derivatives	Total
All amounts in TEUR	Q1-3 2017	Q1-3 2017	Q1-3 2017
Beginning balance	4,253	-28,414	-24,161
Recognised in the consolidated income statement	3,237	-10,324	-7,087
Disposals	-3,971	4,077	106
Ending balance	3,519	-34,661	-31,142

The results of EUR -7.1 million which are shown in the above table and recognised in the consolidated income statement include EUR -7.7 million that are attributable to financial instruments that were held as of 30 September 2017. These amounts were presented under other financial results.

Valuation procedures and input factors used to determine the fair value of financial instruments

Level	Financial instruments	Valuation method	Major input factors	Major non-observable input factors
3	Real estate fund shares	Net present value methods	Discount rate, expected principal repayments and dividends	Discount rate: 8.50% to 13.95%
3	Derivatives (interest rate swaps)	Net present value methods	Interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 1.50% to 3.50%
3	Derivatives (from convertible bonds)	Capital market and net present value methods	Market prices of convertible bonds, interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 3.51%

For additional details on the valuation methods and input factors, see section 7 of the consolidated financial statements as of 31 December 2016.

7. Transactions with Related Parties

Business transactions with equity-accounted investments led to the following amounts in the consolidated interim financial statements of IMMOFINANZ for Q1-3 2017:

All amounts in TEUR	30 9 2017	31 12 2016
Relations with joint ventures		
Receivables	25,701	33,741
Thereof allowance for bad debt	-14,694	-18,265
Liabilities	394	23,616
Relations with associated companies		
Receivables	1,083	1,925
Thereof allowance for bad debt	-6,128	-5,158
Liabilities	185	1,006
All amounts in TEUR	Q1-3 2017	Q1-3 2016
Relations with joint ventures		
Other income	593	25
Interest income	1,588	2,783
Interest expense	0	-411
Write-downs for bad debt	-833	-4,710
Thereof results that increase or reduce the net investment	528	-684
Income taxes	-250	-200
Relations with associated companies		
Other income	627	603
Other expenses	-3,402	-4,167
Interest income	286	477
Write-downs for bad debt	-977	-980
Thereof results that increase or reduce the net investment	-404	-520
Income taxes	-23	78

IMMOKRON Immobilienbetriebsgesellschaft m.b.H. distributed profits totalling EUR 17.7 million in the second quarter of 2017. The resulting distribution receivable was offset against liabilities due to the joint venture.

There were no reportable transactions between IMMOFINANZ and related persons in Q1-3 2017.

8. Subsequent Events

On 20 September 2017 IMMOFINANZ issued another conversion invitation to the (remaining institutional) holders of the 4.25% convertible bond 2011-2018. This invitation included the exchange of the bond certificates into shares of IMMOFINANZ AG and shares of BUWOG AG plus an incentivised conversion premium. An incentivised conversion offer was received from 88.6% of the bondholders and accepted in full by IMMOFINANZ. This transaction reduced the outstanding nominal value from EUR 287.3 million (see section 4.7) to EUR 32.8 million. The incentivised conversion involved the exchange of an outstanding nominal value of EUR 254.4 million on 2 October 2017 (settlement date) for 13.051.924 million treasury shares (see section 4.6) and 63.588.099 million new shares issued from conditional capital as well as of 4.032.696 million BUWOG shares. A premium of EUR 12.7 million was also paid. The transaction increased IMMOFINANZ's equity by approximately EUR 158.8 million.

On 13 November 2017 the Executive Board and Supervisory Board of IMMOFINANZ approved the sale of the retail portfolio Moscow to the St. Petersburg FORT Group. The closing is expected to take place in December 2017 after the fulfilment of the customary conditions. The sale will take the form of a share deal. The FORT Group will also acquire a Russian land-owning company which was previously assigned to the other non-core countries segment. The sales price for the net assets equals up to RUB 15.0 billion and comprises three purchase components: a cash purchase price of RUB 5.0 billion (converted at a forward EUR/RUB year-end exchange rate of 69.5730: EUR 71.9 million), a future payment in January 2022 of RUB 1.0 billion (converted at a fixed EUR/RUB exchange rate of 68.9655: EUR 14.5 million with a present value of EUR 9.4 million) and an earn out of up to RUB 9,0 billion which is based on the revenue from the shopping centers in 2021, also payable in 2022 and currently accounted for with zero value. IMMOFINANZ would also participate with up to RUB 1.0 billion from the realisation of contingent receivables from tax refund proceedings which are currently in progress. The signing for the sale was reflected in the valuation of the disposal group comprising the retail portfolio Moscow as of 30 September 2017 (see section 2.3). The closing will furthermore result in the reclassification to the income statement of accumulated differences from foreign currency translation (30 September 2017: EUR -540.0 million).

Statement by the Executive Board


We confirm to the best of our knowledge that these consolidated interim financial statements, which were prepared in accordance with the rules for interim financial reporting defined by International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first nine months of the financial year and their impact on these consolidated interim financial statements and of the principal risks and uncertainties for the remaining three months of the financial year

Vienna, 27 November 2017

The Executive Board of IMMOFINANZ AG



Stefan Schönauer
CFO



Oliver Schumy
CEO



Dietmar Reindl
COO

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Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

FINANCIAL CALENDAR 2018

4 April 2018	Announcement of results for 2017 (after the close of trading)
5 April 2018	Press conference on results for 2017
5 April 2018	Annual report 2017
1 May 2018	Record date for participation in the 25th annual general meeting
11 May 2018	25th annual general meeting
15 May 2018	Expected ex-dividend date ¹
16 May 2018	Expected date for the determination of dividend rights (record date) ¹
17 May 2018	Expected dividend payment date ¹
29 May 2018	Announcement of results for the first quarter of 2018 (after the close of trading)
30 May 2018	Report on the first quarter of 2018
29 August 2018	Announcement of results for the first half of 2018 (after the close of trading)
30 August 2018	Press conference on results for the first half of 2018
30 August 2018	Report on the first half of 2018
28 November 2018	Announcement of results for the first three quarters of 2018 (after the close of trading)
29 November 2018	Report on the first three quarters of 2018

1 1 The above information is preliminary and will be confirmed at a later date.

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