

ANNUAL REPORT 2015/16

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KEY FIGURES

Earnings Data

		2015/16	2014/15 ¹	Change in %
Rental income	in MEUR	314.5	385.6	-18.4%
Results of asset management	in MEUR	188.5	281.4	-33.0%
Results of property sales	in MEUR	0.8	44.4	-98.3%
Results of property development	in MEUR	-15.0	11.4	n.a.
Results of operations	in MEUR	118.2	289.1	-59.1%
Revaluations	in MEUR	-114.2	-35.1	n.a.
EBIT	in MEUR	-51.6	179.3	n.a.
Financial results	in MEUR	-319.1	-554.7	n.a.
EBT	in MEUR	-370.7	-375.4	n.a.
Net profit for the period	in MEUR	-390.4	-376.6	n.a.
Gross cash flow	in MEUR	125.0	263.6	-52.6%
Cash flow from operating activities	in MEUR	64.9	146.9	-55.8%

¹ The comparable prior year data were adjusted accordingly (see note 1.7).

Asset Data

		30 April 2016	30 April 2015 ¹	Change in %
Balance sheet total	in MEUR	7,246.8	8,847.7	-18.1%
Equity as % of the balance sheet total	in %	39.8%	39.6%	0.6%
Net financial liabilities	in MEUR	3,088.9	3,368.3	-8.3%
Loan to value ratio (net)	in %	49.4%	44.4%	11.1%
Gearing	in %	101.3%	94.7%	7.0%
Average interest rate on financial liabilities, incl. hedging	in %	3.85%	3.94%	-2.3%
Average term of financial liabilities	in years	3.8	4.3	-12.8%

¹ The comparable prior year data were adjusted accordingly (see note 1.7).

Property Data

		30 April 2016	30 April 2015 ¹	Change in %
Total number of properties		385	478	-19.5%
Lettable space	in sqm	2,241,587	3,278,567	-31.6%
Occupancy rate	in %	86.3%	84.2%	2.5%
Portfolio value	in MEUR	5,484.0	6,448.1	-15.0%
thereof investment properties	in MEUR	4,961.8	5,831.0	-14.9%
thereof property under construction	in MEUR	410.0	469.1	-12.6%
thereof real estate inventories	in MEUR	112.1	148.0	-24.3%
Unencumbered investment property	in MEUR	871.4	1,051.9	-17.2%

¹ The comparable prior year data were adjusted accordingly (see note 1.7).

EPRA Indicators

		30 April 2016	30 April 2015 ¹	Change in %
EPRA Net Asset Value	in MEUR	3,270.1	3,962.4	-17.5%
EPRA Net Asset Value per share	in EUR	3.39	3.99	-15.2%
EPRA Triple Net Asset Value	in MEUR	3,204.3	3,719.9	-13.9%
EPRA Triple Net Asset Value per share	in EUR	3.32	3.75	-11.5%

		30 April 2016	30 April 2015 ¹	Change in %
EPRA earnings	in MEUR	-269.5	-311.5	n.a.
EPRA earnings per share	in EUR	-0.28	-0.31	n.a.
EPRA earnings after company-specific adjustments	in MEUR	-43.5	-63.7	n.a.
EPRA earnings per share after company-specific adjustments	in EUR	-0.04	-0.06	n.a.
EPRA Net Initial Yield	in %	4.9%	5.5%	-11.7%
EPRA "Topped-up" Net Initial Yield	in %	6.9%	6.6%	4.2%

¹ The comparable prior year data were adjusted accordingly (see note 1.7).

Stock Exchange Data

		30 April 2016	30 April 2015 ¹	Change in %
Book value per share	in EUR	2.99	3.53	-15.3%
Share price at end of period	in EUR	2.06	2.68	-23.1%
Discount of share price to diluted NAV per share	in %	39.2%	32.9%	19.0%
Number of shares		975,955,651	1,073,193,688	-9.1%
Number of treasury shares		10,000,000	80,561,942	-87.6%
Market capitalisation at end of period	in MEUR	2,009.5	2,874.0	-30.1%
Earnings per share	in EUR	-0.40	-0.37	n.a.
Earnings per share (diluted)	in EUR	-0.40	-0.37	n.a.

¹ The comparable prior year data were adjusted accordingly (see note 1.7).

“The course is set
for new growth.”

Oliver Schumy, CEO

REPORT OF THE EXECUTIVE BOARD

WE HAVE NOW CREATED THE FOUNDATION FOR OUR TRANSFORMATION

Oliver Schumy, CEO, on the course set during the past financial year and the next steps on the way to becoming a leading European property company.

Dear Shareholders,

The 2015/16 financial year was the period in which we created the foundation for IMMOFINANZ's transformation into a leading European commercial real estate company with a focused portfolio. After the very successful spin-off of BUWOG and the sale of our logistics properties, our concentration on the office and retail businesses was the next step required to set the course for renewed growth.

We were also able to close a negative chapter from the past by reaching out-of-court settlements in the lawsuits by investors which originated prior to 2009. That eliminated the uncertainty connected with the length of the court proceedings and the related additional costs. This issue is now history and we can turn our attention to the future with the creation of sustainable added value for our customers and, in the end, also for you, our shareholders.

During the past year we also started to place greater emphasis on our properties as a product. An office building or a shopping center becomes more attractive for tenants when it meets as many of their requirements as possible. These necessary features range from the location and infrastructure to flexible potential uses and a wide variety of services for regular operations. Our latest major rentals in Germany and the substantial increase in the occupancy rate of the office portfolio during the past financial year confirm this strategy, which is underscored by our branding policy.

The past financial year was, however, also influenced by a continuation of the tense political and economic situation in Russia. The outcome was a substantial decline in rental income from our Moscow shopping centers as well as lower valuation results with a subsequent negative effect on Group earnings. Our Moscow properties have different market characteristics and a higher risk profile than the rest of our portfolio, and we have therefore decided – in view of the planned merger with CA Immo – to spin-off the five Moscow shopping centers to IMMOFINANZ shareholders or to sell these properties to a third party. Preparations for the necessary procedures have already started.

Strategic course is set

Roughly one year ago I presented a number of strategic focal points that were designed to optimise IMMOFINANZ's position as a specialised provider of commercial property solutions and form the basis for further sustainable and profitable growth. We completed all of the related tasks in 2015/16:

Sale of the logistics portfolio and concentration on two asset classes

In line with the specialisation on office and retail properties, we sold our entire logistics portfolio during the 2015/16 financial year. This portfolio covered



OLIVER SCHUMY, CEO

Dietmar Reindl, COO, on our brands and a promise

On the significance of brands in the real estate business:

The establishment of a brand is a clear competitive advantage for a real estate company that holds several hundred properties in Europe. With our STOP SHOP and VIVO! brands, we are concentrating on a high degree of standardisation and the rapid expansion of our retail portfolio in Central and Eastern Europe. An integrated and coordinated appearance is the guarantee for high recognition value. Our tenants know what the brands stand for and are well aware that these brands can help them to quickly achieve broad market coverage in a number of countries. Based on our excellent experience in the retail sector, we are now planning to launch an office brand.

On quality and service promises:

We want our tenants and their customers and employees to feel well in our buildings. Our brands are therefore a quality and service promise and meet all the expectations of a modern working, shopping and leisure environment. That starts with a contact partner who is responsible for continuous communications and ranges from standard rental contracts and services up to the quality and attractiveness of the buildings, facility and asset management. Our tenants can expect IMMOFINANZ standards in all our properties, wherever they are located.

On brands in detail:

Our STOP SHOPS are retail parks with an offering that covers the necessities of everyday life – from clothing to electronics and food products as well as sporting equipment. A larger supermarket is always located nearby. This concept is best suited for medium-sized and smaller cities, and the target group is based on smart shoppers.

The VIVO! brand covers shopping centers – mostly single-storey – that are focused on fashion and entertainment and have strong anchor tenants. Easy shopping is also a key feature here, but is combined with all the conveniences of a shopping center. For example, that means a modern gastronomy offering as well as numerous recreational possibilities.

Our new office brand stands for a friendly and lively atmosphere, similar to a hotel, as well as optimal infrastructure and services. These buildings offer an inviting and dynamic environment with an attentive and helpful staff, easy-to-reach locations and wide range of services. Included here are shops and services for daily needs, flexible and managed offices, high-speed W-LAN in the public areas and sport facilities. We also want to encourage the interaction and cooperation between tenants, for example through attractive communication zones, tenant lounges and interesting events.

On investments in quality:

Both office and retail properties must be continuously adapted to meet the latest requirements. Investments in the quality of the buildings and the offering are investments in the future and form the basis for continued success. They not only make it easier to acquire new tenants, but are important for strengthening ties with existing customers. Our investment plans for the 2015/16 and 2016 financial years include roughly EUR 70 million for the office portfolio in order to improve the technical and aesthetic quality and keep these buildings “in shape as new”. The largest modernisation project to date involved our *Polus Tower* in Bratislava with an investment of roughly EUR 20 million. The public areas in both towers were remodelled, high-quality design and first-class architecture now offer maximum



Dietmar Reindl and Markus Pinggera, Director Expansion/Legal at Deichmann CSEE, on the opportunities created for tenants at IMMOFINANZ locations



functionality. The reception area is a comfortable lounge with a cafe, and the offices were upgraded to meet the latest technical standards. This investment has already brought positive results through the acquisition of numerous new tenants for the *Polus Tower*. In Vienna, we are currently working on the modernisation of our *Business Park Vienna*, where the shopping mall will be redesigned to create a more welcoming atmosphere.

On office for the “working world of tomorrow”

Tenants' demands on the “working world of tomorrow” are rising. Communicative areas and building structures like open space offices, think tanks and recreational



opportunities are in greater demand. A corporate headquarters for a single tenant is, in reality, much, much more. The corporate culture should also be reflected in the architecture and the office world. We followed this approach in designing the headquarters for *trivago*, which wants to win the best talents worldwide. That is why it is necessary to create a feel-well atmosphere for employees so they can develop their creative potential and do the best job possible. Green outside areas, fitness and recreational rooms, vitamin bars and a jogging trail on the roof terrace create an inspiring and healthy environment. This fundamental concept for the “new generation office” is also the defining factor for our new office brand.

36 standing investments – primarily in Germany – as well as three development projects currently under construction and land reserves. The sale proceeds amounted to more than EUR 500 million and confirmed the last reported carrying amounts, which confirms the previously revaluations. The transaction generated net proceeds of approx. EUR 305 million for IMMOFINANZ, whereby we received nearly EUR 250 million of this total amount during the past year.

Our current portfolio structure illustrates the new clear-cut orientation: the portfolio is distributed nearly equally between our core expertise in the office and retail sectors. The share of office properties rose from roughly 40% to 49% in year-on-year comparison, and retail properties are now responsible for roughly 45% of our real estate portfolio. These two areas complement each other very well and give us an advantage, especially in the management of mixed-use properties.

Sale of the BUWOG investment

In order to support our focus on commercial real estate, we announced our intention at the time of the BUWOG spin-off in April 2014 to sell our remaining investment – which originally equalled 49% – over the medium-term. This goal has now been met. We placed 20 million of our BUWOG shares with international investors, which substantially increased the company’s free float. BUWOG is now one of the most liquid shares in the ATX segment of the Vienna Stock Exchange. In another transaction, we sold approx. 18.5 million additional BUWOG shares to the investor SAPINDA in June 2016 for a total of approx. EUR 360 million. With these transactions, we have monetarised all of our freely available BUWOG shares and now hold an investment of slightly less than 10%. These remaining shares are reserved for the proportional servicing of our convertible bonds.

Growth through acquisitions and development projects

We are targeting the liquid funds released by these sales for investments in the sustainable growth of our company and the expansion of our portfolio, with a focus on the German market. In 2015/16 we started work on the realisation of two major development projects in the Düsseldorf Medienhafen and are constructing new corporate headquarters for *trivago*, the world’s largest online hotel search portal, and the energy provider Uniper. Both buildings will meet the full range of requirements for state-of-the-art office space – from numerous meeting areas for team-oriented work to social meeting points and comprehensive services. The long-term leases with *trivago* and Uniper, which cover approx. 54,000 sqm, also represent two of the largest individual office rentals in the history of IMMOFINANZ. Together with our

high-quality development projects in Cologne and Aachen, our office portfolio in Germany will grow to over 190,000 sqm of rentable space by mid-2018. Our investments in Germany will then replace the rental income lost through the sale of the logistics properties.

Our activities in the office sector are concentrated on the Central and East European capitals and on the largest office locations in Germany, the so-called “Big 7” cities. In contrast, the expansion of our retail portfolio is directed primarily to medium-sized and smaller cities. The STOP SHOP and VIVO! brands are optimally suited for these areas.

In 2015/16 we completed and opened a VIVO! shopping center with 22,500 sqm of space in Stalowa Wola, a city in the south-eastern region of Poland. STOP SHOP, our retail park brand, recently added locations in Świnoujście and Szczytno, both in Poland, and in Niš, Serbia. Further locations have also been identified: The next STOP SHOP in the Serbian city of Valjevo will follow in early autumn, while preparations are underway for retail parks in the Polish cities of Pultusk and Gdynia. This will raise the total number of STOP SHOPS to 60. We plan to double our STOP SHOP portfolio over the coming five years and will then be the leading retail park operator in our core markets with over 100 locations.

Sustainable dividend policy

The capital measures approved by the 22nd annual general meeting now form the basis for a sustainable distribution policy and will basically allow IMMOFINANZ to resume dividend payments independent of exceptional political or economic situations – as is currently the case in Russia. We will therefore make a recommendation to the annual general meeting for the 2015/16 financial year, requesting the approval of a dividend of six Euro cents per share. For the abbreviated 2016 financial year, we have also signified our intention to propose a dividend at this same amount.

Quality and efficiency improvements

In our day-to-day business operations, we have sharpened our focus on continuous quality and efficiency improvements, the strengthening of ties with existing tenants and the acquisition of new tenants. One very important priority was to raise the occupancy rate in our office portfolio above the April 2015 level of 75%. Our investments in the quality of the portfolio and a substantially stronger sales orientation have already produced positive results, and we were able to increase the occupancy rate in our office properties by nearly

COMMENTS & QUOTES

Stefan Schönauer, CFO, on results, financing and cost reduction

On results for the year:

The negative net results of EUR -390.4 million recorded for the 2015/16 financial year resulted, above all, from the negative effects of foreign exchange-adjusted revaluations of EUR -469.8 million to the Russian portfolio as well as a decline in rental income to EUR 314.5 million due to the temporary rental reductions in Moscow and planned property sales. Earnings were also influenced by two negative non-recurring factors: cost overruns on the *Gerling Quartier* development project in Cologne had an adverse effect of EUR -48.0 million on the results of property development, which were subsequently negative, and the settlement of legal proceedings with investors led to expenses of EUR -29.4 million. The cost overruns in the *Gerling Quartier* were caused, among others, by additional requirements for historic preservation and the construction of an underground garage – and were reflected in full in the past year's earnings. The termination of the legal proceedings, on the other hand, will lower our costs in the future.

On the development of financing costs:

Financing costs are an important factor for a real estate company, and we are working constantly on their reduction. In 2015/16 our financing costs remained stable at 3.85%. However, that was based on the repayment of favourably priced financing in connection with the sale of our logistics portfolio as well as the repurchase of the comparatively lower-coupon BUWOG exchangeable bond. The USD-Libor



Stefan Schönauer
explains the non-recurring
effects that influenced
earnings in 2015/16

rate, which is a key parameter for the interest on our Russian financing, also increased during the past year.

With regard to the financing secured by properties, we currently see a clear decline in interest costs – in part to 2% or even lower. This development will continue. Our activities also include the combination of individual properties within an asset class and region in order to finance them as a portfolio at better conditions.

IMMOFINANZ's financing requirements for the current abbreviated financial year amount to nearly EUR 180 million due to maturing loans, whereby most of this volume is attributable to property financing. These loans will be extended at more favourable conditions in the current low-interest environment.

At the Group level, we also see significant opportunities for savings over the medium-term through the refinancing of our bonds. We had two convertible bonds and one corporate bond with a total nominal value of almost EUR 630 million outstanding at the end of April 2016. These three bonds currently carry an average interest rate of 4.4%. Their refinancing in the current environment should give us an average interest rate of roughly 2.6% – which would mean annual savings of roughly EUR 11 million.

On the development of cash flow

Cash flow from operating activities fell by 55.8% to EUR 64.9

million during the past financial year. This decline resulted primarily from the non-recurring payments for settlements with investors, the temporary rental reductions in our Moscow shopping centers and lower rental income following the sale of properties. If an adjustment is made for the non-recurring payments of EUR 75.8 million for the settlements with investors and a settlement payment of EUR 17.5 million to BUWOG in connection with its exit from the IMMOFINANZ AG tax group, cash flow would be positive at EUR 158.2 million.

On further cost reductions

Financing is not the only focal point of our cost reduction efforts. We reduced our total workforce from roughly 850 to 705 in 2015/16. This decline is attributable in part to property sales, but was also the result of efficiency improvement measures. If we include the recently started cooperation with CBRE and EHL for the center management of our retail properties in Slovakia, Poland and Romania, the number of employees would decrease further by roughly 100 to nearly 600. The outsourcing of this center management led to the takeover of the related staff by CBRE and EHL in the involved countries. All these measures combined will reduce our annual personnel costs by roughly EUR 10 million.

As seen over time, IMMOFINANZ also has a very large number of group companies – nearly 800 in total. We are also working to reduce this number and, in doing so, lessen complexity. That will also help us to save costs in the future.

seven percentage points to roughly 82% during the past financial year. That was, obviously, only the first step, but nevertheless a very important one. Our customer orientation and innovations in the office segment will lead to a further steady improvement in the occupancy rate over the coming quarters.

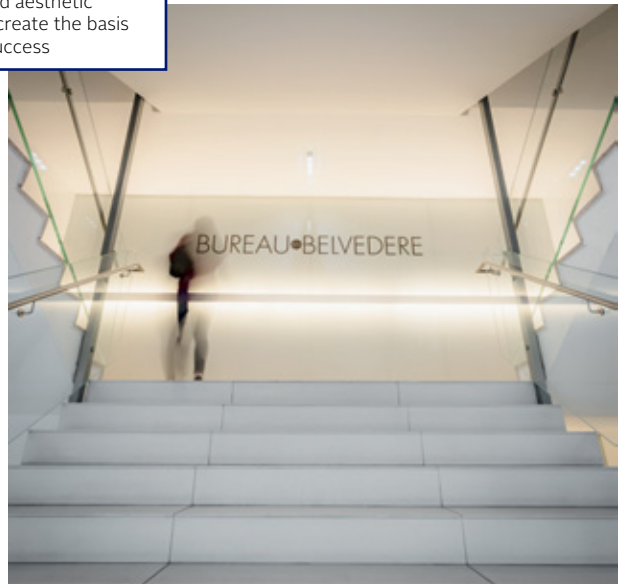
Other previously implemented optimisation measures involve our cost structures. The restructuring of the country organisations and the relocation of operating activities from the corporate headquarters to the individual core markets have strengthened local decision-making structures and made our business processes more efficient. We want to make our work easier and faster and continue to improve our customer orientation. Our motivation is to develop innovative ideas for our tenants and to make these ideas marketable.

The previously implemented measures addressed both rental income and costs. However, the full effects of the optimisation programme have not yet materialised and were not fully reflected in results for the 2015/16 financial year. They represent the foundation for the future success of our company, even if there is a timing difference in their realisation.

Our results for the 2015/16 financial year were influenced, above all, by the tense economic environment in Russia. This situation was reflected in lower rental income and valuation results and led to net profit of EUR -390.4 million. We are utilising the current situation in Russia to further improve the positioning of our shopping centers and to prepare them for a sale or spin-off. For our *Golden Babylon Rostokino* shopping center, we entered into a cooperation with ECE, the market leader in the European shopping center segment, and recently finalised a lease with a new major tenant, Hamley's toy merchants.



Investments in the portfolio properties improve the technical and aesthetic quality and create the basis for future success





The roll-out of the VIVO! brand to existing shopping centers has already started

Acquisition of an investment in CA Immo

Shortly before the end of the past financial year, we announced the acquisition of a 26% investment in CA Immo and started the process for the planned merger of IMMOFINANZ and CA Immo. This will make us one of the leading European real estate companies and a clear market leader in Central and Eastern Europe. The shareholders of both IMMOFINANZ and CA Immo will benefit from the merger through substantial synergies and the increased attractiveness of their investments for the capital market.

A merger is the logical step for both companies and will create a combined group that

- > has a regionally balanced standing investment portfolio with a carrying amount of over EUR 6 billion and strong portfolios in Germany, Austria and the most important CEE markets,
- > is a leading commercial real estate company in Europe and the clear market leader in CEE,
- > has an excellent project development business with a focus on the German market,
- > will benefit from attractive revenue and cost synergies,
- > will have a conservative credit profile,
- > and offer a liquid and therefore even more investable share.

Together we will join the league of the largest real estate companies in Europe. That will open numerous new opportunities for the continuation of profitable growth.

Of course, a great deal of work lies before us. The details of the merger must be discussed and organised, but we have started the process and identified a clear way to implement the transaction.

The Executive Board of IMMOFINANZ looks forward to your support in following this course with its full strength, commitment and passion. We will continue the efforts started in 2015/16 to transform IMMOFINANZ into a leading European commercial property group with a focused portfolio.

Oliver Schumy
26 Juli 2016

Our Company at a Glance

The IMMOFINANZ 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.





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STANDING INVESTMENTS

The standing investment portfolio – our most important earnings driver – covers eight core markets in Europe.

4.7

CARRYING AMOUNT IN EUR BILLION

Austria and Russia are each responsible for nearly 24% of our standing investments based on the carrying amount, followed by the markets in Romania, Poland and Hungary.

2.2

RENTABLE SPACE IN MILLION SQM

This space is distributed equally between our core office and retail businesses and increased by completed development projects.

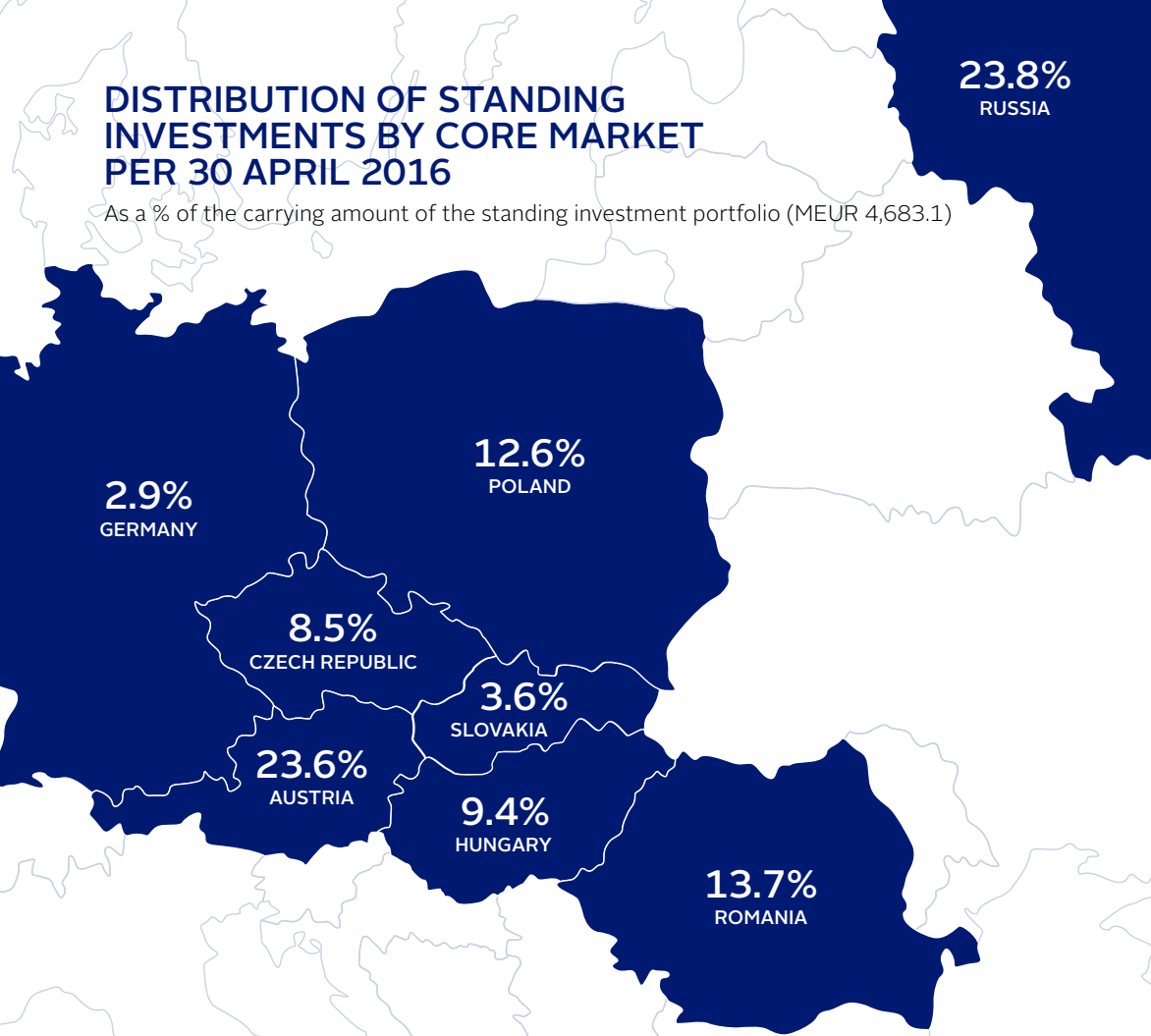
86.3

OCCUPANCY RATE IN %

Strengthening ties with existing tenants and acquiring new tenants are the focal points of our daily activities.

DISTRIBUTION OF STANDING INVESTMENTS BY CORE MARKET PER 30 APRIL 2016

As a % of the carrying amount of the standing investment portfolio (MEUR 4,683.1)



RUSSIA	23.8%
Number of properties	5
Carrying amount in MEUR	1,114.6
Rentable space in sqm	278,633
Occupancy rate in %	81.9%
Rental income Q4 15/16 (MEUR)	19.0
Gross return in %	6.8%

CZECH REPUBLIC	8.5%
Number of properties	21
Carrying amount in MEUR	398.5
Rentable space in sqm	252,251
Occupancy rate in %	82.0%
Rental income Q4 15/16 (MEUR)	6.0
Gross return in %	6.0%

AUSTRIA	23.6%
Number of properties	144
Carrying amount in MEUR	1,105.0
Rentable space in sqm	570,841
Occupancy rate in %	86.0%
Rental income Q4 15/16 (MEUR)	15.9
Gross return in %	5.7%

SLOVAKIA	3.6%
Number of properties	12
Carrying amount in MEUR	166.3
Rentable space in sqm	90,826
Occupancy rate in %	97.6%
Rental income Q4 15/16 (MEUR)	3.2
Gross return in %	7.7%

ROMANIA	13.7%
Number of properties	19
Carrying amount in MEUR	640.0
Rentable space in sqm	344,916
Occupancy rate in %	90.4%
Rental income Q4 15/16 (MEUR)	10.8
Gross return in %	6.7%

GERMANY	2.9%
Number of properties	13
Carrying amount in MEUR	135.9
Rentable space in sqm	56,956
Occupancy rate in %	83.7%
Rental income Q4 15/16 (MEUR)	1.6
Gross return in %	4.6%

POLAND	12.6%
Number of properties	18
Carrying amount in MEUR	587.8
Rentable space in sqm	281,000
Occupancy rate in %	90.1%
Rental income Q4 15/16 (MEUR)	8.2
Gross return in %	5.5%

NON-CORE COUNTRIES	2.0%
Number of properties	10
Carrying amount in MEUR	93.9
Rentable space in sqm	75,617
Occupancy rate in %	82.0%
Rental income Q4 15/16 (MEUR)	1.4
Gross return in %	6.1%

HUNGARY	9.4%
Number of properties	25
Carrying amount in MEUR	441.0
Rentable space in sqm	290,546
Occupancy rate in %	84.7%
Rental income Q4 15/16 (MEUR)	6.4
Gross return in %	5.8%

IMMOFINANZ	100%
Number of properties	267
Carrying amount in MEUR	4,683.1
Rentable space in sqm	2,241,587
Occupancy rate in %	86.3%
Rental income Q4 15/16 (MEUR)	72.5
Gross return in %	6.2%

Additional information on IMMOFINANZ's standing investment properties can be found in the portfolio report starting on page 41.

Our Company Office

An office not only needs to be the right place to work, it should also offer much more. We place top priority on innovative office concepts that meet our tenants' needs. The key features of our office properties are a good location and a wide range of services – with nearby restaurants, shops and services to meet everyday needs.





85

STANDING INVESTMENTS

In the office sector, we concentrate on the capital cities of Central and Eastern Europe and on the major commercial locations in Germany. The German market represents one of the focal points for our future growth.

2.3

CARRYING AMOUNT IN EUR BILLION

Nearly one-half of the carrying amount of our standing investments is bundled in the office sector.

81.7

OCCUPANCY RATE IN %

We raised the occupancy rate by roughly seven percentage points during the past financial year. And our strong customer orientation and investments in quality will bring further growth.

FEEL-WELL OFFICES

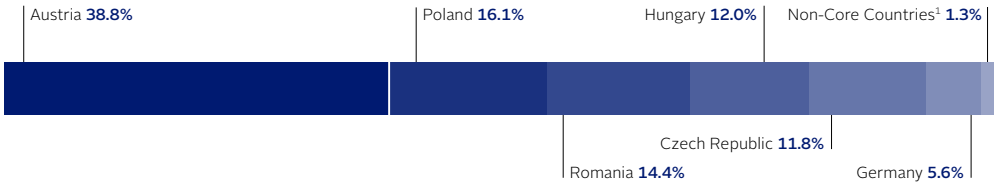
Our offices have everything expected from a modern working environment. We create a friendly and lively atmosphere and offer a wide variety of services. The features common to our office properties include, among others, the following:

- > A good location and high service orientation
- > State-of-the-art office infrastructure
- > An additional gastronomy, retail and service offering
- > Comprehensive support for tenants, for example with requirement and staff planning

Over 1.1 million sqm of rentable space

COUNTRY SPLIT

Share of the carrying amount of the standing investment portfolio



¹ Non-Core Countries: Croatia and Bulgaria

Additional information on IMMOFINANZ's office properties can be found in the portfolio report starting on page 45.



Offices that promise optimal conditions for day-to-day work – and far beyond



Our Company VIVO!

VIVO! is our shopping center brand. It is designed for cities with a catchment area of at least 200,000 residents and highlighted by strong anchor tenants and an attractive mix. VIVO! makes shopping a special experience for the entire family. These shopping centers are normally single-storey, have a high recognition value and are therefore optimally suited for further growth.



A modern building facade with large numbers and text overlays. The building has a grid-like pattern of panels. The numbers are in a large, bold, blue font. The text is in a smaller, blue font. The background is a clear blue sky.

10

STANDING INVESTMENTS

VIVO! was launched in 2014. After two own development projects in Poland, we are now rolling out the brand to our other existing shopping centers.

608.6

CARRYING AMOUNT IN EUR MILLION

Our VIVO! shopping centers make up one-fourth of the carrying amount of our standing investments in the retail sector.

93.9

OCCUPANCY RATE IN %

Our tenants value the high standardisation of VIVO! shopping centers. That increases cost efficiency and synergies – and everyone benefits.

VIVO! RAISES SHOPPING TO A NEW LEVEL FOR MEDIUM-SIZED CITIES IN CENTRAL AND EASTERN EUROPE

VIVO! is an uncomplicated shopping experience for the entire family. The shopping centers are normally single-storey and have a balanced mix with strong anchor tenants. Other characteristic features include:

- > Rentable space of 15,000 sqm or more
- > Lots of parking
- > An emphasis on the shopping experience combined with recreational activities
- > International merchandising concepts and local retailers
- > A focus on the target group and its requirements

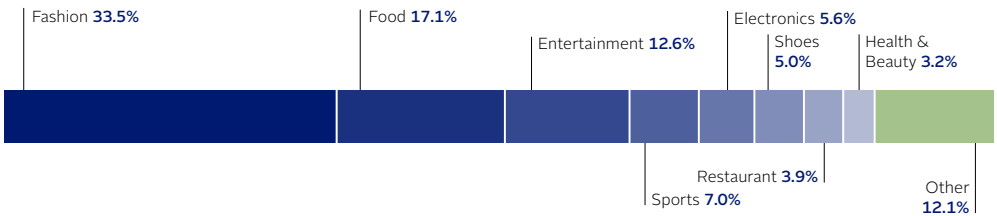
Over 280,000 sqm of rentable space*

Countries: Slovakia, Czech Republic, Romania, Poland

* Existing VIVO! shopping centers and centers designated for the roll-out

TENANT MIX VIVO!

Rented space in standing investments.



Additional information on the VIVO! properties can be found in the portfolio report starting on page 48.



Practical, when everything at VIVO! is under a single roof. Only the parking is outside.



Our Company

STOP SHOP

STOP SHOP is our brand for retail parks in Central and Eastern Europe. These likeable and convenient local suppliers are located in catchment areas of 30,000 to 150,000 residents and offer a broad range of products with good value for money. With efficient transport connections as well as extensive parking, they concentrate on price-conscious “smart shoppers” who value easy accessibility.



55

STANDING INVESTMENTS

Our STOP SHOP portfolio is growing rapidly – two new locations in Poland were opened between May and August 2016.

516.2

CARRYING AMOUNT IN EUR MILLION

With manageable investments at every location, STOP SHOP is the ideal brand for fast portfolio growth.

96.0

OCCUPANCY RATE IN %

Our STOP SHOPS are almost fully occupied. Tenants value our professional support as well as the steady focus on standardisation in construction, rental and operations.



CLOSE COOPERATION WITH WELL-KNOWN RETAIL-BRANDS CREATES A WIN-WIN SITUATION

The success of the STOP SHOP brand is based on a standardised five-point approach:

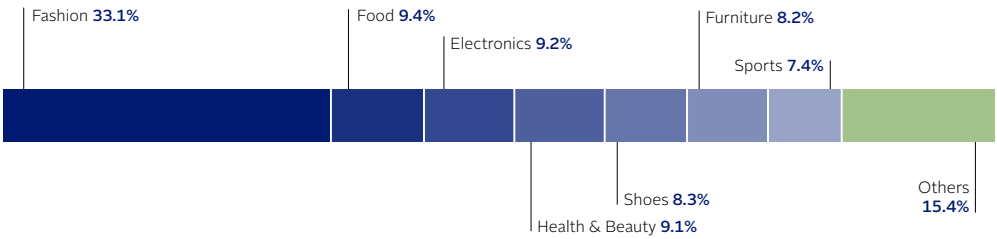
- > Approx. 3,000 to 15,000 sqm of rentable space at each location
- > Good traffic connections
- > Lots of parking
- > High functionality with an attractive tenant mix of international and national retailers
- > High recognition value through architectonic features like open design and common areas with a canopy construction

Over 360,000 sqm of rentable space

Countries: Czech Republic, Slovakia, Hungary, Slovenia, Austria, Poland, Serbia

TENANT MIX STOP SHOP

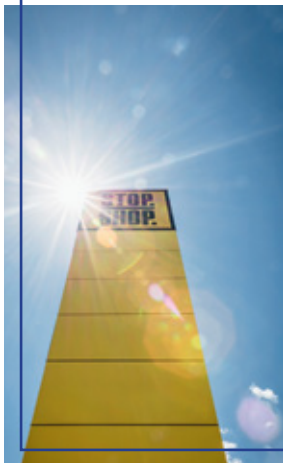
Rented space in standing investments.



Additional information on the STOP SHOP properties can be found in the portfolio report starting on page 48.



Cities grow. And STOP SHOP grows with them. But never beyond the real demand.



IMMOFINANZ ON THE CAPITAL MARKET

THE MARKET ENVIRONMENT AND THE IMMOFINANZ SHARE

Political and macroeconomic events again had a significant influence over the development of share prices on the international markets during the 2015/16 financial year (1 May 2015 – 30 April 2016). These factors were also reflected in a negative trend on the key indexes.

The beginning of 2015 saw an upward movement that was supported by the devaluation of the Euro and the low oil price, but the general sentiment shifted during the second half-year due to the weaker growth in China and its potential effects on the global economy. At the beginning of 2016, the markets were affected by geopolitical events in the Near East and the sharp drop in the oil price as well as the terror attacks in Europe and the debate over the possible exit of United Kingdom from the EU (“Brexit”).

The IMMOFINANZ share started the 2015/16 financial year at EUR 2.68, primarily as a result of takeover rumours involving CA Immo, and closed at EUR 2.06 in April 2016. This represents a decline of roughly 23%. The share price was influenced, above all at the turn of the year, by the substantial deterioration in framework conditions on the Russian market. The EU extended the sanctions against Russia for a further six months and the oil price, which plays an important role in the Russian economy, was under considerable pressure at the beginning of 2016.

INFORMATION ON THE IMMOFINANZ SHARE

		30 April 2016	30 April 2015	Change in %
EPRA Net Asset Value per share	in EUR	3.39	3.99	-15.2%
EPRA Triple Net Asset Value per share	in EUR	3.32	3.75	-11.5%
Book value per share	in EUR	2.99	3.53	-15.3%
Discount of share price to NAV per share	in %	39.2%	32.9%	19.0%

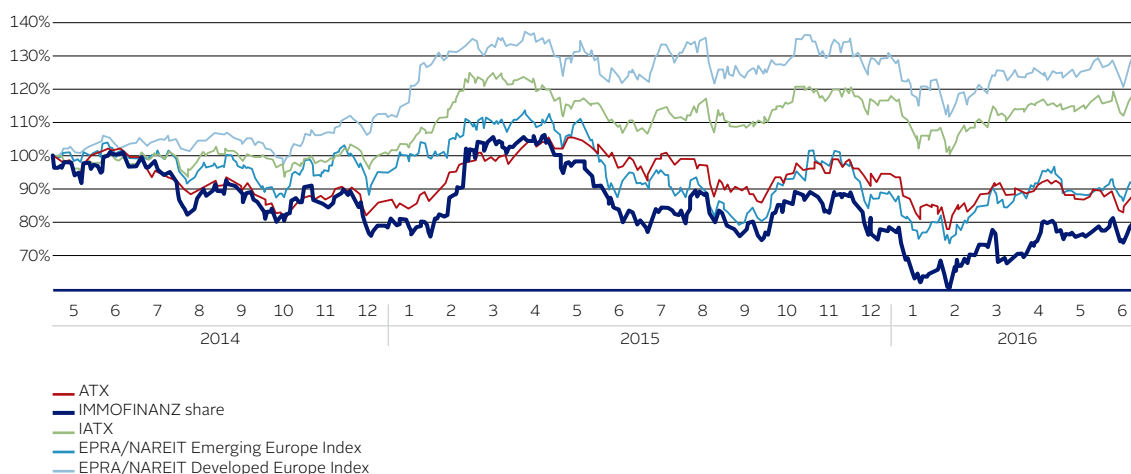
		30 April 2016
Share capital	in EUR	975,955,651.00
Total number of shares		975,955,651
Thereof treasury shares		10,000,000
Free float	in %	79%
Established		April 1990
Segment		ATX, WIG
Class of shares		Bearer common shares
ISIN		AT0000809058
Reuters		IMFI VI
Bloomberg		IJA AV
Datastream		O: IMMO 866289
ISIN ADR programme		US45253U2015
2015/16 financial year		1 May 2015 to 30 April 2016
2016 abbreviated financial year		1 May to 31 December 2016
Share price on 30 April 2016	in EUR	2.06
Share price high FY 2015/16 (end of the day)	in EUR	2.68
Share price low FY 2015/16 (end of the day)	in EUR	1.62
Market capitalisation on 30 April 2016	in MEUR	2,009.5

PERFORMANCE COMPARISON

1 May 2015 to 30 April 2016	in %
IMMOFINANZ share	-23.1%
ATX	-9.9%
Immobilien ATX	-1.4%
EPRA/NAREIT Emerging Europe Index	-12.1%
EPRA/NAREIT Developed Europe Index	-4.2%

DEVELOPMENT OF THE IMMOFINANZ SHARE VS. SELECTED INDEXES

Indexed as of 1 May 2014



SHARE CAPITAL AND DISTRIBUTION POLICY

The share capital of IMMOFINANZ AG totalled EUR 975,955,651 as of 30 April 2016 (2014/15: EUR 1,114,171,813.16) and was divided into 975,955,651 bearer shares (ISIN AT0000809058; 2014/15: 1,073,193,688 shares), each of which represents a proportional share of EUR 1.00 (2014/15: EUR 1.04) in share capital. IMMOFINANZ held 10,000,000 treasury shares at the end of the reporting year.

Changes during the 2015/16 financial year

Following the repurchase of 30,000,000 shares between April and June 2015 during the share buyback programme 2015, IMMOFINANZ held 97,238,037 treasury shares and had nearly reached the legally defined limit of 10% of share capital. All of these treasury shares were withdrawn as of 9 February 2016 to create the necessary flexibility for the repurchase of further shares. This led to a reduction of EUR 97,238,037 in share capital to EUR 975,955,651. Additional details on the development of share capital are provided under Information on Equity (starting on page 79).

Based on an authorisation of the 22nd annual general meeting on 1 December 2015, the share buyback programme 2016 was carried out during February and March 2016. It resulted in the repurchase of 10 million IMMOFINANZ shares. Details on the share buyback programmes can be found on the IMMOFINANZ website under: www.immofinanz.com/en/investor-relations/our-share/share-buyback-programmes/

Dividend recommendation

The capital measures approved by the 22nd annual general meeting created the foundation for a sustainable dividend policy. At the beginning of February 2016 IMMOFINANZ issued a preview of the planned distribution policy for the 2015/16 financial year (as of 30 April 2016) and the abbreviated 2016 financial year (as of 31 December 2016): the ordinary dividend will equal EUR 0.06 per share for each of these two financial years. The Executive Board will therefore make a recommendation to the 23rd annual general meeting on 29 September 2016, calling for the distribution of a dividend of six Euro cents per share. That represents a total pay-out of approx. EUR 58 million for 2015/16 and, based on the closing price on 30 April 2016, a dividend return of approx. 2.9%.

EUR 0.06 ordinary dividend for 2015/16 and the following 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, equals roughly 79%.

LARGEST SINGLE SHAREHOLDERS

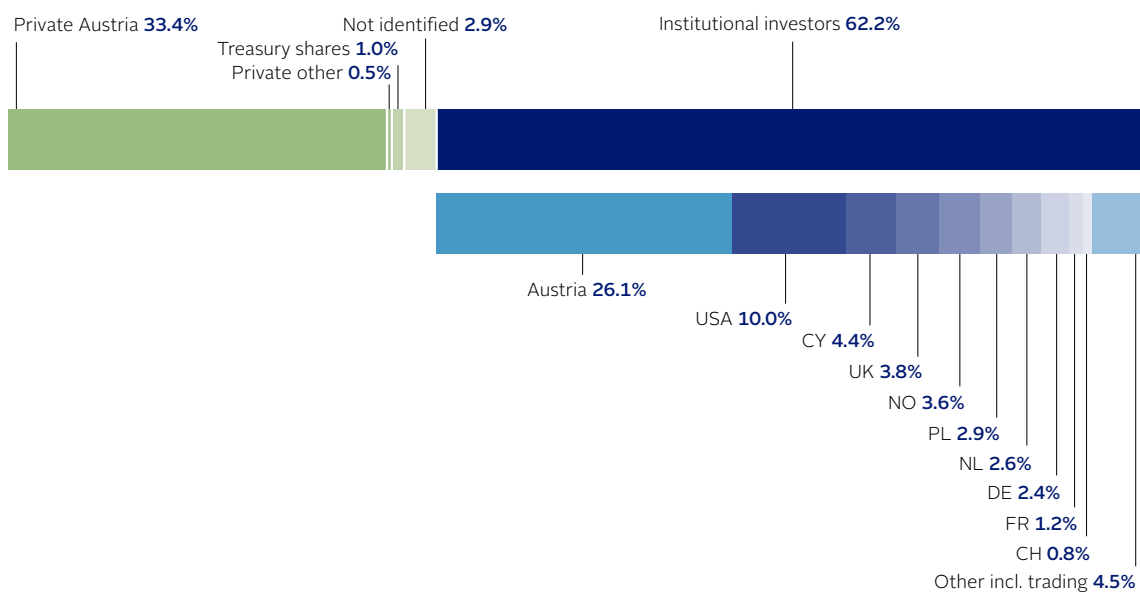
Fries Group	69,781,813 shares	7.2%
CA Immobilien Anlagen (via PHI Finanzbeteiligungs und Investment GmbH)	54,805,566 shares	5.6%
O1 Group (via EG Immobilien Europe)	42,800,000 shares	4.4%
Erste Asset Management (together with subsidiaries) ¹	39,072,110 shares	4.0%

¹ On 29 June 2016 Erste Asset Management GmbH announced that, together with its subsidiaries ERSTE-SPARINVEST Kapitalanlagegesellschaft.m.b.H. and RINGTUM Kapitalanlagegesellschaft.m.b.H., it had exceeded a reportable investment threshold.

DETAILED ANALYSIS

Regular shareholder surveys help to define the regional focal points for investor relations activities. The latest survey was carried out in February/March 2016 and showed the following picture*: 33.4% of IMMOFINANZ shares are held by private investors in Austria. Institutional investors hold approx. 62.2%, whereby most come from Austria (26.1%), the USA (10.0%), Cyprus (4.4%), Great Britain (3.8%) and Norway (3.6%). Polish investors hold 2.9%. The remaining 4.4% are not identified or represent treasury shares or holdings by foreign private investors.

PRIVATE AND INSTITUTIONAL INVESTORS BY COUNTRY



Source: IPREO, February/March 2016

BONDS

IMMOFINANZ had two convertible bonds and one corporate bond with a total nominal value of EUR 628.5 million outstanding as of 30 April 2016. These three securities are listed on the Vienna Stock Exchange: the two convertible bonds in the Third Market and the corporate bond in the Second Regulated Market.

Three outstanding bonds with terms ending in 2017 and 2018

The 4.25% convertible bond 2018 (ISIN XS0592528870) had an issued volume of EUR 507.1 million. The issue terms gave the bondholders an option for premature redemption as of 8 March 2016, which resulted in the repayment of certificates with a total nominal value of only EUR 1,323,620.04. The convertible bond 2018 will be repaid on 8 March 2018 (maturity date) unless there are conversions into shares before that date. One certificate of this bond can currently be converted into 1.1573 IMMOFINANZ shares and 0.0629 BUWOG shares.

The 1.25% convertible bond 2017 (ISIN XS0332046043) still has a nominal value of EUR 21.4 million outstanding and will be repaid on 19 November 2017 (maturity date) unless it is redeemed in full or in part before that date.

* Share capital is approx. 12.4% lower than at the time of the previous analysis.

One certificate of the convertible bond 2017 can currently be converted into 12,547.05 IMMOFINANZ shares and 691.44 BUWOG shares.

The 5.25% corporate bond 2017 (AT0000A0VDP8) was issued in July 2012 with a nominal value of EUR 100 million and will be redeemed at 100% of this amount on 3 July 2017.

Further details on the bonds are provided under Financing (see page 62).

REDUCTION OF BUWOG INVESTMENT

IMMOFINANZ reduced its investment in BUWOG from 49% to 28.6% in two steps during the reporting year. The first step was taken in September 2015 with the repurchase of the exchangeable bond (ISIN XS1108672988, nominal value EUR 375 million), which was backed by 23.1 million BUWOG shares. The repurchase offer was accepted by 99.8% of the bondholders. Nearly 8.5 million BUWOG shares were then placed through an accelerated bookbuilding process, and certificates representing roughly two million BUWOG shares were converted by investors holding the exchangeable bond. The remaining 0.2% of the nominal value of the bond was redeemed prematurely in accordance with the terms and conditions. In a further step, IMMOFINANZ placed 10 million BUWOG shares through an accelerated bookbuilding process during March 2016.

The remaining BUWOG shares available for disposal were sold to the strategic investor SAPINDA after the end of the reporting period. The total selling price equalled approx. EUR 360 million. This transaction reduced the BUWOG investment to 9.98% or 9.96 million BUWOG shares which back the convertible bonds issued by IMMOFINANZ.

BUWOG holding reduced to roughly 10% in June 2016

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 participated in a wide variety of investor conferences, roadshows and information events during the past financial year, among others in Amsterdam, Berlin, Boston, Copenhagen, Geneva, London, Munich, New York, Paris, Prague, Stegersbach (Austria), Stockholm, Warsaw, Vienna and Zurich. In addition, numerous investors and analysts took advantage of the opportunity to learn about the IMMOFINANZ property portfolio through visits to various core markets. The continuous and timely distribution of information is supported by our website www.immofinanz.com, corporate blog <http://blog.immofinanz.com/en/> and newsletter.

As an additional service for investors and analysts, IMMOFINANZ offers a free investor relations app for iPhone, iPad and Android. This app can be used to review and download news, the share price and financial reports. IMMOFINANZ's financial calendar can also be transferred to personal planners with a simple click.

Continuous, timely and correct distribution of information over multiple communication channels

Analysts' recommendations

The following 11 Austrian and international financial houses published regular evaluations and studies on IMMOFINANZ during the 2015/16 financial year: Alpha Value, Baader Bank, Barclays, Deutsche Bank, Erste Group, HSBC, Kepler Cheuvreux, Morgan Stanley, Raiffeisen Centrobank, Société Generale 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 2016 AND 2017

The 2016 FY
will end on
31 December 2016
as an abbreviated
financial year

The 22nd annual general meeting in December 2015 approved a change in IMMOFINANZ's financial year to correspond with the calendar year. The 2016 financial year will therefore represent an abbreviated financial year from 1 May 2016 to 31 December 2016. As of 1 January 2017, the IMMOFINANZ financial year will correspond to the calendar year.

19 September 2016	Record date for participation in the 23rd annual general meeting
20 September 2016	Announcement of results for the first quarter of 2016 (after the close of trading)
21 September 2016	Report on the first quarter of 2016
29 September 2016	23rd annual general meeting
30 September 2016	Expected ex-dividend date ¹
3 October 2016	Expected record date for the determination of dividend rights ¹
4 October 2016	Expected dividend payment date ¹
19 December 2016	Announcement of results for the first half of 2016 (after the close of trading)
20 December 2016	Report on the first half of 2016
6 April 2017	Announcement of results for 2016 (after the close of trading)
7 April 2017	Press conference on results for 2016
7 April 2017	Annual report 2016
22 May 2017	Record date for participation in the 24th annual general meeting
1 June 2017	24th annual general meeting
2 June 2017	Expected ex-dividend date ¹
5 June 2017	Expected record date for the determination of dividend rights ¹
6 June 2017	Expected dividend payment date ¹

¹ This 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:

E-Mail: investor@immofinanz.com

T +43 (0)1 880 90

Report of the Supervisory Board

DEAR SHAREHOLDERS,

IMMOFINANZ continued its portfolio optimisation during the past financial year and successfully established a position as a commercial property specialist with a focus on the office and retail sectors. The out-of-court settlement of nearly all investors' lawsuits brought the company legal security. Moreover, the capital measures approved by the 22nd annual general meeting will safeguard the resumption of a sustainable dividend policy.

The Supervisory Board accompanied IMMOFINANZ and its Executive Board on all activities in 2015/16 and, as in previous years, conscientiously performed the duties required by law and the articles of association. The Executive Board provided the Supervisory Board with extensive, ongoing and timely information on the development of business and on the company's asset, financial and earnings position and, in this way, met its information requirements.

There were six Supervisory Board meetings during the 2015/16 financial year, all of which included the members of the Executive Board. Outside the framework of these meetings, the Supervisory Board remained in regular contact with the Executive Board and took a number of decisions through circular resolutions.

The Supervisory Board dealt extensively with the strategic orientation and financing situation of the company as well as developments on the capital market and in the core markets of IMMOFINANZ. The related activities focused on the further optimisation of the property portfolio and its financing. At the Supervisory Board meeting in August 2015, the sale of the logistics portfolio and the investment in the *trivago* office development project in Düsseldorf were approved. In each of the six Supervisory Board meetings, the Executive Board also provided a detailed report on the development of the shopping centers in Moscow.

Further resolutions involved, among others, the repurchase of the exchangeable bond for BUWOG shares, the reduction of the investment in BUWOG, the finalisation of the settlements with investors and the share buyback programme 1/2016. The acquisition of a 26% investment in CA Immobilien Anlagen AG was approved by the Supervisory Board after the end of the reporting year.

EFFICIENT WORK IN THREE COMMITTEES

In order to support the efficient performance of its duties, the Supervisory Board has established three committees: the Audit Committee, the Strategy Committee and the Personnel and Nominating Committee. The composition of the committees was changed at the Supervisory Board meeting in December 2015 to include Horst Populorum and Wolfgang Schischek, who were elected to the Supervisory Board in April 2015. Information on the composition and responsibilities of the committees is provided in the Corporate Governance Report on page 28.

CHANGES ON THE EXECUTIVE BOARD

In February 2016 the Supervisory Board complied with a request by Birgit Noggler to be released prematurely from her position as Chief Financial Officer. Her contract was terminated by mutual consent. Stefan Schönauer was appointed in March for a three-year term to succeed her as Chief Financial Officer. The contract with Dietmar Reindl was extended prematurely for a period of four years. The Executive Board of IMMOFINANZ is now well positioned to further optimise the company's market position and thereby ensure sustainable and profitable growth.

APPROVAL OF THE 2015/16 ANNUAL FINANCIAL STATEMENTS

The following documents were prepared by the Executive Board and audited by Deloitte Audit Wirtschaftsprüfungs GmbH, which was appointed as the auditor by the annual general meeting on 1 December 2015: the annual financial statements of IMMOFINANZ AG as of 30 April 2016 including the management report and the consolidated financial statements together with the group management report. All of these documents were awarded an unqualified opinion.

The annual financial statements and consolidated financial statements as well as the related auditor's reports were made available to all Supervisory Board members immediately after completion. These documents were discussed by the Audit Committee in detail in the presence of the auditor and the Executive Board and reviewed in accordance with § 96 of the Austrian Stock Corporation Act. Following this examination and discussion, the members of the Audit Committee unanimously agreed to recommend the unqualified acceptance of these

documents to the Supervisory Board. The Supervisory Board accepted the annual financial statements as of 30 April 2016, which are considered approved in accordance with § 96 (4) of the Austrian Stock Corporation Act. The consolidated financial statements as of 30 April 2016 were also accepted by the Supervisory Board. In accordance with L-Rule 60 of the Austrian Corporate Governance Code, the Supervisory Board reviewed and approved the corporate governance report for 2015/16.

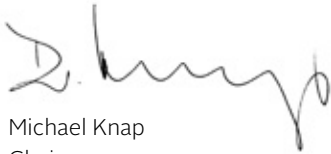
The Supervisory Board agrees with the recommendation by the Executive Board for the use of profit. The agenda of the annual general meeting for the 2015/16 financial year will therefore include a proposal to distribute a dividend of six Euro cents per share.

Based on a recommendation by the Audit Committee, the Supervisory Board approved a proposal to the annual general meeting which calls for the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, as the auditor for the abbreviated financial year from 1 May to 31 December 2016.

On behalf of the entire Supervisory Board, I would like to thank the members of the Executive Board and all IMMOFINANZ employees for their outstanding performance and strong commitment and also express our gratitude to shareholders for their confidence.

Vienna, 27 July 2016

For the Supervisory Board

A handwritten signature in black ink, appearing to read 'M. Knap', written over a light grey horizontal line.

Michael Knap
Chairman

Corporate Governance

COMMITMENT TO COMPLIANCE WITH THE AUSTRIAN CORPORATE GOVERNANCE CODE

IMMOFINANZ pursues responsible business activities that are designed to create and maintain sustainable, long-term value. In line with this orientation, the company strives to achieve a high degree of transparency for all stakeholders.

The Austrian Corporate Governance Code* provides Austrian stock companies with a framework for corporate management and monitoring. The Executive Board and Supervisory Board of IMMOFINANZ are committed to compliance with the code, in the currently applicable version, and to the related transparency and principles of good management.

IMMOFINANZ complied with the code during the 2015/16 financial year, whereby there was a variance to the following C-Rules (comply or explain):

Rule 36: The Supervisory Board did not deal with the efficiency of its work in the form of a self-evaluation in 2015/16. This analysis is planned for the current abbreviated financial year.

Rule 83: In addition to the scheduled audit of the annual financial statements for 2015/16, there was no special audit of the effectiveness of the risk management system by the auditor. This is planned for the current abbreviated financial year.

CORPORATE BODIES AND REMUNERATION

EXECUTIVE BOARD

Oliver Schumy, Chief Executive Officer

- > Born in 1971
- > Member of the Executive Board since 1 March 2015
- > Appointed up to 29 February 2020

Oliver Schumy has been a member of the Executive Board of IMMOFINANZ since 1 March 2015 and has served as Chief Executive Officer since 1 May. In this function he is responsible for project development, transactions, legal affairs, human resources as well as corporate communications and investor relations. Mr. Schumy is also vice-chairman of the Supervisory Board of BUWOG AG.

Stefan Schönauer

- > Born in 1979
- > Member of the Executive Board since 11 March 2016
- > Appointed up to 11 March 2019

Stefan Schönauer has worked with IMMOFINANZ in leading positions since the end of 2008 and succeeded Birgit Noggler as Chief Financial Officer on 11 March 2016. He is responsible for accounting, controlling, consolidation, taxes, financing, cash management, IT, procurement and internal audit. Mr. Schönauer holds no positions on the supervisory boards of non-group companies.

Dietmar Reindl

- > Born in 1969
- > Member of the Executive Board since 1 May 2014
- > Appointed up to 30 April 2017, contract extended to 30 April 2021

Dietmar Reindl has been with IMMOFINANZ in leading functions since 2012 and was appointed to the Executive Board in May 2014. He is responsible for the management of all commercial properties and for marketing. Mr. Reindl holds no positions on the supervisory boards of non-group companies.

* The current version of the code (dated January 2015) is available on the website of IMMOFINANZ AG (www.immofinanz.com) and on the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at).



SUPERVISORY BOARD
From left to right, standing:
Philipp Obermair, Christian Böhm,
Mark Held, Michael Knap, Horst
Populorum, Wolfgang Schischek
From left to right, seated: Rudolf Fries,
Carmen Balazs, Nick van Ommen

THE SUPERVISORY BOARD

Member	Function
Michael Knap (born 1944)	Chairman of the Supervisory Board
Rudolf Fries (born 1958)	Vice-Chairman of the Supervisory Board
Christian Böhm (born 1958)	Member
Nick J. M. van Ommen (born 1946)	Member
Horst Populorum (born 1973)	Member
Wolfgang Schischek (born 1944)	Member
Mark Anthony Held (born 1979)	Member (Delegated by the IMMOFINANZ Works' Council)
Philipp Obermair (born 1979)	Member (Delegated by the IMMOFINANZ Works' Council)
Carmen Balazs (born 1983)	Member (Delegated by the IMMOFINANZ Works' Council)

The terms of office of the members delegated to the Supervisory Board by the Works' Council are unlimited.



First appointed in	Term ends in	Other functions
2008	2016	> Vice-president of IVA Interessenverband für Anleger, Vienna
2008	2016	> Chairman of the supervisory board of EAG-Beteiligungs Aktiengesellschaft, Baden > Attorney, partner in Eckert Fries Prokopp Rechtsanwälte GmbH, Baden
2010	2016	> Chairman of the management board of APK Pensionskasse AG, Vienna > Chairman of the supervisory board of APK Versicherung AG, Vienna > Member of the supervisory board of APK Vorsorgekasse AG, Vienna
2008	2016	Member of the supervisory board of: > BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A., Greece > Intervest Retail Actions au Port. O.N., Belgium > Intervest Offices SICAFI Actions Nom. O.N., Belgium > W.P. Carey & Co. LLC, USA > Allianz Nederland Asset Management B.V., Netherlands
2015	2019	Holds no other supervisory board positions
2015	2019	Member of the supervisory board of: > Vice-chairman of the supervisory board of KBA-MÖDLING GmbH, Mödling > Kostwein Holding GmbH, Klagenfurt
2013		
2014		
2015		

MEMBERS OF THE SUPERVISORY BOARD COMMITTEES

Audit Committee	Strategy Committee	Personnel and Nominating Committee
Michael Knap , Chairman	Michael Knap , Chairman	Michael Knap , Chairman
Rudolf Fries , Vice-Chairman	Nick J. M. van Ommen , Vice-Chairman	Rudolf Fries , Vice-Chairman
Christian Böhm , financial expert	Wolfgang Schischek	Horst Populorum
Philipp Obermair	Christian Böhm	
Mark Anthony Held	Philipp Obermair	
	Carmen Balazs	

The Supervisory Board monitors the Executive Board and provides support for the management of the company, particularly on decisions of fundamental importance. In addition to its primary function as a monitoring and support body, the Supervisory Board constantly strives to further increase the efficiency of its work through self-evaluation. The Supervisory Board currently has six members who were elected by the annual general meeting and three members delegated by the Works' Council. Six meetings of the Supervisory Board were held during the reporting year.

AUDIT COMMITTEE

The Audit Committee is responsible for monitoring accounting processes and supervising the audit of the individual and consolidated financial statements. This committee also monitors the effectiveness of the company's internal control system, risk management and internal audit. Christian Böhm serves as the Audit Committee's financial expert based on his professional experience and knowledge of finance and accounting. The Audit Committee met twice in 2015/16.

STRATEGY COMMITTEE

The Strategy Committee is responsible, above all, for the regular evaluation of the company's strategy and orientation as well as consultations with the Executive Board on the definition of this strategy. These responsibilities were fulfilled by the full Supervisory Board during the reporting year.

PERSONNEL AND NOMINATING COMMITTEE

The Personnel and Nominating Committee makes recommendations to the Supervisory Board for nominations to the Executive and Supervisory Boards and is responsible for determining the remuneration and preparing the employment contracts for the Executive Board members. This committee met three times in 2015/16 and dealt with the appointment of Stefan Schönauer and the extension of the contract with Dietmar Reindl.

REMUNERATION OF THE EXECUTIVE BOARD

The contracts with the members of the IMMOFINANZ Executive Board include fixed and variable remuneration components. The performance-based remuneration is linked, in particular, to sustainable, long-term and multi-year criteria and includes both qualitative and quantitative goals (e.g. occupancy level, cash flow, net profit for the year). The variable component of the Executive Board remuneration is limited to 100% of the fixed remuneration.

All Executive Board contracts include change of control clauses, which regulate the entitlements of the Executive Board members if their contracts are terminated prematurely due to a change in the control over the company. The entitlements of the individual Executive Board members from their respective contracts are limited to one to two years, depending on the contract time remaining.

EXECUTIVE BOARD REMUNERATION FOR 2015/16

in EUR	Oliver Schumy	Dietmar Reindl	Birgit Noggler	Stefan Schönauer	Total
Fixed remuneration, gross	600,000.00	300,000.00	416,471.54	42,500.00	1,358,971.54
Compensation in kind	9,600.00	9,600.00	7,680.00	1,290.00	28,170.00
Holiday compensation	0.00	0.00	55,721.90	0.00	55,721.90
Total fixed remuneration	609,600.00	309,600.00	479,873.44	43,790.00	1,442,863.44
<i>Fixed remuneration as a % of total remuneration</i>	52.66%	61.44%	63.31%	82.99%	58.36%
Total variable remuneration	471,428.58	157,142.79	147,618.99	4,047.62	780,237.98
<i>Variable remuneration as a % of total remuneration</i>	40.73%	31.19%	19.48%	7.67%	31.56%
Contributions to pension fund	60,000.00	30,000.00	120,833.37	4,193.54	215,026.91
Contributions to employee benefit funds	16,539.76	7,141.21	9,600.67	731.92	34,013.56
Total fund contributions	76,539.76	37,141.21	130,434.04	4,925.46	249,040.47
Total remuneration	1,157,568.34	503,884.00	757,926.47¹	52,763.08	2,472,141.89

1 Excluding termination benefits of EUR 791,861.83 following the premature cancellation of the Executive Board contract by mutual consent.

Directors' and officers' insurance (D&O insurance) with coverage of EUR 40.0 million was concluded for the corporate bodies of IMMOFINANZ. The related costs are carried by the company.

SUPERVISORY BOARD REMUNERATION

The remuneration of the Supervisory Board for the current financial year is approved by the annual general meeting in the following year and paid out after this approval is received. The Supervisory Board remuneration for 2014/15 totalled EUR 200,116.30. A recommendation will be made to the next annual general meeting calling for remuneration of EUR 260,939.38 for the Supervisory Board for the 2015/16 financial year. The year-on-year increase reflects the first full year of remuneration for the two Supervisory Board members elected in April 2015.

Each member receives fixed remuneration of EUR 25,125.25. An additional payment of EUR 5,000.00 is made for services performed on a committee. The remuneration for the chairman and vice-chairman of the Supervisory Board equals twice and one and a half times this amount, respectively.

RECOMMENDED REMUNERATION FOR 2015/16

in EUR	Michael Knap	Rudolf Fries	Christian Böhm	Nick J.M. van Ommen	Horst Populorum	Wolfgang Schischek
Total	80,250.50	52,687.88	35,125.25	32,625.25	30,125.25	30,125.25

SHAREHOLDINGS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD MEMBERS AS OF 30 APRIL 2016

Name	Number of IMMOFINANZ shares
Oliver Schumy	362,000
Dietmar Reindl	14,000
Stefan Schönauer ¹	5,000
Michael Knap	1,250
Rudolf Fries (incl. investment companies under the scope of influence and members of the Fries family)	69,781,813
Nick J. M. van Ommen, FRICS	72,500
Horst Populorum (and related persons)	52,480
Wolfgang Schischek	47,500

1 Purchased prior to appointment

WORKING PROCEDURES OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

The cooperation between the Executive Board and Supervisory Board of IMMOFINANZ is based on open and constructive discussions. The Executive Board provides the Supervisory Board with regular, timely and comprehensive information on the development of business and related issues and also prepares the documentation for the Supervisory Board's meetings and resolutions. The rules of procedure for the Executive Board define the transactions and measures that require Supervisory Board approval. In addition, the Executive Board provides the Supervisory Board with information on issues of major importance outside the framework of scheduled meetings.

Independence and avoidance of conflicts of interest

The members of the Executive Board are required to take their decisions independent of any personal interests and the interests of controlling shareholders. Moreover, these decisions must be based on well-founded knowledge and comply with all relevant legal regulations. Persons serving on the Executive Board must disclose any personal interests in the company's transactions or other conflicts of interest to the Supervisory Board without delay and also inform their board colleagues. The Executive Board members and key company employees may only accept appointments to the supervisory board or other corporate bodies of non-Group companies with the consent of the Supervisory Board. A legal restraint on competition is also in place.

The members of the Supervisory Board are required to represent the interests of the company and must also disclose any conflicts of interest without delay. They may not accept positions on the corporate bodies of any companies that compete with IMMOFINANZ.

The Supervisory Board member Christian Böhm is a member of the management board of APK Pensionskasse AG. IMMOFINANZ makes pension fund contributions at ordinary market conditions to this firm for the company pensions of the Executive Board members. The contributions made in 2015/16 are disclosed in the notes to the consolidated financial statements.

Apart from the above business relationship, there are no contracts between the members of the Supervisory Board or companies in which a member of the Supervisory Board holds a significant financial interest and IMMOFINANZ or one of its subsidiaries.

Criteria for the independence of the Supervisory Board

The Corporate Governance Code (C-Rule 53) requires the majority of the supervisory board members elected by the annual general meeting or by shareholders in accordance with the articles of incorporation to be independent of the company and its management board. A supervisory board member is considered to be independent when he or she has no business or personal relations with the company or its management board that constitute a material conflict of interest and are therefore capable of influencing the member's behaviour.



Polus Tower 1+2
Bratislava | SK |
approx. 38,000 sqm
rentable space

The following independence criteria were defined by the IMMOFINANZ Supervisory Board and reflect the standards listed in Annex 1 to the Corporate Governance Code. All elected Supervisory Board members are independent based on these criteria. No member represents a shareholder with an investment of more than 10% or the interests of such a shareholder.

- > The Supervisory Board member did not serve as a member of the Executive Board or a key employee of IMMOFINANZ or one of its subsidiaries during the past five years.
- > The Supervisory Board member does not currently, or did not in the past year, maintain any business relations with IMMOFINANZ or one of its subsidiaries of a scope considered significant for the Supervisory Board member. The same applies to business relationships with companies in which the Supervisory Board member holds a considerable economic interest, but not for exercising functions on IMMOFINANZ's corporate bodies. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically qualify the member as not independent.
- > The Supervisory Board member did not act as an auditor of IMMOFINANZ or own an investment in the auditing company or work for the auditing company during the past three years.
- > The Supervisory Board member is not a member of the management board in another company in which a member of the Executive Board of IMMOFINANZ serves on the supervisory board.
- > The Supervisory Board member has not served on the Supervisory Board of IMMOFINANZ for more than 15 years. This does not apply to members who are shareholders with a direct investment in IMMOFINANZ or who represent the interests of such a shareholder.
- > The Supervisory Board member is not closely related (direct offspring, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) to a member of the Executive Board or to persons specified in one of the above points.

SUPPORT FOR WOMEN ON THE EXECUTIVE BOARD AND SUPERVISORY BOARD AND IN KEY POSITIONS

In the interest of the company, appointments to the Executive Board, Supervisory Board and key positions are based solely on professional and personal qualifications.

Women filled 38% of the management positions and represented approx. 64% of the total workforce during the reporting year. At IMMOFINANZ women hold key management positions in central corporate functions (finance & accounting, compliance, corporate communications and investor relations) and on the local country boards (Austria, Poland, Romania).

Men and women have equal opportunities for advancement at IMMOFINANZ, and all employees receive performance-based remuneration for their work.

EXTERNAL EVALUATION

The Austrian Corporate Governance Code requires a regular external evaluation (at least every three years) of compliance with the code (C-Rule 62). IMMOFINANZ arranges for this evaluation on an annual basis. The latest review was made by Deloitte Audit Wirtschaftsprüfung GmbH in connection with the audit of the annual financial statements for 2015/16; it confirmed that the statements issued by IMMOFINANZ on compliance with the Corporate Governance Code correspond to the actual circumstances.

The report on the external evaluation is available for download under:
www.immofinanz.com/en/investor-relations/corporate-governance/code

GROUP MANAGEMENT REPORT

Economic overview and property markets

The key economic indicators for the IMMOFINANZ core markets are presented in the following section. They cover GDP growth, the inflation rate and the unemployment rate based on the spring forecasts published by the European Commission in May 2016 (for Russia: World Bank, Russia Economic Report, April 2016). These statistics are followed by a summary of developments in the individual property market segments where IMMOFINANZ is active. This data was drawn from market reports prepared by BNP Paribas, CBRE and EHL.

All of the forecasts come from sources that were published before 23 June 2016, the date of the UK referendum on membership in the European Union ("EU referendum", "Brexit referendum"). Experts are unable to conclusively predict the consequences of this decision on the EU member states (and other countries) at the present time.

AUSTRIA

The Austrian economy grew by 0.9% in 2015 (2014: 0.4%), whereby this slight improvement was attributable primarily to public sector investments and a positive foreign trade balance. However, the country remained below the average for the Euro zone and EU-28 countries. Higher private consumption and an increase in the volume of investments should raise GDP growth to 1.5% in 2016 and 1.6% in 2017. The inflation rate fell to 0.8% in 2015 (2014: 1.5%) and will most likely remain at this level during the first quarters of 2016 due to the low oil



**BUREAU AM
BELVEDERE**
Vienna | AT | 8,900 sqm
rentable space

price before the expected increase takes hold in 2017. The unemployment rate rose to 5.7% in 2015 (2014: 5.6%), and the expansion of the available labour force is expected to extend this trend into 2016 and 2017.

The transaction volume on the Austrian real estate investment market rose by 15% to a historical high of EUR 3.45 billion in 2015. Of this total, approx. 41% are attributable to the office market, followed by retail with 24%. Low interest rates and the growing interest of international investors should support a continuation of this positive development.

OFFICE

The Vienna office market contracted slightly in 2015. At 200,000 sqm, the take-up was somewhat lower than the prior year level of 220,000 sqm. The production of new space fell to 130,000 sqm and roughly reflected the 2014 level. The vacancy rate remained at a low 6.5%. In 2016 the office market will be characterised by a shortage of available new space because of the expected low new construction output of 60,000 sqm; however, completions in the office sector are forecasted to rise to approx. 150,000 sqm in 2017.

RETAIL

The demand for space in retail parks is constant, and rents are stable to slightly higher. International retailers looking to enter this market are increasingly turning to retail parks, not least due to the lower rents in comparison with shopping centers.

The increase in space was low in 2015, and only a limited number of new projects are scheduled for realisation in 2016.

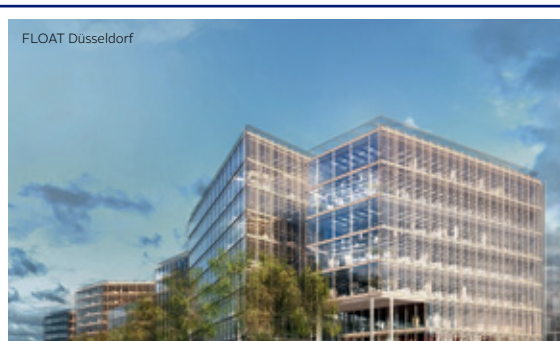
GERMANY

The German economy grew by 1.7% in 2015 and matched the Euro zone average as well as the prior year results (2014: 1.6%). The major drivers for this development were a steady level of consumption, low energy costs and favourable financing conditions. High public sector spending, above in connection with the refugee crisis, also made an important contribution. These factors lead to expectations of steady GDP growth in 2016 and 2017. The inflation rate dropped to 0.1% in 2015 (2014: 0.8%), in particular due to the decline in energy costs and the lower oil price, and should remain low in 2016 for these same reasons. However, a substantial increase is forecasted for 2017. The unemployment rate fell further to 4.6% in 2015 (2014: 5.0%) and is projected to remain at this level over the coming two years due to the necessary integration of asylum seekers in the labour market.

The volume on the real estate investment market in Cologne reached a historic high of EUR 2.2 billion in 2015, whereby 65% of this amount was attributable to a few large transactions. Düsseldorf also set a new record with transactions of EUR 3.18 billion.

OFFICE

The take-up on the German office market in 2015 totalled 3.49 million sqm, for a year-on-year increase of 20% and the second best results in the past decade. The take-up was 39% higher at 453,000 sqm in Düsseldorf, and 19% higher at 281,000 sqm in Cologne. A parallel shortage in the offering of space led to a decline in the vacancy rate to 10.2% in Düsseldorf and 6.5% in Cologne. New construction presented a different picture: Cologne recorded a 14% increase to 139,000 sqm, while Düsseldorf registered the lowest value since the start of the financial crisis with 149,000 sqm (-6%). In view of the sound economic climate, the German office market is expected to see stable to slightly positive development in 2016.



POLAND

With growth of 3.6%, Poland again ranked among the best of the EU-28 countries in 2015 (2014: 3.3%). Development was driven by a steady increase in private consumption and investments, which was supported by high household incomes, corporate profits and favourable financing conditions. The current trend should also continue in 2016 and 2017. The inflation rate fell to -0.7% in 2015 (2014: 0.1%); a slight increase is forecasted for 2016 and an increase to 1.6% in 2017. The unemployment rate is declining as a result of the favourable economic conditions and equalled 7.5% in 2015 (2014: 9.0%); a continuation of this development is also expected in 2016 and 2017.

The volume on the Polish real estate investment market reached the highest level since the start of the financial crisis with EUR 4 billion in 2015. This development was supported by investments in the office market, which were responsible for almost 60% of the total volume.

OFFICE

The take-up on the Warsaw office market rose significantly to approx. 840,000 sqm in 2015 and was contrasted by the production of new space totalling 278,000 sqm. Market pressure is expected to increase in 2016 due to the large number of completed new projects, which should have an effect on the vacancy rate and realisable rents. By the end of the first quarter of 2016, the vacancy rate had already risen to 14.1%.

RETAIL

Nearly 20 international retailers entered the market in 2015, which reflects the high 2014 level. Following the completion of approx. 590,000 sqm of retail space in 2015, 2016 is expected to bring a decline of nearly 30% in the production of new space. Rental prices and vacancy rates have shown relatively stable development at good locations, whereby retailers are tending towards well-established retail concepts.

ROMANIA

Romania again generated strong growth of 3.8% in 2015 (2014: 3.0%). This pace should also continue in 2016 and 2017 based on high private consumption, which will be supported by tax relief and an increase in public spending. The inflation rate turned negative at -0.4% in 2015 (2014: 1.4%) and fell to a historical low in April 2016 after a VAT reduction. Forecasts are pointing to clearly positive inflation of 2.5% in 2017. The unemployment rate remained stable at 6.8% in 2015 and should also reflect this level in 2016 and 2017.

The transaction volume amounted to EUR 678 million in 2015. That represents a decline of 42% compared with the previous year, which was influenced by non-recurring effects, but an increase of 47% over 2013. The Romanian investment market is dominated by foreign investors.

OFFICE

The take-up on the Bucharest office market reached 240,000 sqm in 2015, for a decline of 20%. However, an increase is expected in 2016. The market entry of companies and expansion projects are creating new demand. The vacancy rate declined slightly to 11.9% in 2015, above all due to the low new production of 72,500 sqm. The level of rents and the yield for properties in good locations were stable.

RETAIL

Romania is benefiting from rising demand by international retailers: 35 entered this market in 2015, compared with ten in 2014. With this growth, the Romanian market was responsible for the largest interest in the CEE region during the past two years. Retail space completions totalled 180,000 sqm in 2015, and 200,000 sqm are expected each year in 2016 and 2017. That will raise the total supply to 3.6 million sqm.

Rents have remained stable, while the net initial yield has declined slightly.

RUSSIA

The Russian economy followed slight growth of only 0.7% in 2014 with a shift into recession during 2015 (-3.7%). Tense geopolitical relations, economic sanctions and the sharp drop in oil and gas prices have led to a weaker currency, higher inflation and, in the end, to lower retail turnover. Growth is also forecasted to be negative in 2016, but should turn slightly positive in 2017. The inflation rate equalled 15.5% in 2015 (2014: 7.8%) and should fall to 7.6% in 2016 and 4.8% in 2017. The unemployment rate rose to 5.8% against the backdrop of the weak economy (2014: 5.3%) and is expected to rise further over the coming years.

The transaction volume on the real estate investment market in Russia totalled USD 2.8 billion in 2015. That represents a decline of 36% translated into US Dollars, but reflects the previous year in Rubles. The number of transactions remained unchanged, whereby the focus was on office and retail properties.



RETAIL

In spite of the difficult market environment which is still reflected in temporary rental price reductions by landlords, the interest of international retailers remains high: 40 entered the Moscow market in 2015. The production of new space totalled 440,000 sqm, which is nearly 40% below the original plans.

Announcements indicate that the production of new space will reach 560,000 sqm in 2016, but this volume is not expected to be realised in full. The shopping center density in Moscow now equals 427 sqm per 1,000 residents, which roughly reflects the level in Vienna, but is substantially lower than Paris, Prague or Warsaw.

SLOVAKIA

The Slovakian economy grew by 3.6% in 2015 (2014: 2.5%), primarily as a result of private consumption as well as public sector investments that were supported by EU subsidies. Growth is also expected to exceed 3% in 2016 and 2017. Inflation was again negative at -0.3% (2014: -0.1%), chiefly due to the low energy and food costs. The unemployment rate fell slightly, but is still clearly above the EU-28 average of 11.5%. Based on the sound economic growth, the unemployment rate should fall to the single-digit percentage range by 2017.

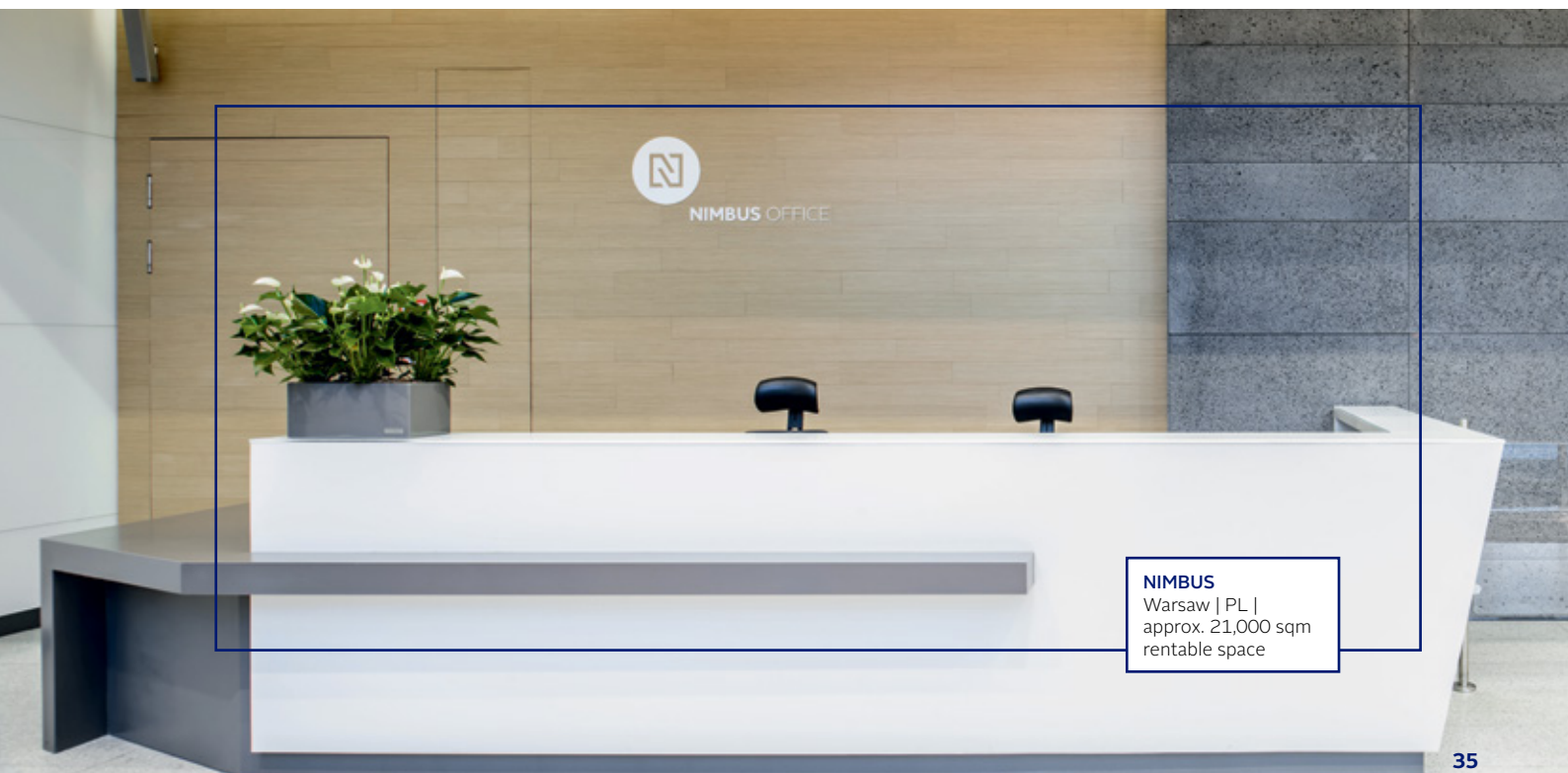
The volume on the Slovakian real estate investment market amounted to approx. EUR 550 million in 2015 and was only slightly below the previous year, which was the highest since 2008.

OFFICE

The market for modern office properties in Bratislava is comparatively young and has only about 1.54 million sqm. After years of very low new production, approx. 167,000 sqm of new space are expected to be completed over the next three years. The take-up remained constant at roughly 220,000 sqm in 2015. The vacancy rate fell to 8.8%, chiefly due to temporary shortages, while rental prices remained stable.

RETAIL

Slovakia is attractive for international retailers because of its stable economic growth and the strong purchasing power in Bratislava. Compared with the other CEE countries, the market is relatively saturated.



NIMBUS
Warsaw | PL |
approx. 21,000 sqm
rentable space

CZECH REPUBLIC

The Czech Republic recorded a sound increase in growth to 4.2% in 2015 (2014: 2.0%). This development was attributable, above all, to public sector investments that were supported by EU subsidies. After the absence of these temporary effects, GDP growth should decline to slightly over the 2014 level in the coming years. The inflation rate equalled 0.3% in 2015 and reflects the recent downward trend (2014: 0.4%). The unemployment rate fell to 5.1% (2014: 6.1%), whereby a further decline is expected over the coming years. That makes the Czech Republic one of the leaders in Europe, but the increase in the working age population will slow this development over time.

The Czech real estate investment market set a new milestone in 2015 with transactions of approx. EUR 2.8 billion. Nearly half involved retail properties.

OFFICE

At 450,000 sqm, the take-up on the Prague office market set a new record in 2015. Approx. 273,000 sqm of this volume represented new contracts. The production of new space amounted to 190,600 sqm and is expected to be lower in 2016. The vacancy rate has declined, and rents should remain stable.

RETAIL

Economic growth has been accompanied by an increase in retail turnover, which recently rose by 5% year-on-year for the strongest development since 2007. The volume of retail space in Prague totalled 813,000 sqm in 2015 and was contrasted by a project development volume of only 40,700 sqm. As seen over the coming years, rents should remain stable or increase slightly.

HUNGARY

Economic growth in Hungary reached 2.9% in 2015 (2014: 3.7%). Private consumption was stable, but the volume of investments declined, among others due to the absence of EU subsidies. Growth should range from 2.5% to 2.8% in 2016 and 2017. The inflation rate equalled 0.1% in 2015 (2014: 0.0%) and is not expected to rise above 2% until 2017. The unemployment rate should decline from the recent level of 6.8% to 6.1% by 2017.

The turnover on the Hungarian real estate investment market amounted to EUR 745 million in 2015, for an increase of 60%. Investors' attention was focused on office and industrial properties.

OFFICE

The Budapest office market set a new record for take-up with approx. 365,000 sqm in 2015. The production of new space totalled 51,000 sqm, which is 25% lower than the previous year. Forecasts for 2016 show approx. 96,000 sqm of new completions.

RETAIL

Retail turnover rose by more than 5% year-on-year for the second period in succession during 2015. This development was supported by higher real wages and an improvement in consumer confidence. Fourteen international retailers entered the market during the year. However, the production of new space fell to a new low of 4,200 sqm and is expected to remain very weak up to 2018. This situation was reflected in a recent increase in rents and a continued low vacancy rate.

OVERVIEW OF INDICATORS

ECONOMIC DATA

Country/region	Unemployment rate in April 2016 ¹	Annual inflation rate in April 2016 ²	Gross national debt (in % of GDP) 2015	Deficit/surplus (in % of GDP) 2015	GDP growth rate for 2015 ³	Forecasted GDP growth rate for 2016	Forecasted GDP growth rate for 2017
Germany	4.2%	-0.3%	71.2%	0.7%	1.7%	1.6%	1.6%
Austria	5.8%	0.6%	86.2%	-1.2%	0.9%	1.5%	1.6%
Poland	6.3%	-0.5%	51.3%	-2.6%	3.6%	3.7%	3.6%
Romania	6.4%	-2.6%	38.4%	-0.7%	3.8%	4.2%	3.7%
Russia ⁴	5.6%	15.6%	13.5%	-2.4%	-3.7%	-1.9%	1.1%
Slovakia	10.2%	-0.4%	52.9%	-3.0%	3.6%	3.2%	3.3%
Czech Republic	4.1%	0.5%	41.1%	-0.4%	4.2%	2.1%	2.6%
Hungary	5.6%	0.3%	75.3%	-2.0%	2.9%	2.5%	2.8%
EU-28	8.7%	-0.2%	85.2%	-2.4%	2.0%	1.8%	1.9%
Euro zone (19 countries)	10.2%	-0.2%	90.7%	-2.1%	1.7%	1.6%	1.8%

OFFICE PROPERTIES

Market data office core market/city ⁵	Vacancy rate in % ⁶		Prime rents in EUR/sqm/month ⁷		Average rents in EUR/sqm/month ⁸		Yield in % ⁹	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Germany/Düsseldorf	8.3%	9.9%	26.0	26.0	15.0	13.7	4.5%	4.9%
Germany/Cologne	5.9%	6.6% ¹⁰	18.2	20.3 ¹⁰	11.3	11.8 ¹⁰	5.0%	5.1%
Austria/Vienna	6.4%	6.0%	25.5	26.0	14.0	13.5	4.5%	4.7%
Poland/Warsaw	14.1%	13.0%	22.0	24.0	14.3	15.8	6.0%	6.0%
Romania/Bucharest	14.0%	14.2%	17.0	17.0	14.5	14.5	7.5%	7.8%
Slovakia/Bratislava	8.1%	12.6%	15.5	15.0	11.0	11.0	7.0%	7.0%
Czech Republic/Prague	13.9%	17.1%	19.5	19.5	13.2	13.2	5.3%	6.0%
Hungary/Budapest	11.3%	15.7%	18.0	18.0	12.8	12.5	7.1%	7.3%

RETAIL PROPERTIES

Market data shopping centers core market/city ¹¹	Vacancy rate % ¹²		Prime rents anchor tenants in EUR/sqm/month ¹³		Prime rents other tenants in EUR/sqm/month ¹⁴		Yield in % ¹⁵	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Austria/Vienna	n.a.	n.a.	n.a.	n.a.	130.0	110.0	4.8%	5.0%
Poland/Warsaw	3.1%	1.7% ¹⁰	15.5	12.5	110.0	98.0	5.0%	5.8%
Romania/Bucharest	10.0%	11.0%	20.0	20.0	65.0	65.0	7.5%	7.8%
Russia/Moscow	8.0%	6.0%	USD 100.0	USD 100.0	USD 248.0	USD 248.0	10.0%	10.0%
Slovakia/Bratislava	n.a.	n.a.	15.0	15.0	37-40	n.a.	5.8%	6.8%
Czech Republic/Prague	n.a.	n.a.	n.a.	10.0	110.0	90.0	5.5%	6.0%
Hungary/Budapest	4.0%	4.0%	35.0	30.0	75.0	63.0	7.3%	7.3%

1 Source: EuroStat

2 Source: EuroStat; change in the annual average of the harmonised index of consumer prices (HICP)

3 Source: European Commission spring forecast; per cent change versus previous year (2015 - 2017)

4 Source: World Bank, Russia Economic Report, April 2016; data on the unemployment rate and inflation rate as of 31 December 2015

5 Source: Colliers; EHL (for Vienna office market). IMMOFINANZ changed its data partners in Q1 2015/16, and the comparable historical data for vacancies could therefore vary.

6 Vacancies as a per cent of the total space

7 The nominal rent generally realisable for prime space in the best submarket.

8 Average contractual rent

9 Net initial yield for a property with long-term contracts (current prime rents and good covenant tenants)

10 Value: Q 2 2015

11 Source: Colliers; EHL (for Vienna shopping centers). IMMOFINANZ changed its data partners in Q1 2015/16, and the comparable historical data for vacancies could therefore vary.

12 Vacancies as a per cent of the total space.

13 The nominal rent generally realisable for an anchor tenant in prime space in the best submarket.

14 The nominal rent generally realisable for prime space in the best submarket.

15 Net initial yield for a property with long-term contracts (current prime rents and good covenant tenants).

Portfolio Report

**Eight core markets
in Western and
Eastern Europe**

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 are concentrated on the capital cities of the core countries and on the largest office locations ("Big 7" cities) in Germany. The expansion of the retail portfolio is focused on the STOP SHOP and VIVO! brands, which are designed primarily for secondary and tertiary cities. The company's goal is to create a high-quality, profitable portfolio of commercial properties.

The property portfolio contained 385 properties with a combined value of EUR 5,484.0 million* as of 30 April 2016, which are located in the core markets of Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Moscow. Standing investments represent the largest component at EUR 4,683.1 million or 85.4% of the total carrying amount and approx. 2.2 million sqm of rentable space. These properties generate steady rental income and are allocated to the Asset Management sector. Active development projects comprise EUR 410.0 million or 7.5% of the carrying amount and real estate inventories EUR 112.1 million or 2.0%. A carrying amount of EUR 278.8 million or 5.1% is attributable to pipeline projects, which include future planned development projects and undeveloped land.

STRUCTURE OF THE PROPERTY PORTFOLIO

Total carrying amount: MEUR 5,484.0¹



1 This portfolio report does not include the investment property classified as held for sale as of 30 April 2016, which had a carrying amount of EUR 249.9 million.

A geographical analysis shows the main focus of the portfolio in Austria with 21.0%, followed by Russia with 20.4%, Romania with 15.5%, Poland with 11.2% and Germany with 8.8%. Properties in the non-core countries represent 2.1% of the carrying amount of the property portfolio.

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	151	1,105.0	34.7	0.1	11.4	1,151.2	21.0%
Germany ¹	32	135.9	256.2	92.6	0.0	484.6	8.8%
Czech Republic	24	398.5	21.4	0.0	25.7	445.6	8.1%
Hungary	32	441.0	3.1	0.0	32.0	476.1	8.7%
Poland	27	587.8	11.4	13.9	2.4	615.5	11.2%
Romania	76	640.0	31.2	4.7	176.6	852.5	15.5%
Russia	6	1,114.6	0.0	0.0	4.2	1,118.8	20.4%
Slovakia	17	166.3	44.4	0.0	11.8	222.5	4.1%
Non-core countries ²	20	93.9	7.7	0.8	14.8	117.2	2.1%
IMMOFINANZ	385	4,683.1	410.0	112.1	278.8	5,484.0	100.0%
		85.4%	7.5%	2.0%	5.1%	100.0%	

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

1 Increase in number of properties due to the allocation of buildings in the Gerling Quartier

2 In declining order: Slovenia, Serbia, Croatia, Bulgaria, Ukraine and Moldova

* This portfolio report does not include the investment property classified as held for sale as of 30 April 2016, which had a carrying amount of EUR 249.9 million.

*Portfolio concentration
on office and retail*

PROPERTY SALES

The property portfolio was further optimised and focused on the retail and office asset classes in 2015/16. The largest transaction in this process was the sale of the logistics portfolio to Blackstone, which covered 36 standing investments with approx. one million sqm of rentable space as well as three development projects under construction with approx. 65,000 sqm of rentable space which will be completed by IMMOFINANZ and additional land reserves. The purchase price was based on a total property value of approx. EUR 536 million, less outstanding construction cost of approx. EUR 28 million for the three development projects. This value generally corresponds to the carrying amounts as of 31 July 2015. The transaction closed at the beginning of February 2016, whereby EUR 248.5 million were transferred by the end of the reporting year and the remainder is expected to follow by the end of October 2016.

As a result of this sale, the earnings contribution from the logistics properties is reported under net profit from discontinued operations. The logistics properties have not been included in the portfolio report since 31 October 2015. A separate presentation of the discontinued logistics portfolio is provided in point 2.5 of the notes on page 103.

Other sales during the reporting year involved the subsidiary City Box, which operates the second largest self-storage chain in the Netherlands at 23 locations, as well as several residential properties and a hotel in Vienna and a number of smaller retail properties in Austria.

INVESTMENTS

IMMOFINANZ invested a total of EUR 448.8 million in the property portfolio during 2015/16 (2014/15: EUR 214.5 million).

THE IMMOFINANZ BRANDS

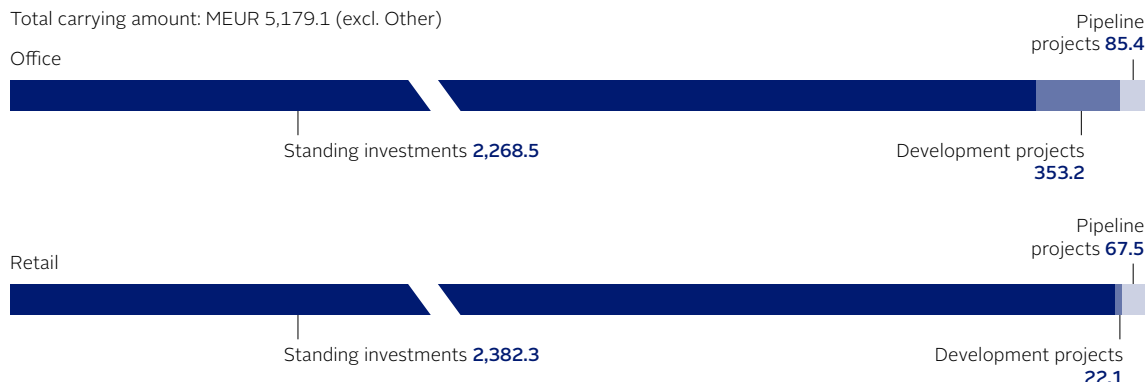
IMMOFINANZ developed the STOP SHOP and VIVO! brands for its retail portfolio in recent years and is now working on a product brand for the office portfolio. This brand strategy is supporting the steady expansion of the company's competitive position. Plans for the 2016 abbreviated financial year call for the roll-out of the VIVO! brand to existing shopping centers and the launch of an IMMOFINANZ office brand. The internal company classification currently covers the following six categories:

CLASSIFICATION AS OF 30 APRIL 2016

OFFICE	Retail
Prime Office	VIVO!/Shopping Center
Functional Office	STOP SHOP /Retail Park
	Retail Moscow
	Other Retail

STRUCTURE OF THE PROPERTY PORTFOLIO BY ASSET CLASS AND CLASSIFICATION

Total carrying amount: MEUR 5,179.1 (excl. Other)



Prime Office: key source of income for IMMOFINANZ

OFFICE

Prime Office covers office properties in the capital cities of the core markets and in the “Big 7” cities of Germany. In addition to high quality, these properties are characterised by a good location and strong service orientation. This category represents an important source of income for IMMOFINANZ with a 32.5% share of the portfolio value and 24.1% of the rental income from standing investments in the fourth quarter of 2015/16. The Prime Office properties include, among others, the *Vienna Twin Tower* and *City Tower Vienna* (Vienna, Austria), *BB Centrum Gamma* (Prague, Czech Republic), *S-Park* (Bucharest, Romania), *Park Postepu* and *Nimbus* (Warsaw, Poland) and *Atrium Park* (Budapest, Hungary).

Functional Office represents efficient office properties with good quality for cost-conscious tenants. This category was responsible for 16.9% of the portfolio value and 17.6% of the rental income from standing investments in the fourth quarter of 2015/16.

VIVO! shopping centers in four markets

RETAIL

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 is therefore optimally suited for further development projects. In line with current plans, the VIVO! brand will also be rolled out to further shopping centers (excluding Russia). The VIVO!/Shopping Center properties represent 11.4% of the portfolio value and 14.0% of the rental income from standing investments in the fourth quarter of 2015/16. These shopping centers include, among others, the *Polus Center Cluj* (Cluj-Napoca, Romania), the *Tarasy Zamkowe* in Lublin, Poland, which opened in March 2015 and the VIVO! shopping centers in the Polish cities of Piła and Stalowa Wola, which opened in October 2014 and November 2015.

STOP SHOP: retail parks for everyday needs

STOP SHOPS are retail parks with a standardised format and an attractive tenant mix. They amounted to 9.8% of the total portfolio value and 13.1% of the rental income from standing investments in the fourth quarter of 2015/16. The STOP SHOP locations are found primarily in catchment areas with 30,000 to 150,000 residents and have 3,000 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 their uniform quality standards, easy-shopping concept for everyday needs and high recognition value.



Tarasy Zamkowe
Lublin | PL | approx. 38,000 sqm
rentable space

*Sale or spin-off
of Retail Moscow
portfolio planned*

The **Retail Moscow** portfolio comprises five shopping centers in Moscow, which represent 20.4% of the total portfolio value and 26.2% of the rental income from standing investments in the fourth quarter of 2015/16. Since the Russian properties have distinct market characteristics and a different risk profile than the remainder of the portfolio, IMMOFINANZ plans to sell or spin off the Moscow shopping centers.

Other Retail, which represents 3.5% of the total portfolio value, includes the retail properties that cannot be allocated to one of the above retail categories because of their size, location or quality.

OTHER

With a 5.6% share of the total portfolio, these properties are not part of IMMOFINANZ's core real estate assets and involve other activities that cannot be allocated to the office or retail business. This category includes, above all, the condominium apartments developed by IMMOFINANZ in Romania (Adama) and Poland as well as the apartments designated for sale in the *Gerling Quartier* in Germany and residential buildings in Austria.

The following table shows the carrying amount of IMMOFINANZ's property portfolio as of 30 April 2016:

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 %
Prime Office	48	1,410.8	346.6	0.0	24.8	1,782.2	32.5%
Functional Office	62	857.7	6.6	0.0	60.6	924.9	16.9%
Office	110	2,268.5	353.2	0.0	85.4	2,707.1	49.4%
VIVO!/Shopping Center	13	608.6	4.7	0.0	9.1	622.4	11.4%
STOP SHOP/Retail Park	66	516.2	17.4	0.0	6.2	539.8	9.8%
Retail Moscow	6	1,114.6	0.0	0.0	4.2	1,118.8	20.4%
Other Retail	109	142.9	0.0	0.0	48.1	190.9	3.5%
Retail	194	2,382.3	22.1	0.0	67.5	2,472.0	45.1%
Other	81	32.3	34.7	112.1	125.9	305.0	5.6%
IMMOFINANZ	385	4,683.1	410.0	112.1	278.8	5,484.0	100.0%

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

The IMMOFINANZ portfolio had a carrying amount of EUR 5,484.0 million as of 30 April 2016. An analysis ranks the Prime Office category first with 32.5%, followed by Retail Moscow with 20.4% and Functional Office with 16.9%.

STANDING INVESTMENTS

With 85.4% of the total property portfolio, the standing investments are the most important 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 a continuous increase in quality and efficiency, the strengthening of ties with existing tenants and the acquisition of new tenants.

The 267 standing investments had a combined carrying amount of EUR 4,683.1 million as of 30 April 2016. Of this total, 48.4% are attributable to office properties and 50.9% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Russia (EUR 1,114.6 million), Austria (EUR 1,105.0 million) and Romania (EUR 640.0 million). The standing investments in the non-core countries have a carrying amount of EUR 93.9 million.

The rentable space in the standing investments totals 2,241,587 sqm. Based on annualised rental income*, the gross return on the portfolio equals 6.2%.

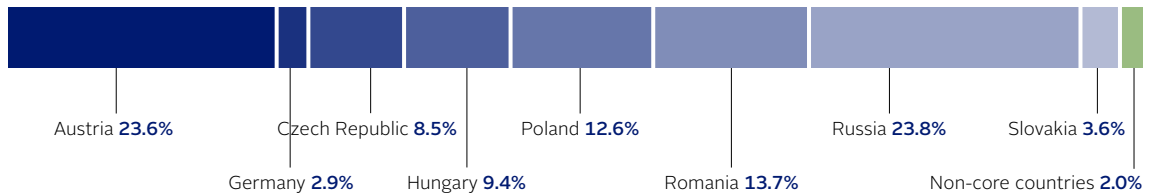
The occupancy rate was increased to 86.3% in 2015/16 (2014/15: 84.2% incl. logistics properties). IMMOFINANZ rented approx. 607,000 sqm of usable space (excl. other standing investments) during the reporting year, including roughly 20% (120,000 sqm) of pre-rentals for development projects. The take-up in the standing investments amounted to approx. 487,000 sqm in 2015/16, or 22% of the rentable space in the standing investment portfolio.

*Occupancy rate
rises to 86.3%*

* Rental income Q4 times 4

Of this total, approx. 201,000 sqm, or 41%, were new rentals and 286,000 sqm contract extensions with existing tenants. Offices represent roughly 65% of the total rented space in the standing investments.

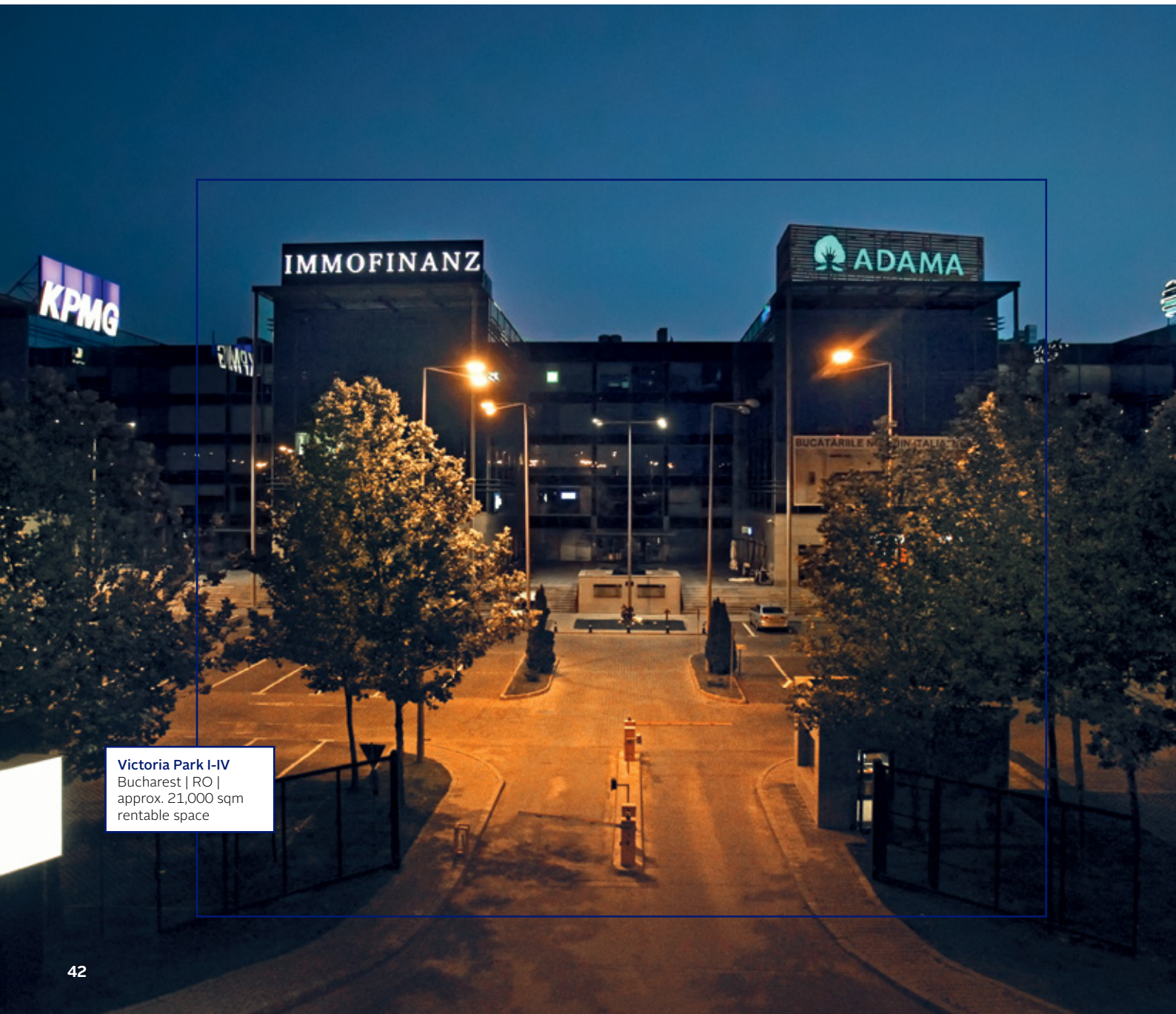
The following graph shows the distribution of IMMOFINANZ's standing investment portfolio as of 30 April 2016, based on the carrying amount:



CONTRACT EXPIRATION PROFILE STANDING INVESTMENTS (TOTAL)

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

1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
15%	13%	11%	14%	17%	6%	3%	19%	3%



Victoria Park I-IV
Bucharest | RO |
approx. 21,000 sqm
rentable space

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	144	1,105.0	23.6%	570,841	490,810	86.0%
Germany ³	13	135.9	2.9%	56,956	47,683	83.7%
Czech Republic	21	398.5	8.5%	252,251	206,910	82.0%
Hungary	25	441.0	9.4%	290,546	245,976	84.7%
Poland	18	587.8	12.6%	281,000	253,048	90.1%
Romania	19	640.0	13.7%	344,916	311,886	90.4%
Russia	5	1,114.6	23.8%	278,633	228,240	81.9%
Slovakia	12	166.3	3.6%	90,826	88,627	97.6%
Non-core countries	10	93.9	2.0%	75,617	62,023	82.0%
IMMOFINANZ	267	4,683.1	100.0%	2,241,587	1,935,203	86.3%

Standing investments	Rental income Q4 2015/16 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	15.9	5.7% (6.7%)	528.3	1.7%	2.7%	47.8%
Germany ³	1.6	4.6% (5.5%)	101.4	1.7%	1.8%	74.6%
Czech Republic	6.0	6.0% (7.4%)	139.0	2.2%	2.6%	34.9%
Hungary	6.4	5.8% (6.9%)	150.9	2.0%	2.2%	34.2%
Poland	8.2	5.5% (6.2%)	318.4	2.0%	2.1%	54.2%
Romania	10.8	6.7% (7.5%)	201.3	3.4%	4.2%	31.5%
Russia	19.0	6.8% (8.3%)	669.4	7.5%	7.5%	60.1%
Slovakia	3.2	7.7% (7.9%)	73.9	3.1%	3.6%	44.4%
Non-core countries	1.4	6.1% (7.4%)	40.8	3.2%	3.6%	43.5%
IMMOFINANZ	72.5	6.2% (7.2%)	2,223.4	3.8%	4.2%	47.5%

Development and pipeline projects	1.3		308.5	1.9%	2.1%	
In Q4 2015/16: properties sold or reported as held for sale	2.5		0.0	0.0%	0.0%	
Investment financing	0.0		122.0	0.7%	0.7%	
Group financing	0.0		628.5	4.4%	4.4%	
IMMOFINANZ	76.2		3,282.4	3.6%	3.9%	
Market value property portfolio						5,484.0
Market value of BUWOG shares (28.5 million shares) ⁴						523.9
Cash and cash equivalents			-371.6			
Properties / liabilities held for sale (asset & share deals)			178.5			249.9
IMMOFINANZ			3,089.3			49.4%

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 nominal outstanding liability

3 Increase in number of properties due to the allocation of buildings in the *Gerling Quartier*

4 28.5 million shares multiplied by the stock exchange price of EUR 18.38 on 30 April 2016

RENTAL INCOME LIKE-FOR-LIKE

A like-for-like analysis (i.e. acquisitions, completions and sales in the current year are deducted to facilitate a comparison with the previous year) shows that rental income fell by EUR 59.9 million to EUR 278.5 million in 2015/16. This decline resulted, above all, from the current situation in Russia, where temporary rent reductions were granted to the tenants in the Moscow shopping centers. In year-on-year comparison, the adjusted rental income from Russia declined by EUR 54.1 million to EUR 82.2 million.

The development of adjusted rental income in Austria and the Czech Republic was influenced primarily by property-specific factors such as a temporary increase in vacancies due to scheduled modernisation. In Warsaw, the production of new space and the competitive situation led to pressure on effective rents.

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET

Standing investments like-for-like ¹	Number of properties	Carrying amount 30.4.2016 in MEUR	Carrying amount in %	Carrying amount 30.4.2015 in MEUR	Change in carrying amount in MEUR
Austria	137	1,100.2	25.6%	1,046.6	53.6
Germany	3	65.6	1.5%	55.7	10.0
Czech Republic	20	377.7	8.8%	385.3	-7.6
Hungary	25	441.0	10.3%	421.7	19.3
Poland	12	333.3	7.8%	343.8	-10.5
Romania	13	627.4	14.6	626.7	0.7
Russia	5	1,114.6	25.9%	1,536.5	-421.9
Slovakia	12	166.3	3.9%	186.8	-20.5
Non-core countries	8	73.0	1.7%	83.9	-10.9
IMMOFINANZ	235	4,299.1	100%	4,686.9	-387.8

Standing investments like-for-like ¹	Rental income FY 2015/16 in MEUR	Rental income FY 2014/15 in MEUR	Change in rental income FY 2015/16 vs. FY 2014/15 in MEUR	Gross return FY 2015/16 in % (occupancy-adjusted)	Gross return FY 2014/15 in % (occupancy-adjusted)
Austria	62.3	64.3	-2.0	5.7% (6.5%)	6.1% (7.3%)
Germany	2.7	2.5	0.2	4.1% (5.1%)	4.4% (8.2%)
Czech Republic	24.3	26.6	-2.3	6.4% (7.7%)	6.9% (8.2%)
Hungary	25.5	24.7	0.8	5.8% (6.8%)	5.9% (7.2%)
Poland	18.9	21.3	-2.4	5.7% (6.4%)	6.2% (7.9%)
Romania	44.0	43.6	0.4	7.0% (7.7%)	6.9% (8.1%)
Russia	82.2	136.2	-54.1	7.4% (9.0%)	8.9% (10.3%)
Slovakia	13.4	14.0	-0.6	8.0% (8.2%)	7.5% (7.7%)
Non-core countries	5.3	5.3	-0.1	7.2% (9.3%)	6.3% (8.2%)
IMMOFINANZ	278.5	338.4	-59.9	6.5% (7.5%)	7.2% (8.6%)

Rental income from properties sold/acquired in FY 2015/16 and development projects

36.0

IMMOFINANZ 314.5

STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS

Standing investments like-for-like ¹	Number of properties	Carrying amount 30.4.2016 in MEUR	Carrying amount in %	Carrying amount 30.4.2015 in MEUR	Change in carrying amount in MEUR
Office	74	2,131.3	49.6%	2,108.6	22.7
Retail	156	2,158.3	50.2%	2,565.5	-407.3
Other	5	9.5	0.2%	12.8	-3.3
IMMOFINANZ	235	4,299.1	100.0%	4,686.9	-387.8

Standing investments like-for-like ¹	Rental income FY 2015/16 in MEUR	Rental income FY 2014/15 in MEUR	Change in rental income FY 2015/16 vs. FY 2014/15 in MEUR	Gross return FY 2015/16 in % (occupancy-adjusted)	Gross return FY 2014/15 in % (occupancy-adjusted)
Office	115.5	121.6	-6.2	5.4% (6.6%)	5.8% (7.6%)
Retail	162.6	216.4	-53.7	7.5% (8.3%)	8.4% (9.2%)
Other	0.4	0.5	-0.1	4.1% (6.6%)	3.5% (5.0%)
IMMOFINANZ	278.5	338.4	-59.9	6.5% (7.5%)	7.2% (8.6%)

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 financial years. In other words, the calculation excludes new acquisitions, completions and sales.

**Office occupancy rate
increased to nearly 82%**

OFFICE STANDING INVESTMENTS

The carrying amount of the 85 office standing investments totalled EUR 2,268.5 million as of 30 April 2016 and represents 48.4% of the total standing investment portfolio. A regional analysis shows the focal points of these properties in the core markets of Austria (EUR 880.7 million), Poland (EUR 365.3 million) and Romania (EUR 326.3 million).

The office standing investments have 1,100,494 sqm of rentable space. Basis on annualised rental income* (rental income in the fourth quarter of 2015/16: EUR 30.2 million), these properties generated a gross return of 5.3% (2014/15: 5.7%).

The occupancy rate was increased by roughly seven percentage points to almost 82% during the reporting year (2014/15: 75%). The take-up in the office properties totalled approx. 421,000 sqm. Nearly 315,000 sqm of this space is located in standing investments and represents 29% of the total space in these properties. Roughly 40% of the take-up in 2015/16 involves new rentals and contract supplements, while the remaining 60% are attributable to contract extensions by existing tenants. The take-up for development projects amounted to approx. 106,000 sqm, whereby the largest individual new rentals were the leases for the new *trivago* and Uniper headquarters in Düsseldorf Medienhafen with roughly 26,000 sqm and 28,000 sqm of space, respectively.

The strongest relative take-up was recorded in Slovakia, where nearly 53% of the rentable space (including development projects) was newly rented or extended. This ranking was followed by Hungary (48%), Germany (36%) and Romania (31%).

The office portfolio has a balanced tenant structure. The ten largest tenants are responsible for 17% 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, 38% have a term of five years or longer.

CONTRACT EXPIRATION OFFICE SECTOR

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

<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>	<u>6 years</u>	<u>7 years</u>	<u>8+ years</u>	<u>Unlimited</u>
17%	15%	13%	14%	15%	7%	2%	14%	3%

The ten largest standing investments in the office portfolio based on the carrying amount (in declining order) are the *Business Park Vienna*, *Vienna Twin Tower* and *City Tower Vienna* (Vienna), *IRIDE* incl. *IRIDE 19* (Bucharest), *BB Centrum Gamma* (Prague), *S-Park* (Bucharest), *Park Postępu* (Warsaw), *Atrium Park* (Budapest), *IO-1* (Warsaw) and *Haller Gardens* (Budapest).

* Rental income Q4 times 4

Key data on the individual categories as of 30 April 2016 is presented in the following table:

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 %
Prime Office	32	1,410.8	62.2%	564,061	475,225	84.3%
Functional Office	53	857.7	37.8%	536,433	424,350	79.1%
IMMOFINANZ	85	2,268.5	100.0%	1,100,494	899,575	81.7%

Standing investments	Rental income Q4 2015/16 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
Prime Office	17.5	5.0% (5.9%)	711.7	1.9%	2.6%	50.4%
Functional Office	12.8	5.9% (7.5%)	355.1	2.3%	3.2%	41.4%
IMMOFINANZ	30.2	5.3% (6.5%)	1,066.9	2.0%	2.8%	47.0%

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 nominal outstanding liability





THE OFFICE SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 2,268.5)

5.6%
Germany

16.1%
Poland

11.8%
Czech Republic

38.8%
Austria

12.0%
Hungary

14.4%
Romania

AUSTRIA	38.8%
Number of properties	32
Carrying amount in MEUR	880.7
Rentable space in sqm	354,652
Occupancy rate in %	82.5%
Rental income Q4 15/16 (MEUR) ¹	11.0
Gross return in %	5.0%
Gross return in % (occupancy-adjusted)	6.1%

POLAND	16.1%
Number of properties	10
Carrying amount in MEUR	365.3
Rentable space in sqm	162,063
Occupancy rate in %	88.4%
Rental income Q4 15/16 (MEUR) ¹	5.1
Gross return in %	5.5%
Gross return in % (occupancy-adjusted)	6.3%

ROMANIA	14.4%
Number of properties	8
Carrying amount in MEUR	326.3
Rentable space in sqm	188,748
Occupancy rate in %	88.3%
Rental income Q4 15/16 (MEUR) ¹	5.3
Gross return in %	6.5%
Gross return in % (occupancy-adjusted)	7.4%

HUNGARY	12.0%
Number of properties	12
Carrying amount in MEUR	271.8
Rentable space in sqm	165,785
Occupancy rate in %	79.2%
Rental income Q4 15/16 (MEUR) ¹	3.5
Gross return in %	5.1%
Gross return in % (occupancy-adjusted)	6.4%

CZECH REPUBLIC	11.8%
Number of properties	9
Carrying amount in MEUR	268.5
Rentable space in sqm	146,652
Occupancy rate in %	71.1%
Rental income Q4 15/16 (MEUR) ¹	3.5
Gross return in %	5.3%
Gross return in % (occupancy-adjusted)	7.4%

GERMANY	5.6%
Number of properties	12
Carrying amount in MEUR	126.0
Rentable space in sqm	56,956
Occupancy rate in %	83.7%
Rental income Q4 15/16 (MEUR) ¹	1.3
Gross return in %	4.3%
Gross return in % (occupancy-adjusted)	5.1%

NON-CORE COUNTRIES²	1.3%
Number of properties	2
Carrying amount in MEUR	29.9
Rentable space in sqm	25,638
Occupancy rate in %	54.4%
Rental income Q4 15/16 (MEUR) ¹	0.5
Gross return in %	6.3%
Gross return in % (occupancy-adjusted)	11.5%

IMMOFINANZ	100.0%
Number of properties	85
Carrying amount in MEUR	2,268.5
Rentable space in sqm	1,100,494
Occupancy rate in %	81.7%
Rental income Q4 15/16 (MEUR) ¹	30.2
Gross return in %	5.3%
Gross return in % (occupancy-adjusted)	6.5%

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 Non-core countries: Croatia and Bulgaria

RETAIL STANDING INVESTMENTS

The carrying amount of the 167 standing investments in the retail sector totalled EUR 2,382.3 million as of 30 April 2016 and represents 50.9% of the total standing investment portfolio. The largest regional markets are Russia with EUR 1,114.6 million, Romania with EUR 301.1 million and Poland with EUR 222.5 million.

The retail standing investments have 1,127,693 sqm of rentable space. Based on annualised rental income* (rental income in the fourth quarter of 2015/16: EUR 41.9 million), these properties generated a gross return of 7.0% (2014/15: 8.4%). The year-on-year decline is attributable primarily to lower rental income from Russia.

Attractive tenant mix

The occupancy rate in the retail portfolio equalled 91.1% as of 30 April 2016 and was slightly lower than on 30 April 2015 (92.0%). Excluding Russia, the occupancy rate remained stable at 94.1%. The take-up in the retail properties amounted to roughly 186,000 sqm in 2015/16. Approx. 172,000 sqm of this take-up involves standing investments and corresponds to roughly 15% of the total space in the retail standing investments. Roughly 44% of the take-up in 2015/16 involves new rentals and contract supplements, while the remaining 56% are attributable to contract extensions by existing tenants. The take-up for development projects amounted to approx. 14,000 sqm, whereby the largest individual new rental was the lease with Hamley's for nearly 6,000 sqm in the *Na Příkopě* commercial building in Prague. The strongest take-up was recorded in Serbia, where roughly 53% of the rentable space was newly rented or extended, followed by Poland and Slovenia with approx. 27% each.

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 entertainment, health & beauty and electronics. Of the total rental contracts, 51% have a term of five years or longer.

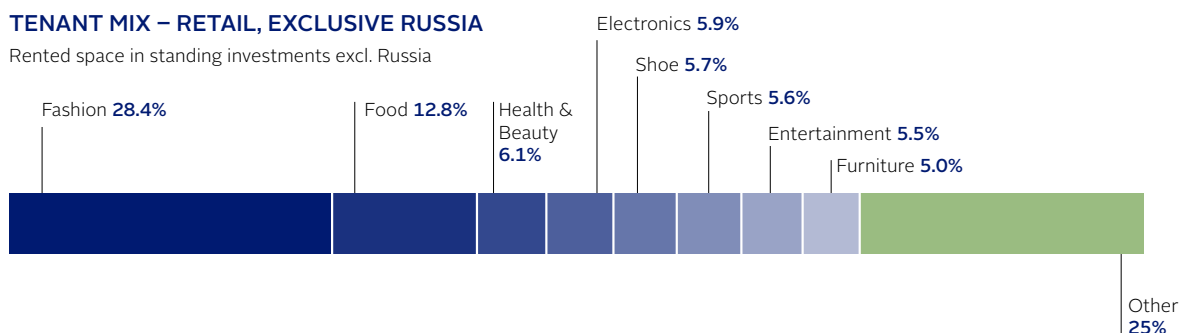
CONTRACT EXPIRATION RETAIL SECTOR

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

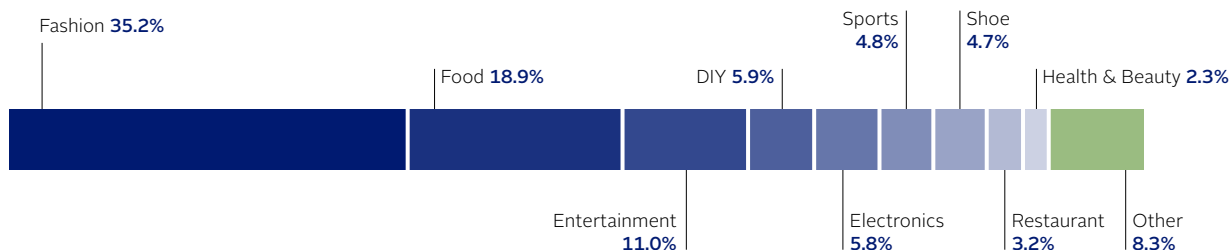
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
12%	12%	9%	13%	19%	5%	4%	23%	2%

TENANT MIX – RETAIL, EXCLUSIVE RUSSIA

Rented space in standing investments excl. Russia



TENANT MIX – RETAIL, RUSSIA



Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.
* Rental income Q4 times 4

The ten largest standing investments in the retail portfolio based on the carrying amount (in declining order) are: the *Golden Babylon Rostokino* (Moscow), *Polus Center Cluj* (Cluj-Napoca, Romania), *GOODZONE* (Moscow), *Tarasy Zamkowe* (Lublin, Poland), *Golden Babylon I* (Moscow), *Polus City Center* (Bratislava), *Maritimo Shopping Center* (Constanta, Romania), *Fifth Avenue* (Moscow), *Gold Plaza Baia Mare* (Romania) and *VIVO! Stalowa Wola* (Poland).



VIVO!
Stalowa Wola | PL |
approx. 23,000 sqm
rentable space

Key data on the individual categories as of 30 April 2016 is presented in the following table:

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 %
VIVO!/Shopping Center	10	608.6	25.5%	284,681	267,372	93.9%
STOP SHOP/Retail Park	55	516.2	21.7%	367,002	352,478	96.0%
Retail Moscow	5	1,114.6	46.8%	278,633	228,240	81.9%
Other Retail	97	142.9	6.0%	197,377	179,203	90.8%
IMMOFINANZ	167	2,382.3	100.0%	1,127,693	1,027,292	91.1%

Standing investments	Rental income Q4 2015/16 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
VIVO!/Shopping Center	10,1	6.7% (7.1%)	233.2	2.8%	2.9%	38.3%
STOP SHOP/Retail Park	9,5	7.4% (7.7%)	220.9	2.2%	2.6%	42.8%
Retail Moscow	19,0	6.8% (8.3%)	669.4	7.5%	7.5%	60.1%
Other Retail	3,3	9.1% (10.0%)	14.0	1.6%	1.7%	9.8%
IMMOFINANZ	41,9	7.0% (7.7%)	1,137.6	5.5%	5.5%	47.8%

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 nominal outstanding liability



Tarasy Zamkowe
Lublin | PL |
approx. 38,000 sqm
rentable space



THE RETAIL SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 2,382.3)

46.8%
Russia

9.3%
Poland

5.5%
Czech Republic

7.0%
Slovakia

9.0%
Austria

7.1%
Hungary

12.6%
Romania

RUSSIA	46.8%
Number of properties	5
Carrying amount in MEUR	1,114.6
Rentable space in sqm	278,633
Occupancy rate in %	81.9%
Rental income Q4 15/16 (MEUR) ¹	19.0
Gross return in %	6.8%
Gross return in % (occupancy-adjusted)	8.3%

ROMANIA	12.6%
Number of properties	5
Carrying amount in MEUR	301.1
Rentable space in sqm	147,252
Occupancy rate in %	95.2%
Rental income Q4 15/16 (MEUR) ¹	5.5
Gross return in %	7.3%
Gross return in % (occupancy-adjusted)	7.6%

POLAND	9.3%
Number of properties	8
Carrying amount in MEUR	222.5
Rentable space in sqm	118,937
Occupancy rate in %	92.3%
Rental income Q4 15/16 (MEUR) ¹	3.1
Gross return in %	5.6%
Gross return in % (occupancy-adjusted)	6.0%

AUSTRIA	9.0%
Number of properties	104
Carrying amount in MEUR	214.6
Rentable space in sqm	211,705
Occupancy rate in %	92.1%
Rental income Q4 15/16 (MEUR) ¹	4.8
Gross return in %	8.9%
Gross return in % (occupancy-adjusted)	9.6%

HUNGARY	7.1%
Number of properties	13
Carrying amount in MEUR	169.2
Rentable space in sqm	124,761
Occupancy rate in %	92.0%
Rental income Q4 15/16 (MEUR) ¹	3.0
Gross return in %	7.0%
Gross return in % (occupancy-adjusted)	7.6%

SLOVAKIA	7.0%
Number of properties	12
Carrying amount in MEUR	166.3
Rentable space in sqm	90,826
Occupancy rate in %	97.6%
Rental income Q4 15/16 (MEUR) ¹	3.2
Gross return in %	7.7%
Gross return in % (occupancy-adjusted)	7.9%

CZECH REPUBLIC	5.5%
Number of properties	12
Carrying amount in MEUR	130.0
Rentable space in sqm	105,599
Occupancy rate in %	97.2%
Rental income Q4 15/16 (MEUR) ¹	2.5
Gross return in %	7.6%
Gross return in % (occupancy-adjusted)	7.8%

NON-CORE COUNTRIES²	2.7%
Number of properties	8
Carrying amount in MEUR	64.0
Rentable space in sqm	49,979
Occupancy rate in %	96.2%
Rental income Q4 15/16 (MEUR) ¹	1.0
Gross return in %	6.0%
Gross return in % (occupancy-adjusted)	6.3%

IMMOFINANZ	100.0%
Number of properties	167
Carrying amount in MEUR	2,382.3
Rentable space in sqm	1,127,693
Occupancy rate in %	91.1%
Rental income Q4 15/16 (MEUR) ¹	41.9
Gross return in %	7.0%
Gross return in % (occupancy-adjusted)	7.7%

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 Non-core countries: Slovenia and Serbia

OTHER STANDING INVESTMENTS

The other standing investments had a carrying amount of EUR 32.3 million as of 30 April 2016 and comprise 0.7% of the total standing investment portfolio. Based on annualised rental income* (rental income in the fourth quarter of 2015/16: EUR 0.3 million), these properties generated a gross return of 4.1% (2014/15: 3.2%).

The other standing investments consist primarily of residential properties held by the Romanian subsidiary Adama and a number of residential properties in Austria.

Key data on this category as of 30 April 2016 is presented in the following table:

OTHER STANDING INVESTMENTS

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
Other	15	32.3	100.0%	13,400	8,335	62.2%

Standing investments	Rental income Q4 2015/16 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
Other	0.3	4.1% (6.7%)	18.9	2.7%	2.7%	58.7%

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 nominal outstanding liability

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.

Active development projects with a carrying amount of EUR 410.0 million

The active development projects had a carrying amount of EUR 410.0 million as of 30 April 2016, which represents 7.5% of the total property portfolio. The expected fair value on completion amounts to EUR 910.8 million. Activities are currently focused on the core markets of Germany, Romania and Poland. Germany is responsible for 68.5% of the expected fair value after completion (EUR 624.3 million), Romania for 11.7% (EUR 106.6 million) and Poland for 5.2% (EUR 47.2 million). The development projects also include extensive modernisation to existing properties, which will be reclassified to the standing investment portfolio after completion. Modernisation projects were ongoing in four buildings as of 30 April 2016.

CURRENT FOCUS OF DEVELOPMENT ACTIVITIES

GERMANY

Düsseldorf

The new global headquarters for *trivago* is currently under construction in the Düsseldorf 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 first section is scheduled for completion in mid-2018. Additional expansion areas can be realised in the second section (up to approx. 20,400 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 mid-2018.

Cologne

The *Gerling Quartier* is a high-quality urban quarter development project which includes apartments for sale and approx. 30,000 sqm of rentable office and commercial space. The first phase of construction is almost complete and, in the second section, construction is currently in progress on a hotel which will be operated by 25hours. Completion is scheduled for the beginning of 2018.

* Rental income Q4 times 4

The centrally located *Hohenzollernring* standing investment on Friesenplatz in Cologne is currently undergoing extensive renovation. Plans call for 8,000 to 9,000 sqm office space, which should be completed during the second quarter of 2018.

Aachen

The *Cluster Produktionstechnik* with approx. 28,000 sqm of rentable space is the largest technology cluster in the RWTH (Rheinisch-Westfälische-Technische Hochschule) Aachen expansion project. Construction is expected to be completed during the second quarter of 2017, and pre-rentals have already reached roughly 90%.

POLAND

In Poland, IMMOFINANZ is continuing the expansion with its STOP SHOP and VIVO! brands. The *VIVO! Stalowa Wola* shopping center was opened in November 2015. The first section has approx. 22,500 sqm of rentable space for roughly 80 shops, and the second stage of construction is expected to add a further 10,000 sqm of rentable space. The STOP SHOPS in Świnoujście (3,600 sqm of rentable space) and Szczytno (3,600 sqm) were completed after the end of the reporting year. These two projects raise the number of retail parks in Poland to six. Five other locations in Poland – including the cities of Pultusk and Gdynia – are now under evaluation or preparation.

Focus of development projects in Germany, Romania and Poland

SERBIA

Market entry in 2015 was followed by the second STOP SHOP in Serbia, which opened in Niš during April 2015 with approx. 13,000 sqm of rentable space. The 58th STOP SHOP will follow in early autumn 2016 in the Serbian city of Valjevo and other locations this country are being evaluated.

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	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % at full occupancy
Austria	2	34.7	8.5%	0.0	21,691	34.7	2.4	6.9%
Germany ¹	11	256.2	62.5%	312.4	134,881	624.3	30.6	5.4%
Czech Republic	1	21.4	5.2%	8.1	21,803	29.5	3.0	10.1%
Hungary ²	0	3.1	0.8%	0.0	2,081	3.1	0.2	7.5%
Poland	3	11.4	2.8%	30.2	28,708	47.2	3.8	9.2%
Romania	2	31.2	7.6%	61.3	57,921	106.6	9.7	10.5%
Slovakia ³	2	44.4	10.8%	11.2	38,518	55.6	5.5	10.0%
Non-core countries	2	7.7	1.9%	1.5	6,108	9.8	0.8	8.6%
IMMOFINANZ	23	410.0	100.0%	424.7	311,711	910.8	56.0	6.7%

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

¹ Increase in number of properties due to the allocation of buildings in the *Gerling Quartier*

² Expansion of an existing STOP SHOP

³ Modernisation of two existing office properties

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	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % at full occupancy
Prime Office	15	346.6	84.5%	387.2	243,213	801.0	47.5	6.5%
Functional Office	1	6.6	1.6%	5.8	9,910	15.0	1.4	11.1%
VIVO!/ Shopping Center	1	4.7	1.2%	27.5	21,491	37.8	3.1	9.5%
STOP SHOP/ Retail Park	4	17.4	4.2%	4.1	15,406	22.3	1.8	8.2%
Other	2	34.7	8.5%	0.0	21,691	34.7	2.4	6.9%
IMMOFINANZ	23	410.0	100.0%	424.7	311,711	910.8	56.0	6.7%

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

Based on the expected fair value after completion, the most important development projects as of 30 April 2016 are as follows:

SELECTED DEVELOPMENT PROJECTS UNDER CONSTRUCTION

Largest projects in Germany	Primary use	Planned rentable/sellable space in sqm (rounded)	Pre-rental rate in %	Scheduled completion (calendar quarter)
Gerling Quartier	Office/hotel	30,000	73%	Q4 2016 to Q1 2018
FLOAT	Office	30,000	95%	Q3 2018
RWTH Aachen	Office	28,000	90%	Q2 2017
trivago ¹	Office	26,000	100%	Q3 2018

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

1. Office Phase I

REAL ESTATE INVENTORIES

Real estate inventories are apartments that are intended for sale after completion.

Real estate inventories	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned sellable space in sqm	Expected fair value after completion in MEUR
Austria	1	0.1	0.0%	0.0	0	0.1
Germany ¹	8	92.6	22.6%	57.7	25,789	184.8
Poland	5	13.9	3.4%	16.4	20,749	35.0
Romania	9	4.7	1.1%	0.0	4,577	4.7
Non-core countries	2	0.8	0.2%	0.0	3,216	1.1
IMMOFINANZ	25	112.1	27.3%	74.0	54,330	225.7

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

1. Increase in number of properties due to the allocation of buildings in the Gerling Quartier

PIPELINE PROJECTS

Pipeline projects with a carrying amount of EUR 278.8 million

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

The pipeline projects had a carrying amount of EUR 278.8 million as of 30 April 2016. 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	4	11.4	4.1%
Germany	0	0.0	0.0%
Czech Republic	2	25.7	9.2%
Hungary	7	32.0	11.5%
Poland	1	2.4	0.9%
Romania	46	176.6	63.3%
Russia	1	4.2	1.5%
Slovakia	3	11.8	4.2%
Non-core countries	6	14.8	5.3%
IMMOFINANZ	70	278.8	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 totalled EUR 323.2 million as of 30 April 2016 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. Details are provided in section 4.8 of the notes on page 139.



STOP SHOP
Niš | SRB |
approx. 13,000 sqm
rentable space

Property Valuation

IMMOFINANZ prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Accordingly, 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. Details on the valuation methods are provided in sections 4.1.2 and 4.1.3 of the notes.

In accordance with the applicable corporate guideline which calls for a new tender every three years, IMMOFINANZ issued an invitation to tender for the appraisal activities in 2015/16. The results led to the appointment of two external independent consultants: CB Richard Ellis (CBRE) for the CEE and Russian portfolio and BNP Paribas Real Estate Consult (BNPP REC) for the portfolios in Austria and Germany.

As of 30 April 2016 CB Richard Ellis had appraised 70%, or EUR 3.84 billion, of the total property portfolio (excluding properties held for sale) and BNP Paribas Real Estate Consult 29.8%, or EUR 1.63 billion. Internal appraisals were responsible for 0.2% or EUR 11.5 million.

DEVELOPMENT OF PROPERTY VALUATION IN 2015/16

The foreign exchange-adjusted revaluation of investment property as of 30 April 2016 amounted to EUR -545.0 million (2014/15: EUR -317.3 million). Of this total, EUR -469.8 million is attributable to the Russian portfolio and resulted primarily from the temporary rental reductions, an increase in fixed exchange rates for tenants and more cautious estimates by the appraisers for realisable market rents over the short-term – in other words, factors that generally reflect the deterioration of economic conditions in Russia. Negative revaluation effects were also recorded in a number of East European properties due to building-related issues like a temporary increase in vacancies following the relocation of larger tenants. These developments were contrasted by positive effects from Austria and Hungary based on an improvement in the market environment.

DEVELOPMENT OF PROPERTY VALUATION LIKE-FOR-LIKE

The like-for-like analysis (i.e. after an adjustment for new acquisitions, completions and sales to improve comparability) shows a foreign exchange-adjusted decrease of 9.6%, or EUR 453.8 million, in the property portfolio.

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET¹

Standing investments	Number of properties	Carrying amount 30.4.2016 in MEUR	Carrying amount in %	Valuation effects FY 2015/16 in MEUR
Austria	137	1,100.2	25.6%	40.7
Germany	3	65.6	1.5%	6.9
Czech Republic	20	377.7	8.8%	-8.1
Hungary	25	441.0	10.3%	17.3
Poland	12	333.3	7.8%	-13.9
Romania	13	627.4	14.6%	1.8
Russia	5	1,114.6	25.9%	-466.6 ²
Slovakia	12	166.3	3.9%	-20.9
Non-core countries	8	73.0	1.7%	-11.1
IMMOFINANZ	235	4,299.1	100.0%	-453.8

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

² Excluding pipeline projects

STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS¹

Standing investments	Number of properties	Carrying amount 30.4.2016 in MEUR ¹	Carrying amount in %	Valuation effects FY 2015/16 in MEUR
Office	74	2,131.3	49.6%	11.5
Retail	156	2,158.3	50.2%	-464.6
Other	5	9.5	0.2%	-0.7
IMMOFINANZ	235	4,299.1	100.0%	-453.8

¹ This calculation only includes the properties owned by IMMOFINANZ during both financial years, i.e. an adjustment was made for new acquisitions, completions and sales.

Polus Tower 1+2
Bratislava | SK |
approx. 38,000 sqm
rentable space



Financing

Proactive financing policy to safeguard the company's success

IMMOFINANZ successfully arranged all necessary refinancing and extensions for standing investments and development projects as planned during the 2015/16 financial year. In order to utilise the currently favourable market environment, IMMOFINANZ also regularly evaluates opportunities to renew and optimise existing loans prior to maturity. A 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.

Financial liabilities totalled EUR 3.46 billion as of 30 April 2016 (2014/15: EUR 4.18 billion). The year-on-year decline resulted primarily from the premature redemption of the exchangeable bond for BUWOG shares at EUR 375.0 million and the sale of the logistics portfolio. Cash and cash equivalents amounted to EUR 371.6* million (2014/15: EUR 390.7 million). Net debt, after the deduction of cash and cash equivalents held by the Group, equalled EUR 3.1 billion at year-end (2014/15: EUR 3.8 billion). IMMOFINANZ has a robust balance sheet structure with an equity ratio of 39.8% (2014/15: 39.6%) and a net loan-to-value ratio (net LTV) of 49.4% (2014/15: 44.4%).

The net LTV shows the carrying amount of financing less cash and cash equivalents in relation to the total carrying amount of the properties and the fair value of the BUWOG shares.

CALCULATION OF NET LTV AS OF 30 APRIL 2016

	Amounts in TEUR
Carrying amount of financing	3,460,559
– Cash and cash equivalents	371,622 ¹
Net carrying amount of financing	3,088,937
Carrying amount of property & fair value of BUWOG shares ²	6,257,800
Net LTV	49.4%

¹ Excluding cash and cash equivalents in discontinued operations and disposal groups

² Fair value of BUWOG shares: 28.5 million shares à EUR 18.38 per share (closing price on the Vienna Stock Exchange on 29 April 2016)

FINANCING COSTS

The average financing costs for IMMOFINANZ remained stable during 2015/16 and equalled 3.85% per year including derivatives used for interest rate hedging (2014/15: 3.94%) and 3.54% per year excluding derivatives (2014/15: 3.44%). This change is attributable to the following factors: the repayment of lower-cost financing, above all in Germany, following the sale of the logistics portfolio; the redemption of the BUWOG exchangeable bond, which carried a fixed rate coupon of only 1.5% per year; and the increase in the USD-Libor interest rate, which is decisive for the Russian bank loans. The deduction of the financing arranged in Russia results in average financing costs of 2.97% per year including and 2.58% per year excluding derivatives used for interest rate hedging (2014/15: 3.24%, respectively 2.62%).

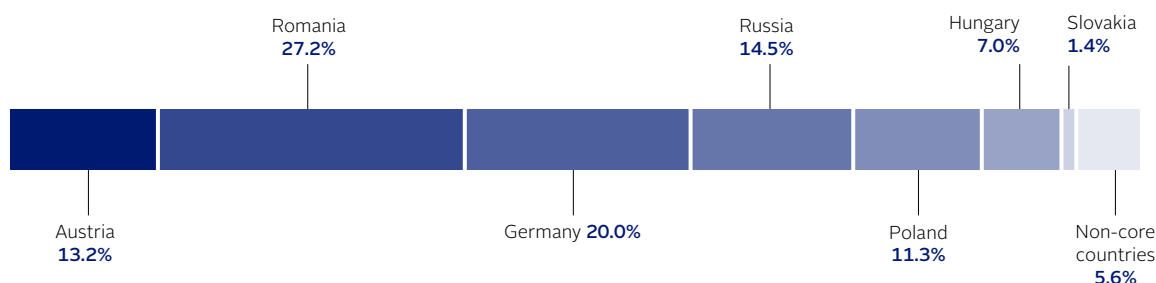
UNENCUMBERED PROPERTY

In addition to properties which carry external financing and/or are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 871.4 million or 15.20% of the total property carrying amount was not externally financed and therefore unencumbered as of 30 April 2016.

15.20% of property unencumbered

* Excluding cash and cash equivalents in discontinued operations and disposal groups

UNENCUMBERED PROPERTY BY COUNTRY



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 April 2016 is as follows:

	Outstanding liability ² in TEUR as of 30 April 2016	Weighted average inter- est rate excl. derivatives ¹	Share of fixed interest in % ¹	Share of floating interest in % ¹	Fixed interest rate ¹	Floating interest rate ¹
Convertible bonds in EUR	520,233.4	4.23%	100.00%	0.00%	4.23%	n.a.
Corporate bond in EUR	104,029.7	5.25%	100.00%	0.00%	5.25%	n.a.
Bank liabilities in EUR	2,164,241.6	2.06%	4.25%	95.75%	1.27%	2.10%
Bank liabilities in CHF	258.2	0.19%	0.00%	100.00%	n.a.	0.19%
Bank liabilities in USD	671,796.0	7.52%	0.00%	100.00%	n.a.	7.52%
IMMOFINANZ	3,460,558.9	3.54%	20.81%	79.19%	3.99%	3.42%

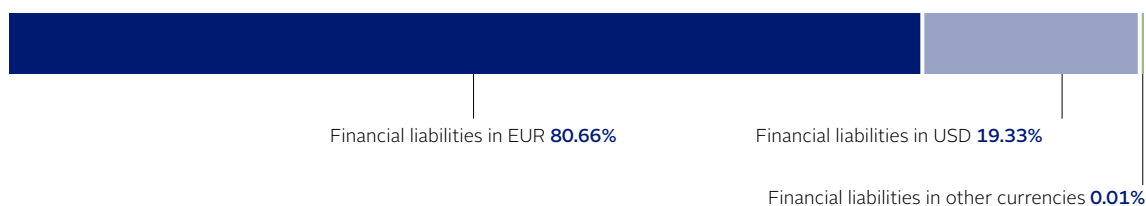
¹ Calculation basis: actual remaining debt (nominal amount)

² Including IFRS 5

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 3,460.6 million as of 30 April 2016. As of that date, 80.66% of the financing were denominated in Euros, 19.33% in US Dollars and 0.01% in other currencies.

**Outstanding
balance of
financial liabilities:
EUR 3.5 billion**

FINANCIAL LIABILITIES BY CURRENCY AS OF 30 APRIL 2016

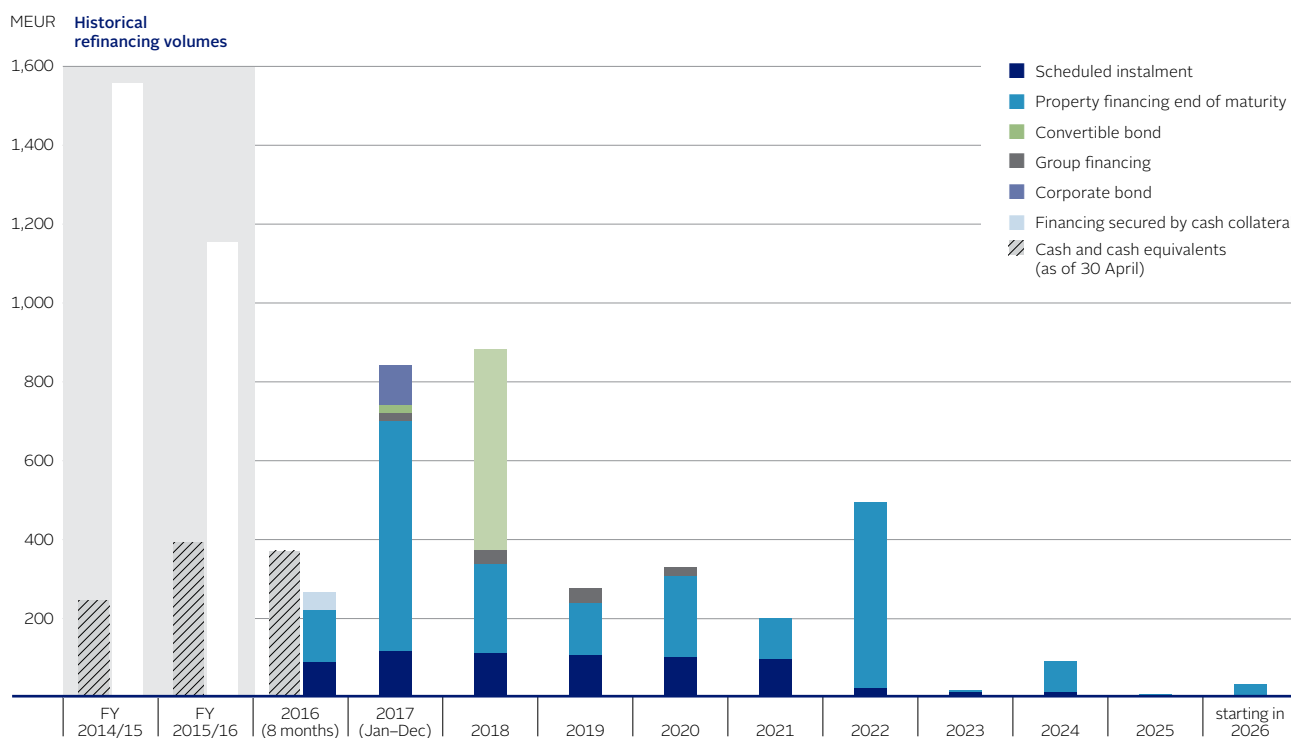


TERM STRUCTURE

Weighted average remaining term of financial liabilities: 3.75 years

The weighted average remaining term of the financial liabilities equals 3¾ years. The following graph shows the term structure for IMMOFINANZ as of 30 April 2016. The liabilities maturing in the abbreviated 2016 financial year amount to EUR 268.3 million as of the balance sheet date.

TERM STRUCTURE OF FINANCIAL LIABILITIES BY FINANCIAL YEARS



Cash and cash equivalents totalled EUR 371.6* million as of 30 April 2016.

BANK LIABILITIES

SUCCESSFUL LOAN FINANCING

Total volume of loan financing 2015/16: EUR 1,156.0 million

The total volume of refinancing, long-term extensions and cash inflows from new financing amounted to EUR 1,156.0 million in 2015/16.

The financing volume for the office properties totalled EUR 111.2 million for the reporting year, whereby EUR 105.3 million were related to standing investments.

The retail properties had a total financing volume of EUR 192.7 million, with EUR 158.2 million related to standing investments. The largest refinancing transaction involved the arrangement of EUR 85.0 million in standing investment facility for the *Tarasy Zamkowe* shopping center in Lublin, Poland.

In May 2015 IMMOFINANZ also concluded long-term refinancing with a volume of EUR 300.0 million for a mixed-use portfolio in Austria which comprises office and retail properties.

The full takeover of the *EMPARK Mokotów Business Park* in Warsaw, Poland, also included the assumption of external financing of EUR 118.8 million.

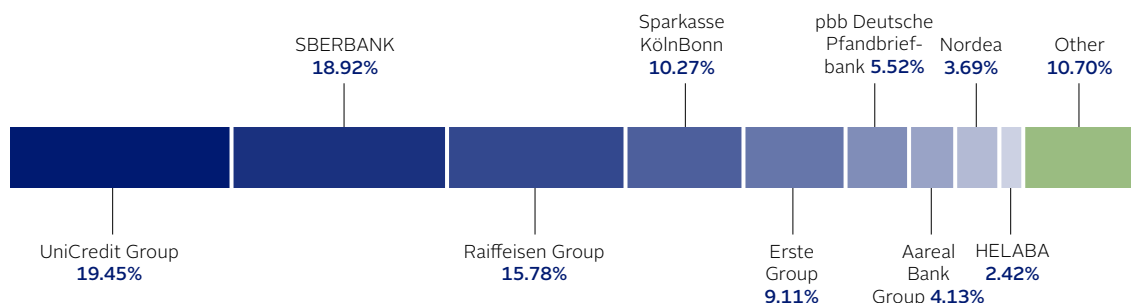
The Group also provided financing of EUR 388.7 million in 2015/16. Other financing transactions of EUR 44.6 million were related to real estate inventories and properties which are not part of the core portfolio.

* Excluding cash and cash equivalents in discontinued operations and disposal groups

Ten million BUWOG shares were sold over the capital market in March 2016. The gross proceeds of approx. EUR 171 million were used to reduce Group liabilities.

FINANCING BANKING GROUPS AS OF 30 APRIL 2016

Widely diversified financing



DERIVATIVES

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of hedged financial liabilities totalled EUR 1,098.0 million as of 30 April 2016 (2014/15: EUR 1,337.5 million). In total, 52.52% of financial liabilities are hedged against interest rate risk.

52.52% of financial liabilities hedged against interest rate risk

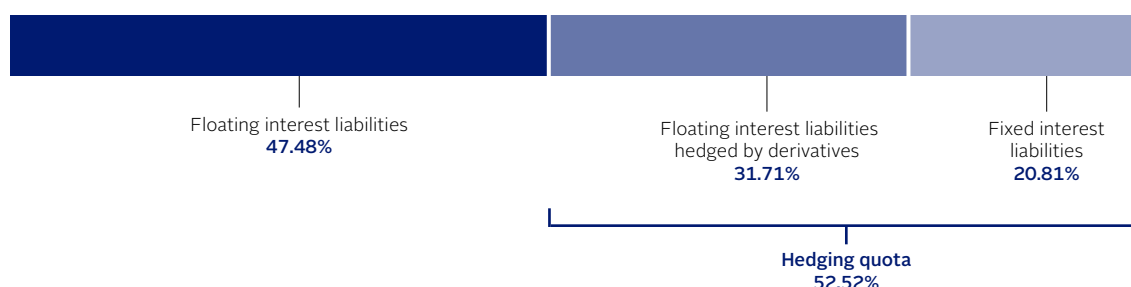
Derivative ¹	Floating leg	Market value incl. accrued interest & CVA/DVA as of 30 April 2016 in TEUR	Notional amount	Average hedged interest rate
Interest rate swap	3-M-EURIBOR	-24,840.3	916,619.2	0.72%
Interest rate swap	6-M-EURIBOR	-7,236.2	181,362.1	1.14%
IMMOFINANZ AG		-32,076.4	1,097,981.3	

¹ Incl. IFRS 5

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 are adjusted to include a credit value adjustment (CVA) and a debit value adjustment (DVA).

FINANCIAL LIABILITIES – TYPE OF INTEREST AS OF 30 APRIL 2016



Bonds with a total nominal value of EUR 628.5 million outstanding

BONDS

The outstanding nominal value of the bonds declined to EUR 628.5 million as of 30 April 2016 (2014/15: EUR 1,004.8 million). In the second quarter of 2015/16 IMMOFINANZ issued an offer to the holders of the EUR 375.0 million exchangeable bond (ISIN XS1108672988) for BUWOG shares for an incentivised exchange at a premium. This offer was designed to optimise and simplify the capital structure and reduce the total amount of liabilities and to also make the BUWOG shares underlying the bond available for a later sale. The offer was accepted by 99.8% of the bondholders, and the remaining 0.2% of the outstanding nominal value of the exchangeable bond was then redeemed prematurely in accordance with the terms and conditions.

IMMOFINANZ had two convertible bonds and one corporate bond outstanding as of 30 April 2016. These bonds are listed in the following table:

	ISIN	Maturity	Interest rate in %	Nominal value as of 30 April 2015 in TEUR	Conversions 2015/16 in TEUR	Repurchases/redemptions/conversions/new issues 2015/16 in TEUR	Nominal value as of 30 April 2016 in TEUR
Convertible bond 2007–2017 ³	XS0332046043	19.11.2017	3.75% ²	21,400.0	0	0	21,400.0
Convertible bond 2011–2018 ³	XS0592528870	8.3.2018	4.25%	508,453.7	-1.6	-1,359.5	507,094.2
Corporate bond 2012–2017	AT0000A0VDP8	3.7.2017	5.25%	100,000.0	0	0	100,000.0
Exchangeable bond for BUWOG shares 2014–2019	XS1108672988	11.9.2017 ¹	1.50%	374,900.0	-700	-374,200.0	0
IMMOFINANZ				1,004,753.7	-701.6	-375,557.9	628,494.2

1 Put option for convertible bondholders

2 Held to maturity (coupon 1.25%)

3 1 certificate from the convertible bond 2018 (nominal value: EUR 4.12) entitles the bondholder to conversion into 1.1573 IMMOFINANZ shares and 0.0629 BUWOG shares.

1 certificate from the convertible bond 2017 (nominal value: EUR 100,000.0) entitles the bondholder to conversion into 12,547.05 IMMOFINANZ shares and 691.44 BUWOG shares.

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 in the future, the conversion rights to shares in IMMOFINANZ and BUWOG will be adjusted in accordance with the respective bond terms. The last adjustment was made to reflect the EUR 0.69 cash dividend per BUWOG share that was approved by the annual general meeting of BUWOG on 14 October 2015. The following calculation uses the 2018 convertible bond to explain this adjustment mechanism.

Sample calculation for the adjustment of the conversion price for the 2018 convertible bond to reflect the BUWOG dividend (dividend payment in October 2015)	BUWOG (in EUR)
Input factor "CP" old conversion price	3.40
Input factor "M" average market price	19.22
Input factor "V" dividend	0.69
Old number of shares currently underlying each 2018 convertible bond certificate	0.0606
New conversion price = $CP \times (M - V) / M$ = BUWOG: $3.40 \times (19.22 - 0.69) / 19.22$	3.28
New number of shares currently underlying each 2018 convertible bond certificate = Old number of underlying shares / (new conversion price / old conversion price) = BUWOG: $0.0606 / (3.28 / 3.40)$	0.0629

One certificate from the 2018 convertible bond (nominal value: EUR 4.12) currently entitles the bondholder to conversion into 1.1573 IMMOFINANZ shares and 0.0629 BUWOG shares. The registration period for the premature redemption of the convertible bond 2018 ended in the third quarter of 2015/16. The exercise of this put option led to the premature redemption of bonds with a total nominal value of EUR 1.3 million on 8 March 2016.

One certificate from the 2017 convertible bond (nominal value: EUR 100,000.0) currently entitles the bondholder to conversion into 12,547.05 IMMOFINANZ shares and 691.44 BUWOG shares.

Earnings, Balance Sheet and Cash Flow Analysis

IMMOFINANZ recorded net profit of EUR -390.4 million for the 2015/16 financial year (2014/15: EUR -376.6 million). The year-on-year decline resulted primarily from EUR -469.8 million of negative effects from the foreign exchange-adjusted valuation of the Russian portfolio and from a decrease in rental income to EUR 314.5 million (2014/15: EUR 385.6 million) which was caused by temporary rent reductions in Moscow and the planned sale of properties. Earnings were also influenced by two negative non-recurring effects: cost overruns on the *Gerling Quartier* had a negative impact of EUR -48.0 million on the results of property development and the settlement of legal proceedings with investors resulted in costs of EUR -29.4 million. The results of operations amounted to EUR 118.2 million (2014/15: EUR 289.1 million).

The foreign exchange-adjusted revaluations of investment property in all markets totalled EUR -545.0 million (2014/15: EUR -317.3 million) and resulted chiefly from write-downs to the Moscow retail properties. They were contrasted by positive revaluation effects of EUR 57.4 million in Austria and Hungary. The foreign exchange-based revaluations totalled EUR 411.3 million, compared with EUR 224.4 million in 2014/15. They originated almost entirely in Russia, since the Euro is the functional currency in all other core countries, and resulted from the translation of the Ruble property values in the local Russian companies following the strong appreciation of the Euro and the US Dollar versus the Ruble during the reporting year.

Financial results totalled EUR -319.1 million (2014/15: EUR -554.7 million), whereby financing costs declined to EUR -172.1 million (2014/15: EUR -189.4 million). Financial results also included foreign exchange effects of EUR -222.3 million (2014/15: EUR -268.6 million), which represent a counterpart to the foreign exchange-based increase in the value of the Russian properties.

Earnings per share (diluted) equalled EUR -0.40 (2014/15: EUR -0.37). The EPRA NAV (net asset value) per share amounted to EUR 3.39 (30 April 2015: EUR 3.99).

Cash and cash equivalents totalled EUR 378.8 million as of 30 April 2016 (2014/15: EUR 392.9 million) – including the cash and cash equivalents from discontinued operations and disposal groups – and represented EUR 0.39 per share (excluding treasury shares).

IMMOFINANZ's logistics portfolio represents a discontinued operation. Therefore, the results from this portfolio are reported as discontinued operations on the income statement for the 2015/16 financial year and the comparative period (also see page 103).

A detailed analysis is presented on the following pages.

INCOME STATEMENT

A condensed version of IMMOFINANZ's income statement for the 2015/16 and 2014/15 financial years is presented in the following table:

CONSOLIDATED INCOME STATEMENT

All amounts in TEUR	2015/16	2014/15 ¹
Rental income	314,500	385,603
Results of asset management	188,521	281,400
Results of property sales	777	44,422
Results of property development	-15,020	11,438
Other operating income	30,322	21,567
Other operating expenses	-86,402	-69,689
Results of operations	118,198	289,138
Other revaluation results	-169,758	-109,802
Operating profit (EBIT)	-51,560	179,336
Financial results	-319,095	-554,699
Earnings before tax (EBT)	-370,655	-375,363
Net profit for the period from continuing operations	-380,667	-396,397
Net profit from discontinued operations ²	-9,687	19,833
Net profit for the period	-390,354	-376,564

¹ The comparable prior year data were adjusted accordingly (see note 1.7 to the consolidated financial statements).

² Due to the sale of the logistics portfolio, the earnings contribution from these properties is now reported under net profit 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 fell by 18.4% to EUR 314.5 million in 2015/16 (2014/15: EUR 385.6 million). This decline resulted, above all, from the deterioration of the economic environment in Russia, where IMMOFINANZ has granted temporary rent reductions to the tenants in its Moscow shopping centers, and from planned property sales. The rental income generated in Russia totalled EUR 82.2 million for the reporting year, compared with EUR 136.2 million in 2014/15. Forecasts for the future development of the Russian economy are still connected with substantial uncertainty, and the rent reductions and fixed exchange rates granted in this market are monitored and renegotiated on a regular basis. The original leases, which are denominated primarily in US Dollars, remain in effect and generally have a term extending to at least 2019.

Revenues reflected the development of rental income with a decline of 15.3% to EUR 420.9 million. The results of asset management were 33.0% lower year-on-year at EUR 188.5 million. This decrease exceeded the decline in revenues and rental income due to an increase in property expenses, which equalled EUR -139.1 million and were 21.0% higher than the previous year. Property expenses rose primarily due to higher maintenance costs (EUR -26.7 million versus EUR -17.9 million in 2014/15) for the ongoing modernisation of office properties and to higher operating costs charged to building owners (EUR -31.5 million versus EUR -22.0 million) which were caused, among others, by an increase in property-based taxes in Russia. The write-off of receivables in Russia equalled EUR -12.1 million, compared with EUR -10.7 million in 2014/15. The outstanding balance of the rents receivable in Russia, after impairment losses, amounted to EUR 11.1 million as of 30 April 2016 (30 April 2015: EUR 15.0 million).

RESULTS OF PROPERTY SALES

The results of property sales totalled EUR 0.8 million for the reporting year (2014/15: EUR 44.4 million). The optimisation and adjustment of the portfolio was reflected in the sale of several residential properties and office buildings in Vienna as well as a number of smaller retail properties in the Austrian provinces and the Dutch self-storage chain City Box with its 23 locations.

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 2015/16 or currently in progress. In 2015/16 the results of property development amounted to EUR -15.0 million (2014/15: EUR 11.4 million). These negative results were a consequence, in particular, of construction cost overruns on the *Gerling Quartier* development project. The cost overruns were communicated in the third quarter of 2015/16 and are attributable, among others, to additional requirements for historic preservation and the construction of an underground garage. They had a negative non-recurring effect of EUR -48.0 million on the results of property development for the reporting year and include the following main components: impairment losses of EUR 22.2 million to real estate inventories, write-downs of EUR 15.3 million to office properties under construction and higher production costs for the sold residential properties.

RESULTS OF OPERATIONS

The results of operations equalled EUR 118.2 million and were 59.1% lower than the previous year (EUR 289.1 million). Other operating expenses (overhead costs) rose to EUR -86.4 million (2014/15: EUR -69.7 million), above all due to non-recurring costs of EUR 29.4 million for the settlement of legal proceedings with investors. These settlements created legal security and ended pending proceedings with a value in dispute of EUR 240 million.

EBIT, FINANCIAL RESULTS AND EBT

EBIT totalled EUR -51.6 million for the reporting year (2014/15: EUR 179.3 million). The year-on-year decline was influenced primarily by other valuation results, which equalled EUR -169.8 million (2014/15: EUR -109.8 million). Revaluations of investment property adjusted for foreign exchange effects amounted to EUR -545.0 million (2014/15: EUR -317.3 million) and are attributable, above all, to write-downs to the Moscow retail properties. These write-downs are contrasted by positive revaluation effects from Austria and Hungary, which reflect the positive, respectively improving market environment. The foreign exchange-based revaluations of investment property totalled EUR 411.3 million, compared with EUR 224.4 million in 2014/15. They originated almost entirely in Russia, since the Euro is the functional currency in all other core countries, and resulted from the translation of the Ruble property values in the local Russian companies following the strong appreciation of the Euro versus the Ruble during the reporting period. Other valuation results also include impairment losses of EUR -36.0 million (2014/15: EUR -16.9 million) to goodwill.

Financial results totalled EUR -319.1 million (2014/15: EUR -554.7 million). Financing costs declined to EUR -172.1 million (2014/15: EUR -189.4 million). Financial results also include foreign exchange effects of EUR -222.3 million (2014/15: EUR -268.6 million), which represent, more or less, a counterpart to the currency-related value increase of EUR 409.9 million in the Russian portfolio. This development reflects the higher value of the foreign currency liabilities in the Russian subsidiaries caused by the devaluation of the Ruble. Other financial results of EUR -17.7 million (2014/15: EUR -84.3 million) are attributable primarily to a non-recurring effect from the incentivised redemption of the exchangeable bond (EUR -33.9 million) and to impairment losses to real estate funds (EUR -39.0 million). A contrary effect was provided by the fair value measurement of the standalone derivatives from the convertible bonds (EUR 51.6 million). These derivative components resulted from the spin-off of BUWOG and, since that time, the bondholders are entitled to receive both IMMOFINANZ shares and BUWOG shares in the event of conversion. The derivative components must be measured at fair value through profit or loss as of each balance sheet date. The positive effect resulted chiefly from the decline in the price of the IMMOFINANZ share below the level on 30 April 2015.

The increase in the share of profit/loss from equity-accounted investments to EUR 79.8 million (2014/15: EUR -37.6 million) was related, in particular, to the proportional share of earnings from the BUWOG investment (EUR 89.5 million, proportional share of BUWOG earnings from the fourth quarter of 2014/15 and the first three quarters of 2015/16). Earnings before tax (EBT) equalled EUR -370.7 million (2014/15: EUR -375.4 million).

NET PROFIT

Income tax expense equalled EUR -10.0 million for the reporting year (2014/15: EUR -21.0 million). Net profit amounted to EUR -390.4 million (2014/15: EUR -376.6 million), and diluted earnings per share for the 2015/16 financial year equalled EUR -0.40 (2014/15: EUR -0.37).

BALANCE SHEET

The condensed balance sheet as of 30 April 2016 and 30 April 2015 is shown below:

CONSOLIDATED BALANCE SHEET

All amounts in TEUR	30.4.2016	in %	30.4.2015 ¹	in %
Investment property	4,961,845		5,830,951	
Property under construction	410,043	80.1%	469,134	75.9%
Real estate inventories	112,126		148,031	
Assets held for sale	323,158		266,490	
Other tangible assets	2,908	0.0%	3,880	0.0%
Intangible assets	104,474	1.4%	177,177	2.0%
Equity-accounted investments	494,103	6.8%	799,882	9.0%
Trade and other receivables	432,367	6.0%	625,558	7.1%
Income tax receivables	13,719	0.2%	39,924	0.5%
Other financial assets	14,110	0.2%	87,321	1.0%
Deferred tax assets	6,306	0.1%	8,602	0.1%
Cash and cash equivalents	371,622	5.1%	390,703	4.4%
Assets	7,246,781	100.0%	8,847,653	100.0%
Equity	2,885,991	39.8%	3,504,080	39.6%
Liabilities from convertible bonds	520,234	7.2%	529,173	6.0%
Financial liabilities	2,775,923	38.3%	3,603,873	40.7%
Trade and other payables	326,882	4.5%	422,181	4.8%
Income tax liabilities	28,229	0.4%	43,526	0.5%
Provisions	58,961	0.8%	104,745	1.2%
Deferred tax liabilities	466,171	6.4%	572,861	6.5%
Financial liabilities held for sale	184,390	2.5%	67,214	0.8%
Equity and Liabilities	7,246,781	100.0%	8,847,653	100.0%

¹ The comparable prior year data were adjusted (see note 1.7 to the consolidated financial statements).

Assets totalled EUR 7.2 billion as of 30 April 2016 and comprise non-current assets of EUR 6.2 billion plus current assets of EUR 1.0 billion.

The value of the property portfolio amounted to EUR 5.8 billion and represented 80.1% of total assets as of 30 April 2016. 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.

Equity-accounted investments fell from EUR 799.9 million to EUR 494.1 million due to the dividend payment by BUWOG and the sale of approx. 20.3 million BUWOG shares. Trade and other receivables declined from EUR 625.6 million as of 30 April 2015 to EUR 432.4 million at the end of the reporting year. This development resulted, among others, from a reduction in blocked funds following the conclusion of settlements with investors and the repayment and write-down of receivables due from joint ventures. The decline was also related to the reclassification of assets as held for sale.

Equity totalled EUR 2.9 billion as of 30 April 2016 (30 April 2015: EUR 3.5 billion), whereby the year-on-year decline resulted from the net loss recorded for the year. The equity ratio equalled 39.8% as of 30 April 2016 (30 April 2015: 39.6%) and remained stable in spite of the negative Group results due to the reduction of liabilities.

Liabilities totalled EUR 4.4 billion as of 30 April 2016. The non-current component equalled EUR 3.4 billion and the current component nearly EUR 1.0 billion.

CASH FLOW STATEMENT

The following table shows the condensed cash flow statement for the 2015/16 and 2014/15 financial years:

CONSOLIDATED CASH FLOW STATEMENT

All amounts in TEUR	2015/16	2014/15 ¹
Gross cash flow after tax	77,454	234,478
Cash flow from operating activities	64,927	146,940
Thereof from discontinued activities	20,871	35,974
Cash flow from investing activities	742,945	129,037
Thereof from discontinued activities	-21,649	65,271
Cash flow from financing activities	-824,037	-123,546
Thereof from discontinued activities	-18,376	-77,784

¹ The comparable prior year data were adjusted (see note 1.7 to the consolidated financial statements).

Cash flow from operating activities fell by 55.8% from EUR 146.9 million to EUR 64.9 million. This development resulted, above all, from the non-recurring payments for settlements with investors and from the temporary rental reductions in the Moscow shopping centers and a decrease in rental income following the sale of properties.

The adjustment of cash flow from operating activities to reflect the non-recurring payments for the settlements with investors (EUR 75.8 million) and a settlement payment to BUWOG following its exit from the IMMOFINANZ AG tax group (EUR 17.5 million) results in cash inflows of EUR 158.2 million.

Cash and cash equivalents amounted to EUR 378.8 million as of 30 April 2016 (30 April 2015: EUR 392.9 million) – including the cash and cash equivalents from discontinued operations and disposal groups.

EPRA INDICATORS AND BOOK VALUE PER SHARE

NET ASSET VALUE (NAV) UND 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 results of the NAV and NNNAV calculations are shown below:

EPRA NET ASSET VALUE (NAV)

	30 April 2016		30 April 2015 ¹	
	in TEUR	in EUR per share	in TEUR	in EUR per share
Equity excl. non-controlling interests	2,891,536		3,506,333	
Diluting effects of convertible bonds and exercise of options	0		0	
Diluted equity excl. non-controlling interests after an adjustment for convertible bonds and the exercise of options	2,891,536		3,506,333	
Undisclosed reserves in real estate inventories	1,058		33,934	
Fair value of derivative financial instruments	47,154		116,313	
Deferred taxes on investment property	445,775		519,915	
Deferred taxes on real estate inventories and derivative financial instruments	-11,320		-37,595	
Goodwill excl. deferred taxes	-104,084		-176,507	
Number of shares excl. treasury shares (in 1,000)		965,956		992,632
EPRA NAV	3,270,119	3.39	3,962,394	3.99
Fair value of derivative financial instruments	-47,154		-116,313	
Effect of fair value measurement of financial liabilities	-14,087		-16,127	
Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities	14,642		31,409	
Deferred taxes on investment property	-19,171		-141,496	
EPRA NNNAV	3,204,349	3.32	3,719,866	3.75

¹ The comparable prior year data were adjusted (see note 1.7 to the consolidated financial statements).

The net asset value per share equalled EUR 3.39 as of 30 April 2016 (30 April 2015: EUR 3.99), and the triple net asset value per share declined from EUR 3.75 to EUR 3.32 as of 30 April 2016.

BOOK VALUE PER SHARE

The book value per share is calculated by dividing equity before non-controlling interests by the number of shares (excluding treasury shares).

The results of the calculation are as follows:

Book value per share	30 April 2016	30 April 2015¹
Equity before non-controlling interests in TEUR	2,891,536	3,506,333
Number of shares excl. treasury shares (in 1,000)	965,956	992,632
Book value per share	2.99	3.53

¹ The comparable prior year data were adjusted (see note 1.7 to the consolidated financial statements).

The book value per share equalled EUR 2.99 as of 30 April 2016. This represents a decline of 15.3% below the comparable prior year value of EUR 3.53 and resulted, above all, from the negative results recorded for the year and the subsequent reduction of equity.

Corporate Social Responsibility

ECOLOGICAL RESPONSIBILITY IN DEVELOPMENT PROJECTS AND STANDING INVESTMENTS

IMMOFINANZ places high priority on the responsible use of resources, the use of climate-friendly technologies, a well-defined strategy for the reduction of energy consumption, the renovation of suitable building substance and the construction of energy-efficient buildings. That reduces operating costs, supports environmental protection and increases tenant satisfaction. Development projects are certified under sustainability criteria to make this ecological responsibility visible. In addition to Green Building, a certification system for commercial properties initiated by the European Commission, plans call primarily for the certification of office buildings under LEED (Leadership in Energy and Environment Design) and shopping centers under BREEAM (Building Research Establishment Environmental Assessment Method). Properties are also certified according to DGNB criteria (standards issued by the German Sustainable Building Council) depending on local requirements.

Continuous investments in the sustainable quality of the standing investments are also a focal point of activities by IMMOFINANZ. For example, the *Polus Tower I & II* office towers in Bratislava underwent comprehensive modernisation in 2015/16. In addition to public areas like the reception, elevators and lobby, the offices were upgraded to provide tenants' employees with modern design and functionality. Five office standing investments in Budapest also received a "BREEAM In-Use" sustainability certificate. This certification system stands for sustainable construction and incorporates the health and well-being of the building's residents and users, e.g. through the monitoring of air quality and hygienic processes. The certified areas represent approx. 225,000 sqm, or 11%, of the total space in the standing investment portfolio.

EMPLOYEES AS A LONG-TERM SUCCESS FACTOR

IMMOFINANZ had a total of 705* employees in nine countries as of 30 April 2016. Their expertise and commitment are important factors for the company's sustainable success. Activities in the area of human resources are designed to create an environment that supports the optimal development of talents and to make these talents available to the company as top performers. The implementation of a new country organisation and an apprenticeship programme represented the focal points of human resource activities in 2015/16.

NEW COUNTRY ORGANISATION

The restructuring of the country organisation and the shift of operating activities from the corporate headquarters to the individual core markets strengthened decentralised decision-making structures and increased the efficiency of business processes. This project covered the adjustment of both the organisational structure and organisational processes. The country management responsible for a particular core market now consists of an operating and a commercial managing director who report directly to the Executive Board in Vienna. The country board structure has been successfully implemented to date in Germany, Poland, Austria, Romania, Russia and Slovakia.

APPRENTICESHIP PROGRAMME

With the recently launched apprenticeship programme, IMMOFINANZ wants to give ambitious young people an opportunity for training within the Group. The apprentices complete a rotation programme in various departments, which is concentrated on the training professions of real estate agent and finance and accounting assistants.

IMMOFINANZ ACADEMY

The IMMOFINANZ Academy is the Group's continuing education and training institution. Individual training plans in the form of specific courses or group modules play an important role in this process. In 2015/16 over 400 employees participated in this type of training. The emphasis was placed on technical content, e.g. in the area of basis real estate training, and also included language courses and social and management skills.

* Including 54 employees on temporary leave

Age structure of employees as of 30 April 2016

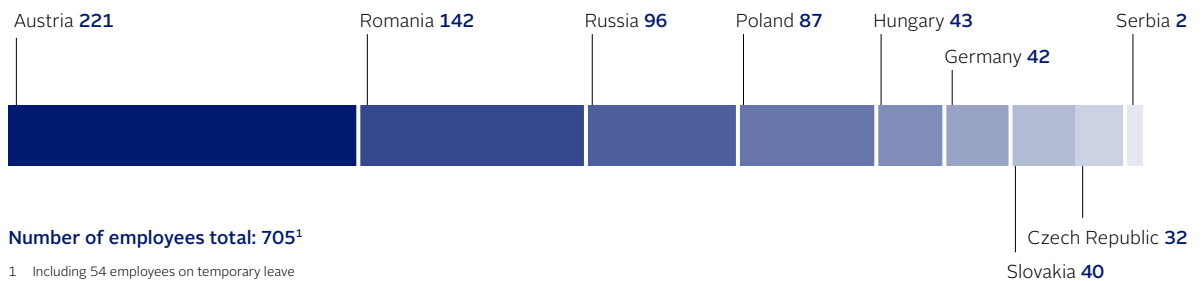
The average age of the IMMOFINANZ workforce is 36 years. Continuing education measures are focused on directed training for employees and support for internal career opportunities.

NUMBER OF EMPLOYEES

Under 30	158
Between 30 and 40	375
Between 40 and 50	127
Over 50	45
Total	705¹

Geographic distribution of IMMOFINANZ employees as of 30 April 2016

Nearly 30% of the employees work in the corporate headquarters in Vienna and roughly 70% in the other seven core markets. Following the market entry in Serbia, IMMOFINANZ has also had employees in this country since February 2016.





BB Centrum Gamma
Prague | CZ |
approx. 31,000 sqm
rentable space

Risk Management

As an international property investor and project developer, IMMOFINANZ is exposed to a variety of general and branch-specific risks in its business operations. The risk management process implemented by the Group provides a sound basis for the timely identification of potential risks and the assessment of the potential consequences.

Based on the hedging and management instruments currently in use, no material risks can be identified at the present time that could endanger the company's standing as a going concern. An overall evaluation of the risk situation for 2015/16 and the beginning of the abbreviated 2016 financial year shows no material changes.

IMMOFINANZ has anchored the procedures for handling risk in a risk management system, which is integrated in business practices and reporting paths and has a direct influence on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout the entire company and are optimised continuously to support the monitoring, evaluation and control of risks related to the operating business. Risk management takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions.

INTERNAL CONTROL SYSTEM

IMMOFINANZ's internal control system (ICS) comprises a wide range of measures and processes to protect assets and to ensure the accuracy and reliability of accounting. The goal of the ICS is to prevent or identify errors and therefore allow for early correction. The ICS also supports compliance with the major legal directives and the business policies defined by the Executive Board.

The ICS is integrated in individual process flows. The key features of the ICS in accounting processes are the appropriate segregation of duties, the application of the four-eyes principle in all order and invoice release procedures, compliance with internal guidelines (e.g. IMMOFINANZ's IFRS accounting manual), the review of accounting data by Group controlling for correctness, plausibility and completeness, the integration of preventive and detective controls in processes as well as automatic key controls through specific software settings.

Monitoring by internal audit

Internal audit is responsible for the independent review of the effectiveness of the ICS and, in this way, contributes to its quality control. This department also evaluates the effectiveness of risk management and supports its continuous improvement. Based on an annual audit plan approved by the Supervisory Board, the internal audit department independently and regularly reviews operating processes and business transactions. The priorities for this schedule are defined in accordance with risk criteria and organisational goals.

The results of the audits are reported to the IMMOFINANZ Executive Board on a regular basis and to the Supervisory Board twice a year. As part of an annual report, the internal audit department gives an account of its performance and presents a summary of the major audit areas and results.

The following section presents the risk areas that are considered significant for IMMOFINANZ and also explains the measures implemented to manage the related individual risks. Financial risk factors are described in section 7.2 of the notes starting on page 167.

MARKET AND PROPERTY-SPECIFIC RISKS

The development of the real estate markets is dependent on cyclical and macroeconomic factors. The related risks involve events on the global financial and capital markets as well as political, micro- and macroeconomic issues in the countries where IMMOFINANZ is active. These factors can have a significant effect on the market value of properties, earnings and development plans as well as investment and sales activities.

Concentration risk and the risk associated with the property portfolio are addressed through the diversification of property investments by sector and region. IMMOFINANZ focuses on two commercial asset classes – office and retail – in eight core markets. The capital cities of Central and Eastern Europe and the major office markets in Germany represent the main focal points for these business activities. In the retail sector, IMMOFINANZ is present in Moscow and primarily in secondary and tertiary cities.

Russia is associated with specific concentration risks: 20.4% of IMMOFINANZ's investment property is attributable to retail properties in Moscow. With the *Golden Babylon Rostokino* shopping center in Moscow, IMMOFINANZ has a single investment which represents more than 14% of investment property.

In addition to the diversification of the portfolio by sector and region, the diversification of the tenant structure is another important factor. IMMOFINANZ has a very balanced and diversified tenant mix.

Rentals

There is a strong relation between risk associated with rentals and the general economic condition in the individual countries. Growing economic weakness can lead to lower demand by tenants for space and/or to the non-extension of rental contracts and an increase in vacancies.

Intense competition – for example, in the form of numerous project completions – can increase the market pressure and make it necessary to accept lower-than-expected rental prices. In addition, the reduction of rents or higher financial incentives to achieve contract extensions can lead to a decline in earnings. IMMOFINANZ therefore continuously monitors occupancy rates and, through proactive rental management, works to achieve an increase in the occupancy rate for the entire portfolio. The most important risk-reducing measures for rentals include rules governing the responsibilities for contract conclusions and the approval of rental agreements, the definition of the contract currency and regular variance analyses.

In order to minimise inflation risk, IMMOFINANZ includes index clauses in its standard rental contracts.

The market value of a property is negatively affected when expiring rental contracts cannot be extended at favourable conditions. IMMOFINANZ could also come under pressure to grant rental price reductions to maximise occupancy rates, especially in times of economic and political uncertainty (Russia). Group guidelines require credit evaluations for tenants and the payment of security deposits. However, it cannot be excluded that a tenant becomes insolvent or is unable to meet his or her obligations under the rental agreement.

IMMOFINANZ continued to grant temporary reductions or fixed exchange rates to the tenants in its Moscow shopping centers during 2015/16 in view of the difficult economic situation. These measures were reflected in a 39.7% decline in rental income to EUR 82.2 million. The occupancy rate in these properties equalled 81.9% at the end of April 2016.

Project development

Development projects involve risks that can lead to schedule and construction cost overruns as well as risks related to rentals. Scheduling risks can include delays in the procedures required to obtain zoning and construction permits or loans, problems with general contractors or subcontractors, construction defects and a lack of demand for rental space due to prevailing market conditions or unexpected events. Delays during the construction or initial rental phase can also have a negative effect on rental income.

IMMOFINANZ minimises these risks with strict project organisation, regular cost, quality and schedule controls, variance analysis and – if possible – minimum pre-letting rates. Internal procurement guidelines support the reduction of cost-related risks. The development projects currently under realisation by IMMOFINANZ (property under construction) have a combined carrying amount of EUR 410.0 million (2014/15: EUR 612,0 million). The outstanding construction costs for real estate inventories (construction of condominium apartments) totalled EUR 74.0 million as of 30 April 2016 (carrying amount as of 30 April 2016: EUR 112.1 million).

Property acquisitions and sales

In the course of its portfolio optimisation, IMMOFINANZ buys and sells standing investments and development projects. These transactions are heavily dependent on the liquidity of the property investment markets. The development of these markets remained positive in 2015/16, with the exception of Russia, and was reflected in the increasing attractiveness of real estate as an investment alternative for investors.

IMMOFINANZ carries out market analyses before every transaction. Acquisitions are also accompanied by legal, economic and technical due diligence reviews, which include external experts where required. Market changes are included in the analysis of the property portfolio and have a substantial influence on the planning for investments, sales and projects and, in turn, also on corporate planning for the medium-term.

The focal point of the portfolio can change as a result of acquisitions or sales, as is illustrated by the sale of the logistics portfolio in 2015/16. IMMOFINANZ's portfolio optimisation now follows a strategic focus on the office and retail asset classes. In addition, acquisitions and sales are used to improve the portfolio's profitability.

Property valuation

The IMMOFINANZ properties are appraised twice a year by external experts. Property valuation follows general branch practices and is based on the fair value model. The resulting values are heavily dependent on the general economic environment, the applied calculation method and the underlying assumptions. In addition to the expected rental income, the condition of the property and the historical occupancy rate, the appraisers must also take other factors into account, such as market prices, future investment costs, property taxes and operating expenses.

A change in these assumptions can lead to significant fluctuations in value. Substantial impairment losses can have a negative influence on Group earnings and subsequently on equity, which can also influence the company's share price and credit standing. Consequently, many of the factors that can result in negative developments lie outside IMMOFINANZ's scope of influence.

The foreign exchange-adjusted revaluation of investments properties amounted to EUR -545.0 million as of 30 April 2016 (2014/15: EUR -317.3 million). Of this total, EUR -469.8 million is attributable to the Russian portfolio and was based primarily on the temporary rental reductions, an increase in the fixed exchange rates for tenants and more cautious estimates by the appraisers for the development of realisable market rents in the near future. Details on other valuation results and a sensitivity analysis of revaluation results are presented in the notes under section 5.7 beginning on page 154 and section 4.1.3 beginning on page 116.

OTHER RISKS

Legal risks

IMMOFINANZ is exposed to a variety of legal risks in connection with its business activities. These risks are related to the purchase or sale of properties and land as well as legal disputes with investors and tenants or joint venture and development partners. Appropriate provisions were recognised for the legal proceedings currently in progress. However, settlements or decisions by the courts or public authorities could result in costs that are not covered in full or in part by insurance or existing provisions. These expenses could have an impact on the earnings recorded by IMMOFINANZ.

In 2015/16 IMMOFINANZ concluded out-of-court settlements for most of the legal proceedings initiated by investors prior to 2009 and created legal security for the Group. The management report includes a description of the most important legal proceedings, which can be found in the chapter on legal disputes beginning on page 76.

Compliance

IMMOFINANZ has issued a compliance guideline to ensure the fulfilment of capital market obligations. This guideline covers, among others, the compliance organisation as well as the powers and responsibilities of the independent compliance officer. Confidentiality areas – both continuous and temporary – are installed as required, and blocking periods and trading bans are defined for the persons working in these areas.

Environment

Extreme weather conditions and natural disasters, such as storms and hail, flooding and earthquakes, can cause severe damage to properties. Damages can also result from man-made disasters or events such as the contamination of sites or from pollutants or war materials.

In order to provide protection against the major damages arising from these risks, IMMOFINANZ contracts for insurance at the corporate or property level. The insurance policies for standing investments or construction projects provide full or partial coverage for destruction or damage to buildings or parts of buildings, for damages to third parties (liability) and, in some cases, also for the possible loss of rents.

The scope of this insurance coverage is evaluated regularly based on risk, cost and availability. However, there is still a possibility that this insurance does not cover certain risks in full or in part. In 2015/16 IMMOFINANZ was not confronted with any material damage events arising from environmental risks or from inadequate or non-existent insurance coverage.

Taxes

Due to its widespread geographical diversification, IMMOFINANZ is subject to numerous national tax systems that undergo continuous changes, for example with respect to taxes on property, revenue or income. These changes can lead to unscheduled tax effects and therefore represent a risk for earnings. Appropriate provisions have been recognised for the identified risks arising from tax audits, fiscal court proceedings or extrajudicial proceedings.

Human resources

IMMOFINANZ needs qualified, motivated and performance-oriented employees at all levels to provide the services required for its business operations. In order to hire and retain key managers over the long-term, the company supports the development of human resources and has implemented appropriate remuneration schemes.

Information security

Data processing systems and modern communications media are used to support the company's business operations. The temporary or partial breakdown of these technical systems or unauthorised data access or manipulation could disrupt business activities, cause additional costs and damage the IMMOFINANZ's reputation.

The risk of a breakdown in the central data processing system is limited by redundant, synchronised connections to a back-up facility at a separate location and by preventive and testing measures that are carried out at regular intervals to evaluate plausibility and timeliness. IMMOFINANZ addresses IT security risks with a Group-wide information security strategy, the continuous updating of security standards and regular training for its employees.

Investments

Following the spin-off of the majority investment and the successful listing of the former BUWOG residential property subsidiary at the end of the 2013/14 financial year, IMMOFINANZ held an investment of approx. 28.6% in BUWOG as of 30 April 2016. The sale of the remaining freely available BUWOG shares to a strategic investor after the end of the reporting year reduced the BUWOG investment to 9.98%. These roughly 10 million BUWOG shares are reserved for the proportional servicing of the convertible bonds issued by IMMOFINANZ. As a real estate investor and developer, BUWOG is exposed to the full range of risks arising from the acquisition, development, management and sale of properties.

BUWOG recorded solid operating development in the first nine months of the 2015/16 financial year and – as in previous years – met its major earnings and asset targets. The EPRA NAV per share rose to EUR 19.21 as of 31 January 2016 (30 April 2015: EUR 17.79).

The BUWOG share is listed in the prime segment of the Vienna Stock Exchange and is exposed to market price risks.

Legal Disputes

This section presents information, above all, on the status of legal proceedings based on events which occurred before 2009. These proceedings involve lawsuits filed by (former) shareholders, lawsuits related to the previous management contract with Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta) and lawsuits concerning former members of the Executive Board. The reported values in dispute include, in part, identical items and can therefore not be added.

An assessment of the expected outcome of these proceedings indicates that appropriate provisions for legal disputes and the associated costs were recognised in the IMMOFINANZ consolidated financial statements. Information on the existing liabilities for IMMOFINANZ is provided in section 7.3.1 of the notes.

LEGAL PROCEEDINGS WITH INVESTORS

IMMOFINANZ created legal certainty by settling nearly all of the proceedings with investors out of court during the reporting year. The value in dispute of the proceedings still pending as of 30 April 2016 was less than EUR 7 million and has declined further since that time.

Legal proceedings by shareholders against IMMOFINANZ and IMBEA

Shareholders of IMMOFINANZ and the former IMMOEAST (now IMBEA IMMOEAST Beteiligungsverwaltung GmbH, in short: IMBEA) filed claims against these two companies in earlier years and asserted claims for damages. The allegations concerned deficient prospectuses and the violation of ad-hoc reporting requirements. IMMOFINANZ and IMBEA denied these claims in all cases.

These legal proceedings have now been terminated, with only a few exceptions. IMMOFINANZ, IMBEA and Aviso Zeta reached a settlement of over EUR 60 million with the litigation funder Advofin and more than 3,000 represented investors. The claims originally filed in the cases represented by Advofin amounted to approx. EUR 217 million. Further settlements totalling nearly EUR 11 million were also reached with a group of roughly 1,230 investors, most of whom were covered by legal protection insurance.

*Proceedings by
shareholders
largely concluded*

Fourteen legal proceedings with a total value in dispute of approx. EUR 4 million were pending at the end of April 2016. Additional settlements were reached after the end of the reporting year and, at the end of June 2016, only six proceedings with a total value in dispute of approx. EUR 100,000 were still pending.

Legal proceedings by shareholders against investment consultants and Aviso Zeta

Between August 2008 and the end of 2011, shareholders of IMMOFINANZ and IMBEA filed lawsuits against Aviso Zeta (formerly Constantia Privatbank AG, now a wholly owned subsidiary of IMMOFINANZ) and AWD Gesellschaft für Wirtschaftsberatung GmbH (now Swiss Life Select Österreich GmbH). The investors had purchased IMMOFINANZ and IMMOEAST shares from these two companies and alleged, among others, incorrect investment advising, misleading advertising and the false depiction of IMMOFINANZ and the former IMMOEAST in public.

Most of these court proceedings have also been terminated. Eight proceedings against Aviso Zeta with a value in dispute of approx. EUR 1.6 million were still pending at the end of April 2016. Neither Swiss Life Select Österreich GmbH nor Aviso Zeta has filed regress claims against IMMOFINANZ or IMBEA to date.

Further legal proceedings against Aviso Zeta

Lawsuits were also filed against Aviso Zeta in a further 942 cases with a value in dispute of EUR 18.3 million, which involved securities brokerage (in particular, Lehman Brothers products with the designation "Dragon FX Garant" and "Real Estate Revival Garant"). The proceedings were concluded in 817 cases, whereby the lawsuits were allowed in only three cases. The 124 cases still pending have a total value in dispute of EUR 2.1 million; most of these proceedings are currently suspended because appeals filed with the Austrian Supreme Court are currently pending in a limited number of cases following a decision on this general subject area by the Court of Justice of the European Union.

PROCEEDINGS AGAINST FORMER MEMBERS OF CORPORATE BODIES

IMMOFINANZ and Aviso Zeta have filed lawsuits against a number of former members of the Executive Board and Supervisory Board who held office in the years prior to 2009.

In March 2011 IMMOFINANZ filed a lawsuit against three former members of the Executive Board and Supervisory Board of the former Constantia Privatbank that involved option transactions to the detriment of the former IMMOEAST. The proceedings were suspended after the first hearing in September 2011 until a final binding decision is issued in the criminal proceedings against these former Executive and Supervisory Board members. Two of the three defendants in the civil proceedings have since been convicted in these criminal proceedings. The IMMOFINANZ Group was awarded EUR 11 million by the court. The first partial payments have already been received, and the civil proceedings have been resumed.

IMMOFINANZ filed a further lawsuit in September 2011 to enforce claims against a former member of the Executive Board and other persons in connection with payments made to third parties without justifiable grounds on the instructions of this former board member. These proceedings are currently pending in the first instance.

In 2013 IMMOFINANZ and IMBEA filed a lawsuit against a former member of the Executive Board for payment of EUR 10 million as compensation for damages. These proceedings are also currently pending in the first instance.

A lawsuit filed by a former Executive Board member in August 2011 to claim payment of remuneration for his duties on this corporate body for a period of roughly three months was terminated by settlement.

Aviso Zeta has also been sued by two former Executive Board members for termination benefits.

At the end of 2012 Aviso Zeta filed lawsuits against three former members of the Executive Board of Constantia Privatbank to claim compensation for damages and declaration by judgment. The purpose of these lawsuits is to allow for the possible future filing of a recourse claim based on false advising in connection with share purchases. A settlement has since been concluded with one of the three former board members, and Aviso Zeta has since received a payment. Negotiations for an out-of-court settlement are currently in progress with the other two former board members.

PROCEEDINGS TO REVIEW THE EXCHANGE RATIO APPLIED TO THE MERGER OF IMMOEAST AND IMMOFINANZ

The proceedings to review the exchange ratio applied to the merger of IMMOFINANZ AG and IMMOEAST AG in 2010 are still pending. The court-appointed expert completed his opinion during the reporting year and, in this opinion, basically confirmed the appropriateness of the valuation method used to determine the exchange ratio.

*Court review
of the exchange
ratio still in
progress*

IMMOFINANZ, as the accepting company, was merged with IMMOEAST, as the transferring company, in accordance with a merger agreement dated 21 January 2010. In connection with this merger, the former shareholders of IMMOEAST were granted a total of 567,363,702 shares in IMMOFINANZ based on an agreed exchange ratio of three IMMOFINANZ shares for each two IMMOEAST shares. Petitions were subsequently filed with the commercial court of Vienna by the shareholders of the two companies for a review of this exchange ratio (§§ 225c ff of the Austrian Stock Corporation Act), which led to the start of court proceedings and the appointment of a committee. In April 2014 Hans Bodendorfer was designated by the committee to prepare an expert opinion that would determine whether the defined exchange ratio reflected the factual and legal situation and evaluate whether the applied valuation methods were plausible.

In his expert opinion dated 21 August 2015, Mr. Bodendorfer confirmed the appropriateness of the exchange ratio based on the underlying net asset value method (NAV valuation): *"According to the plausibility assessment, the determination of the exchange ratio, in all probability, reflects the factual and legal situation"*. However, the expert sees an inconsistency related to the discount rate based on a plausibility assessment of the exchange ratio according to the capitalised income method (DCF method). He indicated that the elimination of this inconsistency, with all other conditions remaining unchanged, would have resulted in a lower exchange ratio in favour of IMMOFINANZ shareholders. Statements issued by IMMOFINANZ substantiate the priority of the NAV valuation and indicate that the DCF method was also applied correctly and consistently. The committee has not yet issued any information on the further steps in these proceedings.

Decisions or settlements in these proceedings will apply to all shareholders in the respective shareholder groups (erga omnes right). If the proceedings lead to additional payments, the shareholders in the disadvantaged shareholder group will receive these payments plus interest at a rate of 2% over the base interest rate on the registration date (28 April 2010). However, IMMOFINANZ has requested permission to grant additional IMMOFINANZ shares in place of cash settlements.

It is currently not possible to estimate whether a specific shareholder group will be granted additional payments or what the amount of these payments might be.

OTHER LEGAL DISPUTES

In specific East European countries, legal uncertainty could arise in connection with land ownership.



**Szepevolgyi
Business Park**
Budapest | HU |
approx. 10,000 sqm
rentable space

Information on Equity

The share capital of IMMOFINANZ AG totalled EUR 975,955,651.00 as of 30 April 2016 (2014/15: EUR 1,114,171,813.16). It is divided into 975,955,651 zero par value shares with voting rights (2014/15: 1,073,193,688), each of which represents a proportional share of EUR 1.00 (2014/15: EUR 1.04) in share capital. The number of shares declined in 2015/16 due to the withdrawal of 97,238,037 treasury shares in February 2016.

The annual general meeting on 1 December 2015 approved a reduction in share capital to smooth the proportional amount of share capital attributable to each share to EUR 1.00. The amount of share capital now represents the number of shares.

Information on the convertible bonds issued by IMMOFINANZ AG is provided in section 4.12 of the notes.

TREASURY SHARES

HOLDING, PURCHASE AND WITHDRAWAL OF TREASURY SHARES

IMMOFINANZ held 80,561,942 treasury shares at the beginning of the 2015/16 financial year, which represented a proportional amount of EUR 83,638,066.45 in share capital. As of 30 April 2016, the number of treasury shares equalled 10 million. These treasury shares are held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ, and represented 1.02% of share capital as of 30 April 2016.

The development of treasury shares during 2015/16 is explained in the following section:

Share buyback programme 2015

From 1 April 2015 to 17 June 2015, IMMOFINANZ repurchased 30 million shares through IMBEA IMMOEAST Beteiligungsverwaltung GmbH for a total price of EUR 78,791,804.03 within the context of the share buyback programme 2015. A total of 16,676,546 shares were repurchased during the reporting year at a weighted average price of EUR 2.63 per share. The share buyback programme was based on a resolution of the annual general meeting on 30 September 2014 in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act.

Withdrawal of treasury shares in 2015/16

Based on a resolution of the annual general meeting on 1 December 2015 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act), 97,238,037 treasury shares were withdrawn on 8 February 2016. This step reduced the company's share capital by EUR 97,238,037.00 through a simplified capital decrease (§ 192 (3) of the Austrian Stock Corporation Act).

Share buyback programme 1/2016

From 8 February 2016 to 16 March 2016, 10 million shares were repurchased for a weighted average price of EUR 1.82 per share within the context of the share buyback programme 1/2016. The total purchase price amounted to EUR 18,213,911.22. The share buyback programme 1/2016 was based on an authorisation of the annual general meeting on 1 December 2015 in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act. These shares represented EUR 10 million of share capital.

OVERVIEW OF THE DEVELOPMENT OF TREASURY SHARES IN 2015/16:

Date	Number of shares	Circumstances and statutory provision	Proportional share of share capital as of 30 April 2016 in EUR	Proportional share of share capital as of 30 April 2016 in %	Purchase price in EUR
IMMOFINANZ Total April 2015	80,561,942		80,561,942.00	8.25%	n.a.
May 2015 – June 2015	16,676,546	Share buyback programme 2015 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	16,676,546.00	1.71%	41,552,917.95
December 2015	-451	Servicing of CB 2018	-451.00	-0.00%	Exchanged for 390 shares of CB 2018
February 2016	-97,238,037	Withdrawal of treasury shares (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	-97,238,037.00	-9.96%	n.a.
February 2016 – March 2016	10,000,000	Share buyback programme 1/2016 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	10,000,000.00	1.02%	18,213,911.22
IMMOFINANZ Total April 2016	10,000,000		10,000,000.00	1.02%	n.a.

AUTHORISATIONS OF THE ANNUAL GENERAL MEETING FOR THE PURCHASE AND SALE OF TREASURY SHARES

The annual general meeting on 1 December 2015 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital. This authorisation is valid for a period of 30 months beginning on the date the resolution was passed. The shares may be purchased in one or more transactions over the stock exchange or over the counter with repeated utilisation of the 10% limit, whereby the exclusion of the proportional subscription rights of shareholders is possible.

This annual general meeting also authorised the Executive Board, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act, whereby the proportional purchase rights of shareholders can be excluded. This authorisation is valid for a period of five years beginning on the date the resolution was passed.

AUTHORISED CAPITAL

The annual general meeting on 30 September 2014 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 225,790,537.00 through the issue of up to 225,790,537 new shares in exchange for cash or contributions in kind. This authorised capital may also be issued under the exclusion of subscription rights in connection with a capital increase in exchange for cash contributions of up to 10% of the company's share capital on the utilisation date as well as for contributions in kind to service a greenshoe option or for the settlement of peak amounts. The authorisation is valid up to 29 January 2020. The authorised capital issued under the exclusion of subscription rights may not exceed 20% of the company's share capital. This limit also includes any new shares to be delivered in connection with a convertible bond that was issued during the term of the authorised capital under the exclusion of subscription rights.

CHANGE OF CONTROL

Convertible bonds

The issue terms of the convertible bond 2017 and the convertible bond 2018 entitle the bondholders to tender their securities in the event of a change of control and to demand immediate repayment at the nominal value plus accrued interest as of the respective date. Details on these provisions are provided in the terms and conditions for the convertible bond 2017 and the convertible bond 2018.

Corporate bond 2017

If there is a change of control and this change significantly impairs the ability of IMMOFINANZ AG to meet its obligations under the terms of this corporate bond, the bondholders are entitled to put their certificates to the company and to demand immediate repayment of the nominal amount plus accrued interest up to the repayment date.

Executive Board and Supervisory Board

The employment agreements with the members of the Executive Board contain a change of control clause that may lead to the cancellation of a contract. The company and the members of the Executive Board have concluded compensation agreements that will take effect in the event of a public takeover bid. Depending on the remaining term of the Executive Board member, the respective contract entitlement will equal one or two years at most.

There are no such agreements for the members of the Supervisory Board or for employees.

The company has no other significant agreements which enter into force, change or terminate in the event of a change of control that results from a takeover bid.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION, BOARD APPOINTMENTS AND DISMISSALS

In accordance with § 21 of the articles of association of IMMOFINANZ AG, the annual general meeting passes its resolutions based on a simple majority of the votes cast and, for resolutions that require a majority of capital, based on a simple majority of the share capital represented at the time of voting, unless legal regulations require a different majority. The same applies to amendments to the articles of association and to the premature dismissal of members from the Supervisory Board.

In accordance with the articles of association of IMMOFINANZ AG, the person chairing the respective meeting will cast the deciding vote in the event of a tie in voting on the Supervisory Board. This also applies to the election to and dismissal of members from the Executive Board.

The corporate governance report included in this annual report is available on the company's website under www.immofinanz.com/en/investor-relations/financial-reports.

SIGNIFICANT HOLDINGS

Based on information reported to the company, the following investors held over 4% of share capital at year-end 2015/16:

Fries Group (Fries-Kapitalinvest Beteiligungs GmbH and members of the Fries family): 7.15%

PHI Finanzbeteiligungs und Investment GmbH (attributable to CA Immobilien Anlagen AG) together with EG Immobilien Europe Ltd. (attributable to O1 Group): 10.01%

Erste Asset Management GmbH together with ERSTE-SPARINVEST Kapitalanlagegesellschaft.m.b.H. and RINGTURM Kapitalanlagegesellschaft.m.b.H.: 4.003% (as of 29 June 2016)

Research and Development

IMMOFINANZ incurs no expenditures for research and development.

Outlook

Following the sale of the logistics portfolio, IMMOFINANZ has successfully established a position as a commercial real estate company with a focus on the office and retail asset classes. Activities in the 2016 abbreviated financial year will therefore focus on the further optimisation of the portfolio structure within these two sectors and on value-creating growth to strengthen the standing investments.

With its robust balance sheet and available liquidity, IMMOFINANZ can continue to make use of suitable investment opportunities. These opportunities can take the form of development projects as well as the acquisition of standing investments.

The optimisation of property management and expenditures to upgrade the standing investments supported an increase in occupancy during the past year, above all in the office portfolio. This course will be continued in 2016, whereby the objectives include a further increase in the occupancy level and a steady improvement in the offering for tenants. In the retail sector, the VIVO! brand will be rolled out to existing shopping centers. Plans for the office sector include the introduction and establishment of a new brand. A like-for-like analysis shows that rents should remain stable across the entire portfolio, with the exception of Russia.

The deterioration of economic conditions in Russia led to a noticeable decline in rental income from the Moscow shopping centers and in IMMOFINANZ's revaluation results for 2015/16. Estimates for the future development of the Russian economy are still connected with considerable uncertainty. Therefore, the temporary reductions and fixed exchange rates for the tenants in the Moscow properties can be expected to continue at least through year-end 2016.

The acquisition of approx. 26% of CA Immobilien Anlagen AG by IMMOFINANZ represents the first step towards the planned full merger of these companies. After the closing for the purchase of the shares in CA Immo, the two companies will begin negotiations over the merger. The portfolios of these companies complement each other extremely well, and the transaction is therefore expected to result in substantial value-creating synergies. IMMOFINANZ intends to spin off or sell its Russian portfolio, which is characterised by distinct market dynamics and a different risk profile, prior to the merger.

On the capital market, IMMOFINANZ is returning to its standing as a sustainable equity security. The Executive Board will therefore make a recommendation to the 23rd annual general meeting, calling for a dividend of six Euro cents per share for the 2015/16 financial year. A dividend of six Euro cents per share will also be proposed for the current eight-month abbreviated financial year, which will end on 31 December 2016.

This outlook reflects the Executive Board's assessments as of 26 July 2016 and does not include the effects of possible acquisitions, sales or other structural changes during the 2016 abbreviated financial year. Forward-looking statements are subject to identified as well as unidentified risks and uncertainties, which could cause actual results to differ from the statements made here.

Significant events after the end of the 2015/16 financial year are reported in section 7.6 of the notes.

Vienna, 26 July, 2016

The Executive Board



Stefan Schönauer
CFO



Oliver Schumy
CEO



Dietmar Reindl
COO

Szepevolgyi Business Park
Budapest | HU |
approx. 10,000 sqm
rentable space



CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Balance Sheet

All amounts in TEUR	Notes	30 4 2016	30 4 2015 ¹	1 5 2014 ¹
Investment property	4.1.1	4,961,845	5,830,951	6,411,640
Property under construction	4.2	410,043	469,134	222,206
Other tangible assets		2,908	3,880	8,610
Intangible assets	4.3.1	104,474	177,177	219,113
Equity-accounted investments	4.4	494,103	799,882	869,660
Trade and other receivables	4.5	245,499	380,261	416,903
Income tax receivables		0	17,706	16,835
Other financial assets	4.6	14,110	87,321	148,202
Deferred tax assets	4.7	6,306	8,602	14,136
Non-current assets		6,239,288	7,774,914	8,327,305
Trade and other receivables	4.5	186,868	245,297	210,694
Income tax receivables		13,719	22,218	20,888
Assets held for sale	4.8	323,158	266,490	175,067
Real estate inventories	4.9	112,126	148,031	155,777
Cash and cash equivalents	4.10	371,622	390,703	235,864
Current assets		1,007,493	1,072,739	1,060,656
Assets		7,246,781	8,847,653	9,387,961
Share capital	4.11	975,956	1,114,172	1,172,060
Capital reserves		3,353,263	3,473,570	3,588,242
Treasury shares		-18,214	-216,971	-329,505
Accumulated other equity		-639,690	-472,803	-383,002
Retained earnings		-779,779	-391,635	-18,910
Equity attributable to owners of IMMOFINANZ AG		2,891,536	3,506,333	4,028,885
Non-controlling interests		-5,545	-2,253	8,160
Equity	4.11	2,885,991	3,504,080	4,037,045
Liabilities from convertible bonds	4.12	517,013	24,307	494,043
Financial liabilities	4.13	2,366,786	2,378,203	2,387,784
Trade and other payables	4.14	70,910	96,394	146,994
Income tax liabilities		19	80	222
Provisions	4.15	5,922	57,064	48,596
Deferred tax liabilities	4.7	466,171	572,861	629,844
Non-current liabilities		3,426,821	3,128,909	3,707,483
Liabilities from convertible bonds	4.12	3,221	504,866	44,219
Financial liabilities	4.13	409,137	1,225,670	1,231,374
Trade and other payables	4.14	255,972	325,787	262,893
Income tax liabilities		28,210	43,446	35,254
Provisions	4.15	53,039	47,681	49,772
Financial liabilities held for sale	4.8	184,390	67,214	19,921
Current liabilities		933,969	2,214,664	1,643,433
Equity and liabilities		7,246,781	8,847,653	9,387,961

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

Consolidated Income Statement

All amounts in TEUR	Notes	2015/16	2014/15 ¹
Rental income	5.1.1	314,500	385,603
Operating costs charged to tenants	5.1.2	97,409	102,577
Other revenues	5.1.3	9,004	8,955
Revenues		420,913	497,135
Expenses from investment property	5.1.4	-139,086	-114,934
Operating expenses	5.1.2	-93,306	-100,801
Results of asset management	5.1	188,521	281,400
Proceeds from the sale of properties	5.2	252,163	80,081
Carrying amount of sold properties		-252,163	-80,081
Results from deconsolidation	2.4	9,358	10,950
Expenses from property sales	5.2	-6,695	-3,127
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	5.7.1	-3,392	36,599
Results of property sales before foreign exchange effects		-729	44,422
Revaluation of properties sold and held for sale resulting from foreign exchange effects	5.7.1	1,506	0
Results of property sales	5.2	777	44,422
Proceeds from the sale of real estate inventories		60,939	47,344
Cost of real estate inventories sold		-59,289	-39,525
Expenses from real estate inventories	5.3	-29,836	-6,552
Expenses from real estate development		-8,280	-11,038
Revaluation of properties under construction adjusted for foreign exchange effects	5.7.1	21,107	21,102
Results of property development before foreign exchange effects		-15,359	11,331
Revaluation of properties under construction resulting from foreign exchange effects	5.7.1	339	107
Results of property development	5.3	-15,020	11,438
Other operating income	5.4	30,322	21,567
Other operating expenses	5.5	-86,402	-69,689
Results of operations		118,198	289,138
Revaluation of investment properties adjusted for foreign exchange effects	5.7.1	-545,043	-317,274
Revaluation of investment properties resulting from foreign exchange effects	5.7.1	411,281	224,351
Goodwill impairment, negative differences and earn-out effects on income	5.7.2	-35,996	-16,879
Other revaluation results		-169,758	-109,802
Operating profit (EBIT)		-51,560	179,336
Financing costs	5.9	-172,135	-189,392
Financing income	5.9	13,305	25,161
Foreign exchange differences		-222,282	-268,567
Other financial results	5.9	-17,741	-84,287
Net profit or loss from equity-accounted investments	5.8	79,758	-37,614
Financial results	5.9	-319,095	-554,699
Earnings before tax (EBT)		-370,655	-375,363
Current income tax	5.10	-41,674	-34,986
Deferred tax	5.10	31,662	13,952
Net profit or loss from continuing operations		-380,667	-396,397
Net profit or loss from discontinued operations	2.5	-9,687	19,833
Net profit or loss		-390,354	-376,564
Thereof attributable to owners of IMMOFINANZ AG		-387,844	-372,687
Thereof attributable to non-controlling interests		-2,510	-3,877
Basic earnings per share in EUR	5.11	-0.398	-0.368
Net profit or loss from continuing operations per share in EUR		-0.388	-0.388
Net profit or loss from discontinued operations per share in EUR		-0.010	0.020
Diluted earnings per share in EUR	5.11	-0.398	-0.368
Net profit or loss from continuing operations per share in EUR		-0.388	-0.388
Net profit or loss from discontinued operations per share in EUR		-0.010	0.020

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	2015/16	2014/15 ¹
Net profit or loss		-390,354	-376,564
Other comprehensive income (reclassifiable)			
Measurement of available-for-sale financial instruments	7.1.2	-18	3,969
Thereof changes during the financial year		-15	24
Thereof reclassification to profit or loss		-9	3,951
Thereof income taxes		4	-6
Thereof reclassification of deferred taxes to profit or loss		2	0
Currency translation adjustment		-177,357	-86,081
Thereof changes during the financial year		-179,005	-83,079
Thereof reclassification to profit or loss	2.4/2.5	1,648	-3,002
Other comprehensive income from equity-accounted investments	4.4	9,317	-5,930
Thereof changes during the financial year		-149	-7,557
Thereof reclassification to profit or loss	5.8	9,466	1,627
Total other comprehensive income (reclassifiable)		-168,058	-88,042
Other comprehensive income (not reclassifiable)			
Measurement of defined benefit plans		4	-59
Thereof income taxes		-1	20
Other comprehensive income from equity-accounted investments	4.4	-453	0
Thereof changes during the financial year		-498	0
Thereof income taxes		45	0
Total other comprehensive income (not reclassifiable)		-449	-59
Total other comprehensive income after tax		-168,507	-88,101
Total comprehensive income		-558,861	-464,665
Thereof attributable to owners of IMMOFINANZ AG		-554,731	-462,488
Thereof attributable to non-controlling interests		-4,130	-2,177

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	2015/16	2014/15 ¹
Earnings before tax (EBT)		-370,655	-375,363
Earnings before tax (EBT) from discontinued operations	2.5	143	26,189
Revaluations of investment properties	2.5/5.7.1	107,141	25,690
Goodwill impairment, negative differences and earn-out effects on income	2.5/5.7.2	40,379	16,879
Write-downs and write-ups on real estate inventories	4.9	22,905	2,669
Write-downs and write-ups on receivables and other assets		26,653	27,020
Net profit or loss from equity-accounted investments	5.8	-79,758	37,614
Foreign exchange differences and fair value measurement of financial instruments		249,518	346,743
Net interest income/expense		165,577	175,203
Results from deconsolidation	2.4/2.5	324	-10,950
Other non-cash income/expense		-37,264	-8,096
Gross cash flow before tax		124,963	263,598
Income taxes paid		-47,509	-29,120
Gross cash flow after tax		77,454	234,478
Change in real estate inventories		8,004	-29,724
Change in trade and other receivables		-13,765	-79,026
Change in trade payables and other liabilities		26,265	31,570
Change in provisions		-33,031	-10,358
Cash flow from operating activities		64,927	146,940
Acquisition of investment property and property under construction		-280,595	-184,920
Business combinations and other acquisitions, net of cash and cash equivalents (EUR 7.3 mill.; 2014/15: EUR 0.0 mill.)	2.3	1,237	-7,540
Consideration transferred from disposal of discontinued operations, net of cash and cash equivalents (EUR 11.3 mill.; 2014/15: EUR 0.0 mill.)	2.5	248,518	0
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents (EUR 0.9 mill.; 2014/15: EUR 0.6 mill.)	6.	89,622	51,924
Acquisition of other non-current assets		-11,836	-274,984
Disposal of investment property and property under construction		269,453	139,309
Disposal of other non-current assets		32,730	25,876
Disposal of equity-accounted investments and cash flows from other net investment positions		362,114	325,337
Dividends received from equity-accounted investments	4.4	29,608	33,677
Interest or dividends received from financial instruments		2,094	20,358
Cash flow from investing activities		742,945	129,037
Increase in financial liabilities		689,024	994,123
Repayment of financial liabilities		-1,279,223	-854,283
Conversion of convertible bonds		-2	0
Redemption of convertible bonds		-1,352	-16,433
Derivatives		-34,679	-21,430
Interest paid		-138,431	-160,173
Transactions with non-controlling interests		393	-5,096
Share buyback		-59,767	-60,254
Cash flow from financing activities		-824,037	-123,546
Net foreign exchange differences		2,053	4,579
Change in cash and cash equivalents		-14,112	157,010
Cash and cash equivalents at the beginning of the period	6.	392,874	235,864
Cash and cash equivalents at the end of the period	6.	378,762	392,874
Less cash and cash equivalents in discontinued operations and disposal groups		7,140	2,171
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		371,622	390,703

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 30 April 2015 (adjusted)		1,114,172	3,473,570	-216,971
Measurement of defined benefit plans				
Thereof income taxes				
Measurement of available-for-sale financial instruments				
Thereof changes during the financial year				
Thereof reclassification to profit or loss				
Thereof income taxes				
Thereof reclassification of deferred taxes to profit or loss				
Currency translation adjustment				
Thereof changes during the financial year				
Thereof reclassification to profit or loss				
Other comprehensive income from equity-accounted investments	4.4			
Thereof changes during the financial year				
Thereof reclassification to profit or loss				
Thereof income taxes				
Other comprehensive income for the financial year 2015/16				
Net profit or loss for the financial year 2015/16				
Total comprehensive income				
Share buyback				-59,767
Disposal of treasury shares through conversion				1
Withdrawal of treasury shares	4.11	-97,238	-161,285	258,523
Capital increase				
Increase in share capital from internal funds	4.11	1,800,000	-1,800,000	
Ordinary capital decrease	4.11	-1,840,978	1,840,978	
Structural changes				
Disposal of non-controlling interests				
Balance on 30 April 2016		975,956	3,353,263	-18,214
Balance on 30 April 2014		1,172,060	3,588,242	-329,505
Retrospective adjustment according to IAS 8 – revaluation reserve	1.7			
Retrospective adjustment according to IAS 8 – deferred taxes	1.7			
Balance on 30 April 2014 (adjusted)		1,172,060	3,588,242	-329,505
Measurement of defined benefit plans				
Thereof income taxes				
Measurement of available-for-sale financial instruments				
Thereof changes during the financial year				
Thereof reclassification to profit or loss				
Thereof income taxes				
Currency translation adjustment				
Thereof changes during the financial year				
Thereof reclassification to profit or loss				
Other comprehensive income from equity-accounted investments				
Thereof changes during the financial year				
Thereof reclassification to profit or loss				
Other comprehensive income for the financial year 2014/15				
Net profit or loss for the financial year 2014/15				
Total comprehensive income				
Share buyback				-60,254
Withdrawal of treasury shares		-57,888	-114,672	172,560
Capital increase				
Disposal of treasury shares through conversion				228
Distributions				
Disposal of non-controlling interests				
Retrospective adjustment as per IAS 8 – deferred taxes	1.7			
Balance on 30 April 2015 (adjusted)		1,114,172	3,473,570	-216,971

Accumulated other equity								
	Revaluation reserve	AFS reserve	IAS 19 reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	0	18	-80	-472,741	-391,635	3,506,333	-2,253	3,504,080
			4			4		4
			-1			-1		-1
		-18				-18		-18
		-15				-15		-15
		-9				-9		-9
		4				4		4
		2				2		2
				-175,737		-175,737	-1,620	-177,357
				-177,385		-177,385	-1,620	-179,005
				1,648		1,648		1,648
			-453	9,317		8,864		8,864
			-498	-149		-647		-647
				9,466		9,466		9,466
			45			45		45
		-18	-449	-166,420		-166,887	-1,620	-168,507
					-387,844	-387,844	-2,510	-390,354
		-18	-449	-166,420	-387,844	-554,731	-4,130	-558,861
						-59,767		-59,767
						1		1
								0
							366	366
								0
								0
					-300	-300	445	145
							27	27
	0	0	-529	-639,161	-779,779	2,891,536	-5,545	2,885,991
	3,321	-3,951	-21	-379,030	158,052	4,209,168	8,160	4,217,328
	-3,321				3,321			0
					-180,283	-180,283		-180,283
	0	-3,951	-21	-379,030	-18,910	4,028,885	8,160	4,037,045
			-59			-59		-59
			20			20		20
		3,969				3,969		3,969
		24				24		24
		3,951				3,951		3,951
		-6				-6		-6
				-87,781		-87,781	1,700	-86,081
				-83,393		-83,393	314	-83,079
				-4,388		-4,388	1,386	-3,002
				-5,930		-5,930		-5,930
				-7,557		-7,557		-7,557
				1,627		1,627		1,627
		3,969	-59	-93,711		-89,801	1,700	-88,101
					-357,496	-357,496	-3,877	-361,373
		3,969	-59	-93,711	-357,496	-447,297	-2,177	-449,474
						-60,254		-60,254
								0
					-38	-38	38	0
						228		228
							-5,096	-5,096
							-3,178	-3,178
					-15,191	-15,191		-15,191
	0	18	-80	-472,741	-391,635	3,506,333	-2,253	3,504,080

NOTES

1. General Principles

1.1 REPORTING COMPANY

IMMOFINANZ AG is the parent company of IMMOFINANZ, the largest publicly traded real estate company in Austria. The business activities of IMMOFINANZ cover the development, acquisition, rental and best possible commercial utilisation of properties. The IMMOFINANZ AG share is listed in the prime market of the Vienna Stock Exchange and in the main market of the Warsaw Stock Exchange.

1.2 BASIS OF REPORTING

These consolidated financial statements cover the financial year from 1 May 2015 to 30 April 2016. They were prepared in accordance with § 245a (1) of the Austrian Commercial Code and in agreement with International Financial Reporting Standards (IFRS), as adopted by the EU.

The consolidated financial statements are presented in the Euro, which is the functional currency of the parent company. All financial information reported in the Euro is rounded to thousand Euros, unless indicated otherwise. The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates.

The structure of IMMOFINANZ's consolidated financial statements was adjusted in 2015/16 to reflect recent developments in international financial reporting. The current Disclosure Initiative of the International Financial Reporting Standards Board (IFRSB) formed the starting point for the adjustments. This initiative, which is also supported by the European Securities and Markets Authority (ESMA), increases the importance given to the user perspective in international financial reporting. Instead of providing the broadest possible scope of information, the focus is now placed on the clearly arranged presentation of decision-useful information.

The consolidated financial statements of IMMOFINANZ were redesigned to meet these demands. The structure was adjusted and reductions were made in insignificant areas. In doing so, IMMOFINANZ is following the goal of the Disclosure Initiative not to allow unnecessary details to obscure important information.

Uniform accounting policies are used to measure the assets and liabilities of all Group companies, whereby these items are basically measured individually. Disposal groups represent an exception to this practice and are reported under "assets held for sale" and "liabilities held for sale" (see section 4.8). In addition, impairment losses are calculated in part on the basis of cash-generating units if the recoverable amount of specific assets cannot be determined separately (see section 4.3.2).

Assets and liabilities are generally measured at amortised cost. For financial assets and liabilities, this involves the application of the effective interest rate method. In contrast, different measurement methods are applied to the following material positions:

- > investment property and property under construction are measured at fair value.
- > financial instruments held for trading (including derivative financial instruments) are measured at fair value.
- > provisions are measured at the present value of the expected settlement amount.
- > deferred tax assets and deferred tax liabilities are measured at their nominal value based on the temporary differences as of the balance sheet date and the tax rate expected when the existing differences are realised.
- > non-current assets and disposal groups held for sale are measured at the lower of the carrying amount or fair value less costs to sell unless they are excluded from the valuation requirements defined in IFRS 5. This applies, in particular, to investment property that is measured by IMMOFINANZ based on the fair value model.

Fair value is not always available as an observable market price, but must often be determined on the basis of various valuation parameters. Depending on the availability of observable parameters and the importance of these parameters for the general assessment procedure, the fair values are classified in different levels on the fair-value hierarchy

- > Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities
- > Level 2: valuation parameters that do not reflect the quoted prices defined for Level 1, but which can be derived directly (as a price) or indirectly (from prices) for the asset or liability
- > Level 3: valuation parameters for assets or liabilities that are not based on observable market data

1.3 CHANGE IN PREVIOUS REPORTING DATE

The annual general meeting on 1 December 2015 approved an amendment to § 23 of the articles of association of IMMOFINANZ AG to change the previous financial year (1 May to 30 April of each year) to the calendar year and to create an abbreviated financial year covering the period from 1 May 2016 to 31 December 2016. Starting on 1 January 2017, the financial year of IMMOFINANZ AG will begin on 1 January of each year and end on 31 December and therefore reflect the calendar year.

1.4 JUDGMENTS AND ESTIMATION UNCERTAINTY

1.4.1 JUDGMENTS

The following notes provide information on judgments made in the application of accounting methods which have the greatest influence on the amounts recognised in the consolidated financial statements:

- > Full consolidation (see section 2.2.2): assessment of the existence of control over subsidiaries in cases where control is not based solely on the ownership interest (de facto control) and assessment of the existence of joint control or significant influence when a majority holding does not convey control over an investment
- > Full consolidation (see section 2.2.2): assessment of whether the acquisition of property companies represents business combinations in the sense of IFRS 3 (characteristics of a business)
- > Equity accounting (see section 2.2.3): assessment of the existence of significant influence in contrast to the assumption of such influence at an ownership interest of 20% or more
- > Functional currency (see section 2.6.1): determination of the functional currency of a foreign operation, above all when this currency differs from the currency of the subsidiary's headquarters country
- > Rental income (see section 5.1.1): assessment of whether an adjustment to a rental agreement substantially represents a new rental relationship
- > Information on financial instruments (see section 7.1): identification and accounting treatment of embedded derivatives

1.4.2 ASSUMPTIONS AND ESTIMATES

The preparation of consolidated financial statements requires the Executive Board to make assumptions and estimates related to the application of accounting methods and the amounts reported for assets, liabilities, income and expenses. Actual results can vary from these estimates. The estimates and underlying assumptions are reviewed regularly, and any changes to these estimates are recognised prospectively. The following notes provide information on assumptions and estimation uncertainty which can lead to a significant risk that a material adjustment will be required during the abbreviated financial year ending on 31 December 2016:

- > valuation assumptions and existing uncertainty (see section 4.1.3): determination of the fair value of investment property and property under construction
- > goodwill (see section 4.3.2): determination of the recoverable amount within the scope of impairment tests in the sense of IAS 36
- > deferred taxes (see section 4.7): assessment of the usability of deferred tax assets (above all from loss carryforwards)

- > real estate inventories (see section 4.9): determination of the net realisable value of inventories
- > provisions (see section 4.15): determination of the expected settlement amount and the related present value
- > financial instruments (see section 7.1.3): determination of the fair value of primary and derivative financial instruments
- > contingent liabilities and guarantees (see section 7.3.1): assessment of the expected claims from obligations not reported on the balance sheet.

1.5 FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

The following new or revised standards and interpretations were applied for the first time in 2015/16:

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for IMMOFINANZ	Effects on IMMOFINANZ
Changes to standards and interpretations				
IAS 19	Defined Benefit Plans: Employee Contributions	21 November 2013 (17 December 2014)	1 May 2015	no
Various	Improvements to IFRS 2010 – 2012	12 December 2013 (17 December 2014)	1 May 2015	yes
Various	Improvements to IFRS 2011 – 2013	12 December 2013 (18 December 2014)	1 May 2015	yes
IFRIC 21	Levies	20 May 2013 (13 June 2014)	1 May 2015	yes

Annual improvements to IFRS – 2010-2012 cycle

This annual IFRS improvement project included changes to seven standards. The phrasing of individual IFRSs was modified to clarify existing rules, while other changes affect notes disclosures. The 2010 – 2012 cycle involved IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. The application of the changes did not have any material effects on IMMOFINANZ's consolidated financial statements.

Annual improvements to IFRS – 2011-2013 cycle

This annual IFRS improvement project included changes to four standards. The phrasing of individual IFRSs was modified to clarify existing rules. This cycle involved changes to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The application of the changes did not have any material effects on IMMOFINANZ's consolidated financial statements.

IFRIC 21: Levies

IFRIC 21 clarifies when a liability must be recognised for a government levy that does not fall within the scope of application of another IFRS. The effects of IFRIC 21 on IMMOFINANZ are related to the timing for the recognition of property taxes. In the jurisdictions where property taxes for the next 12 months are levied as of 1 January each year, a liability for the full amount of the property tax will be recognised at the beginning of the calendar year in accordance with IFRIC 21. Since property taxes are passed on to the tenants – with the exception of the property taxes attributable to vacant space – as part of operating costs, an accrual for amounts receivable from the tenants is recognised at the same time. This change did not result in any material effects on IMMOFINANZ's consolidated financial statements.

1.6 STANDARDS AND INTERPRETATIONS APPLICABLE IN THE FUTURE

1.6.1 STANDARDS AND INTERPRETATIONS ADOPTED BY THE EU, BUT NOT YET APPLIED

The following changes to standards and interpretations had been adopted by the EU as of the balance sheet date, but did not require mandatory application for the financial year and were not applied prematurely:

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for IMMOFINANZ	Expected effects on IMMOFINANZ
Changes to standards and interpretations				
Various	Improvements to IFRS 2012 – 2014	25 September 2014 (15 December 2015)	1 May 2016	yes
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	6 May 2014 (24 November 2015)	1 May 2016	yes
IAS 16, 38	Clarification of Acceptable Methods of Depreciation and Amortisation	12 May 2014 (2 December 2015)	1 May 2016	no
IAS 16, 41	Agriculture: Bearer Plants	30 June 2014 (23 November 2015)	1 May 2016	no
IAS 27	Equity Method in Separate Financial Statements	12 August 2014 (18 December 2015)	1 May 2016	no
IAS 1	Disclosure Initiative	18 December 2014 (18 December 2015)	1 May 2016	yes

Annual improvements to IFRS – 2012–2014 cycle

This annual IFRS improvement project includes changes to four standards. The changes involve the clarification and definition of additional guidelines to IFRS 5, IFRS 7 and IAS 34 as well as the clarification of IAS 19. The application of the changes will not have any material effects on IMMOFINANZ's consolidated financial statements.

IFRS 11: Accounting for the purchase of an interest in a joint operation

This change requires the purchaser of an interest in a joint operation whose activity constitutes a business to apply IFRS 3 and other IFRSs unless they conflict with IFRS 11. These changes are to be applied prospectively.

IAS 1: Disclosure Initiative

The changes clarify the materiality of information in components of financial statements and indicate that immaterial disclosures should not be made, even when this information is required by other standards. New requirements were also added for the presentation of subtotals, the structure of the notes and disclosures on accounting policies. In addition, clarification is provided for the presentation of items of other comprehensive income arising from entities accounted for at equity. IMMOFINANZ included many of these clarifications in the redesign of the consolidated financial statements as of 30 April 2016 (see section 1.2) and is currently evaluating further effects of the changes on IMMOFINANZ's consolidated financial statements.

1.6.2 STANDARDS AND INTERPRETATIONS ANNOUNCED, BUT NOT YET ADOPTED BY THE EU

The following changes or revisions to standards and interpretations had been published as of the balance sheet date, but have not yet been adopted by the EU and are therefore not applicable:

Standard	Content	Published by the IASB	Expected mandatory application for IMMOFINANZ	Expected effects on IMMOFINANZ
New standards and interpretations				
IFRS 9	Financial Instruments	24 July 2014	1 January 2018	yes
IFRS 14	Rate-regulated Activities	30 January 2014	Not adopted by the EU	no
IFRS 15	Revenue from Contracts with Customers	28 May 2014	1 January 2018	yes
IFRS 16	Leases	13 January 2016	1 January 2019	yes
Changes to standards and interpretations				
IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11 September 2014	Postponed	yes
IAS 7	Disclosure Initiative – Statement of Cash Flows	29 January 2016	1 January 2017	yes
IFRS 10, 12, IAS 28	Investment Entities: Applying the Consolidation Exception	18 December 2014	1 May 2016	no
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	19 January 2016	1 January 2017	no

IFRS 9: Financial Instruments

IFRS 9 is intended to replace IAS 39 for the recognition and measurement of financial instruments. Under IFRS 9, financial assets will only be classified in two groups in the future with measurement either at amortised cost or fair value. The classification and measurement of financial assets under this new standard depends on the business model and the contractual payment flows. When financial assets are measured at fair value, the related income and expenses are recognised in profit or loss (at fair value through profit or loss, FVTPL) or in other comprehensive income (at fair value through other comprehensive income, FVTOCI). The classification of equity instruments as FVTOCI represents an option. The accounting requirements for financial liabilities were basically taken over from IAS 39, but the changes in fair value attributable to changes in a company's own credit risk must now be recorded under other comprehensive income. IFRS 9 also defines new accounting rules for the recognition of impairment losses on financial assets, which must now be based on the expected loss model. IMMOFINANZ is currently evaluating the effects of this new standard on its financial position and performance.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 will replace the previous IAS 18, IAS 11 and the related interpretations. Its objective, among others, is to eliminate the inconsistencies between IAS 18 and IAS 11.

The basis for the new standard includes a comprehensive model for the recognition of revenues from contracts with customers. Under this model, a company recognises revenues at the amount that reflects the consideration expected in exchange for the obligation(s) accepted or for the goods transferred or services provided. IMMOFINANZ is currently evaluating the effects of this new standard on its financial position and performance.

IFRS 16: Leases

IFRS 16 will replace the previous standard on leases (IAS 17). The new standard includes a change in the definition of a lease as well as changes in the rules for accounting by the lessee. The more important area of application for IMMOFINANZ is the accounting treatment applied by the lessor, but IFRS 16 does not include any significant changes compared with IAS 17. In cases where IMMOFINANZ has obtained land through an operating lease, the sites will be capitalised as investment property in the future. IMMOFINANZ is currently evaluating the effects of this new standard on its financial position and performance.

IFRS 10, IAS 28: Sale or Contribution of Assets between an Investor and an Associate or Joint Venture

The changes eliminate an inconsistency between IFRS 10 and IAS 28. They clarify that the recognition of the gain or loss resulting from transactions with an associate or joint venture depends on whether the sold or contributed assets represent a business as defined in IFRS 3. Transactions related to assets that do not represent a business lead, as in the past, only to the recognition of the gain or loss attributable to the third-party investor's interest in the joint venture or associate. Transactions related to assets that represent a business will, in the future, lead to the full recognition of the gain or loss by the entity holding the investment. The changes must be applied prospectively.

IAS 7: – Disclosure Initiative – Statement of Cash Flows

The changes involve additional disclosures on financial liabilities. These additional disclosures are related to both cash and non-cash changes. The application of this change will lead to more extensive disclosures in the notes to IMMOFINANZ's consolidated financial statements, in both the initial year of application and in subsequent years.

1.7 CHANGES IN COMPARATIVE INFORMATION

1.7.1 MORE REPRESENTATIVE PRESENTATION OF EQUITY

In connection with the redesign of IMMOFINANZ's consolidated financial statements (see section 1.2), a more appropriate presentation form was selected for equity. The adjustment involved the previously reported revaluation reserve of EUR 3.3 million and was made retrospectively. This revaluation reserve included the proportional share of fair-value adjustments which were recorded directly in equity in a business combination achieved in stages as defined in IFRS 3.58 (2004). These amounts are now included in retained earnings.

1.7.2 MORE REPRESENTATIVE PRESENTATION OF THE CONSOLIDATED CASH FLOW STATEMENT

In connection with the redesign of IMMOFINANZ's consolidated financial statements (see section 1.2), a more appropriate presentation form was selected for the cash flow statement. Cash flow from operating activities was restructured to improve the overall presentation, for example through additional details on non-cash income and expenses (among others, through the separate presentation of revaluation results from investment property and write-downs and write-ups to inventories and receivables and other assets). In addition, gross cash flow is now shown both before and after taxes. The redesign also led to minor changes in the classification of items. The most important change involved the allocation of the changes in liabilities from performance bonds and outstanding purchase invoices for investments. In 2014/15 these changes reduced cash flow from operating activities by EUR 6.8 million; retrospectively adjusted, they subsequently reduce the acquisitions of investment property and property under construction and, in turn, cash flow from investing activities. In addition, payments of EUR 5.0 million related to financing were reclassified from cash flow from investing activities to cash flow from financing activities.

Net cash flows from discontinued operations from operating, investing and financing activities are presented in the notes (see section 2.5) and are no longer shown as a "thereof" notation on the consolidated cash flow statement.

1.7.3 CORRECTION OF ERROR ON DEFERRED TAXES

IMMOFINANZ has established a corporate group in accordance with § 9 of the Austrian Corporate Income Tax Act, which includes the major Group companies in the Austrian segment. IMMOFINANZ AG serves as the lead company in this group. As seen over time, the Austrian tax group has high unused tax losses.

The recognition of deferred tax assets on these tax loss carryforwards was previously justified with the existence of sufficient deferred tax liabilities – which resulted primarily from real differences arising during the elimination of intra-Group liabilities due to valuation allowances to intragroup receivables in the Austrian tax group. These valuation allowances are also the major reasons for the high unused tax losses in the Austrian tax group. The loss carryforward limit defined in § 8 (4) of the Austrian Corporate Income Tax Act, which generally restricts the use of losses which can be carried forward for an unlimited period of time to 75% of annual taxable income, was only taken into account after the deferred tax assets on tax loss carryforwards were compared with the deferred tax liabilities on real differences from the elimination of intra-Group liabilities.

A statement by the IFRS Interpretations Committee in May 2014 confirmed that any limits on loss carryforwards must be applied in full to the deferred tax assets on tax loss carryforwards before comparison with deferred tax liabilities. The loss carryforward limit was thus not employed correctly by IMMOFINANZ in previous financial years. Consequently, the amount of deferred tax assets recognised for unused tax losses and for deductible temporary partial depreciation charges on investments (Siebtelabschreibungen) was too high. The comparative information was therefore adjusted retrospectively during the financial year in accordance with IAS 8. This retrospective adjustment involved the inclusion of additional tax planning opportunities to utilise previously unused tax losses in Austria and other countries.

1.7.4 OTHER CHANGES IN PRESENTATION

Other changes in comparative information involve the separate presentation of discontinued operations (see section 2.5) on the consolidated income statement.

Corrections to the consolidated balance sheet as of 1 Mai 2014

All amounts in TEUR	1 5 2014 as reported	Revaluation reserve IAS 8	Deferred taxes IAS 8	1 5 2014 adjusted
Share capital	1,172,060	0	0	1,172,060
Capital reserves	3,588,242	0	0	3,588,242
Treasury shares	-329,505	0	0	-329,505
Accumulated other equity	-379,681	-3,321	0	-383,002
Retained earnings	158,052	3,321	-180,283	-18,910
Attributable to owners of IMMOFINANZ AG	4,209,168	0	-180,283	4,028,885
Non-controlling interests	8,160	0	0	8,160
Equity	4,217,328	0	-180,283	4,037,045
Liabilities from convertible bonds	494,043	0	0	494,043
Financial liabilities	2,387,784	0	0	2,387,784
Trade and other payables	146,994	0	0	146,994
Income tax liabilities	222	0	0	222
Provisions	48,596	0	0	48,596
Deferred tax liabilities	449,561	0	180,283	629,844
Non-current liabilities	3,527,200	0	180,283	3,707,483
Current liabilities	1,643,433	0	0	1,643,433
Equity and liabilities	9,387,961	0	0	9,387,961

Corrections to the consolidated balance sheet as of 30 April 2015

All amounts in TEUR	30 4 2015 as reported	Revaluation reserve IAS 8	Deferred taxes IAS 8	30 4 2015 adjusted
Share capital	1,114,172	0	0	1,114,172
Capital reserves	3,473,570	0	0	3,473,570
Treasury shares	-216,971	0	0	-216,971
Accumulated other equity	-469,482	-3,321	0	-472,803
Retained earnings	-199,482	3,321	-195,474	-391,635
Attributable to owners of IMMOFINANZ AG	3,701,807	0	-195,474	3,506,333
Non-controlling interests	-2,253	0	0	-2,253
Equity	3,699,554	0	-195,474	3,504,080
Liabilities from convertible bonds	24,307	0	0	24,307
Financial liabilities	2,378,203	0	0	2,378,203
Trade and other payables	96,394	0	0	96,394
Income tax liabilities	80	0	0	80
Provisions	57,064	0	0	57,064
Deferred tax liabilities	377,387	0	195,474	572,861
Non-current liabilities	2,933,435	0	195,474	3,128,909
Current liabilities	2,214,664	0	0	2,214,664
Equity and liabilities	8,847,653	0	0	8,847,653

Corrections to the consolidated income statement of 2014/15

All amounts in TEUR	2014/15 as reported	Logistics- portfolio IFRS 5	Deferred taxes IAS 8	2014/15 adjusted
Earnings before tax (EBT)	-349,174	-26,189	0	-375,363
Current income tax expense/income	-40,025	5,039	0	-34,986
Deferred tax expense/income	27,826	1,317	-15,191	13,952
Net profit or loss from continuing operations	-361,373	-19,833	-15,191	-396,397
Net profit or loss from discontinued operations	0	19,833	0	19,833
Net profit or loss	-361,373	0	-15,191	-376,564
Thereof attributable to owners of IMMOFINANZ AG	-357,496	0	-15,191	-372,687
Thereof attributable to non-controlling interests	-3,877	0	0	-3,877
Basic earnings per share in EUR	-0.353	0.000	-0.015	-0.368
Diluted earnings per share in EUR	-0.353	0.000	-0.015	-0.368

2. Scope of Consolidation

2.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 30 April 2015	628	29	19	676
Companies initially included				
Business combinations (IFRS 3)	2	0	0	2
Other acquisitions	3	-2	0	1
New foundations	6	0	0	6
Companies no longer included				
Sales	-56	-8	-2	-66
Mergers	-21	0	0	-21
Liquidations	-26	0	-4	-30
Balance on 30 April 2016	536	19	13	568
Thereof foreign companies	327	15	7	349

An overview of the companies included in the consolidated financial statements is provided in section 8.

Initially consolidated subsidiaries which do not constitute a business on the acquisition date are not considered business combinations in the sense of IFRS 3 and are included in the above table as other acquisitions. These other acquisitions generally represent acquisitions of shell companies and pure land-owning companies.

The subsidiaries with an investment of less than 100% (see section 8) have no material non-controlling interests.

Restrictions defined by the articles of association, contracts or legal regulations as well as protective rights held by non-controlling interests can limit the ability of IMMOFINANZ to gain access to the Group's assets, to transfer these assets between Group companies or to utilise the coverage potential of these assets to meet liabilities. Information on the existing limitations is provided in sections 7.1.4 and 7.3.1.

The following business combinations were carried out in 2015/16 (see section 2.3):

Segment	Country	Headquarters	Company	Direct stake	Type of consolidation	Date
Poland	PL	Warsaw	MBP I Sp. z o.o.	100.0%	F	11 August 2015
Poland	PL	Warsaw	MBP II Sp. z o.o.	100.0%	F	11 August 2015

2.2 CONSOLIDATION METHODS

2.2.1 BASIS OF CONSOLIDATION

Standardised accounting and valuation principles as well as uniform options and judgments are applied by all companies included in the consolidated financial statements. Material interim profits – which arise, at most, from the intragroup transfer of investments in other companies, receivables or properties – are eliminated. The annual financial statements of all companies included through full consolidation and joint ventures accounted for at equity were prepared as of the same balance sheet date as the consolidated financial statements.

For associates, the latest available financial statements form the basis for accounting. In cases where a different balance sheet date is used, adjustments are recognised when applying the equity-method of accounting for material transactions or other events that occur between the associate's balance sheet date and IMMOFINANZ's balance sheet date.

2.2.2 FULL CONSOLIDATION

A subsidiary is an entity that is controlled by a parent company. A subsidiary is included in the consolidated financial statements through full consolidation from the date on which IMMOFINANZ attains control over the subsidiary and up to the date on which control ends.

A controlling influence based on voting rights is generally presumed to exist when the direct or indirect interest in an entity exceeds 50%. In individual cases (see section 8), interests over 50% are contrasted by statutory rights for a co-investor or the absence of a connection between IMMOFINANZ's control over the investee and the receipt of variable returns. A co-investor may be assumed to have such statutory rights, above all, when there are wide-ranging requirements for unanimity or the co-investor's agreement on decisions over material activities (e.g. the sale of investment property).

The acquisition of a subsidiary requires a decision as to whether the entity represents a business operation in the sense of IFRS 3. Assessing whether acquired property assets represent a business in the sense of IFRS 3 involves discretionary judgment and, frequently, a detailed analysis of the acquired processes and structures, above all with respect to asset and property management. If a business is acquired the acquisition method defined by IFRS 3 is applied. The related transaction costs are treated as an expense and deferred taxes on temporary differences between the fair value of the acquired property assets and their respective tax bases are recognised in full. At IMMOFINANZ, goodwill (see section 4.3.2) regularly results as a technical figure because of the obligation to record deferred taxes on the difference between the fair value and the tax base of the acquired real estate assets. The acquisition method is not applied if the acquired entity does not represent a business. The acquisition of shell companies and pure land-owning companies does not normally involve a business. In this case the acquisition costs, including transaction costs, are allocated to the acquired assets and assumed liabilities based on their fair value; deferred taxes are not recognised (initial recognition exemption); and goodwill does not arise (see section 2.3).

2.2.3 EQUITY METHOD

IMMOFINANZ's interests in equity-accounted investments comprise shares in joint ventures and associates.

IFRS 11 differentiates between joint ventures and joint operations. The joint arrangements in which IMMOFINANZ is involved generally represent joint ventures. A joint venture is a joint arrangement under which the co-investors exercise joint control over a company and (only) have rights to the company's net assets. There are no direct claims or obligations arising from the company's assets and liabilities.

Associates are companies over which IMMOFINANZ can exercise significant influence. Significant influence is the power to participate in the company's financial and operating policy decisions without control or joint control. It is generally presumed (but can be refuted) when the direct or indirect interest in an entity equals or exceeds 20%. With respect to shares in real estate funds, IMMOFINANZ does not have significant influence, even with an interest of 20% or more, because it is not represented in the fund's operating management or this influence is excluded by the fund's legal structure (see section 8).

In accordance with the equity method of accounting, investments in associates or joint ventures are initially recognised at cost, including transaction costs, as of the acquisition date. Any surplus of the acquisition cost over the acquired share of identifiable assets and assumed liabilities and contingent liabilities at fair value is recognised as goodwill. Negative differences are recognised immediately to profit or loss. Goodwill represents part of the carrying amount of the investment and is not tested separately for impairment. After initial recognition, the carrying amount of the investment is increased or decreased by the proportional share of the investee's profit or loss and other comprehensive income attributable to IMMOFINANZ until significant influence or joint control ends. Any losses recorded by an associate or joint venture which exceed IMMOFINANZ's investment in this entity are not recognised. Such losses are only recognised when the Group has a legal or actual obligation to cover the losses. The investments in companies accounted for at equity are assessed for indications of impairment as of every balance sheet date in accordance with IAS 39. If any such indications are identified, the investments are tested for impairment in accordance with IAS 36.

2.3 BUSINESS COMBINATIONS AND OTHER ACQUISITIONS OF SUBSIDIARIES

The following table provides detailed information on the subsidiaries initially consolidated in 2015/16:

All amounts in TEUR	Business combinations (IFRS 3)	Other acquisitions	Total
Cash and cash equivalents transferred	4,859	1,169	6,028
Outstanding purchase price liabilities	0	10	10
Consideration transferred	4,859	1,179	6,038
Investment property	161,550	172	161,722
Receivables and other assets	2,248	1,005	3,253
Cash and cash equivalents	7,210	55	7,265
Financial liabilities	-125,831	0	-125,831
Trade payables	-439	-3	-442
Other liabilities	-36,043	-50	-36,093
Provisions	-171	0	-171
Deferred tax liabilities	-16	0	-16
Fair value of acquired net assets	8,508	1,179	9,687
Consideration transferred	-4,859	-1,179	-6,038
Fair value of acquired net assets	8,508	1,179	9,687
Goodwill (-) / negative difference (+)	3,649	0	3,649
Cash and cash equivalents transferred	4,859	1,169	6,028
Less cash and cash equivalents transferred	-7,210	-55	-7,265
Net cash outflow from acquisitions	-2,351	1,114	-1,237

On 11 August 2015 IMMOFINANZ acquired 100% of the shares in MBP I Sp. z o.o and MBP II Sp. z o.o. from the 50% joint venture HEPP III Luxembourg MPB SARL in an upstream transaction (see section 7.4). The co-investor for the joint control of HEPP III Luxembourg MPB SARL is HEPP III Luxembourg Master SARL, a real estate fund currently in the liquidation phase. IMMOFINANZ therefore exercised its pre-emptive right to acquire the two Polish companies which hold and manage the *EMPARK Mokotów Business Park* in Warsaw. The *EMPARK Mokotów Business Park* is one of the largest connected office sites in CEE and comprises nine buildings with approx. 117,000 sqm of rentable space located near the airport. This transaction expands IMMOFINANZ's share of the office market in the Polish capital.

The purchase price for the shares in the two Polish companies totalled EUR 4.9 million and was significantly influenced by the specific conditions surrounding the transaction. The result was a negative difference of EUR 3.6 million, which is reported on the income statement under goodwill impairment and earn-out effects on income (see section 5.7.2).

The fair values of the acquired net assets in *EMPARK Mokotów Business Park* as of 11 August 2015 are shown in the above table. The purchase price allocation was based on a valuation of the investment property by Jones Lang LaSalle, an independent property appraiser. There were also no differences between the carrying amounts and fair values of current assets or current liabilities. The carrying amount of the receivables due from tenants includes write-downs of TEUR 0.2.

MBP I Sp. z o.o and MBP II Sp. z o.o. contributed EUR 11.7 million to IMMOFINANZ's revenues and EUR -18.0 million to net profit since the acquisition date. If the business combination had taken place at the beginning of the financial year, the new subsidiaries would have contributed EUR 15.6 million to IMMOFINANZ's revenues and EUR -24.0 million to net profit.

2.4 SALE OF SUBSIDIARIES

An overview of the subsidiaries deconsolidated in 2015/16 is provided in section 8.

The following table summarises the effects on various balance sheet items and the deconsolidation results, with the exception of the effects reported in section 2.5 for discontinued operations (logistics portfolio):

All amounts in TEUR	2015/16
Investment property	19,195
Goodwill	271
Receivables and other assets	545
Deferred tax assets	888
Assets held for sale	316,272
Cash and cash equivalents	914
Trade payables	-177
Other liabilities	-1,155
Income tax liabilities	-9
Provisions	-20
Deferred tax liabilities	-2,916
Financial liabilities held for sale	-244,377
Net assets sold	89,431
Consideration received included in cash and cash equivalents	89,324
Outstanding purchase price receivables	96
Less net assets sold	-89,431
Less non-controlling interests	-27
Reclassification of foreign exchange differences to profit or loss	9,396
Results from deconsolidation	9,358
Consideration received in cash and cash equivalents	89,324
Less cash and cash equivalents sold	-914
Net inflow of cash and cash equivalents	88,410

2.5 DISCONTINUED OPERATIONS

On 6 August 2015 the Executive Board and Supervisory Board of IMMOFINANZ approved the decision to sell the Group's logistics portfolio. This step is a consequence of IMMOFINANZ's strategic reorientation, which involves a focus on the retail and office asset classes in the future. The signing for the sale of the logistics portfolio to Blackstone, an investment company, took place on 31 October 2015, and the closing for most of the included properties followed on 1 February 2016. The closing for the Ploiesti development project took place on 31 March 2016. The closing for a standing logistics investment in Poland and two development projects in Hamburg and Bucharest is expected to occur on or before 15 October 2016. The final purchase price will be determined on the basis of financial statements prepared as of the respective closing dates.

This transaction covers all 36 logistics standing investments with approx. one million sqm of rentable space, which are located primarily in Germany (24 properties) and in Hungary (5), Romania (3), Poland (2), Slovakia (1) and Russia (1). Blackstone is also acquiring three development projects in Hamburg, Bucharest and Ploiesti with approx. 65,000 sqm of rentable space as well as land reserves. The development project in Ploiesti was completed before the balance sheet date, and the above-mentioned projects in Hamburg and Bucharest will be completed on schedule.

The following table shows the effects on various balance sheet positions of the logistics portfolio sold to Blackstone by 30 April 2016:

All amounts in TEUR	2015/16
Investment property	465,496
Property under construction	9,009
Receivables and other assets	33,883
Deferred tax assets	10,493
Cash and cash equivalents	11,310
Financial liabilities	-209,499
Trade payables	-2,588
Other liabilities	-20,972
Income tax liabilities	-2,700
Provisions	-956
Deferred tax liabilities	-29,145
Net assets sold	264,331
Consideration received included in cash and cash equivalents	259,828
Outstanding purchase price receivables	5,867
Less net assets sold	-264,331
Reclassification of foreign exchange differences to profit or loss	-11,046
Results from deconsolidation	-9,682
Consideration received in cash and cash equivalents	259,828
Less cash and cash equivalents sold	-11,310
Net inflow of cash and cash equivalents	248,518

Section 4.8 shows the assets and liabilities not yet transferred to Blackstone because the closing was not completed by 30 April 2016. The related consideration is expected to total EUR 58.7 million. In addition, there are unrecognised contingent receivables of EUR 6.0 million from tax reimbursement claims.

IMMOFINANZ's logistics portfolio has represented a discontinued operation as defined by IFRS 5 since 6 August 2015. The net profit from discontinued operations reported on the income statement includes the following positions:

All amounts in TEUR	2015/16	2014/15
Revenues	35,097	49,472
Expenses from asset management	-16,091	-17,532
Results of asset management	19,006	31,940
Results of property sales	-19	-968
Expenses from property development and inventories	-6	-507
Revaluation of properties under construction adjusted for foreign exchange effects	1,615	69
Results of property development	1,609	-438
Other operating income	668	770
Other operating expenses	-2,424	-3,959
Results of operations	18,840	27,345
Revaluation of investment properties adjusted for foreign exchange effects	-4,684	4,941
Revaluation of investment properties resulting from foreign exchange effects	10,150	4,381
Other revaluation results	5,466	9,322
Operating profit (EBIT)	24,306	36,667
Financial results	-8,399	-10,478
Earnings before tax (EBT)	15,907	26,189
Income taxes	-9,830	-6,356
Earnings from discontinued operations	6,077	19,833
Loss from fair value measurement less costs to sell	-6,082	0
Loss from the disposal of the business operation (including reclassification of foreign exchange differences to profit or loss)	-9,682	0
Net profit or loss from discontinued operations	-9,687	19,833
Thereof attributable to owners of IMMOFINANZ AG	-9,687	19,903
Thereof attributable to non-controlling interests	0	-70

IMMOFINANZ eliminates transactions between continuing and discontinued operations on the income statement. Consequently, the consolidation of income and expenses as well as the elimination of interim results were carried out for both reported years.

The valuation loss from the discontinued operations which was recognised during the 2015/16 financial year comprises EUR 4.4 million of impairment losses to goodwill and selling costs.

The cash flow statement for the discontinued operations can be summarised as follows:

All amounts in TEUR	2015/16	2014/15
Cash flow from operating activities	20,871	35,974
Cash flow from investing activities	-21,649	65,271
Cash flow from financing activities	-18,376	-77,784
Net cash flow from discontinued operations	-19,154	23,461

2.6 FOREIGN CURRENCY TRANSLATION

2.6.1 FUNCTIONAL CURRENCY

The Group reporting currency is the Euro. For subsidiaries and equity-accounted investments that prepare their financial statements in a foreign currency, the determination of the functional currency is based on the primary (macro)economic environment in which the respective company operates. One determining factor is the currency in which the majority of cash flows, goods and services are denominated and settled in the relevant country.

When the functional currency of a subsidiary cannot be clearly identified, IAS 21 allows management to use its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions and events. Management has principally designated the Euro as the functional currency for the subsidiaries in Romania, Poland, Czech Republic and Hungary; however, the local currency remains the functional currency for individual service and management companies. This decision reflects the fact that macroeconomic developments in these countries are influenced by the Euro zone. In addition, the leases concluded by IMMOFINANZ in these countries and real estate financing are generally denominated in the Euro.

2.6.2 TRANSLATION OF FINANCIAL STATEMENTS FROM FOREIGN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

In accordance with IAS 21, the modified current rate method is used to translate the financial statements of the Group's subsidiaries, joint ventures and associates whose functional currency is not the Euro. The assets and liabilities in the financial statements to be consolidated are translated at the mean exchange rate on the balance sheet date, while the income statement positions are translated at the weighted average exchange rate for each quarter.

Foreign currency translation is based on the exchange rates issued by the European Central Bank and by local national banks.

The following table lists the exchange rates in effect on the balance sheet date and the average exchange rates for the key currencies from IMMOFINANZ's viewpoint:

Currency	Closing rate on 30 4 2016	Closing rate on 30 4 2015	Average rate 2015/16	Average rate 2014/15
BGN	1.95583	1.95583	1.95583	1.95581
CHF	1.09840	1.04860	1.07494	1.15479
CZK	27.04000	27.43000	27.11400	27.58133
HRK	7.47828	7.59010	7.59358	7.63996
RSD	122.61930	120.14980	121.21018	118.94608
RUB	73.30150	56.80600	70.93152	56.93758
TRY	3.19340	2.98150	3.15346	2.84367
UAH	28.77500	23.57000	25.93784	19.58241
USD	1.14030	1.12150	1.11102	1.24288

3. Information on Operating Segments

3.1 INTERNAL REPORTING

The chief operating decision-maker of IMMOFINANZ is the Executive Board as a collegial body. Internal reporting to the Executive Board is based on the classification of data into eight regional core markets (Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Russia). Within these core markets, rental income is reported by asset class (office, retail and other). Regions with a lower volume of business are aggregated under "Other non-core countries". The presentation of segment results is based on internal reporting to the Executive Board (management approach), whereby the income statement only includes IMMOFINANZ's continuing operations. In contrast, segment assets include properties attributable to discontinued operations if these properties have not yet been sold.

3.2 INFORMATION ON REPORTABLE OPERATING SEGMENTS

Segment assets consist primarily of investment properties, property under construction, goodwill, properties held for sale and real estate inventories. Segment investments include additions to investment property and property under construction. Liabilities are not allocated to the individual segments for internal reporting purposes.

Results of asset management and operating profit (EBIT) are used to assess performance and to allocate resources. The development of financial results and tax expense in the Group is managed centrally. Separate country boards, which report regularly to the chief operating decision-maker, were established for the core countries in 2015/16. EBIT in the "total" column reflects the same position on the income statement; the reconciliation to earnings before tax can be seen in the income statement.

The accounting and valuation methods applied by the reportable segments comply with the accounting and valuation methods used to prepare IMMOFINANZ's consolidated financial statements.

3.3 TRANSITION FROM OPERATING SEGMENTS TO GROUP RESULTS

There are no material transactions between the segments, and the elimination of intersegment amounts is therefore not reported separately.

Central services are allocated to the operating segments based on actual expenses. Service companies that only work for a particular segment are allocated to that segment.

Investments in holding companies that cannot be assigned to a specific segment and non-operating companies are included in the transition column. Also included in this column is elimination of immaterial intersegment transactions.

3.4 REGIONS AS OPERATING SEGMENTS

The allocation of revenues and non-current assets to the individual regions is based on the location of the property.

- > Austria: the business segment Austria represents a major focal point for the office standing investments. These properties include, among others, the *Business Park Vienna* and the *City Tower Vienna*. This portfolio also includes properties from the retail and other asset classes.
- > Germany: the business segment Germany is the location, above all, for major real estate development projects like the *Gerling Quartier*, the *FLOAT office complex*, *Medienhafen* and *Campus Aachen* from the office and other asset classes.
- > Poland: this country represents a further focal point for the office standing investments which include, among others, the *Park Postepu* und das *IO-1* buildings in Warsaw. This operating segment also contains retail properties like the *Tarasy Zamkowe* shopping center in Lublin. Further shopping centers under the VIVO! and STOP SHOP brands and properties in the office and other asset classes are currently under development in this country.
- > Czech Republic: the Czech Republic is another focal point for the portfolio of office properties. Included here are the *BB Centrum* and *Pankrac House*. Retail properties are also included in this portfolio.
- > Slovakia: the core business in Slovakia lies primarily in the retail asset class with the *Polus City Center* in Bratislava. The portfolio also includes a substantial share of office properties (e.g. *Polus Tower*).
- > Hungary: the properties in this country are allocated primarily to the office asset class (among others, the *Atrium Park*) and the retail asset class (STOP SHOP properties).
- > Romania: the business segment Romania is focused, above all, on the office and retail asset classes. The main properties in the office asset class include the *S-Park* and *IRIDE Business Park*. Important properties in the retail asset class are, above all, the *Polus Center Cluj* and the *Maritimo Shopping Center*. IMMOFINANZ is also active in residential property development in Romania through the Adama Group.
- > Russia: business activities in this country are concentrated in the retail asset class. The largest properties are the *Golden Babylon Rostokino*, *GOODZONE* and *Golden Babylon I* in Moscow.
- > Other non-core countries: this segment consists primarily of STOP SHOP retail properties in Slovenia and Serbia.

3.5 INFORMATION ON KEY CUSTOMERS

IMMOFINANZ had no individual customers who accounted for 10% or more of revenues in 2015/16 or 2014/15.

3.6 SEGMENT REPORTING

Information on the reportable segments of IMMOFINANZ is provided in the following section:

All amounts in TEUR	Austria		Germany	
	2015/16	2014/15 ¹	2015/16	2014/15 ¹
Office	35,028	37,303	2,636	2,715
Retail	25,041	26,609	574	588
Other	8,159	13,955	2,947	4,099
Rental income	68,228	77,867	6,157	7,402
Operating costs charged to tenants	12,488	14,211	1,153	1,530
Other revenues	1,739	1,942	39	114
Revenues	82,455	94,020	7,349	9,046
Expenses from investment property	-34,683	-24,588	-7,426	-3,686
Operating expenses	-12,334	-14,167	-1,718	-1,790
Results of asset management	35,438	55,265	-1,795	3,570
Proceeds from the sale of properties	238,857	28,361	2,500	5,469
Carrying amount of sold properties	-238,857	-28,361	-2,500	-5,469
Results from deconsolidation	-6	2,481	0	3,094
Expenses from property sales	-3,879	-1,210	-219	-337
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	9,485	28,406	0	1,499
Results of property sales before foreign exchange effects	5,600	29,677	-219	4,256
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	5,600	29,677	-219	4,256
Proceeds from the sale of real estate inventories	2,033	0	27,372	18,316
Cost of real estate inventories sold	-1,506	0	-32,743	-16,327
Expenses from real estate inventories	0	0	-25,506	-4,487
Expenses from real estate development	-131	-462	-3,730	-1,318
Revaluation of properties under construction adjusted for foreign exchange effects	-17	337	14,160	-6,680
Results of property development before foreign exchange effects	379	-125	-20,447	-10,496
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	379	-125	-20,447	-10,496
Other operating income	3,332	2,870	607	1,389
Other operating expenses	-2,800	-2,524	-1,538	-2,612
Results of operations	41,949	85,163	-23,392	-3,893
Revaluation of investment properties adjusted for foreign exchange effects	40,577	42,699	-805	2,049
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment, negative differences and earn-out effects on income	0	0	0	0
Other revaluation results	40,577	42,699	-805	2,049
Operating profit (EBIT)	82,526	127,862	-24,197	-1,844
	30 4 2016	30 4 2015	30 4 2016	30 4 2015
Investment property	1,116,359	1,218,249	135,900	441,100
Property under construction	34,700	450	256,180	137,588
Goodwill	0	0	0	0
Investment properties held for sale	23,245	126,125	22,985	0
Real estate inventories	143	1,670	92,560	101,010
Segment assets	1,174,447	1,346,494	507,625	679,698
	2015/16	2014/15	2015/16	2014/15
Segment investments	14,487	4,495	123,226	40,176

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

All amounts in TEUR	Poland		Czech Republic	
	2015/16	2014/15 ¹	2015/16	2014/15 ¹
Office	23,594	17,437	14,260	20,415
Retail	12,085	4,848	10,249	10,937
Other	2,665	2,300	1,580	2,320
Rental income	38,344	24,585	26,089	33,672
Operating costs charged to tenants	16,696	8,849	7,906	8,976
Other revenues	2,130	1,000	228	302
Revenues	57,170	34,434	34,223	42,950
Expenses from investment property	-15,223	-8,186	-8,664	-7,312
Operating expenses	-15,580	-8,834	-7,741	-8,759
Results of asset management	26,367	17,414	17,818	26,879
Proceeds from the sale of properties	0	9,845	1,200	0
Carrying amount of sold properties	0	-9,845	-1,200	0
Results from deconsolidation	97	402	3,447	5,502
Expenses from property sales	-899	-250	-444	-254
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-15,480	1,686	907	0
Results of property sales before foreign exchange effects	-16,282	1,838	3,910	5,248
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-16,282	1,838	3,910	5,248
Proceeds from the sale of real estate inventories	22,917	15,981	0	0
Cost of real estate inventories sold	-18,299	-13,653	0	0
Expenses from real estate inventories	-1,688	333	0	0
Expenses from real estate development	-1,310	-2,671	-191	-152
Revaluation of properties under construction adjusted for foreign exchange effects	-5,648	36,566	-972	-52
Results of property development before foreign exchange effects	-4,028	36,556	-1,163	-204
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-4,028	36,556	-1,163	-204
Other operating income	4,014	382	1,250	777
Other operating expenses	-3,705	-1,937	-2,184	-925
Results of operations	6,366	54,253	19,631	31,775
Revaluation of investment properties adjusted for foreign exchange effects	-12,152	-40,258	-13,641	-66,393
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment, negative differences and earn-out effects on income	3,372	-6,424	-10,435	-7,542
Other revaluation results	-8,780	-46,682	-24,076	-73,935
Operating profit (EBIT)	-2,414	7,571	-4,445	-42,160
	30 4 2016	30 4 2015	30 4 2016	30 4 2015
Investment property	590,210	365,220	424,200	434,560
Property under construction	11,387	240,562	21,400	42,430
Goodwill	1,212	1,489	9,977	22,726
Investment properties held for sale	159,243	0	0	4,753
Real estate inventories	13,901	31,727	0	0
Segment assets	775,953	638,998	455,577	504,469
	2015/16	2014/15	2015/16	2014/15
Segment investments	188,075	110,864	764	6,991

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

All amounts in TEUR	Slovakia		Hungary	
	2015/16	2014/15 ¹	2015/16	2014/15 ¹
Office	1,309	3,160	12,442	11,401
Retail	13,276	13,809	12,043	11,657
Other	212	315	973	1,649
Rental income	14,797	17,284	25,458	24,707
Operating costs charged to tenants	7,999	8,465	9,941	9,917
Other revenues	377	458	386	270
Revenues	23,173	26,207	35,785	34,894
Expenses from investment property	-6,658	-4,320	-8,458	-7,915
Operating expenses	-6,751	-7,430	-9,488	-9,337
Results of asset management	9,764	14,457	17,839	17,642
Proceeds from the sale of properties	0	0	14	18
Carrying amount of sold properties	0	0	-14	-18
Results from deconsolidation	6	0	0	0
Expenses from property sales	-12	-25	-119	-155
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	0	0	0	0
Results of property sales before foreign exchange effects	-6	-25	-119	-155
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-6	-25	-119	-155
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	-123	0	0
Expenses from real estate development	-51	-256	-44	70
Revaluation of properties under construction adjusted for foreign exchange effects	3,724	0	1,023	-236
Results of property development before foreign exchange effects	3,673	-379	979	-166
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	3,673	-379	979	-166
Other operating income	123	60	289	226
Other operating expenses	-1,296	-1,578	-233	-1,861
Results of operations	12,258	12,535	18,755	15,686
Revaluation of investment properties adjusted for foreign exchange effects	-24,251	-33,234	16,867	-9,756
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment, negative differences and earn-out effects on income	-551	-295	-2,119	-185
Other revaluation results	-24,802	-33,529	14,748	-9,941
Operating profit (EBIT)	-12,544	-20,994	33,503	5,745
	30 4 2016	30 4 2015	30 4 2016	30 4 2015
Investment property	178,080	216,210	473,000	519,205
Property under construction	44,400	26,900	3,080	1,925
Goodwill	209	761	3,300	5,419
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	0	0
Segment assets	222,689	243,871	479,380	526,549
	2015/16	2014/15	2015/16	2014/15
Segment investments	14,350	2,733	1,821	2,690

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

All amounts in TEUR	Romania		Russia	
	2015/16	2014/15 ¹	2015/16	2014/15 ¹
Office	18,655	18,270	0	0
Retail	22,836	20,696	82,105	136,125
Other	3,586	5,533	47	94
Rental income	45,077	44,499	82,152	136,219
Operating costs charged to tenants	18,355	18,449	21,555	30,794
Other revenues	1,970	1,739	1,778	2,567
Revenues	65,402	64,687	105,485	169,580
Expenses from investment property	-15,288	-13,556	-38,683	-35,936
Operating expenses	-17,896	-18,009	-20,542	-31,157
Results of asset management	32,218	33,122	46,260	102,487
Proceeds from the sale of properties	8,285	234	0	2,233
Carrying amount of sold properties	-8,285	-234	0	-2,233
Results from deconsolidation	0	-6	0	0
Expenses from property sales	-514	-162	-12	-12
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	2,297	49	0	331
Results of property sales before foreign exchange effects	1,783	-119	-12	319
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	1,783	-119	-12	319
Proceeds from the sale of real estate inventories	8,257	11,865	0	0
Cost of real estate inventories sold	-6,408	-8,357	0	0
Expenses from real estate inventories	-2,342	-2,145	0	0
Expenses from real estate development	-1,567	-1,684	-732	-4,178
Revaluation of properties under construction adjusted for foreign exchange effects	4,437	-8,993	0	0
Results of property development before foreign exchange effects	2,377	-9,314	-732	-4,178
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	2,377	-9,314	-732	-4,178
Other operating income	9,473	2,915	468	11,331
Other operating expenses	-8,300	-11,522	-4,079	-3,350
Results of operations	37,551	15,082	41,905	106,609
Revaluation of investment properties adjusted for foreign exchange effects	-56,873	-19,923	-469,803	-192,902
Revaluation of investment properties resulting from foreign exchange effects	0	0	409,936	219,655
Goodwill impairment, negative differences and earn-out effects on income	-6,629	0	-15,224	0
Other revaluation results	-63,502	-19,923	-75,091	26,753
Operating profit (EBIT)	-25,951	-4,841	-33,186	133,362
	30 4 2016	30 4 2015	30 4 2016	30 4 2015
Investment property	816,601	929,691	1,118,779	1,566,513
Property under construction	31,220	7,300	0	36
Goodwill	14,223	20,851	74,138	119,842
Investment properties held for sale	19,665	0	0	0
Real estate inventories	4,687	12,213	0	0
Segment assets	886,396	970,055	1,192,917	1,686,391
	2015/16	2014/15	2015/16	2014/15
Segment investments	34,440	26,948	59,408	5,864

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

All amounts in TEUR	Other non-core countries		Total reportable segments	
	2015/16	2014/15 ¹	2015/16	2014/15 ¹
Office	1,508	1,597	109,432	112,298
Retail	4,179	3,557	182,388	228,826
Other	2,511	14,214	22,680	44,479
Rental income	8,198	19,368	314,500	385,603
Operating costs charged to tenants	1,316	1,386	97,409	102,577
Other revenues	357	563	9,004	8,955
Revenues	9,871	21,317	420,913	497,135
Expenses from investment property	-4,003	-9,435	-139,086	-114,934
Operating expenses	-1,256	-1,318	-93,306	-100,801
Results of asset management	4,612	10,564	188,521	281,400
Proceeds from the sale of properties	1,307	33,921	252,163	80,081
Carrying amount of sold properties	-1,307	-33,921	-252,163	-80,081
Results from deconsolidation	5,814	-523	9,358	10,950
Expenses from property sales	-597	-722	-6,695	-3,127
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-601	4,628	-3,392	36,599
Results of property sales before foreign exchange effects	4,616	3,383	-729	44,422
Revaluation of properties sold and held for sale resulting from foreign exchange effects	1,506	0	1,506	0
Results of property sales	6,122	3,383	777	44,422
Proceeds from the sale of real estate inventories	360	1,182	60,939	47,344
Cost of real estate inventories sold	-333	-1,188	-59,289	-39,525
Expenses from real estate inventories	-300	-130	-29,836	-6,552
Expenses from real estate development	-524	-387	-8,280	-11,038
Revaluation of properties under construction adjusted for foreign exchange effects	4,400	160	21,107	21,102
Results of property development before foreign exchange effects	3,603	-363	-15,359	11,331
Revaluation of properties under construction resulting from foreign exchange effects	339	107	339	107
Results of property development	3,942	-256	-15,020	11,438
Other operating income	946	451	20,502	20,401
Other operating expenses	-2,868	-5,890	-27,003	-32,199
Results of operations	12,754	8,252	167,777	325,462
Revaluation of investment properties adjusted for foreign exchange effects	-24,962	444	-545,043	-317,274
Revaluation of investment properties resulting from foreign exchange effects	1,345	4,696	411,281	224,351
Goodwill impairment, negative differences and earn-out effects on income	-4,410	-2,433	-35,996	-16,879
Other revaluation results	-28,027	2,707	-169,758	-109,802
Operating profit (EBIT)	-15,273	10,959	-1,981	215,660
	30 4 2016	30 4 2015	30 4 2016	30 4 2015
Investment property	108,716	140,203	4,961,845	5,830,951
Property under construction	7,676	11,943	410,043	469,134
Goodwill	1,025	5,419	104,084	176,507
Investment properties held for sale	24,778	120,881	249,916	251,759
Real estate inventories	835	1,411	112,126	148,031
Segment assets	143,030	279,857	5,838,014	6,876,382
	2015/16	2014/15	2015/16	2014/15
Segment investments	12,267	13,764	448,838	214,525

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

All amounts in TEUR	Total reportable segments		Transition to consolidated financial statements		IMMOFINANZ	
	2015/16	2014/15 ¹	2015/16	2014/15 ¹	2015/16	2014/15 ¹
Office	109,432	112,298	0	0	109,432	112,298
Retail	182,388	228,826	0	0	182,388	228,826
Other	22,680	44,479	0	0	22,680	44,479
Rental income	314,500	385,603	0	0	314,500	385,603
Operating costs charged to tenants	97,409	102,577	0	0	97,409	102,577
Other revenues	9,004	8,955	0	0	9,004	8,955
Revenues	420,913	497,135	0	0	420,913	497,135
Expenses from investment property	-139,086	-114,934	0	0	-139,086	-114,934
Operating expenses	-93,306	-100,801	0	0	-93,306	-100,801
Results of asset management	188,521	281,400	0	0	188,521	281,400
Proceeds from the sale of properties	252,163	80,081	0	0	252,163	80,081
Carrying amount of sold properties	-252,163	-80,081	0	0	-252,163	-80,081
Results from deconsolidation	9,358	10,950	0	0	9,358	10,950
Expenses from property sales	-6,695	-3,127	0	0	-6,695	-3,127
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-3,392	36,599	0	0	-3,392	36,599
Results of property sales before foreign exchange effects	-729	44,422	0	0	-729	44,422
Revaluation of properties sold and held for sale resulting from foreign exchange effects	1,506	0	0	0	1,506	0
Results of property sales	777	44,422	0	0	777	44,422
Proceeds from the sale of real estate inventories	60,939	47,344	0	0	60,939	47,344
Cost of real estate inventories sold	-59,289	-39,525	0	0	-59,289	-39,525
Expenses from real estate inventories	-29,836	-6,552	0	0	-29,836	-6,552
Expenses from real estate development	-8,280	-11,038	0	0	-8,280	-11,038
Revaluation of properties under construction adjusted for foreign exchange effects	21,107	21,102	0	0	21,107	21,102
Results of property development before foreign exchange effects	-15,359	11,331	0	0	-15,359	11,331
Revaluation of properties under construction resulting from foreign exchange effects	339	107	0	0	339	107
Results of property development	-15,020	11,438	0	0	-15,020	11,438
Other operating income	20,502	20,401	9,820	1,166	30,322	21,567
Other operating expenses	-27,003	-32,199	-59,399	-37,490	-86,402	-69,689
Results of operations	167,777	325,462	-49,579	-36,324	118,198	289,138
Revaluation of investment properties adjusted for foreign exchange effects	-545,043	-317,274	0	0	-545,043	-317,274
Revaluation of investment properties resulting from foreign exchange effects	411,281	224,351	0	0	411,281	224,351
Goodwill impairment, negative differences and earn-out effects on income	-35,996	-16,879	0	0	-35,996	-16,879
Other revaluation results	-169,758	-109,802	0	0	-169,758	-109,802
Operating profit (EBIT)	-1,981	215,660	-49,579	-36,324	-51,560	179,336
	30 4 2016	30 4 2015	30 4 2016	30 4 2015	30 4 2016	30 4 2015
Investment property	4,961,845	5,830,951	0	0	4,961,845	5,830,951
Property under construction	410,043	469,134	0	0	410,043	469,134
Goodwill	104,084	176,507	0	0	104,084	176,507
Investment properties held for sale	249,916	251,759	0	0	249,916	251,759
Real estate inventories	112,126	148,031	0	0	112,126	148,031
Segment assets	5,838,014	6,876,382	0	0	5,838,014	6,876,382
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Segment investments	448,838	214,525	0	0	448,838	214,525

¹ The comparable prior year figures were adjusted accordingly (see section 1.7).

4. Notes to the Consolidated Balance Sheet

4.1 INVESTMENT PROPERTY

Investment property includes land, buildings and/or parts of buildings that are held to generate rental income or for capital appreciation. Properties acquired at the start of the development process are classified as property under construction when management has taken the necessary decisions as of the acquisition date. Otherwise all other real estate acquisitions are recognised as investment property.

Investment property also includes assets obtained through finance leases as well as operating leases. In individual cases, IMMOFINANZ exercises the option to account for investment property utilised on the basis of an operating lease at fair value when this property is classified as investment property. These properties are not reported separately on the following tables.

4.1.1 DEVELOPMENT OF INVESTMENT PROPERTY

Details on the development of the fair value of investment property are presented in the following section. Foreign exchange differences resulting from the translation of foreign company assets at the rates in effect at the beginning and the end of the year are presented separately.

The development of investment property is as follows:

All amounts in TEUR	2015/16	2014/15
Balance at the beginning of the financial year	5,830,951	6,411,640
Additions through business combinations (see 2.3)	161,550	0
Deconsolidations (see 2.4 and 2.5)	-484,691	-58,095
Currency translation adjustments	-430,310	-227,830
Additions	79,706	40,626
Disposals	-125,229	-39,253
Revaluation	-130,196	-48,468
Reclassifications	284,945	4,090
Reclassification IFRS 5 (see 4.8)	-224,881	-251,759
Balance at the end of the financial year	4,961,845	5,830,951

The reclassifications are related primarily to transfers of EUR 322.7 million (2014/15: EUR 3.3 million) from property under construction to investment property and to transfers of EUR 56.3 million (2014/15: EUR 60.2 million) from investment property to property under construction (e.g. for major building modernisation). The reclassifications also include transfers of EUR 0.0 million (2014/15: EUR 37.0 million) from real estate inventories to investment property and transfers of EUR 0.0 million (2014/15: EUR 1.2 million) from investment property to real estate inventories.

The additions in the 2015/16 financial year include EUR 50.2 million for the purchase of the "city share" in the Moscow *GOODZONE* shopping center from the city of Moscow. This "city share" represented approx. 30% of the space in the shopping center and resulted from the investment contract concluded between IMMOFINANZ and the city of Moscow for the construction of *GOODZONE*.

4.1.2 ACCOUNTING POLICIES

The fair value of standing investments is generally determined with a discounted cash flow method, specifically in the form of the term and reversion method as well as the hard core and top-slice method. The application of the term and reversion method to existing rental contracts involves the following: net income up to the end of the contract term and the market-based net income over the following 10 years are discounted back to the valuation date ("term"); for the time after this period, the stabilised net rental income is capitalised at the market interest rate and also discounted back to the valuation date to determine the perpetual yield ("reversion").

Depending on the estimates of risk – which are based on the asset class, location and region as well as current market circumstances – different interest rates are applied to the current rental income (discount rate) and the capitalisation of the perpetual yield (exit rate). The assumptions underlying the valuation, e.g. for risk, vacancies or maintenance costs, are based on estimates by relevant market players, on derived data or on the appraisers' experience. The calculation methodology for the hard core and top-slice method is similar to the logic underlying the term and reversion method. The net income generated by the property – up to the market rent (the so-called "hard core component") – is capitalised at a normal market interest rate as a perpetual yield over the entire term (term of the rental contract plus subsequent rental). The top-slice component (i.e. the net income that exceeds the market rent) is then discounted at a risk-adjusted market interest rate. The amount of the risk premium is dependent on the probability of vacancy. Quantitative information on the parameters used for valuation is provided in section 4.1.3.

The valuation of undeveloped land is based on a comparable value method. This method uses the realised purchase prices from other sites with a similar location and size to determine the value of the target property.

Properties under construction, development objects and investment properties that were acquired for possible redesign and renovation (redevelopment) are also measured at fair value using the residual value method. Suspended development projects are valued according to the sales comparison approach.

Changes in the fair value of investment properties, properties under construction, properties held for sale and properties sold are recognised to the income statement. These items are reported under the revaluation of investment properties, properties under construction or properties sold adjusted for or resulting from foreign exchange effects (see section 5.7.1). Since the functional currency in the core countries of IMMOFINANZ – with the exception of Russia – is always the Euro and the fair value of the properties is also determined in the Euro, the total revaluation results in these countries are reported under the revaluation of properties adjusted for foreign exchange effects. The real estate in Russia is valued in US Dollars because the rental agreements concluded by IMMOFINANZ for these retail properties are denominated primarily in US Dollars, which is also the predominant currency for marketing prime assets on the Russian real estate market. The properties in the other non-core countries are valued in the Euro.

The accounting of investment property in accordance with the fair value model requires regular revaluation. In IMMOFINANZ, the valuation of, de facto, all properties is carried out by independent appraisers in accordance with the recommendations of the European Public Real Estate Association (EPRA).

As of 30 April 2016, CB Richard Ellis and BNP Paribas Real Estate Consult served as the appraisers for IMMOFINANZ. The properties in Eastern Europe are valued by CB Richard Ellis, while BNP Paribas Real Estate Consult is responsible for valuing the properties in Austria and Germany. The contracts awarded to CB Richard Ellis and BNP Paribas Real Estate Consult resulted from a tender carried out in 2015/16 for the period from 30 April 2016 to 31 December 2018. Internal valuations are used in a very limited number of cases. In accordance with the applicable Group guideline, a new tender will be held for property valuations starting on 31 December 2018.

The valuations by these external appraisers are based on their market knowledge and the inspection of the properties as well as supplied information, e.g. rental lists, rental contracts, land register excerpts and investment budgets. This data is reviewed by the appraisers, who verify its plausibility through comparisons with market data. The experts also make estimates, among others, for the occupancy, future rental income, scheduled investments and expected returns. This process is accompanied by discussions with members of IMMOFINANZ's asset management and controlling staffs.

A Group guideline and the contract concluded by IMMOFINANZ with each appraiser require the inspection of all properties as part of the initial valuation. Starting with the first follow-up valuation, the appraisers are required to inspect at least 10% of properties in their assigned portfolio and to examine all newly acquired properties each year.

IMMOFINANZ properties are appraised as of 30 April for the preparation of the consolidated financial statements and as of 31 October for the preparation of the interim financial statements. An internal valuation by asset management and/or controlling is carried out for the preparation of the interim financial statements as of 31 July and 31 January (with the exception of the standing investments in Russia, which received a special external appraisal as of 31 January 2016). The review by asset management and/or controlling is designed to identify any relevant events or circumstances (e.g. changes in rental income, occupancy or value-increasing investments) since the last external appraisal and to make any necessary adjustments to fair value.

4.1.3 VALUATION ASSUMPTIONS AND EXISTING VALUATION UNCERTAINTY

IFRS 13 requires the classification of assets and liabilities measured at fair value in three fair value hierarchy levels based on the determining input factors. All investment properties are classified under Level 3 of the fair value hierarchy because of the various parameters used in property valuation that are not directly or indirectly observable on the market (see the following table for information on the most important non-observable input factors).

The investment properties were assigned to classes based on their respective characteristics, features and risks. The criteria used for allocation include the business segments and the asset classes (office, retail and other). The asset classes office and retail were aggregated into four country groups based on specific homogeneity criteria: West (Austria, Germany), CEE (Poland, Czech Republic, Slovakia, Hungary and Romania), Russia and other non-core countries.

This aggregation resulted in the following seven classes:

- > **Office** – in each of the country groups West, CEE, other non-core countries
- > **Retail** – in each of the country groups West, CEE, Russia, other non-core countries
- > **Other** – in each of the country groups West, CEE

The valuation of investment properties generally involves a net present value procedure based on the DCF method (see section 4.1.2). The following table shows the non-observable input factors used for valuation. CB Richard Ellis uses DCF methods in the form of the term and reversion method, while BNP Paribas Real Estate Consult values primarily with the hardcore and top slice method, but also carries out present value-equivalent calculations with the term and reversion method. To improve comparability, the underlying input factors for the term and reversion method are shown for both appraisers' calculations. The key input parameters used to value the investment property are listed for each asset class. A minimum and maximum value is shown for each input parameter in the class; as a result, the various parameters are generally not related to the same property. In addition to the minimum and maximum amounts, a weighted average and median amount are provided for each input parameter within the individual classes.

The input parameters in the following tables are to be understood as follows:

- > Lettable space in sqm: the total gross space available for rental by tenants (excluding storage areas)
- > Monthly rent per sqm in EUR: the monthly rent in square meters based on contractual rents and the appraisers' estimates for the first-year rent attainable for vacant space
- > Discount rate in %: the interest rate used to discount cash flows for the first 10 years (detailed planning period)
- > Exit yield in %: the interest rate used to discount the planned cash flow starting in year 11 for the calculation of the perpetual yield
- > Vacancy rate in %: the actual vacancy rate as of 30 April 2016

The following tables also include the investment property classified held for sale (see section 4.8) when current appraisals were available as of the balance sheet date. Standing investments with 100% vacancy (30 April 2016: 8 properties; 30 April 2015: 4 properties) are not included in the following tables.

Office						
2015/16		Lettable space in sqm	Rent per sqm and month in EUR	Discount rate in %	Exit Yield in %	Vacancy rate in %
West	min	1,457	1.00	4.58	3.50	0.00
	max	68,354	21.50	9.20	7.25	65.91
	weighted average	9,905	12.95	6.66	5.09	17.47
	median	5,142	12.19	6.76	5.40	11.80
CEE	min	1,437	7.60	7.65	6.00	0.00
	max	84,124	19.76	12.25	9.78	74.62
	weighted average	16,310	12.18	9.67	7.99	22.05
	median	12,981	12.11	9.50	7.85	16.02
Other non-core countries	min	9,793	4.34	8.70	8.35	36.11
	max	15,845	14.95	11.00	10.00	60.94
	weighted average	12,819	12.04	9.58	8.98	45.59
	median	12,819	9.64	9.85	9.18	48.52

Retail						
2015/16		Lettable space in sqm	Rent per sqm and month in EUR	Discount rate in %	Exit Yield in %	Vacancy rate in %
West	min	536	0.81	6.40	4.90	0.00
	max	24,677	13.75	11.10	10.75	50.84
	weighted average	2,096	7.69	8.68	7.80	4.46
	median	1,309	6.93	9.10	9.20	0.00
CEE	min	1,380	2.45	7.25	6.25	0.00
	max	63,026	24.55	11.80	9.80	59.33
	weighted average	12,443	11.79	9.37	8.09	9.36
	median	7,011	9.50	9.00	8.25	0.78
Russia	min	9,050	16.44	12.50	11.00	3.55
	max	167,945	38.80	13.75	12.25	27.18
	weighted average	55,727	31.91	12.80	11.30	18.09
	median	25,173	35.71	13.75	12.25	11.57
Other non-core countries	min	1,665	7.06	8.30	7.80	0.00
	max	12,397	14.80	9.25	9.25	22.76
	weighted average	5,239	10.07	8.62	8.21	5.20
	median	5,062	11.43	8.55	8.05	0.00

Other						
2015/16		Lettable space in sqm	Rent per sqm and month in EUR	Discount rate in %	Exit Yield in %	Vacancy rate in %
West	min	1,002	8.94	5.00	3.15	14.69
	max	1,813	15.51	5.45	4.00	32.76
	weighted average	1,284	10.69	5.30	3.64	22.90
	median	1,038	9.77	5.33	3.50	27.57
CEE	min	8,917	6.92	11.75	9.75	44.08
	max	8,917	6.92	11.75	9.75	44.08
	weighted average	8,917	6.92	11.75	9.75	44.08
	median	8,917	6.92	11.75	9.75	44.08

Office

2014/15		Lettable space in sqm	Rent per sqm and month in EUR	Discount rate in %	Exit Yield in %	Vacancy rate in %
West	min	1,808	3.35	4.92	3.60	0.00
	max	68,365	20.35	9.00	7.25	65.91
	weighted average	12,453	13.54	6.77	5.31	24.57
	median	7,034	13.00	6.94	5.55	20.96
CEE	min	2,210	6.57	7.00	6.00	0.00
	max	82,774	56.49	9.50	9.25	94.91
	weighted average	16,507	12.83	8.45	7.97	24.96
	median	10,944	12.56	8.55	8.13	23.68
Other non-core countries	min	3,652	9.57	8.50	8.25	34.85
	max	15,853	19.13	11.90	9.75	79.24
	weighted average	9,766	16.59	9.51	8.78	49.17
	median	9,792	11.08	10.25	8.50	61.15

Retail

2014/15		Lettable space in sqm	Rent per sqm and month in EUR	Discount rate in %	Exit Yield in %	Vacancy rate in %
West	min	536	3.07	6.00	5.80	0.00
	max	24,677	13.64	11.00	10.75	65.44
	weighted average	2,018	8.29	8.62	8.03	1.86
	median	1,240	7.52	8.86	9.23	0.00
CEE	min	2,636	6.50	8.00	7.40	0.00
	max	62,963	24.49	9.40	9.00	28.37
	weighted average	11,201	11.79	8.73	8.40	6.65
	median	6,990	9.14	8.55	8.25	0.55
Russia	min	9,056	51.59	12.50	11.50	3.54
	max	167,355	74.37	13.75	12.25	23.32
	weighted average	55,597	60.81	11.74	11.74	13.88
	median	25,372	61.10	13.25	11.75	9.44
Other non-core countries	min	1,665	7.24	8.25	7.75	0.00
	max	12,397	14.96	9.00	8.50	22.76
	weighted average	5,060	10.33	8.42	7.96	3.79
	median	4,125	12.15	8.50	8.00	0.00

Other

2014/15		Lettable space in sqm	Rent per sqm and month in EUR	Discount rate in %	Exit Yield in %	Vacancy rate in %
West	min	2,528	0.70	4.48	6.40	0.00
	max	116,386	7.22	11.17	12.25	57.45
	weighted average	31,804	3.04	7.83	7.83	5.71
	median	26,145	3.34	7.06	7.75	0.69
CEE	min	13,215	2.78	8.25	8.50	0.00
	max	33,686	8.19	10.50	10.25	95.05
	weighted average	19,063	4.99	9.57	9.27	21.78
	median	17,275	4.91	9.50	9.00	6.12
Russia	min	41,305	10.95	14.00	13.75	21.03
	max	41,305	10.95	14.00	13.75	21.03
	weighted average	41,305	10.95	14.00	13.75	21.03
	median	41,305	10.95	14.00	13.75	21.03
Other non-core countries	min	1,272	5.29	9.00	8.25	0.00
	max	6,915	16.43	10.34	9.00	13.73
	weighted average	4,495	10.91	9.80	8.60	0.57
	median	4,863	10.79	9.83	8.75	0.00

An increase in the rent per square meter would lead to an increase in fair value, while a decrease in this parameter would cause a decrease in fair value. An increase in the discount rate, exit yield or vacancy rate would lead to a reduction in fair value, while a reduction in these input factors would result in a higher fair value.

The following tables show the input factors for properties valued according to the comparable value method (undeveloped land and vacant buildings):

Office 2015/16		Land in sqm	Price per sqm in EUR
West	min	4,256	657.89
	max	8,723	791.01
	weighted average	6,490	747.36
	median	6,490	724.45
CEE	min	2,162	130.51
	max	204,576	752.48
	weighted average	51,472	191.51
	median	20,308	529.84
Other non-core countries	min	68,896	70.77
	max	68,896	70.77
	weighted average	68,896	70.77
	median	68,896	70.77

Retail 2015/16		Land in sqm	Price per sqm in EUR
CEE	min	18,568	9.06
	max	126,500	196.57
	weighted average	62,149	59.43
	median	60,082	37.95
Russia	min	14,100	292.91
	max	14,100	292.91
	weighted average	14,100	292.91
	median	14,100	292.91
Other non-core countries	min	21,428	73.98
	max	52,041	84.00
	weighted average	36,735	76.90
	median	36,735	78.99

Other 2015/16		Land in sqm	Price per sqm in EUR
CEE	min	2,109	3.96
	max	210,034	525.12
	weighted average	30,154	133.28
	median	17,989	147.39
Other non-core countries	min	7,242	8.64
	max	102,953	89.75
	weighted average	53,115	23.25
	median	51,133	38.89

Office			
2014/15		Land in sqm	Price per sqm in EUR
West	min	891	657.89
	max	8,723	4,507.13
	weighted average	4,239	1,539.46
	median	3,670	1,798.42
CEE	min	2,162	135.67
	max	194,592	568.92
	weighted average	49,211	201.09
	median	21,450	397.01
Other non-core countries	min	69,109	214.15
	max	69,109	214.15
	weighted average	69,109	214.15
	median	69,109	214.15

Retail			
2014/15		Land in sqm	Price per sqm in EUR
West	min	1,265	125.68
	max	4,200	592.89
	weighted average	2,910	192.45
	median	2,848	164.29
CEE	min	3,916	31.91
	max	126,500	473.40
	weighted average	48,475	106.49
	median	36,307	68.40
Other non-core countries	min	21,380	84.55
	max	52,041	121.14
	weighted average	36,711	95.20
	median	36,711	102.84

Since the former logistics asset class was classified as a discontinued operation in 2015/16, the property sites previously assigned to this category are now included under the "other" category (see the following table) to improve comparability.

Other			
2014/15		Land in sqm	Price per sqm in EUR
West	min	17,019	31.73
	max	53,430	235.42
	weighted average	31,412	118.21
	median	23,787	93.58
CEE	min	481	6.65
	max	560,396	769.39
	weighted average	53,918	68.86
	median	25,263	72.70
Other non-core countries	min	6,306	7.94
	max	196,671	1,404.06
	weighted average	43,331	76.01
	median	28,869	75.51

An increase in the price per square meter would lead to an increase in fair value, while a decrease would lead to a lower fair value.

The following tables show a transition calculation from the opening balance sheet to the closing balance sheet for the various property classes:

Office

All amounts in TEUR	West	CEE	Russia	Other non-core countries	Total
Balance on 1 May 2014	1,028,580	1,464,140	0	56,150	2,548,870
Foreign exchange differences	0	0	0	59	59
Additions	4,036	4,245	0	44	8,325
Revaluation of properties in the portfolio as of the balance sheet date	34,417	-148,263	0	-345	-114,191
Reclassifications	3,162	-55,322	0	-8	-52,168
Reclassification IFRS 5	-50,625	0	0	0	-50,625
Balance on 30 April 2015	1,019,570	1,264,800	0	55,900	2,340,270
Balance on 1 May 2015	1,019,570	1,264,800	0	55,900	2,340,270
Additions through business combinations	0	161,550	0	0	161,550
Deconsolidations	0	-17,470	0	-1,725	-19,195
Foreign exchange differences	0	0	0	424	424
Additions	6,772	1,307	0	0	8,079
Disposals	-12,425	0	0	0	-12,425
Revaluation of properties in the portfolio as of the balance sheet date	37,798	-38,277	0	-19,335	-19,814
Revaluation of properties no longer in the portfolio as of the balance sheet date	-2,193	-83	0	-575	-2,851
Reclassifications	-10,494	78,567	0	87	68,160
Reclassification IFRS 5	-22,600	-147,700	0	0	-170,300
Balance on 30 April 2016	1,016,428	1,302,694	0	34,776	2,353,898

Retail

All amounts in TEUR	West	CEE	Russia	Other non-core countries	Total
Balance on 1 May 2014	229,080	890,500	1,710,200	52,810	2,882,590
Deconsolidations	-15,900	0	0	0	-15,900
Foreign exchange differences	0	0	-219,655	-892	-220,547
Additions	1,503	2,328	5,862	456	10,149
Disposals	-2,727	-1,168	-2,233	0	-6,128
Revaluation of properties in the portfolio as of the balance sheet date	6,305	-17,039	27,084	-869	15,481
Revaluation of properties no longer in the portfolio as of the balance sheet date	470	200	0	0	670
Reclassifications	179	3,584	15,255	585	19,603
Balance on 30 April 2015	218,910	878,405	1,536,513	52,090	2,685,918
Balance on 1 May 2015	218,910	878,405	1,536,513	52,090	2,685,918
Foreign exchange differences	0	0	-417,309	-386	-417,695
Additions	7,551	2,511	59,408	2	69,472
Disposals	-29,763	-1,280	0	0	-31,043
Revaluation of properties in the portfolio as of the balance sheet date	11,970	-36,896	-59,867	-3,023	-87,816
Revaluation of properties no longer in the portfolio as of the balance sheet date	2,273	0	0	0	2,273
Reclassifications	1,709	203,400	34	20,967	226,110
Balance on 30 April 2016	212,650	1,046,140	1,118,779	69,650	2,447,219

Other

All amounts in TEUR	West	CEE	Russia	Other non-core countries	Total
Balance on 1 May 2014	497,276	306,160	34,100	142,644	980,180
Deconsolidations	-30,395	-11,800	0	0	-42,195
Foreign exchange differences	0	0	-4,381	-2,961	-7,342
Additions	788	18,351	0	3,013	22,152
Disposals	-24,009	-8,487	-47	-582	-33,125
Revaluation of properties in the portfolio as of the balance sheet date	47,932	-11,653	-1,157	10,980	46,102
Revaluation of properties no longer in the portfolio as of the balance sheet date	500	1,485	1,485	0	3,470
Reclassifications	4,277	32,378	0	0	36,655
Reclassification IFRS 5	-75,500	-4,753	0	-120,881	-201,134
Balance on 30 April 2015	420,869	321,681	30,000	32,213	804,763
Balance on 1 May 2015	420,869	321,681	30,000	32,213	804,763
Deconsolidations	-342,574	-98,525	-24,397	0	-465,496
Foreign exchange differences	0	0	-10,150	-2,889	-13,039
Additions	1,263	917	0	-25	2,155
Disposals	-73,044	-8,259	0	-458	-81,761
Revaluation of properties in the portfolio as of the balance sheet date	-13,835	-27,149	0	133	-40,851
Revaluation of properties no longer in the portfolio as of the balance sheet date	52,728	-38,506	4,547	94	18,863
Reclassifications	-7,904	-1,421	0	0	-9,325
Reclassification IFRS 5	-14,322	-15,481	0	-24,778	-54,581
Balance on 30 April 2016	23,181	133,257	0	4,290	160,728

The “other” asset class also includes the properties attributable to the discontinued operations (logistics portfolio).

The following table shows a reconciliation from the various classes of investment properties to the total investment property reported on the consolidated balance sheet.

All amounts in TEUR	30 4 2016	30 4 2015
Office	1,016,428	1,019,570
Retail	212,650	218,910
Other	23,181	420,869
Total West	1,252,259	1,659,349
Office	1,302,694	1,264,800
Retail	1,046,140	878,405
Other	133,257	321,681
Total CEE	2,482,091	2,464,886
Retail	1,118,779	1,536,513
Other	0	30,000
Total Russia	1,118,779	1,566,513
Office	34,776	55,900
Retail	69,650	52,090
Other	4,290	32,213
Total Other non-core countries	108,716	140,203
Total	4,961,845	5,830,951

Sensitivity analysis of revaluation results

Property valuation by IMMOFINANZ follows general branch practices and is based on the fair value model as defined in IAS 40. The resulting amounts are heavily dependent on the calculation method and the relevant input factors. For example: a change in the assumed occupancy or future investment costs can have a direct effect on the fair value of the property and, in turn, on the revaluation results reported by IMMOFINANZ. Therefore, the derived fair values are directly related to the underlying assumptions and the calculation method. Even minor changes in the economic or property-specific assumptions used for valuation can have a significant influence on the Group’s earnings.

The following two tables show the per cent change in the fair value of investment property as of 30 April 2016 that would result from changes in rental income and interest rates, respectively from changes in the vacancy rate.

Sensitivity of fair value as of 30 April 2016					Rental income
Interest rate ¹⁾	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -50 basis points	2.2%	4.8%	7.4%	10.1%	12.7%
Δ -25 basis points	-1.5%	1.0%	3.6%	6.1%	8.5%
Δ 0 basis points	-4.9%	-2.4%	0.0%	2.4%	4.9%
Δ +25 basis points	-8.0%	-5.7%	-3.3%	-1.0%	1.4%
Δ +50 basis points	-11.0%	-8.7%	-6.4%	-4.1%	-1.8%

¹⁾ Discount rate and exit yield

For example: if the interest rate fell by 25 basis points and rental income rose by 2.5%, the fair value of investment property would increase by 6.1%.

Sensitivity of fair value as of 30 April 2016					Rental income
Vacancy rate	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -5.0% points	-1.3%	1.1%	3.5%	6.0%	8.4%
Δ -2.5% points	-3.0%	-0.6%	1.9%	4.3%	6.7%
Δ 0.0% points	-4.9%	-2.4%	0.0%	2.4%	4.9%
Δ +2.5% points	-6.9%	-4.5%	-2.1%	0.4%	2.8%
Δ +5.0% points	-9.0%	-6.5%	-4.1%	-1.7%	0.8%

For example: if the vacancy rate fell by 2.5% points and rental income rose by 2.5%, the fair value would increase by 4.3%.

The following two tables show the per cent change in the fair value of investment property as of 30 April 2015 that would result from changes in rental income and interest rates, respectively from changes in the vacancy rate:

Sensitivity of fair value as of 30 April 2015					Rental income
Interest rate ¹⁾	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -50 basis points	-0.2%	2.1%	4.4%	6.7%	9.1%
Δ -25 basis points	-2.3%	-0.1%	2.2%	4.4%	6.7%
Δ 0 basis points	-4.4%	-2.2%	0.0%	2.2%	4.4%
Δ +25 basis points	-6.3%	-4.2%	-2.0%	0.1%	2.3%
Δ +50 basis points	-8.2%	-6.1%	-4.0%	-1.9%	0.2%

¹⁾ Discount rate and exit yield

Sensitivity of fair value as of 30 April 2015					Rental income
Vacancy rate	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -5.0% points	-1.1%	1.2%	3.4%	5.7%	8.0%
Δ -2.5% points	-3.3%	-1.1%	1.1%	3.3%	5.6%
Δ 0.0% points	-4.4%	-2.2%	0.0%	2.2%	4.4%
Δ +2.5% points	-6.5%	-4.3%	-2.2%	0.0%	2.2%
Δ +5.0% points	-8.6%	-6.4%	-4.3%	-2.2%	-0.1%

The above data are based on the top 30 properties in the standing investment portfolio, excluding the properties classified as held for sale in accordance with IFRS 5. As of 30 April 2016 the carrying amount of investment property totalled EUR 4,961.8 million (30 April 2015: EUR 5,831.0 million) and the carrying amount of the top 30 properties equalled EUR 3,016.1 million (30 April 2015: EUR 3,313.5 million) or 60.8% (2014/15: 56.8%) of the standing investment portfolio.

For the top 30 properties in the standing investment portfolio, the interest rates (discount rate, resp. exit yield) used by the appraisers for valuation as of 30 April 2016 ranged from 3.9% to 13.8% (30 April 2015: 4.2% to 13.8%). The interest rates were highest in Russia with a range of 11.0% to 13.8% (30 April 2015: 11.5% to 13.8%) and lowest in Austria with a range of 3.9% to 7.1% (30 April 2015: 4.2% und 7.1%).

In addition to the previously discussed valuation-relevant parameters, changes in exchange rates also have an effect on profit or loss through revaluation results. This applies, above all, to the retail properties in Russia.

The appraisals for IMMOFINANZ's retail properties in Russia are prepared in US Dollars. This procedure leads to revaluation results adjusted for and resulting from foreign exchange effects in Rubles for the Russian subsidiaries, which are translated into the Euro at the average exchange rate applicable to each quarter (see section 2.6.2). If the value of a property in US Dollars remains unchanged compared with the last balance sheet date or the change in the US Dollar exchange rate reflects the increases and decreases in investment property expressed in US Dollars, the entire revaluation is considered foreign exchange-related. An increase (decrease) in the US Dollar in relation to the Ruble results in positive (negative) foreign exchange-based revaluation results in Rubles, which – when translated into the Euro – represent the revaluation resulting from foreign exchange effects on the income statement. Changes in the value of investment property in US Dollars lead to foreign exchange-adjusted revaluation in the Euro through this foreign currency triangle.

The following table shows how the revaluation of investment properties, property under construction and properties held for sale would be influenced by an increase or decrease of 2% and 5% in the local currency as of 30 April 2016. This calculation is based on the year-end exchange rates listed in section 2.6.2. The analysis assumes that all other valuation-relevant input parameters, especially interest rates, remain constant.

Based on the following exchange rate movements as of 30 April 2016					
All amounts in TEUR	2015/16	Δ +2%	Δ -2%	Δ +5%	Δ -5%
Russia	-59,867	-37,339	-82,679	-4,070	-117,443
Other	-17,973	-16,178	-19,792	-13,529	-22,567
Business segments with EUR as the functional currency	-36,362	0	0	0	0
Total	-114,202	-53,517	-102,471	-17,599	-140,010

Based on the following exchange rate movements as of 30 April 2015					
All amounts in TEUR	2014/15	Δ +2%	Δ -2%	Δ +5%	Δ -5%
Russia	27,084	58,413	-2,930	107,810	-45,871
Other	10,035	12,207	7,945	15,639	4,961
Business segments with EUR as the functional currency	-72,234	0	0	0	0
Total	-35,115	70,620	5,015	123,449	-40,910

4.1.4 CONCENTRATION RISK

Concentration risk is understood to mean the accumulation of similar risks that contradict the principle of risk diversification. IMMOFINANZ consciously reduces these risks through the sector and regional diversification of the property portfolio. In addition to this sector and regional diversification, IMMOFINANZ also works to achieve a diversified tenant structure so the loss of a tenant will not have a significant influence on the company. IMMOFINANZ has a very well balanced and diversified tenant mix. No single tenant is responsible for more than 2.0% of total rental income (also see section 3.5).

The Russian market is associated with a number of specific concentration risks. Firstly, IMMOFINANZ has a single investment in this market which represents more than 10.0% (30 April 2015: more than 15.0%) of the total portfolio based on fair value: the *Golden Babylon Rostokino* shopping center in Moscow. The total property portfolio at IMMOFINANZ covers the following three balance sheet positions: investment property, property under construction and real estate inventories. Secondly, the investments in Russia are concentrated in the Moscow retail market, which comprises 22.5% of the Group's investment property (30 April 2015: 26.4%).

Given the high share of the total portfolio represented by the *Golden Babylon Rostokino*, a change in the underlying input factors and the resulting change in the value of this asset could have a significant effect on Group earnings. The following table shows the changes in fair value that would result from a shift in the valuation parameters as of 30 April 2016:

Sensitivity of fair value as of 30 April 2016					Rental income
Interest rate ¹	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -50 basis points	-0.9%	1.9%	4.7%	7.5%	10.2%
Δ -25 basis points	-3.1%	-0.4%	2.3%	5.0%	7.7%
Δ 0 basis points	-5.3%	-2.7%	0.0%	2.7%	5.3%
Δ +25 basis points	-7.4%	-4.8%	-2.2%	0.4%	3.0%
Δ +50 basis points	-9.4%	-6.8%	-4.3%	-1.7%	0.8%

¹ Discount rate and exit yield

For example: if the interest rate fell by 25 basis points and rental income rose by 2.5%, the fair value of the *Golden Babylon Rostokino* shopping center would increase by 5.0%.

Sensitivity of fair value as of 30 April 2016					Rental income
Vacancy rate	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -5.0% points	0.0%	2.7%	5.3%	8.0%	10.6%
Δ -2.5% points	-2.7%	0.0%	2.7%	5.3%	8.0%
Δ 0.0% points	-5.3%	-2.7%	0.0%	2.7%	5.3%
Δ +2.5% points	-8.0%	-5.3%	-2.7%	0.0%	2.7%
Δ +5.0% points	-10.6%	-8.0%	-5.3%	-2.7%	0.0%

For example: if the vacancy rate fell by 2.5% points and rental income rose by 2.5%, the fair value of the *Golden Babylon Rostokino* shopping center would increase by 5,3%.

A change in the valuation parameters as of 30 April 2015 would have led to the following changes in fair value:

Sensitivity of fair value as of 30 April 2015					Rental income
Interest rate ¹	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -50 basis points	1.0%	2.7%	4.4%	6.1%	7.8%
Δ -25 basis points	-1.1%	0.5%	2.2%	3.8%	5.4%
Δ 0 basis points	-3.2%	-1.6%	0.0%	1.6%	3.2%
Δ +25 basis points	-5.1%	-3.6%	-2.1%	-0.5%	1.0%
Δ +50 basis points	-7.0%	-5.5%	-4.0%	-2.5%	-1.0%

¹ Discount rate and exit yield

Sensitivity of fair value as of 30 April 2015					Rental income
Vacancy rate	Δ -5.0%	Δ -2.5%	Δ 0.0%	Δ +2.5%	Δ +5.0%
Δ -5.0% points	2.1%	3.8%	5.5%	7.1%	8.8%
Δ -2.5% points	-3.2%	-1.6%	0.0%	1.6%	3.2%
Δ 0.0% points	-3.2%	-1.6%	0.0%	1.6%	3.2%
Δ +2.5% points	-5.8%	-4.3%	-2.7%	-1.2%	0.4%
Δ +5.0% points	-8.5%	-7.0%	-5.5%	-4.0%	-2.5%

4.2 PROPERTY UNDER CONSTRUCTION

Property under construction covers properties under development as well as standing investments which were acquired for refurbishment or redevelopment and properties which were reclassified from standing investments to property under construction. IMMOFINANZ views refurbishment and renovation as the structural-technical restoration or modernisation of one or more floors, the communal areas or an entire property to eliminate damages and/or improve the overall standard. Above all, it involves maintaining the value of the building substance and/or modernising the property to improve its potential. This involves the facade as well as the building core (floors, rental areas, communal areas, plant rooms etc.). Renovation extends beyond normal maintenance and repairs and beyond a maintenance backlog. An important criterion for classification as renovation is the investment volume and a reduced occupancy level. A renovation case is considered to exist

when the investment volume equals or exceeds 10% of the property's current fair value and/or the occupancy rate has fallen below 50%.

Borrowing costs directly attributable to the acquisition, construction or production of assets whose purchase or development requires a substantial period of time are generally capitalised as part of the acquisition or production cost. In accordance with IAS 23, the application of this accounting procedure is not mandatory if the acquired or developed assets are measured at fair value. IMMOFINANZ has elected to use the fair value model for the subsequent measurement of investment property (see section 1.2), and borrowing costs are therefore not capitalised on property accounted for according to IAS 40.

The development of property under construction is shown in the following table:

All amounts in TEUR	2015/16	2014/15
Balance at the beginning of the financial year	469,134	222,206
Disposal due to sale of subsidiaries attributable to discontinued operations (see 2.5)	-9,009	0
Currency translation adjustments	-339	-128
Additions	207,582	173,899
Disposals	0	-5,476
Revaluation	23,061	22,779
Reclassifications	-255,351	55,854
Reclassification IFRS 5 (see 4.8)	-25,035	0
Balance at the end of the financial year	410,043	469,134

The reclassifications are related primarily to transfers of EUR 322.7 million (2014/15: EUR 3.3 million) from investment property to property under construction and to transfers of EUR 56.3 million (2014/15: EUR 60.2 million) from property under construction to investment property. The reclassifications also include transfers of EUR 5.0 million (2014/15: EUR 0.0 million.) from real estate inventories to property under construction and transfers of EUR 0.0 million (2014/15: EUR 1.0 million) from property under construction to real estate inventories.

The residual value method is used to value property under construction. Residual value is understood to represent the amount remaining after the deduction of all project development costs and the imputed project development profit (developer profit) from the property's estimated selling price after completion. The unrealised imputed project development profit declines with the progress on the project. The most important input factors for this valuation method are the future net proceeds from the project, the discount rate (these 2 parameters generally determine the estimated fair value on completion) and the outstanding project development costs. The exit yields for IMMOFINANZ's development projects range from 3.9% to 9.0% (2014/15: 4.1% to 9.5%), while the project development profit ranges from 2.2% to 17.4% (2014/15: 5.3% to 24.3%). The estimated fair values of the projects on completion range from EUR 3.1 million to EUR 186.5 million (2014/15: EUR 4.8 million to EUR 162.5 million), and the estimated outstanding construction costs by property range from EUR 1.5 million to EUR 96.4 million (2014/15: EUR 0.5 million to EUR 103.5 million).

Of the total carrying amount of property under construction as of 30 April 2016, 62.5% is attributable to development projects in Germany. As of 30 April 2015, 51.3% of the reported carrying amount was attributable to development projects in Poland.

Information on other valuation-relevant parameters and valuation uncertainty is provided in section 4.1.3.

4.3 INTANGIBLE ASSETS

4.3.1 COMPOSITION OF INTANGIBLE ASSETS

The carrying amounts of goodwill and other intangible assets are as follows:

All amounts in TEUR	30 4 2016	30 4 2015
Goodwill	104,084	176,507
Other intangible assets	390	670
Total	104,474	177,177

4.3.2 GOODWILL

The development of goodwill is shown in the following table:

All amounts in TEUR	2015/16	2014/15
Balance at the beginning of the financial year	176,507	216,327
Deconsolidations (see 2.4)	-271	0
Currency translation adjustments	-26,477	-17,019
Impairment losses to continuing operations	-41,292	-16,799
Impairment losses to discontinued operations	-4,383	0
Reclassification IFRS 5 (see 4.8)	0	-6,002
Balance at the end of the financial year	104,084	176,507

Goodwill regularly results as a technical figure when the acquisition of a subsidiary represents a business combination as defined in IFRS 3 and does not result in another acquisition (see section 2.2.2) because of the obligation to recognise deferred taxes on the difference between the fair value and the tax base of the acquired real estate assets. This goodwill is tested for indications of impairment each year. Since it is normally assumed that net yields above the market level are not sustainable on real estate markets, IMMOFINANZ determines the recoverable amount based on fair value less costs to sell and not on the basis of value in use.

The cash-generating units generally represent individual properties or property portfolios. Due to the extensive number of properties held by IMMOFINANZ, this presentation in each case is aggregated by segment.

The recoverable amount of the cash-generating units is based on the fair value of the included property (properties) as determined by an expert opinion and includes the deferred taxes that are not transferrable to a hypothetical buyer as well as costs to sell. If the hypothetical transaction underlying the determination of the recoverable amount is assumed to be structured in a way that does not change the tax base of the asset(s) – which is regularly the case with share deals – this factor would be implicitly included in the recoverable amount at zero. However, actual transactions – above all the sale of the logistics portfolio (see section 2.5) – have shown that the determination of the selling price through negotiations generally leads to an equal allocation of the deferred tax liabilities between the seller and the buyer. In cases where it cannot be anticipated with sufficient certainty that the sales in a regional real estate market will take place through share deals, it must be assumed that the full amount of the deferred tax liabilities will remain with the seller; in such cases, goodwill would be no longer considered recoverable.

The recoverable amount of the cash-generating unit is then compared with the carrying amount of the included property (properties) plus any goodwill and minus the deferred tax liabilities attributable to the respective property (properties). Deferred taxes are included in accordance with IAS 36 because these items are implicitly included in the determination of the recoverable amount.

All goodwill is tested for indications of impairment. Information on property valuation and the related estimation uncertainty is provided in sections 4.1.2 and 4.1.3. The costs to sell for IMMOFINANZ are estimated at 0.5% to 2.0% of the respective property value and result primarily from brokerage services and legal advising.

The key valuation-relevant input parameters for properties that carry goodwill are summarised in the following table, classified by segment:

Segment		Lettable space in m ²	Rent per sqm and month in EUR	Discount rate in %	Exit yield in %	Vacancy rate in %
Poland	min	21.306	11,90	7,25	6,25	4,37
	max	38.326	14,71	7,75	7,00	5,82
	weighted average	29.816	13,31	7,50	6,63	5,09
	median	29.816	13,31	7,50	6,63	5,09
Czech Republic	min	4.250	7,32	8,00	6,10	0,00
	max	34.948	14,79	9,25	8,75	49,94
	weighted average	12.085	10,24	8,81	7,34	9,22
	median	6.280	9,30	9,00	7,50	0,01
Slovakia	min	3.263	8,93	9,00	8,25	0,00
	max	6.808	13,05	10,00	9,25	13,37
	weighted average	5.209	10,15	9,31	8,63	3,34
	median	5.383	9,31	9,13	8,50	0,00
Hungary	min	7.210	5,85	9,15	7,40	1,30
	max	38.362	13,26	10,00	8,75	28,08
	weighted average	14.982	9,47	9,48	8,32	15,45
	median	9.393	9,79	9,50	8,75	17,12
Romania	min	10.826	13,01	9,50	7,50	0,00
	max	63.026	17,08	10,25	8,25	9,80
	weighted average	29.133	15,37	9,90	7,90	4,63
	median	21.040	15,95	9,75	7,75	2,85
Russia	min	21.272	25,56	12,50	11,00	3,55
	max	167.945	38,69	13,75	12,25	18,54
	weighted average	71.463	33,32	13,33	11,83	11,22
	median	25.173	35,71	13,75	12,25	11,57
Other non-core countries	min	5.062	7,06	8,55	8,05	0,00
	max	15.845	14,95	8,70	8,35	36,11
	weighted average	11.102	10,90	8,63	8,18	19,62
	median	12.397	10,70	8,65	8,15	22,76

The following table shows the cash-generating units, summarised by segment, in which impairment testing led to the recognition of an impairment loss to goodwill in 2015/16:

All amounts in TEUR	Russia	Romania	Poland	Czech Republic	Slovakia	Hungary	Other	30 4 2016 Total
Recoverable amount of impaired cash-generating units	870,547	296,798	107,720	252,791	16,251	199,960	69,290	1,813,357
Goodwill	89,477	20,826	1,457	22,370	699	5,419	5,451	145,699
Investment property	954,538	315,310	110,000	268,200	16,900	207,000	71,328	1,943,276
Deferred tax liabilities	-158,130	-32,709	-3,460	-25,301	-797	-10,340	-3,066	-233,803
Carrying amount of cash-generating units	885,885	303,427	107,997	265,269	16,802	202,079	73,713	1,855,172
Impairment losses	-15,338	-6,629	-277	-12,478	-551	-2,119	-4,423	-41,815
Thereof recognised in profit or loss	-14,828	-6,629	-277	-12,478	-551	-2,119	-4,410	-41,292
Thereof recognised in other comprehensive income as a foreign exchange difference	-510	0	0	0	0	0	-13	-523

With regard to Russia, in general, and to the *Golden Babylon Rostokino* shopping center in Moscow, in particular, IMMOFINANZ is exposed to a considerable concentration risk (see section 4.1.4). The related goodwill was written down by EUR 6.3 million in 2015/16.

Impairment testing of the other cash-generating units which carry goodwill did not indicate any need for the recognition of an impairment loss as of 30 April 2016.

Impairment losses are reported on the consolidated income statement under “goodwill impairment, negative differences and earn-out effects on income” (see section 5.7.2). On the one hand, the impairment losses to goodwill resulted from a decline in the value of the related properties or property portfolios. On the other hand, it was assumed – in contrast to the previous financial year – that 50% of the deferred tax liabilities attributable to investment properties would also materialise in the event of a share deal. This evidence-based change in estimates for the determination of prices on hypothetical transactions for the sale of properties held by property companies (“corporate wrappers”) led to an increase of EUR 30.9 million in impairment losses to goodwill. Impairment losses to goodwill are not deductible for tax purposes.

4.4 EQUITY-ACCOUNTED INVESTMENTS

4.4.1 INVESTMENTS IN JOINT VENTURES

IMMOFINANZ's most important joint venture is NP Investments a.s., which maintains its registered office in Prague. This joint venture is the owner of the *Na Prikope* office and shopping center in the inner city of Prague.

IMMOKRON Immobiliengesellschaft m.b.H., which maintains its registered office in Vienna sold its two retail properties in *Gmünd and Korneuburg* to IMMOFINANZ in 2015/16 (also see section 7.4.1) and has had no operating activities since that time.

With regard to the investments in joint ventures, joint arrangements normally include limitations on the sale of the investment in the form of pre-emptive or purchase rights and tag-along sale rights or obligations. These types of limitations are found, among others, in the investments in NP Investments a.s. and IMMOKRON Immobilienbetriebsgesellschaft m.b.H. In some cases there are also financing obligations for budgeted project-specific costs in the joint ventures.

Information on the upstream transaction carried out with the HEPP III Luxembourg MBP SARL joint venture in 2015/16 is provided in sections 2.3 and 7.4.1.

The investments in Caterata Limited, Residea Limited, CFE Immobilienentwicklungs GmbH and Phelma Investments Limited (see section 7.4.1) were sold during the financial year.

The following table provides aggregated financial information on the joint ventures, including a reconciliation to the carrying amounts and shares of profit or loss reported in IMMOFINANZ's consolidated financial statements.

The other adjustments included in the transition from the proportional share of equity to the carrying amount reported by IMMOFINANZ are related primarily to coverage for negative carrying amounts. This coverage was achieved through the reduction of receivables which are considered net investments in the joint ventures according to IAS 28 because of their economic content. The other adjustments included in the transition from the proportional share of profit or loss for the period to the share of profit or loss reported by IMMOFINANZ involve impairment losses or the reversal of such losses to the net investment in the joint ventures. Details on the share of results and other adjustments (from impairment losses) to HEPP III Luxembourg MBP SARL are provided in section 7.4.1.

	NP Investments a.s. 30 4 2016	HEPP III Luxembourg MBP SARL 30 4 2016	IMMOKRON Immobilien- betriebs- gesellschaft m.b.H. 30 4 2016	Other 30 4 2016	Total 30 4 2016
All amounts in TEUR					
Non-current assets	77,489	0	0	26,253	103,742
Thereof investment property	75,100	0	0	22,123	97,223
Current assets	341	70	30,633	9,425	40,469
Thereof cash and cash equivalents	79	70	2,123	408	2,680
Non-current liabilities	47,663	0	6,858	28,554	83,075
Thereof non-current financial liabilities	42,332	0	0	4,553	46,885
Current liabilities	45,850	0	1,385	9,430	56,665
Thereof current financial liabilities	628	0	12	509	1,149
Equity	-15,683	70	22,390	-2,306	4,471
Equity interest of IMMOFINANZ in the investment	-7,841	35	17,913	-3,218	6,889
Other adjustments	7,841	-35	-83	8,633	16,356
Carrying amount as of 30 April 2016	0	0	17,830	5,415	23,245
	2015/16	2015/16	2015/16	2015/16	2015/16
Rental income	1,140	2,837	121	1,714	5,812
Expenses charged on and other revenue	167	1,982	-6	0	2,143
Revenues	1,307	4,819	115	1,716	7,957
Net profit or loss for the period	7,980	59,546	145	1,375	69,046
Thereof interest income	0	1,404	640	99	2,143
Thereof interest expense	-5,744	-4,438	-208	-2,057	-12,447
Thereof income taxes	-2,204	694	-183	1,874	181
Thereof attributable to shareholders of the investment	7,980	59,546	145	1,375	69,046
Share of net profit or loss attributable to IMMOFINANZ	128	29,773	116	2,492	32,509
Other adjustments	3,862	-29,773	0	-4,521	-30,432
Share of net profit or loss from equity-accounted investments attributable to IMMOFINANZ	3,990	0	116	-2,029	2,077
Other comprehensive income	-257	4,390	0	-26	4,107
Thereof attributable to shareholders of the investment	-257	4,390	0	-26	4,107
Share of changes in other comprehensive income recorded directly in equity attributable to IMMOFINANZ	-128	0	0	-6	-134
Share of reclassification of foreign exchange effects to profit or loss attributable to IMMOFINANZ	0	2,195	0	7	2,202
Total comprehensive income	7,723	63,936	145	1,349	73,153
Thereof attributable to shareholders of the investment	7,723	63,936	145	1,349	73,153
Share of total comprehensive income for the period attributable to IMMOFINANZ	3,862	2,195	116	-2,027	4,146
Dividends received	0	0	0	0	0

	NP Investments a.s.	HEPP III Luxembourg MBP SARL	IMMOKRON Immobilien- betriebs- gesellschaft m.b.H.	Other	Total
All amounts in TEUR	30 4 2015	30 4 2015	30 4 2015	30 4 2015	30 4 2015
Non-current assets	59,886	180,974	28,070	45,426	314,356
Thereof investment property	58,270	171,280	7,300	28,135	264,985
Current assets	190	9,840	4,367	10,825	25,222
Thereof cash and cash equivalents	64	8,355	4,302	6,265	18,986
Non-current liabilities	1,678	127,026	3,058	45,163	176,925
Thereof non-current financial liabilities	0	117,257	1,961	27,953	147,171
Current liabilities	81,803	126,390	7,134	16,519	231,846
Thereof current financial liabilities	22,586	8,222	232	149	31,189
Equity	-23,405	-62,602	22,245	-5,431	-69,193
Equity interest of IMMOFINANZ in the investment	-11,703	-31,301	17,796	-4,261	-29,469
Other adjustments	11,703	31,301	-82	9,908	52,830
Carrying amount as of 30 April 2015	0	0	17,714	5,647	23,361
	2014/15	2014/15	2014/15	2014/15	2014/15
Rental income	1,047	13,030	642	1,709	16,428
Expenses charged on and other revenue	151	7,997	117	1	8,266
Revenues	1,199	21,027	759	1,709	24,694
Net profit or loss for the period	-6,816	-35,447	933	-6,297	-47,627
Thereof depreciation	-10	0	0	0	-10
Thereof interest income	0	19	567	143	729
Thereof interest expense	-5,589	-12,244	-76	-1,845	-19,754
Thereof income taxes	-8	1,262	-395	-1,852	-993
Thereof attributable to shareholders of the investment	-6,816	-35,447	933	-6,297	-47,627
Share of net profit or loss attributable to IMMOFINANZ	-3,408	-17,724	746	-3,412	-23,798
Other adjustments	0	0	0	-1,088	-1,088
Share of net profit or loss from equity-accounted investments attributable to IMMOFINANZ	-3,408	-17,724	746	-4,500	-24,886
Other comprehensive income	-50	-1,332	0	1,629	247
Thereof attributable to shareholders of the investment	-50	-1,332	0	1,629	247
Share of changes in other comprehensive income recorded directly in equity attributable to IMMOFINANZ	-25	-666	0	-217	-908
Share of reclassification of foreign exchange effects to profit or loss attributable to IMMOFINANZ	0	0	0	1,627	1,627
Other adjustments	0	0	0	290	290
Total comprehensive income	-6,866	-36,779	933	-4,668	-47,380
Thereof attributable to shareholders of the investment	-6,866	-36,779	933	-4,668	-47,380
Share of total comprehensive income for the period attributable to IMMOFINANZ	-3,433	-18,390	746	-2,002	-23,079
Dividends received	0	0	0	0	0

The other adjustments to net profit or loss in 2014/15 included an impairment loss of EUR 1.1 million to the investment in Residea Limited.

4.4.2 INVESTMENTS IN ASSOCIATES

IMMOFINANZ's most important associates are the BUWOG Group and Bulreal EAD.

The BUWOG Group, which maintains its registered office in Vienna, is a complete provider in the residential property sector (over 52,000 apartments) of Germany and Austria. BUWOG shares are listed on the stock exchanges in Vienna, Frankfurt and Warsaw.

Bulreal EAD, which maintains its registered office in Sofia, holds *Stokov Bazaar Iliyanci*, a retail property in that city.

IMMOFINANZ has gradually reduced its investment in the BUWOG Group since the spin-off in 2013/14. As of 30 April 2016 IMMOFINANZ held an investment of 28.61% (30 April 2015: 48.99%) in the BUWOG Group. The BUWOG Group has been included in IMMOFINANZ's consolidated financial statements as an equity-accounted investment since the spin-off. The de-dominion agreement concluded by the BUWOG Group and IMMOFINANZ at the time of the spin-off sets limitations on voting rights for the BUWOG shares held by IMMOFINANZ. IMMOFINANZ can exercise a significant influence over the BUWOG Group in the sense of IAS 28 through the members it appoints to the supervisory board.

In 2015/16 IMMOFINANZ reduced its investment in the BUWOG Group by a 20.38% shareholding. Two accelerated bookbuilding procedures during the financial year resulted in the placement of 18,500,000 million BUWOG shares with institutional investors; the resulting sale proceeds totalled EUR 18.1 million. Approx. 1.8 million additional BUWOG shares were used for the incentivised conversion of the of the exchangeable bond for shares of BUWOG AG. The exchange right for 44,642 BUWOG shares was exercised for the part of the exchangeable bond remaining after the incentivised conversion.

The BUWOG Group is included on the basis of consolidated (interim) financial statements that do not differ by more than three months from IMMOFINANZ's balance sheet date. Material business transactions and events occurring in the BUWOG Group during the interim period are included through appropriate adjustments. In 2015/16 IMMOFINANZ recognised, besides a dividend, a proportional share of BUWOG Group results for the 12-month period from 1 February 2015 to 31 January 2016 (2014/15: 9-month period from 1 May 2014 to 31 January 2015), which were corrected to reflect the carryforward of the fair value adjustments from the purchase price allocation.

The investments in TriGránit Holding Ltd., TriGránit Centrum a.s. and three other associates were sold during the financial year. The share of net profit or loss from equity-accounted investments therefore includes disposal results of EUR -7.6 million. Of this total, EUR -7.3 million are attributable to the recycling of other comprehensive income (from foreign currency translation differences) from TriGránit Holding Ltd. and TriGránit Centrum a.s.

The following table provides aggregated financial information on the associates, including a reconciliation to the carrying amounts and shares of profit or loss reported in IMMOFINANZ's consolidated financial statements. The other adjustments included in the reconciliation from the proportional share of equity to the carrying amount reported by IMMOFINANZ are related primarily to coverage for negative carrying amounts. This coverage was achieved through the reduction of receivables which are considered net investments in the joint ventures according to IAS 28 because of their economic content. The other adjustments included in the reconciliation from the proportional share of profit or loss for the period to the share of profit or loss reported by IMMOFINANZ involve impairment losses or the reversal of such losses of the net investment in the joint ventures. The other adjustments to net profit recorded by the BUWOG Group also include the carryforward of fair value adjustments totalling EUR -1.0 million (2014/15: EUR -3.3 million) that were recognised during the acquisition of the investment.

	BUWOG Group ¹	Bulreal EAD	Other	Total
All amounts in TEUR	30 4 2016	30 4 2016	30 4 2016	30 4 2016
Non-current assets	3,896,935	37,436	40,120	3,974,491
Thereof investment property	3,818,364	29,900	24,700	3,872,964
Current assets	509,121	3,209	12,577	524,907
Thereof real estate inventory	271,622	0	0	271,622
Non-current liabilities	2,346,697	10,675	44,088	2,401,460
Current liabilities	437,784	17,452	12,132	467,368
Equity	1,621,575	12,518	-3,523	1,630,570
Thereof attributable to non-controlling interests	11,712	0	0	11,712
Thereof attributable to shareholders of the investment	1,609,863	12,518	-3,523	1,618,858
Equity interest of IMMOFINANZ in the investment	460,653	6,134	-1,962	464,825
Goodwill	0	6,320	1,072	7,392
Other adjustments	443	-6,164	4,362	-1,359
Carrying amount as of 30 April 2016	461,096	6,290	3,472	470,858
Change in unrecognised losses during the financial year	0	0	3,600	3,600
Cumulative losses not recognised as of 30 April 2016	0	0	-2,408	-2,408
	2015/16	2015/16	2015/16	2015/16
Rental income	201,306	7,561	3,005	211,872
Expenses charged on and other revenue	107,423	586	27,248	135,257
Revenues	308,729	8,146	30,254	347,129
Net profit or loss for the period	200,864	-36,992	-49	163,823
Thereof attributable to non-controlling interests	2,279	0	0	2,279
Thereof attributable to shareholders of the investment	198,585	-36,992	-49	161,544
Share of net profit or loss attributable to IMMOFINANZ	90,506	-18,126	700	73,080
Other adjustments	-973	-2,315	72	-3,216
Share of net profit or loss from equity-accounted investments attributable to IMMOFINANZ	89,533	-20,441	772	69,864
Other comprehensive income	-923	0	-23	-946
Thereof attributable to shareholders of the investment	-923	0	-23	-946
Share of changes in other comprehensive income recorded directly in equity attributable to IMMOFINANZ	-452	0	-15	-467
Share of reclassification of foreign exchange effects to profit or loss attributable to IMMOFINANZ	0	0	7,264	7,264
Total comprehensive income	199,941	-36,992	-71	162,878
Thereof attributable to non-controlling interests	2,279	0	0	2,279
Thereof attributable to shareholders of the investment	197,662	-36,992	-71	160,599
Share of total comprehensive income for the period attributable to IMMOFINANZ	89,081	-20,441	8,021	76,661
Dividends received	26,598	0	3,010	29,608

¹ The financial data recorded for the BUWOG Group is based on the BUWOG Group's consolidated interim financial statements as of 31 January 2016. The fourth quarter of the 2014/15 financial year was added to the income statement data.

The negative results recorded by Bulreal EAD resulted, above all, from revaluation losses recognised to the investment property in 2015/16.

	BUWOG Group ¹	TriGránit Holding Ltd.	Bulreal EAD	Other	Total
All amounts in TEUR	30 4 2015	30 4 2015	30 4 2015	30 4 2015	30 4 2015
Non-current assets	3,695,071	889,049	76,289	83,579	4,743,988
Thereof investment property	3,646,984	575,848	73,200	80,160	4,376,192
Current assets	481,202	56,710	2,749	27,642	568,303
Thereof real estate inventory	133,649	0	0	0	133,649
Non-current liabilities	2,308,887	520,569	11,396	98,146	2,938,998
Current liabilities	380,483	282,026	18,130	12,754	693,393
Equity	1,486,903	143,164	49,512	321	1,679,900
Thereof attributable to non-controlling interests	7,900	16,836	0	0	24,736
Thereof attributable to shareholders of the investment	1,479,003	126,328	49,512	321	1,655,164
Equity interest of IMMOFINANZ in the investment	724,572	31,582	24,260	-2,778	777,636
Goodwill	0	351,881	6,320	2,868	361,069
Other adjustments	2,758	-368,384	-3,849	7,291	-362,184
Carrying amount as of 30 April 2015	727,330	15,079	26,731	7,381	776,521
Change in unrecognised losses during the financial year	0	0	0	-1,278	-1,278
Cumulative losses not recognised as of 30 April 2015	0	0	0	-6,009	-6,009
	2014/15	2014/15	2014/15	2014/15	2014/15
Rental income	134,859	32,282	8,000	5,154	180,295
Expenses charged on and other revenue	79,326	18,834	738	24,420	123,318
Revenues	214,185	51,116	8,738	29,574	303,613
Net profit or loss for the period	3,324	-4,319	1,853	2,561	3,419
Thereof attributable to non-controlling interests	-40	7,644	0	0	7,604
Thereof attributable to shareholders of the investment	3,364	-11,963	1,853	2,561	-4,185
Share of net profit or loss attributable to IMMOFINANZ	1,648	-2,991	908	788	353
Other adjustments	13,036	-24,442	-94	596	-10,904
Share of net profit or loss from equity-accounted investments attributable to IMMOFINANZ	14,684	-27,433	814	1,384	-10,551
Other comprehensive income	0	-29,311	0	12	-29,299
Thereof attributable to non-controlling interests	0	-1,530	0	0	-1,530
Thereof attributable to shareholders of the investment	0	-27,781	0	12	-27,769
Share of changes in other comprehensive income recorded directly in equity attributable to IMMOFINANZ	0	-6,945	0	6	-6,939
Total comprehensive income	3,324	-33,630	1,853	2,573	-25,880
Thereof attributable to non-controlling interests	-40	6,114	0	0	6,074
Thereof attributable to shareholders of the investment	3,364	-39,744	1,853	2,573	-31,954
Share of total comprehensive income for the period attributable to IMMOFINANZ	14,684	-34,379	814	1,390	-17,491
Dividends received	33,677	0	0	0	33,677

¹ The financial data recorded for the BUWOG Group is based on the BUWOG Group's consolidated interim financial statements as of 31 January 2015.

4.5 TRADE AND OTHER RECEIVABLES

Receivables and other financial assets are generally classified as loans and receivables (L&R) in accordance with IAS 39 and carried at amortised cost. Recognisable individual risks are reflected in appropriate valuation adjustments. Non-financial receivables, e.g. claims against administrative authorities for the reimbursement of input VAT, are also basically carried at amortised cost after the deduction of any write-downs.

The following table shows the development and remaining terms of receivables and other assets.

All amounts in TEUR	30 4 2016	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 4 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Rents receivable	21,839	21,609	230	0	33,094	33,094	0	0
Miscellaneous	24,792	21,941	2,851	0	24,559	23,985	574	0
Total trade accounts receivable	46,631	43,550	3,081	0	57,653	57,079	574	0
Receivables due from associates	9,893	71	7,618	2,204	57,072	9,448	2	47,622
Receivables due from joint ventures	45,980	9,707	34,163	2,110	90,294	34,799	46,381	9,114
Receivables due from equity-accounted investments	55,873	9,778	41,781	4,314	147,366	44,247	46,383	56,736
Restricted funds	135,823	9,449	95,474	30,900	215,981	42,929	108,353	64,699
Financing	20,701	2,985	1,908	15,808	33,731	0	12,005	21,726
Property management	5,211	5,146	19	46	2,163	2,071	41	51
Outstanding purchase price receivables – sale of properties	4,668	4,668	0	0	24,943	24,943	0	0
Outstanding purchase price receivables – sale of shares in other companies	44,894	7,229	37,665	0	7,057	1,223	4,667	1,167
Miscellaneous	36,060	24,416	10,927	717	42,229	28,507	9,503	4,219
Total other financial receivables	247,357	53,893	145,993	47,471	326,104	99,673	134,569	91,862
Tax authorities	82,506	79,647	1,390	1,469	94,435	44,298	47,434	2,703
Total other non-financial receivables	82,506	79,647	1,390	1,469	94,435	44,298	47,434	2,703
Total	432,367	186,868	192,245	53,254	625,558	245,297	228,960	151,301

Restricted funds consists primarily of prepayments on apartment sales which were pledged to banks, bank balances pledged as collateral for property financing and the balance of a trust account with Aviso Zeta AG.

The following analysis shows the contractual maturity of the financial receivables that were past due but not impaired as of the balance sheet date as well as the individual financial instruments that were considered to be impaired individually as of the balance sheet date:

Contractual maturity analysis	Carrying amount 30 4 2016	Thereof not overdue	Thereof overdue but not impaired	Thereof overdue and impaired	2015/16 Allowance for bad debt
All amounts in TEUR					
Trade accounts receivable	46,631	35,335	5,364	48,892	-42,960
Financing receivables	76,574	181,483	313	15,569	-120,791
Loans and other receivables	226,656	221,080	520	20,767	-15,711
Total	349,861	437,898	6,197	85,228	-179,462

Receivables past due but not impaired	Carrying amount 30 4 2016	Overdue up to 3 months ¹	Overdue between 3 and 6 months	Overdue between 6 and 12 months	Overdue more than 12 months
All amounts in TEUR					
Trade accounts receivable	5,364	3,650	829	189	696
Financing receivables	313	0	0	0	313
Loans and other receivables	520	4	17	2	497
Total	6,197	3,654	846	191	1,506

¹ The column "overdue up to 3 months" also includes receivables that are due immediately.

Contractual maturity analysis	Carrying amount 30 4 2015	Thereof not overdue	Thereof overdue but not impaired	Thereof overdue and impaired	2014/15 Allowance for bad debt
All amounts in TEUR					
Trade accounts receivable	57,653	40,399	6,684	54,773	-44,203
Financing receivables	181,097	332,661	7,777	15,787	-175,128
Loans and other receivables	292,373	287,085	739	21,972	-17,423
Total	531,123	660,145	15,200	92,532	-236,754

Receivables past due but not impaired	Carrying amount 30 4 2015	Overdue up to 3 months ¹	Overdue between 3 and 6 months	Overdue between 6 and 12 months	Overdue more than 12 months
All amounts in TEUR					
Trade accounts receivable	6,684	5,901	704	54	25
Financing receivables	7,777	0	11	4,545	3,221
Loans and other receivables	739	130	2	72	535
Total	15,200	6,031	717	4,671	3,781

¹ The column "overdue up to 3 months" also includes receivables that are due immediately.

The risk associated with receivables due from tenants is low because credit standings are monitored on a regular basis and the tenant is generally required to provide a deposit of one to five months' rent or an appropriate bank guarantee when the contract is signed. Individual valuation adjustments are recognised to receivables that carry an increased risk of default (e.g. in Russia due to the difficult foreign-exchange-related market situation). Consequently, all uncollectible receivables had been written off and all doubtful receivables had been impaired as of the balance sheet date. These valuation adjustments are reported on the income statement under the results of asset management.

With respect to the trade accounts receivable that were neither impaired nor overdue as of the balance sheet date, there are no signs that the debtors will be unable to meet their payment obligations.

As in the previous financial year, individual valuation adjustments were recognised to trade accounts receivable, financing receivables and receivables from joint ventures in 2015/16. Therefore, the balance sheet reflects these receivables' recoverability. Valuation adjustments of EUR -22.9 million were recognised in profit or loss during the financial year (2014/15: EUR -25.5 million).

The following table shows the change in valuation adjustments recognised in profit or loss as well as the income and expenses related to doubtful and uncollectible receivables aggregated by category of financial instrument:

All amounts in TEUR	2015/16	2014/15
Trade accounts receivable	-17,975	-14,875
Financing receivables (see 5.9)	-5,477	-10,618
Loans and other receivables	517	-31
Total change in valuation adjustments	-22,935	-25,524

Financing receivables and receivables due from associates and joint ventures are related chiefly to property companies. This financing will be repaid when the property value is realised through the sale (or continued rental) of the property. Consequently, the recoverability is dependent on the net asset value (NAV) of the property company. The impairment losses were, as a rule, caused by a decline in the net asset value.

4.6 OTHER FINANCIAL ASSETS

Other non-current financial instruments comprise shares in real estate funds and miscellaneous securities.

Securities and similar rights as well as real estate fund shares acquired prior to 1 May 2004 are classified as available for sale (AFS) in accordance with IAS 39 and carried at fair value, i.e. at the market or stock exchange value on the balance sheet date. If fair value cannot be determined and comparable market prices are not available, fair value is established using generally accepted valuation methods. The initial valuation is made as of the settlement date. Market-based fluctuations in fair value are recorded under other comprehensive income and only recognised to the income statement when the assets are sold or their value is impaired due to a negative change in the issuer's credit standing. If there are objective indications of solvency-related impairment as defined in IAS 39, an appropriate impairment loss is recognised.

Real estate fund shares acquired since 1 May 2004 are generally designated as financial instruments at fair value through profit or loss based on the fair value option provided by IAS 39. This classification reflects the fact that the investments are part of a portfolio whose results are measured at fair value and which also forms the basis for periodic reporting to management.

Derivatives are accounted for as standalone financial instruments. These financial instruments are used to reduce the risks associated with foreign exchange and interest rate fluctuations. Derivative transactions are only concluded with financial institutions that have first-rate credit standings. Derivatives are assigned to the category "held for trading" (HFT) and valued through profit or loss at the market value applicable on the balance sheet date. IMMOFINANZ does not apply hedge accounting in the sense of IAS 39.

Other short-term financial assets are classified as held for trading (HFT) in accordance with IAS 39 and carried at the applicable market or stock exchange value as of the balance sheet date. All purchases and sales are recognised as of the settlement date, which represents the date on which the asset is transferred. Temporary fluctuations in fair value are recognised through profit or loss.

Other financial assets comprise the following:

All amounts in TEUR	30 4 2016	30 4 2015
Other securities	5,705	20,677
Real estate fund shares	8,405	66,068
Derivative financial instruments	0	576
Total	14,110	87,321

The substantial reduction of the real estate fund shares resulted from a decision by the Executive Board to sell major components of these funds within the next 12 months. These items are therefore reported as assets held for sale as of 30 April 2016 (see section 4.8). Information on the development of other financial assets is presented in section 7.

4.7 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as of 30 April 2016 resulted from the following temporary accounting and valuation differences between the carrying amounts according to IFRS in IMMOFINANZ's consolidated financial statements and the respective tax bases:

All amounts in TEUR	30 4 2016		30 4 2015	
	Assets	Liabilities	Assets	Liabilities
Investment property	8,337	454,112	8,373	528,288
Other financial assets and miscellaneous assets	13,033	74,755	12,100	113,194
Total	21,370	528,867	20,473	641,482
Other liabilities and provisions	16,303	16,964	24,302	19,187
Financial liabilities	1,746	24,513	12,979	69,870
Total	18,049	41,477	37,281	89,057
Tax loss carryforwards	1,023,723	0	1,086,818	0
Real differences from the elimination of intra-Group liabilities	0	952,663	0	978,292
Deferred tax assets and deferred tax liabilities	1,063,142	1,523,007	1,144,572	1,708,831
Offset of deferred tax assets and deferred tax liabilities due to the same taxation authority	-1,056,836	-1,056,836	-1,135,970	-1,135,970
Net deferred tax assets and deferred tax liabilities	6,306	466,171	8,602	572,861

Deferred taxes are calculated for temporary differences that lead to taxable or deductible amounts for the determination of taxable profit in future financial years. These temporary differences are calculated by comparing the carrying amounts of the assets and liabilities in the consolidated financial statements with the respective tax bases at the subsidiary level. Deferred taxes are recognised when the existing differences are expected to reverse in the future. With regard to the differences arising from the fair value measurement of investment property (see section 4.1), it is generally assumed that the temporary differences will reverse when the property is sold.

Deferred taxes are not recognised for temporary differences arising from the initial recognition of goodwill or the initial recognition of an asset or a liability from a transaction which does not represent a business combination as defined in IFRS 3 and which does not influence pre-tax earnings or taxable income on the transaction date. This applies, above all, to the acquisition of property companies that are not classified as business combinations in the sense of IFRS 3 (see section 2.2.2).

Deferred tax liabilities are not recognised for temporary differences resulting from shares in subsidiaries, joint ventures or associates ("outside-basis differences") in cases where their reversal can be controlled by IMMOFINANZ and is not probable in the foreseeable future. For this reason, deferred tax liabilities were not recognised for temporary differences of EUR 535.1 million (2014/15: EUR 795.6 million).

Deferred tax assets are recognised on tax loss carryforwards when it is probable that sufficient taxable income will be available to utilise these tax loss carryforwards in the future. Deferred tax assets are also recorded in cases where sufficient deferred tax liabilities relating to the same tax subject and taxation authority were recognised and are assumed to reverse at the same time as the deferred tax assets on the loss carryforwards.

The recognition of deferred tax assets, in general, and deferred taxes on unused tax loss carryforwards and deductible temporary partial depreciation charges on investments (Siebentelabschreibung), in particular, is based on expectations by IMMOFINANZ's management concerning the availability of sufficient taxable profits in the future. These expectations reflect the previous history of tax losses, limits on the utilisation of tax losses, membership in a tax group and the possible expiration of tax loss carryforwards in some countries. Accounting decisions over the recognition or recoverability of deferred taxes are based, on the one hand, on the latest data from tax planning over a five-year forecast period and, on the other hand, on assumptions for the timing of the reversal of deferred tax liabilities and the availability of tax planning opportunities to utilise previously unused tax losses in Austria and other countries.

The recoverability of deferred tax assets by Group companies that recorded losses for the financial year or prior year (EUR 4.4 million; 2014/15: EUR 7.6 million) is dependent on the generation of future taxable profits that is higher than the earnings effect from the reversal of the existing taxable temporary differences.

Deferred tax assets were not recognised for loss carryforwards of EUR 2,159.4 million (2014/15: EUR 1,798.4 million). A number of these items have an indefinite term, while others will expire within the next 5-10 years. Any limits on the use of loss carryforwards were taken into account. Deferred tax assets were not recognised for deductible temporary partial depreciation charges on investments (Siebentelabschreibung) of EUR 132.1 million (2014/15: EUR 172.0 million).

The calculation of deferred taxes is based on the tax rate that is expected to apply when the temporary differences are presumed to reverse. The applicable tax rate for IMMOFINANZAG and all Austrian Group companies is 25%. The applicable local tax rate is used for foreign Group companies.

The tax rates used to value deferred taxes in the core countries of IMMOFINANZ are as follows:

Country	Applicable tax rate 2015/16	Applicable tax rate 2014/15
Germany ¹	15.83%-32.45%	15.83%-32.45%
Austria	25.00%	25.00%
Poland	19.00%	19.00%
Romania	16.00%	16.00%
Russia	20.00%	20.00%
Slovakia	22.00%	22.00%
Czech Republic	19.00%	19.00%
Hungary ²	10.00%-19.00%	10.00%-19.00%
Non-core countries	10.00%-35.00%	10.00%-35.00%

¹ The tax rate can vary and is dependent on the company's headquarters and trade tax liability.

² The tax rate can vary and is dependent on the company's revenues.

4.8 ASSETS AND SPECIFIC LIABILITIES HELD FOR SALE

IFRS 5 requires non-current assets and groups of assets (disposal groups) to be classified as held for sale if they can be sold in their present condition and if appropriate documentation shows a highly probable intention by management to sell the assets within 12 months. A documented intention by IMMOFINANZ's management to sell an asset is reflected in a resolution by the Executive Board or, for transactions requiring Supervisory Board approval, also a resolution by this corporate body.

Non-current assets and groups of assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. The following items, among others, are excluded from the IFRS 5 valuation requirements: investment properties that are measured at fair value, financial assets and deferred tax assets. These non-current assets must be presented separately according to IFRS 5. A separate provision is generally recorded when an impairment loss must be recognised to a disposal group or expected selling costs must be deducted from fair value and these adjustments cannot be allocated to assets covered by the valuation rules in IFRS 5.

The intention to sell investment properties or groups of assets that include such properties (e.g. based on change-of-control clauses) can be expected to result in the premature repayment of financial liabilities. Any expected decisions concerning premature repayment represent changes in estimates for cash flows from financial liabilities and lead to an adjustment of the carrying amount through profit or loss. Financial liabilities attributable to a disposal group are reported under "financial liabilities held for sale"; in all other cases, they are reclassified to current financial liabilities.

Details on the assets and liabilities classified as held for sale are provided below:

All amounts in TEUR	Logistics portfolio	EMPARK	Other	Carrying amount as of 30 4 2016	Carrying amount as of 30 4 2015
Investment property	29,159	147,700	48,022	224,881	251,759
Property under construction	25,035	0	0	25,035	0
Other tangible assets	0	0	0	0	1,158
Intangible assets	0	0	0	0	7,549
Deferred tax assets	0	1,792	0	1,792	2,725
Trade and other receivables	3,966	5,317	43,527	52,810	1,128
Other financial assets	0	0	11,500	11,500	0
Cash and cash equivalents	548	6,253	339	7,140	2,171
Assets held for sale	58,708	161,062	103,388	323,158	266,490
Financial liabilities	0	118,864	45,539	164,403	50,969
Trade and other payables	6,359	6,948	1,529	14,836	3,182
Provisions	7	774	111	892	0
Deferred tax liabilities	0	55	4,204	4,259	13,063
Financial liabilities held for sale	6,366	126,641	51,383	184,390	67,214

The logistics portfolio held by IMMOFINANZ has been reported as a discontinued operation since 6 August 2015 based on a resolution by the Executive Board and Supervisory Board (see section 2.5). The sale contracts were signed on 31 October 2015. The closing for most of the assets and liabilities in the logistics portfolio (and therefore also the deconsolidation) had taken place as of 1 February 2016. As of 30 April 2016 the logistics portfolio still contained the assets and liabilities for a standing investment in Poland and for two development projects in Hamburg and Bucharest. The two development projects will be sold in the form of a share deal, while the standing investment in Poland will be sold as an asset deal. The closing for these assets and liabilities is expected to take place by 15 October 2016 at the latest.

In accordance with a resolution of the Executive Board and Supervisory Board on 27 April 2016, the assets and liabilities of the Polish *EMPARK Mokotów Business Park* were classified as a disposal group. The active search for a buyer has already started, and the sale is expected to take the form of a share deal.

A resolution of the Executive Board on 4 May 2015 led to the reclassification of a portfolio of land reserves in Turkey from the other non-core countries segment to assets and liabilities held for sale. The sale is expected to take place through a share deal. An impairment loss of EUR 1.4 million was recognised to goodwill in connection with the reclassification as held for sale.

The other assets held for sale as of 30 April 2016 include three properties in Austria and one in Bulgaria as well as shares in seven real estate funds (with a fair value of EUR 11.5 million).

All of the assets and liabilities reported as held for sale as of 30 April 2015 were sold during the financial year. The major transaction involved the investment in City Box, which was sold through a share deal as of 30 June 2015. City Box is the second largest self-storage provider in the Netherlands. Its real estate assets comprised 23 properties in the (former) logistics asset class, which were reported under the non-core countries segment. The other assets held for sale were sold through asset deals during the first two quarters of 2015/16.

The closings for the sale of the associates TriGránit Centrum a.s and TriGránit Holding Ltd. took place on 30 November 2015 and 8 December 2015, respectively (see section 4.4.2). These investments were classified as assets held for sale on 31 October 2015. TriGránit Holding and its subsidiaries are active, above all, in the development and management of real estate in Central and Eastern Europe and in Russia. The business focus lies on the retail and office asset classes.

The decision to sell City Box and the sale of the investments in TriGránit Holding Ltd. and TriGránit Centrum a.s. were based on IMMOFINANZ's strategic focus and the adjustment of the investment structure to eliminate non-strategic minority holdings.

4.9 REAL ESTATE INVENTORIES

The properties held for sale by IMMOFINANZ during the course of ordinary business operations do not fall under the scope of application of IAS 40, but are treated as inventories in accordance with IAS 2. As a rule, these inventories represent residential properties.

Inventories of residential properties are valued according to the moving average price method. Disposals are calculated on the basis of square meters and, after the recognition of additions, measured at the average price applicable to the respective quarter. A provision is recognised for any outstanding construction work required after the transfer of a property and increases the production costs of the inventories sold. The net selling prices used for valuation as of the balance sheet date are normally based on current list prices less outstanding project development costs and flat-rate marketing costs; to a lesser extent, they are measured at the appraised fair value as of the balance sheet date for simplification purposes.

All amounts in TEUR	30 4 2016	30 4 2015
Inventories carried at net realisable value less costs to sell	99,785	41,971
Inventories carried at acquisition or production cost	12,341	106,060
Total	112,126	148,031

Revaluations of EUR 1.5 million were recognised in 2015/16 (2014/15: EUR 1.7 million), above all due to the improved market situation in Poland and Romania. Write-downs of EUR 24.4 million (2014/15: EUR 4.3 million) were also recorded. These write-downs include EUR 22.2 million (2014/15: EUR 2.5 million) for the *Gerling Quartier* in Germany and were recognised to reflect successive construction cost overruns.

Borrowing costs directly attributable to the acquisition, construction or production of assets whose purchase or development requires a longer period of time are capitalised as part of acquisition or production cost. The borrowing costs for real estate inventories under development are capitalised on the basis of actual interest expense. For financing provided by the Group, the average borrowing costs are capitalised. The average borrowing costs for IMMOFINANZ equalled approx. 3.8% in 2015/16 (2014/15 approx. 3.9%). Borrowing costs of EUR 3.2 million were capitalised for real estate inventories during the 2015/16 financial year (2014/15: EUR 3.8 million).

4.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, funds in transit and deposits with financial institutions with a term of up to three months. These items are carried at the value applicable on the balance sheet date. Restricted funds are included under other receivables.

The balance sheet shows cash and cash equivalents of EUR 371.6 million as of 30 April 2016 (2014/15: EUR 390.7 million). In addition, other financial receivables include various bank deposits whose use is restricted (see section 4.5).

4.11 EQUITY

The development of IMMOFINANZ's equity during the 2015/16 and 2014/15 financial years is shown on the Statement of Changes in Equity, which represents an integral part of the consolidated financial statements as of 30 April 2016.

Share capital totalled EUR 976.0 million as of 30 April 2016 (30 April 2015: EUR 1,114.2 million) and is divided into 975,955,651 (30 April 2015: 1,073,193,688) zero par value shares. All shares are fully paid in. The annual general meeting on 1 December 2015 authorised a capital increase from internal funds (capital adjustment) and, immediately thereafter, a capital decrease. The capital increase involved the conversion of appropriated capital reserves totalling EUR 1,800.0 million into share capital, while the capital decrease led to the transfer of EUR 1,841.0 million to unappropriated capital reserves. The capital decrease exceeded the capital increase by EUR 41.0 million, in order to smooth the pro-rata amount of share capital to EUR 1.00 per share. The unappropriated capital reserves can now be released for future distributions to the shareholders of IMMOFINANZ AG.

The annual general meeting of IMMOFINANZ AG on 30 September 2014 authorised the Executive Board, with the consent of the Supervisory Board and in accordance with § 169 of the Austrian Stock Corporation Act, to increase the share capital of IMMOFINANZ AG by up to EUR 225,8 million through the issue of up to 225,790,537 new shares in exchange for cash or contributions in kind.

IMMOFINANZ held 80,561,942 treasury shares as of 30 April 2015. In 2015/16 26,676,546 shares were repurchased by IMMOFINANZ, 97,238,037 shares were withdrawn and 451 shares were used to service the conversion right from the 2011-2018 convertible bond. This reduced the number of treasury shares to 10,000,000 as of 30 April 2016.

The Executive Board is not aware of any agreements between shareholders that restrict voting rights or the transfer of shares. All shares are bearer shares and entitle the holders to participate in the annual general meeting and to exercise their voting rights. Each bearer share is entitled to one vote.

The number of shares developed as follows:

	2015/16	2014/15
Balance at the beginning of the financial year	1,073,193,688	1,128,952,687
Withdrawal of treasury shares	-97,238,037	-55,758,999
Balance at the end of the financial year	975,955,651	1,073,193,688

Accumulated other equity comprises the currency translation reserve, the IAS-19-reserve and the AFS reserve.

A cash dividend was not paid for the 2014/15 financial year. The Executive Board of IMMOFINANZ AG plans to make a recommendation to the annual general meeting on 29 September 2016, calling for the distribution of a basic dividend of EUR 0.06 per share for the 2015/16 financial year.

4.12 LIABILITIES FROM CONVERTIBLE BONDS

Similar to the previous financial year, IMMOFINANZ had 2 convertible bonds with a nominal value of EUR 528.5 million outstanding at the end of 2015/16.

All amounts in TEUR	30 4 2016	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 4 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Convertible bond 2007-2017	25,718	118	25,600	0	24,425	118	24,307	0
Convertible bond 2011-2018	494,516	3,103	491,413	0	504,748	504,748	0	0
Total	520,234	3,221	517,013	0	529,173	504,866	24,307	0

The two convertible bonds entitle the bondholders, in each case, to conversion into a combination of shares of IMMOFINANZ AG and BUWOG AG. These two options are accounted for separately from the underlying bond liabilities. If dividends are paid by IMMOFINANZ AG or BUWOG AG, the conversion rights into shares of IMMOFINANZ AG and BUWOG AG are adjusted in accordance with the respective bond terms. The last adjustment was made to reflect the cash dividend of EUR 0.69 per share for BUWOG shareholders, which was approved by the annual general meeting of BUWOG AG on 14 October 2015.

The previous rights to premature redemption had expired by 30 April 2016.

The conversion rights into shares of IMMOFINANZ AG (originally) represented an equity instrument for IMMOFINANZ. The related components of the convertible bonds were therefore recorded directly in equity and, up to the spin-off of the BUWOG operating business, not subject to subsequent measurement.

The spin-off of the BUWOG operating segment as of 26 April 2014 led to an adjustment by the respective calculation agent of the conversion rights and prices for the convertible bond 2007–2017 and the convertible bond 2011–2018 issued by IMMOFINANZ AG based on the respective issue terms. The bondholders are now entitled to receive shares of IMMOFINANZ AG and also have an additional claim to shares of BUWOG AG if they exercise their conversion option. In accordance with IAS 32, this type of adjustment to the terms for conversion rights and prices leads to the reclassification of the equity component of the convertible bond that was originally recorded under capital reserves. The equity component was therefore reclassified at fair value to other liabilities. The standalone derivative is subsequently measured at fair value through profit or loss in accordance with IAS 39 (see section 5.9).

The underlying bond liability and the related interest rate coupon are carried at amortised cost according to the effective interest rate method.

Convertible bond 2007–2017

On 19 November 2007 IMMOFINANZ AG issued a convertible bond with a total nominal value of EUR 750.0 million and a term extending to 19 November 2017. The conversion rights for this convertible bond were adjusted as of 14 October 2015 to reflect the dividend paid by BUWOG AG. One certificate of the convertible bond 2007-2017 with a nominal value of EUR 100,000 each currently entitles the bondholder to conversion into 12,547.05 IMMOFINANZ shares (unchanged) and 691.44 BUWOG shares (30 April 2015: 660.95).

The nominal amount outstanding as of 30 April 2016 totalled EUR 21.4 million and is unchanged compared with the previous financial year. This outstanding nominal value will be redeemed on 19 November 2017 (maturity date) 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 recorded under other liabilities (see section 4.14) equalled EUR 0.0 million as of 30 April 2016 (30 April 2015: EUR 0.0 million).

Convertible bond 2011–2018

On 8 March 2011 IMMOFINANZ AG issued a convertible bond with a total nominal value of EUR 515.1 million and a term extending to 8 March 2018. The conversion rights for this convertible bond were adjusted as of 14 October 2015 to reflect the dividend paid by BUWOG AG. One certificate of the convertible bond 2011-

2018 with a nominal value of EUR 4.12 each currently entitles the bondholder to conversion into 1.1573 IMMOFINANZ shares (unchanged) and 0.0629 BUWOG shares (30 April 2015: 0.0606).

The registration period for the premature redemption of the convertible bond 2011-2016 ended on 8 March 2016. In connection with this put option for bondholders, convertible bond certificates with a total nominal value of EUR 1.3 million were redeemed prematurely on 8 March 2016. The conversion right for 390 bond certificates with a total nominal value of EUR 1,606.80 was also exercised in 2015/16 and resulted in the delivery of 451 IMMOFINANZ shares and 25 BUWOG shares by IMMOFINANZ. The convertible bond 2011-2018 had an outstanding nominal value of EUR 507.1 million as of 30 April 2016 (30 April 2015: EUR 508.4 million).

The value of the standalone derivative from the convertible bond 2011–2018, which is recorded under other liabilities (see section 4.14), equalled EUR 18.7 million as of 30 April 2016 (30 April 2015: EUR 69.8 million).

4.13 FINANCIAL LIABILITIES

The following table shows the composition and classification of financial liabilities by remaining term as of 30 April 2016 and 30 April 2015:

All amounts in TEUR	30 4 2016	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 4 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Amounts due to financial institutions	2,670,316	404,382	1,534,462	731,472	2,857,890	580,624	1,479,439	797,827
Thereof secured by collateral	2,670,237	404,303	1,534,462	731,472	2,857,849	580,583	1,479,439	797,827
Thereof not secured by collateral	79	79	0	0	41	41	0	0
Liabilities arising from the issue of bonds	104,030	4,310	99,720	0	727,220	627,771	99,449	0
Other financial liabilities	1,577	445	315	817	18,763	17,275	627	861
Total	2,775,923	409,137	1,634,497	732,289	3,603,873	1,225,670	1,579,515	798,688

The decline in liabilities arising from the issue of bonds since 30 April 2015 resulted from the premature redemption of the exchangeable bond for shares of BUWOG AG which was placed in 2014 (see section 5.9) and from the expiration of CMBS financing (commercial mortgage-backed security). The exchangeable bond for shares of BUWOG AG, which was measured at fair value, had a total nominal value of EUR 374.9 million on the redemption date; the cash outflow from the “cash option” for the incentivised redemption of this exchangeable bond amounted to EUR 429.2 million (excl. ancillary costs). The book value disposal from the CMBS financing equalled EUR 198.5 million.

The outstanding liabilities from the issue of bonds also include a corporate bond which was issued in July 2012. This bond has a total nominal value of EUR 100.0 million (30 April 2015: EUR 100.0 million), a term of 5 years and an interest rate of 5.25%.

The conditions of the major financial liabilities are as follows:

30 4 2016	Currency	Interest rate	Weighted average interest rate	Nominal value of remaining liability		Carrying amount
		fixed/variable		Issue currency in 1,000	TEUR	TEUR
Amounts due to financial institutions	CHF	variable	0.19%	284	258	
(loans and advances)	EUR	fixed	0.03%	46,775	46,775	
	EUR	variable	2.07%	1,955,243	1,955,243	
	USD	variable	7.52%	763,332	669,413	
Total amounts due to financial institutions					2,671,689	2,670,316
Corporate bond	EUR	fixed	5.25%	100,000	100,000	
Liabilities arising from the issue of bonds					100,000	104,030
Other financial liabilities						1,577
Total						2,775,923

30 4 2015	Currency	Interest rate	Weighted average interest rate	Nominal value of remaining liability		Carrying amount
		fixed/variable		Issue currency in 1,000	TEUR	TEUR
Amounts due to financial institutions	CHF	variable	0.25%	284	270	
(loans and advances)	EUR	fixed	3.49%	62,696	62,696	
	EUR	variable	2.17%	2,050,170	2,050,170	
	USD	variable	7.16%	827,034	737,435	
	PLN	variable	4.53%	34,582	8,573	
Total amounts due to financial institutions					2,859,144	2,857,890
Corporate bond	EUR	fixed	5.25%	100,000	100,000	
Exchangeable bond for shares of BUWOG AG	EUR	fixed	1.50%	374,900	374,900	
CMBS financing	EUR	fixed	3.67%	196,934	196,934	
Liabilities arising from the issue of bonds					671,834	727,220
Other financial liabilities						18,763
Total						3,603,873

The debt covenants for a number of bank loans, in particular the debt service coverage ratio (DSCR) and the loan-to-value ratio (LTV ratio), were not met during the 2015/16 financial year. Negotiations were started with the financing banks. The involved loans amount to EUR 190.6 million (30 April 2015: EUR 150.7 million). In this connection, EUR 52.6 million (2014/15: EUR 136.8 million) were reclassified from non-current financial liabilities to current financial liabilities. A further EUR 49.5 million (EUR 13.9 million) would have been reported under current financial liabilities in any case because of the remaining term of the credit agreement or contractually agreed scheduled repayments. Reclassifications of EUR 52.6 million were identified individually by credit agreement based on the contractually agreed remedying possibilities and the maturity disclosure requirements defined by IAS 1. Most of the credit agreements containing covenants that were breached during the financial year define opportunities for the borrower to repair the situation.

The contractual provisions for compliance with certain financial indicators (financial covenants) were amended and/or regular monitoring was suspended for financing with a volume of EUR 824.1 million. These measures involved one Group loan, three loans for retail properties in Russia, two loans for office properties in Hungary and two loans for office properties in the Czech Republic and Slovakia.

The financing agreements for the retail properties in Russia include standard market clauses that define cash flow and valuation indicators as financial covenants. These indicators are monitored regularly in accordance with the original loan contracts. The compliance review of the relevant financial covenants in these loan agreements was suspended in 2015/16 based on supplementary agreements with the financing banks (waiver agreements). The latest agreements resulted in an improvement in the cash flow indicators (primarily the DSCR) and the

valuation indicators (primarily the LTV). These agreements include a reduction or suspension in the scheduled repayments. For the largest loan based on volume, SBERBANK issued a waiver to the Russian subsidiary AO Kashirskij Dvor-Severyanin – which holds and operates the *Golden Babylon Rostokino* shopping center – in March 2016 and confirmed that the loan would not be called due to non-compliance with the agreed financial covenants. A one-year suspension for the scheduled principal payments was also agreed for this loan, and there is a conditional right to suspend the scheduled principal payments for a further year.

A Group loan, which is collateralised by a property portfolio and BUWOG shares, calls for the regular monitoring of balance sheet and cash flow indicators. Due to the approved change in the previous balance sheet date (see section 1.3), the submission of these indicators was suspended until the conversion is completed.

The loans for four office properties (two in Hungary, one in the Czech Republic and one in Slovakia) were originally concluded as standing investment financing. Major investments (refurbishments) have been or will be started for these projects, and the contractually agreed indicators were suspended during the investment period.

4.14 TRADE PAYABLES AND OTHER LIABILITIES

All amounts in TEUR	30 4 2016	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 4 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Trade payables	100,991	99,086	1,869	36	88,586	86,749	1,777	60
Derivative financial instruments (liabilities)	47,154	19,369	14,353	13,432	116,889	70,828	40,372	5,689
Property management	2,795	2,795	0	0	4,851	4,851	0	0
Amounts due to non-controlling interests	3,870	99	262	3,509	6,379	751	3,246	2,382
Amounts due to associated companies	814	793	0	21	2,631	2,557	0	74
Amounts due to joint ventures	24,050	22,820	21	1,209	18,456	17,136	74	1,246
Deposits and guarantees received	35,515	6,309	16,793	12,413	38,334	7,974	15,863	14,497
Prepayments received on apartment sales	35,215	33,740	1,475	0	44,619	42,588	2,031	0
Construction and refurbishment	7,493	7,410	83	0	13,759	13,527	131	101
Outstanding purchase prices (share deals)	819	772	47	0	3,752	1,624	2,128	0
Outstanding purchase prices (acquisition of properties)	4,330	4,330	0	0	4,473	899	3,574	0
Miscellaneous	17,073	12,575	3,357	1,141	12,146	11,183	915	48
Total other financial liabilities	179,128	111,012	36,391	31,725	266,289	173,918	68,334	24,037
Tax authorities	23,240	23,240	0	0	39,517	39,484	33	0
Rental and lease prepayments received	23,498	22,632	866	0	27,761	25,634	1,735	392
Miscellaneous	25	2	8	15	28	2	8	18
Total non-financial liabilities	46,763	45,874	874	15	67,306	65,120	1,776	410
Total	326,882	255,972	39,134	31,776	422,181	325,787	71,887	24,507

Derivative financial instruments (liabilities) include EUR 18.7 million (30 April 2015: EUR 69.8 million) for the standalone derivatives, which are classified under current liabilities, from the 2007 - 2017 and 2011 - 2018 convertible bonds (see section 4.12). The prepayments received on apartment sales include prepayments of EUR 32.4 million (30 April 2015: EUR 39.4 million) for apartments in the *Gerling Quarter*.

4.15 PROVISIONS

Provisions are recognised at the present value of the expected settlement amount. The provision is based on the best estimate at the time the consolidated financial statements are prepared. The best estimate of the amount required to meet the present obligation is the amount the company would rationally pay to settle the obligation at the balance sheet date or to transfer the obligation to a third party at that time. The risks and uncertainties that inevitably surround many events and circumstances must be taken into account in determining the best estimate. Valuation is therefore based in part on expert opinions and, above all, on past experience, probabilities for the outcome of legal disputes or proceedings under tax law, future cost trends, assumptions over interest rates, etc.

In cases where some or all of the costs required to settle an obligation are expected to be reimbursed by another party, the reimbursement may only be recognised when it is virtually certain that this reimbursement will be received if the company settles the obligation. This reimbursement must be treated as a separate asset. The amount recognised for the reimbursement may not exceed the amount of the provision.

The provisions developed as follows in 2015/16:

All amounts in TEUR	2015/16
Balance at the beginning of the financial year	104,745
Additions through business combinations (see 2.3)	171
Deconsolidations (see 2.4 and 2.5)	-976
Foreign exchange differences	-362
Additions	60,911
Disposals	-16,398
Use	-88,785
Compounding	2,200
Reclassifications	-2,545
Balance at the end of the financial year	58,961
Thereof current	53,039
Thereof non-current	5,922

The provisions consist chiefly of provisions for legal proceedings, work outstanding after the transfer of apartments and obligations to employees (e.g. for termination benefits, bonuses and unused vacation).

Detailed information on the provisions for legal proceedings is not provided in accordance with IAS 37 because it could, under certain circumstances, seriously prejudice IMMOFINANZ's position. A general description of the major legal proceedings is provided below.

The substantial decline in other provisions resulted, above all, from the out-of-court settlements concluded by IMMOFINANZ with the litigation funding specialist AdvoFin Prozessfinanzierung AG and other investors (covered by legal protection insurance) during 2015/16. The claims for damages filed by the investors in these proceedings were based on allegations that the stock exchange prospectuses published by IMMOFINANZ AG and IMMOEAST AG (now IMBEA IMMOEAST Beteiligungsverwaltungs GmbH) were deficient and violated ad-hoc reporting requirements. All but 14 of the court proceedings had been terminated through out-of-court settlements by 30 April 2016 (and this number was reduced by a further 8 during the valuation period). The agreed settlement payments totalled EUR 75.8 million. The resulting additional costs are included in other operating expenses (see section 5.5). IMMOFINANZ is also working to achieve a settlement for the 6 court proceedings current pending with a value in dispute of EUR 0.1 million.

Most of the other legal proceedings initiated by IMMOFINANZ shareholders against the investment consulting firm AWD Gesellschaft für Wirtschaftsberatung GmbH (now Swiss Life Select Österreich GmbH) and Aviso Zeta AG, which is included in IMMOFINANZ's consolidated financial statements through full consolidation, were also terminated during the financial year. IMMOFINANZ AG and one of its subsidiaries are involved as intervening parties in many of the proceedings against this investment firm and Aviso Zeta AG. Neither Swiss Life Select Österreich GmbH nor Aviso Zeta AG has filed recourse claims to date against the Group companies which are involved as intervening parties.

In addition to the above, 8 cases were pending in the courts against Aviso Zeta AG as of the balance sheet date. These proceedings involve shares of IMMOFINANZ and have a combined value in dispute of approx. EUR 1.6

million. Aviso Zeta AG was also sued in a further 942 cases (value in dispute: EUR 18.3 million) involving the marketing of other securities (in particular, Lehman Brothers products designated as Dragon FX Garant and Real Estate Revival Garant), whereby 817 of the proceedings have been terminated. The result was positive in 814 cases (withdrawal or rejection of the lawsuit, settlement or withdrawal under the waiver of claims), while the claim was upheld in only three cases. The related payments made by Aviso Zeta AG in 2015/16 were covered by the provisions recognised in previous financial years. The 124 proceedings still pending have a total value in dispute of approx. EUR 2.1 million and, for the most part, are currently suspended because appeals are pending with the Austrian Supreme Court in several cases following a decision by the European Court of Justice on this subject area.

In addition, Aviso Zeta AG has been sued by former members of the Executive Board in two cases for termination benefits.

The Tier 2 capital-bank bond 2006–2016 issued by Aviso Zeta AG was due to maturity in 2015/16. From the issuer's viewpoint, this Tier 2 capital had been consumed by net losses during the bond's term. The bond was therefore not redeemed, and the financial liabilities were consequently derecognised. In spite of a positive Supreme Court decision during the valuation period in favour of the issuer, uncertainty still exists over the calculation and allocation of the net losses. A provision was recognised for possible future payments from any related legal proceedings (or settlements) (see section 5.9). The Supreme Court decision was reflected in the determination of the expected expenditure.

The rights of disposal over the shares held in a Romanian subsidiary (carrying amount of net assets: EUR 62.5 million) were limited by a preliminary injunction as of 30 April 2016.

Restitution proceedings are currently in progress over land on which a Romanian subsidiary constructed a shopping center. These proceedings (de facto) restrict the rights of disposal. Settlement discussions are currently in progress to resolve the restitution issue.

5. Notes to the Consolidated Income Statement

5.1 RESULTS OF ASSET MANAGEMENT

5.1.1 RENTAL INCOME

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

All amounts in TEUR	2015/16	2014/15
Office	109,432	112,298
Retail	182,388	228,826
Other	22,680	44,479
Total	314,500	385,603

All leases in which IMMOFINANZ serves as the lessor are classified as operating leases, and all leased property is therefore carried on IMMOFINANZ's balance sheet. The resulting rental income is distributed on a straight-line basis over the term of the lease. The term of the lease includes the non-cancellable contract periods as well as option periods when the exercise of the extension option is sufficiently certain at the beginning of the lease. Incentives granted for the conclusion or extension of leases (e.g. rent-free periods, reduced rents for a certain period, graduated rents that increase at fixed rates over the lease term, fit outs for individual tenants or the assumption of relocation costs) are included in the determination of the fair value of investment property and recognised as an adjustment to rental income on a straight-line basis over the term of the lease. Contractually agreed inflation-based rental price adjustments are recognised when the adjustments take effect and not on a straight-line basis over the term of the lease. Contingent rental income (generally turnover-based rents) are only recognised when they are realised. Compensation payments received from tenants for the premature cancellation of leases are recognised to rental income as incurred.

When renegotiation, additions or amendments lead to a material change in the cash flows realisable over the remaining term of a rental agreement, the previous accruals from incentive agreements – with the exception of fit-outs that will be reused – are derecognised as a reduction of rental income. If there is no material change in the rental agreement, the previously accrued incentives remain unchanged and are recognised on a straight-line basis. The general rules for the recognition of rental income on the initial conclusion of a rental agreement also apply when there is a substantial change in the rental agreement.

The rental income from the logistics asset class which is not attributable to the discontinued operation (see section 2.5) primarily represents the rental income generated by City Box up to the deconsolidation date. This rental income was allocated to the other asset class. The sale of City Box was not part of the single co-ordinated plan to sell the logistics portfolio (see section 2.5). The comparable prior year data were adjusted accordingly.

The rental income from the contracts in effect as of 30 April 2016 is as follows:

All amounts in TEUR	2015/16	2014/15
Within 1 year	375,843	404,708
Between 1 and 5 years	1,093,696	1,196,061
Over 5 years	855,381	778,758
Total	2,324,920	2,379,527

The estimated rental income from existing leases includes future index-based adjustments. Future rental income was adjusted to exclude the contracts related to disposal groups or the discontinued operations as of the balance sheet date. Special cancellation rights or additional rental income from turnover-based rents were not included. An average term of 15 years was applied to open-end rental contracts.

5.1.2 OPERATING COSTS CHARGED TO TENANTS AND OPERATING EXPENSES

The results of asset management include the net presentation of the income from operating costs charged to tenants and operating expenses. These items are shown separately under results of asset management on the income statement to achieve a transparent presentation.

The income from operating costs charged to tenants totalled EUR 97.4 million (2014/15: EUR 102.6 million) and exceeded operating expenses. This was due, in particular, to the fact that the income in certain countries (Hungary, Slovakia, Poland) also includes contractually agreed flat-rate administrative costs or mark-ups to operating costs that are also collected from tenants.

Operating expenses of EUR 93.3 million (2014/15: EUR 100.8 million) only include the operating costs charged to tenants. These operating costs also contain personnel expenses (see section 5.6) of EUR 4.4 million (2014/15: EUR 3.4 million) from the direct management of properties. Operating costs that are not charged to tenants are reported under expenses directly related to investment property (see section 5.1.4) as vacancies or operating costs charged to building owners.

5.1.3 OTHER REVENUES

Other revenues consist primarily of revenues from advertising space and telecommunications equipment that was positioned on IMMOFINANZ properties.

5.1.4 EXPENSES FROM INVESTMENT PROPERTY

All amounts in TEUR	2015/16	2014/15
Vacancies	-18,534	-18,831
Commission expenses	-879	-697
Maintenance	-26,712	-17,921
Operating costs charged to building owners	-31,496	-21,980
Property marketing	-9,026	-9,516
Personnel expenses from asset management (see 5.6)	-11,334	-10,657
Other expenses from asset management	-4,652	-3,127
Rental and lease payments	-6,332	-5,471
Extension costs	-7,061	-4,749
Write-downs of receivables from asset management	-17,975	-14,875
Other expenses	-5,085	-7,110
Total	-139,086	-114,934

The position "vacancies" covers the operating costs for vacant properties that must be carried by IMMOFINANZ as the owner.

The year-on-year increase in the write-downs of receivables from asset management resulted, among others, from higher impairment losses in Russia, above all due to valuation allowances and the write-downs of rents receivable in the *Golden Babylon Rostokino* shopping center.

The operating costs charged to building owners include the portion of operating costs not charged to tenants, which must therefore be carried by IMMOFINANZ. In particular, this involves property tax of EUR 10.2 million (2014/15: EUR 8.8 million) for the Russian shopping centers and primary operating costs that cannot be passed on to tenants because of contractual limitations (caps on operating costs).

Expenses of EUR 7.9 million were recognised for lease and rental payments in connection with operating leases in 2015/16 (2014/15: EUR 7.9 million). Of this total, EUR 1.1 million (2014/15: EUR 0.7 million) is reported under other operating expenses for rented office space. The minimum lease payments for the operating leases in effect as of 30 April 2016 are as follows:

All amounts in TEUR	30 4 2016	Due within 1 year	Due in 1 to 5 years	Due in over 5 years
Minimum lease payments for land	187,630	5,063	19,433	163,134
Minimum lease payments for buildings	2,689	1,033	1,656	0
Minimum lease payments for movable assets	647	339	291	17
Total	190,966	6,435	21,380	163,151

All amounts in TEUR	30 4 2015	Due within 1 year	Due in 1 to 5 years	Due in over 5 years
Minimum lease payments for land	206,329	5,543	21,345	179,441
Minimum lease payments for buildings	852	176	591	85
Minimum lease payments for movable assets	639	273	366	0
Total	207,820	5,992	22,302	179,526

The operating leases primarily represent leases for land. The average term of these leases equals 25.9 years (2014/15: 23.1 years). The contracts generally include clauses that provide for indexing or an adjustment of the lease fee in line with the development of land prices. As a rule, the leases do not include a purchase option.

5.2 RESULTS OF PROPERTY SALES

All amounts in TEUR	2015/16	2014/15
Office	63,050	5,476
Retail	31,043	7,753
Other	158,070	66,852
Proceeds from property sales	252,163	80,081
Less carrying amount of sold properties	-252,163	-80,081
Net gain/loss from property sales	0	0
Gains/losses from deconsolidation (see 2.4)	9,358	10,950
Sales commissions	-3,914	-1,122
Personnel expenses from property sales (see 5.6)	-1,658	-1,294
Legal, auditing and consulting fees from property sales	-633	-339
Other expenses	-490	-372
Expenses from property sales	-6,695	-3,127
Revaluation results from properties sold and held for sale (see 5.7.1)	-1,886	36,599
Total	777	44,422

Results from the sale of properties show the income from asset deals. This income represents the fair value of the property on the transaction date and is therefore contrasted by book value disposals of the same amount. The differences between the proceeds on sale and the carrying amounts on the last balance sheet date are recorded under the revaluation of properties sold and held for sale.

Expenses from property sales include all personnel and operating expenses directly related to the sale process for a property or property company.

5.3 RESULTS OF PROPERTY DEVELOPMENT

All amounts in TEUR	2015/16	2014/15
Proceeds from the sale of real estate inventories	60,939	47,344
Cost of real estate inventories sold	-59,289	-39,525
Marketing for real estate inventories	-452	-1,113
Brokerage fees for real estate inventories	-1,280	-679
Other costs to sell for real estate inventories	-3,082	-1,112
Reversal of write-downs of real estate inventories (see 4.9)	1,479	1,680
Write-downs of real estate inventories (see 4.9)	-24,384	-4,349
Write-downs of purchase price receivables from real estate inventories	517	-31
Operating costs charged to building owners - inventories	-2,634	-948
Expenses from real estate inventories	-29,836	-6,552
Expenses from property development	-8,280	-11,038
Revaluation results from properties under construction (see 5.7.1)	21,446	21,209
Total	-15,020	11,438

The sale of real estate inventories is reported under income from property development, with the transfer of economic ownership representing the date of realisation. This is normally the date on which the property is transferred to the owner because it is accompanied by the transfer of risks, opportunities and beneficial ownership. In accordance with IFRIC 15, contracts relating to inventories that are sold by IMMOFINANZ during the planning or construction stage generally fall under IAS 18. Revenue is recognised on the transfer date; there is no partial recognition of profit based on the stage of completion. Any prepayments received are recorded as liabilities (see section 4.14).

The results of property development also include charges of EUR 8.1 million for personnel costs (2014/15: EUR 7.6 million).

5.4 OTHER OPERATING INCOME

Other operating income comprises the following items:

All amounts in TEUR	2015/16	2014/15
Expenses charged on	864	2,168
Insurance compensation	2,446	700
Income from derecognised liabilities	4,236	2,079
Reimbursement for penalties	1,080	1,047
Miscellaneous	21,696	15,573
Total	30,322	21,567

The increase in miscellaneous other operating income resulted, among others, from the elimination of tax obligations totalling EUR 6.4 million in the Romanian Adama Group based on a tax amnesty law that took effect on 20 July 2015. This position also includes income from claims for damages filed by IMMOFINANZ against former Executive Board members, which were confirmed by the Austrian Supreme Court.

5.5 OTHER OPERATING EXPENSES

Other operating expenses include the following items:

All amounts in TEUR	2015/16	2014/15
Administrative expenses	-458	-966
Legal, auditing and consulting fees	-15,864	-15,766
Penalties	-17	-619
Levies	-3,345	-2,212
Advertising	-2,098	-1,430
Expenses charged on	-977	-841
Rental and lease expenses	-1,507	-1,050
EDP and communications	-2,021	-1,818
Expert opinions	-944	-1,067
Personnel expenses (see 5.6)	-23,486	-23,517
Addition to/reversal of provision for onerous contracts	974	-2,074
Other write-downs	-2,234	-3,050
Miscellaneous	-34,425	-15,279
Total	-86,402	-69,689

Miscellaneous other operating expenses consist chiefly of EUR 29.4 million in costs for legal proceedings related to lawsuits filed by investors against IMMOFINANZ AG, IMBEA Immoeast Beteiligungsverwaltung GmbH and Aviso Zeta AG. These costs resulted from an out-of-court settlement totalling EUR 64.8 million that was concluded with AdvoFin Prozessfinanzierung AG on 2 November 2015 and from a settlement offer of approx. EUR 11.0 million made by IMMOFINANZ and recommended by legal protection insurers and investors' attorneys to terminate a further 1,230 proceedings.

5.6 PERSONNEL EXPENSES

Personnel expenses for IMMOFINANZ's employees include the following:

All amounts in TEUR	2015/16	2014/15
Wages	-1,845	-3,006
Salaries	-36,730	-34,344
Expenses for defined contribution plans	-230	-231
Expenses for defined benefit plans	-777	-345
Expenses for legally required social security and other employee-related expenses	-8,666	-7,995
Other personnel expenses	-1,719	-2,094
Total	-49,967	-48,015

Personnel expenses were allocated to the following sections of the consolidated income statement as follows:

All amounts in TEUR	2015/16	2014/15
Results of asset management	15,738	14,094
Results of property sales	1,658	1,294
Results of property development	8,051	7,601
Other operating expenses	23,486	23,517
Total continuing operations	48,933	46,506
Total discontinued operations	1,034	1,509
Personnel expenses	49,967	48,015

The functional operating areas include only the directly allocated personnel expenses. In cases where direct allocation is not possible, the personnel expenses are included under other operating expenses.

The following table shows the average workforce employed by the Group companies:

	2015/16	2014/15
Salaried employees	740	767
Wage employees	12	19
Total continuing operations	752	786
Salaried employees	16	18
Wage employees	0	0
Total discontinued operations	16	18
Total	768	804

5.7 OTHER REVALUATION RESULTS

5.7.1 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:

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			2015/16 Revaluation
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Total
Investment property	-95,287	-449,756	-545,043	255,919	155,362	411,281	-133,762
Property under construction	58,727	-37,620	21,107	299	40	339	21,446
Properties sold and held for sale	17,537	-20,929	-3,392	1,298	208	1,506	-1,886
Total	-19,023	-508,305	-527,328	257,516	155,610	413,126	-114,202

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			2014/15 Revaluation
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Total
Investment property	-35,210	-282,066	-317,274	164,492	59,859	224,351	-92,923
Property under construction	54,139	-33,037	21,102	68	38	107	21,209
Properties sold and held for sale	40,744	-4,145	36,599	0	0	0	36,599
Total	59,673	-319,248	-259,573	164,560	59,897	224,458	-35,115

5.7.2 IMPAIRMENT OF GOODWILL, NEGATIVE DIFFERENCES AND EARN-OUT ADJUSTMENTS

This position includes the impairment losses recognised to goodwill (see section 4.3.2), negative differences (i.e. gains from a bargain purchase of subsidiaries) recognised in profit or loss (see section 2.2.2) and the earnings effects of conditional purchase price payments.

The measurement of outstanding purchase price liabilities from earn-out payments is regularly based on the latest expert estimates for the relevant parameters and estimates for current developments.

All amounts in TEUR	2015/16	2014/15
Impairment of goodwill (see 4.3.2)	-41,292	-16,799
Purchase price adjustments	1,647	176
Negative differences recognised through profit or loss (see 2.3)	3,649	-256
Total	-35,996	-16,879

5.8 SHARES OF PROFIT OR LOSS FROM EQUITY-ACCOUNTED INVESTMENTS

All amounts in TEUR	Joint ventures	Associates	Total 2015/16
Share of profit or loss for the period	32,509	73,080	105,589
Other adjustments	-30,432	-3,216	-33,648
Reclassification of foreign exchange differences to profit or loss	-2,202	-7,264	-9,466
Gains/losses on the sale of equity-accounted investments	-451	17,734	17,283
Total	-576	80,334	79,758

All amounts in TEUR	Joint ventures	Associates	Total 2014/15
Share of profit or loss for the period	-23,798	353	-23,445
Other adjustments	-1,088	-10,904	-11,992
Reclassification of foreign exchange differences to profit or loss	-1,627	0	-1,627
Gains/losses on the sale of equity-accounted investments	-550	0	-550
Total	-27,063	-10,551	-37,614

In 2015/16 proceeds from the sale of equity-accounted investments include gains of EUR 18.1 million from the sale of BUWOG shares through accelerated bookbuilding procedures (see section 4.4.2).

Aggregated financial information on the joint ventures and associates is presented in section 4.4.

5.9 FINANCIAL RESULTS

All amounts in TEUR	2015/16	2014/15
For financial liabilities FLAC	-155,643	-171,632
For financial liabilities FL@FV/P&L	-2,195	-308
For derivative financial instruments	-14,297	-17,452
Total financing costs	-172,135	-189,392
For financial receivables L&R and AFS	13,248	18,527
For financial receivables FA@FV/P&L	0	6,562
For derivative financial instruments	57	72
Total financing income	13,305	25,161
Foreign exchange differences	-222,282	-268,567
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	57,637	10,443
Valuation of financial instruments at fair value through profit or loss (fair value option)	-70,184	-87,768
Distributions	283	3,656
Write-off of receivables (see 4.5)	-5,477	-10,618
Other financial results	-17,741	-84,287
Net profit or loss from equity-accounted investments (see 5.8)	79,758	-37,614
Total	-319,095	-554,699

FA@FV/P&L: financial assets at fair value through profit or loss

FL@FV/P&L: financial liabilities at fair value through profit or loss

FLAC: financial liabilities measured at amortised cost

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

AFS: available for sale

The foreign exchange differences resulted primarily from the valuation of US Dollar loans and EUR-based Group financing of the Russian subsidiaries.

The profit (or loss) on other financial instruments and proceeds on the disposal of financial instruments included under other financial results comprise the following:

All amounts in TEUR	2015/16	2014/15
Revaluation results from derivative financial instruments	42,519	-11,243
Income from the derecognition/adjustment of the carrying amount of financial liabilities through profit or loss (from changes in estimates for cash flow)	33,068	35,061
Impairment losses to AFS financial instruments	-2,808	-8,982
Reclassification of AFS reserve from real estate fund shares	0	-3,951
Miscellaneous	-15,142	-442
Total	57,637	10,443

AFS: Available for sale

Of the total revaluation results from derivative financial instruments, EUR 51.6 million (2014/15: EUR -10.4 million) are related to the standalone derivative from the convertible bond 2011–2018. The remaining EUR -9.1 million (2014/15: EUR -0.8 million) resulted from other derivatives (interest rate swaps and foreign exchange forwards). The write-downs to AFS financial instruments were related primarily to shares in real estate funds.

Miscellaneous other financial results for 2015/16 consist primarily of ancillary costs related to the repurchase of the exchangeable bond for BUWOG shares and the recognition of a provision for uncertain liabilities from the Tier 2 capital-bank bond issued by Aviso Zeta AG.

Information on the net gains and losses from financial instruments is provided in section 7.1.2.

The following table shows the composition of the gains (or losses) from the valuation of financial instruments at fair value through profit or loss (fair value option) which are included under other financial results:

All amounts in TEUR	2015/16	2014/15
Revaluation results from real estate fund shares (see 7.1.2)	-36,246	-38,627
Revaluation results from the exchangeable bond for BUWOG shares (see 7.1.2)	-33,938	-49,301
Other	0	160
Total	-70,184	-87,768

The revaluation results from the exchangeable bond for BUWOG shares represent the loss from the premature redemption (excl. ancillary costs). This position also includes the book loss from the approx. 1.8 million BUWOG shares supplied in connection with the share option for the premature redemption of the exchangeable bond (see section 4.4.2). The premature, incentivised redemption of the exchangeable bond was based on an invitation by IMMOFINANZ, whereby the offered repurchase price equalled the exchange price as defined in the issue terms plus a cash premium of TEUR 6.5, resp. TEUR 7.5 per TEUR 100.0.

5.10 INCOME TAXES

This position includes income taxes paid or owed by Group companies as well as deferred taxes. Interest and penalties from tax proceedings are also included here. An overview of deferred tax assets and deferred tax liabilities is presented in section 4.7.

All amounts in TEUR	2015/16	2014/15
Current income tax expense/income	-41,674	-34,986
Thereof from current period	-11,264	-34,101
Thereof from prior periods	-30,410	-885
Deferred tax expense/income	31,662	13,952
Thereof from current period	20,053	18,257
Thereof from changes in tax rates	909	-236
Thereof from deductible temporary differences previously not recognised and loss carryforwards from previous financial years	54,510	30,842
Thereof from the revaluation of investment property	-17,540	-18,193
Thereof impairment losses (resp. reversals of previous impairment losses) to deferred tax assets	-26,270	-16,718
Total	-10,012	-21,034

The difference between calculated income tax expenses and the actual income tax expenses shown on the income statement is attributable to the following factors:

All amounts in TEUR	2015/16		2014/15	
Earnings before tax	-370,655		-375,363	
Income tax expense at 25% tax rate	92,664	25.0%	93,841	25.0%
Effect of different tax rates	-26,672	-7.2%	-16,938	-4.5%
Effect of changes in tax rates	909	0.2%	-236	-0.1%
Impairment losses to goodwill and negative differences recognised in profit or loss	-6,972	-1.9%	-3,420	-0.9%
Loss carryforwards and deferred tax assets not recognised	-81,034	-21.9%	-73,092	-19.5%
Non-deductible income and expenses	-10,247	-2.8%	-24,415	-6.5%
Write-downs and write-ups to deferred tax assets	39,124	10.6%	19,597	5.2%
Effects related to other periods	-30,277	-8.2%	-10,226	-2.7%
Effects of deferred taxes on investments in subsidiaries, joint ventures and associates	1,567	0.4%	-2,310	-0.6%
Other non temporary differences	10,926	2.9%	-3,835	-1.0%
Effective tax rate	-10,012	-2.7%	-21,034	-5.6%

The impact of the different tax rates on the effective tax rate for the Group results from the difference between the Austrian corporate tax rate of 25% and the respective local tax rates (see section 4.7).

The non-deductible income and expenses consist mainly of non-deductible interest expense, tax-free income from investments and non-deductible foreign exchange losses.

In 2004/05 the major Austrian companies joined together into a corporate group in the sense of § 9 of the Austrian Corporate Tax Act. IMMOFINANZ AG serves as the lead company of this group. The company and the members of the tax group concluded an agreement for the settlement of taxes, which was amended in 2011/12. In accordance with the amended agreement, each member with positive results must pay a tax charge to the lead of the group. This charge equals 25% of the assessment base and is based on the tax rate defined in § 22 (1) of the Austrian Corporate Tax Act. Any losses by the group members are registered and can be offset in full against taxable profit recorded by the respective member in subsequent years. Group members with registered tax losses are not required to make payments to the lead of the group; no payments for (negative) charges are made by the lead of the group to the group members.

Another corporate group was established in 2009/10 pursuant to § 9 of the Austrian Corporate Tax Act. CPB Enterprise GmbH serves as the lead of this group. Based on the group and tax assessment agreement concluded on 22 December 2009, the taxable income generated by the members of this group is allocated to CPB Enterprise GmbH, as the lead of the group, after an offset against any pre-group losses. The group contract also calls for a tax charge as settlement for the transfer of taxable income. The tax charge procedure for this tax group is the same as the new tax charge agreement implemented for IMMOFINANZ's AG corporate group; it took effect starting in the 2011/12 financial year.

5.11 EARNINGS PER SHARE

In accordance with IAS 33, earnings per share are calculated by the dividing net profit for the period attributable to the shareholders of IMMOFINANZ AG by the weighted average number of shares outstanding. Diluting effects are only included in this calculation when they reduce earnings per share or increase the loss per share.

	2015/16	2014/15
Weighted average number of shares (basic)	975,214,948	1,013,118,076
Weighted average number of shares (diluted)	975,214,948	1,013,118,076
Net profit or loss(excl. non-controlling interests) in EUR	-387,844,000.00	-372,687,000.00
Net profit or loss excl. non-controlling interests in EUR (diluted)	-387,844,000.00	-372,687,000.00
Basic earnings per share in EUR	-0.40	-0.37
Earnings per share in EUR	-0.40	-0.37

Diluting effects in 2015/16 could only have arisen through potential common shares from the issue of the convertible bond 2007–2017 and the convertible bond 2011–2018. Diluting effects were not included in the calculation of earnings per share for 2015/16 because the effects of the convertible bond 2007–2017 and the convertible bond 2011–2018 did not increase the loss per share. The calculation of the number of shares outstanding reflects the deduction of the 10,000,000 treasury shares (2014/15: 80,561,942 treasury shares) held by the company.

6. Notes to the Consolidated Cash Flow Statement

The cash flow statement of IMMOFINANZ shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the financial year. The cash flow statement distinguishes between cash flows from operating activities, investing activities and financing activities. Interest paid is reported under cash flow from financing activities, while interest and dividends received are reported under cash flow from investing activities. Cash flow from operating activities is calculated using the indirect method. Cash and cash equivalents comprise the following as of the balance sheet dates shown below:

All amounts in TEUR	30 4 2016	30 4 2015
Cash and cash equivalents (see 4.10)	371,622	390,703
Cash and cash equivalents held by disposal groups (see 4.8)	7,140	2,171
Cash and cash equivalents	378,762	392,874

Foreign currency cash flows are translated at the quarterly weighted average exchange rate for the respective local currency. Translation differences arising from the use of this exchange rate and the mean exchange rate on the balance sheet date are charged or credited to net foreign exchange differences.

The consolidated cash flow statement for 2015/16 also includes the cash flows attributable to discontinued operations (see section 2.5).

The consideration transferred from the sale of subsidiaries, less cash and cash equivalents, as reported on the cash flow statement includes the following components:

All amounts in TEUR	2015/16	2014/15
Net cash flow from sales in the financial year (see 2.4)	88,410	39,586
Net cash flow from sales in the previous financial year	1,212	12,338
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents	89,622	51,924

7. Other Disclosures

7.1 INFORMATION ON FINANCIAL INSTRUMENTS

In accordance with IAS 32 and IAS 39, a distinction is made between primary and derivative financial instruments.

Primary financial instruments reported under assets consist primarily of trade accounts receivable, financing receivables, loans and other receivables, real estate fund shares, miscellaneous other financial instruments and cash and cash equivalents. Primary financial instruments recorded under liabilities consist primarily of financial liabilities, liabilities arising from convertible bonds and trade accounts payable. Available-for-sale (AFS) financial assets and financial instruments recognised at fair value through profit or loss in accordance with IAS 39 (fair value option) are carried at fair value; all other financial assets are shown at amortised cost. Fair value is based on market prices or calculated in accordance with recognised valuation methods.

Derivative financial instruments are used to hedge the risk arising from fluctuations in foreign exchange rates and interest rates on business operations (see section 7.2.5).

Financial instruments can consist of a non-derivative underlying agreement and a derivative financial instrument. Embedded derivatives are recognised separately as standalone derivatives when they are not closely related to the underlying agreement. Hybrid financial instruments, which include both equity and debt elements, are separated into their respective components.

7.1.1 CLASSES AND CATEGORIES OF FINANCIAL INSTRUMENTS

IFRS 7 requires the breakdown of financial instruments by classes as well as the reconciliation of these classes with the line items shown on the balance sheet. Since the reporting company is entitled to define these classes, they generally differ from the categories defined by IAS 39 for the measurement of financial instruments.

The definition of the reportable classes reflects the different characteristics of the major financial instruments held by IMMOFINANZ. Accordingly, similar financial instruments are grouped together to form a separate class. The classes are also defined to facilitate reconciliation with the line items shown on the balance sheet. These factors led to the definition of the following classes: trade accounts receivable, financing receivables, loans and other receivables (including restricted funds), real estate fund shares, derivative financial assets, current securities, miscellaneous other financial instruments and cash and cash equivalents (asset classes) as well as liabilities arising from convertible bonds, bonds, liabilities with financial institutions, other financial liabilities, trade accounts payable, derivative financial liabilities and miscellaneous other liabilities (liability classes).

In addition to the assignment of financial instruments to classes, IFRS 7 calls for the disclosure of the carrying amount of financial assets and financial liabilities in accordance with the categories defined in IAS 39. The following table presents the carrying amount and fair value of each class of financial assets and financial liabilities as well as each IAS 39 category, and reconciles these amounts to the appropriate balance sheet line item. Since the balance sheet positions trade and other receivables and trade and other liabilities can contain financial instruments as well as non-financial assets/liabilities (e.g. tax receivables), the column "Non- FI" allows for a full reconciliation with the balance sheet line items.

Assets	AFS	FA@FV/P&L		L&R/at Cost	Cash and cash equivalents	Non-FI	Carrying amount 30 4 2016	Fair value 30 4 2016
		Fair value option	HFT					
All amounts in TEUR								
Trade accounts receivable	0	0	0	46,631	0	0	46,631	46,631
Financing receivables	0	0	0	76,574	0	0	76,574	76,574
Loans and other receivables	0	0	0	226,656	0	82,506	309,162	309,162
Trade and other receivables	0	0	0	349,861	0	82,506	432,367	432,367
Real estate fund shares	1,864	6,541	0	0	0	0	8,405	8,405
Miscellaneous other financial instruments	0	0	0	5,705	0	0	5,705	5,705
Other financial assets	1,864	6,541	0	5,705	0	0	14,110	14,110
Cash and cash equivalents	0	0	0	0	371,622	0	371,622	371,622
Total assets	1,864	6,541	0	355,566	371,622	82,506	818,099	818,099

Equity and liabilities	FL@FV/P&L		FLAC	Non-FI	Carrying amount 30 4 2016	Fair value 30 4 2016
	Fair value option	HFT				
All amounts in TEUR						
Liabilities from convertible bonds	0	0	520,234	0	520,234	546,575
Bonds	0	0	104,030	0	104,030	108,251
Amounts due to financial institutions	0	0	2,670,316	0	2,670,316	2,653,841
Other financial liabilities	0	0	1,577	0	1,577	1,577
Financial liabilities	0	0	2,775,923	0	2,775,923	2,763,669
Trade payables	0	0	100,991	0	100,991	100,991
Derivatives	0	47,154	0	0	47,154	47,154
Miscellaneous other liabilities	0	0	131,974	46,763	178,737	178,737
Trade and other payables	0	47,154	232,965	46,763	326,882	326,882
Total equity and liabilities	0	47,154	3,529,122	46,763	3,623,039	3,637,126

AFS: available for sale

FA@FV/P&L: financial assets at fair value through profit or loss

FL@FV/P&L: financial liabilities at fair value through profit or loss

FLAC: financial liabilities measured at amortised cost

HFT: held for trading

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

Non-FI: non-financial assets/liabilities

Assets	FA@FV/P&L			L&R/at Cost	Cash and cash equivalents	Non-FI	Carrying amount	Fair value
	AFS	Fair value option	HFT				30 4 2015	30 4 2015
All amounts in TEUR								
Trade accounts receivable	0	0	0	57,653	0	0	57,653	57,653
Financing receivables	0	0	0	181,097	0	0	181,097	181,097
Loans and other receivables	0	0	0	292,373	0	94,435	386,808	386,808
Trade and other receivables	0	0	0	531,123	0	94,435	625,558	625,558
Real estate fund shares	10,912	55,156	0	0	0	0	66,068	66,068
Derivatives	0	0	576	0	0	0	576	576
Miscellaneous other financial instruments	3,522	0	0	17,155	0	0	20,677	20,677
Other financial assets	14,434	55,156	576	17,155	0	0	87,321	87,321
Cash and cash equivalents	0	0	0	0	390,703	0	390,703	390,703
Total assets	14,434	55,156	576	548,278	390,703	94,435	1,103,582	1,103,582

Equity and liabilities	FL@FV/P&L			FLAC	Non-FI	Carrying amount	Fair value
	Fair value option	HFT				30 4 2015	30 4 2015
All amounts in TEUR							
Liabilities from convertible bonds	0	0	529,173	0	529,173	538,844	
Bonds	424,987	0	302,233	0	727,220	733,632	
Amounts due to financial institutions	0	0	2,857,890	0	2,857,890	2,857,934	
Other financial liabilities	0	0	18,763	0	18,763	18,763	
Financial liabilities	424,987	0	3,178,886	0	3,603,873	3,610,329	
Trade payables	0	0	88,586	0	88,586	88,586	
Derivatives	0	116,889	0	0	116,889	116,889	
Miscellaneous other liabilities	0	0	149,400	67,306	216,706	216,706	
Trade and other payables	0	116,889	237,986	67,306	422,181	422,181	
Total equity and liabilities	424,987	116,889	3,946,045	67,306	4,555,227	4,571,354	

AFS: available for sale
FA@FV/P&L: financial assets at fair value through profit or loss
FL@FV/P&L: financial liabilities at fair value through profit or loss
FLAC: financial liabilities measured at amortised cost
HFT: held for trading
L&R: loans and receivables at amortised cost, miscellaneous other financial instruments at cost
Non-FI: non-financial assets/liabilities

The fair values shown in the above table were derived from stock exchange prices or determined by applying recognised valuation methods, depending on the class (see section 7.1.3).

Trade accounts receivables are generally considered to be current or are carried net of any necessary valuation adjustments and, for this reason, fair value generally reflects the carrying amount. The same applies to cash and cash equivalents.

The fair value of financial receivables, loans and other receivables as well as the fair value of the miscellaneous other financial instruments also generally approximates the carrying amount because impairment losses have already been deducted.

The fair value shown in the above table for liabilities from convertible bonds, the CMBS bond reported under bonds in the previous financial year and amounts due to financial institutions was calculated as the present value of future interest and principal payments. The discount rate includes a margin for IMMOFINANZ's own credit risk (debt value adjustment), and the valuation method used to determine fair value therefore represents Level 3 in the fair value hierarchy under IFRS 13. Information on the method used to determine the debt value adjustment is provided in section 7.1.3. The fair value of the corporate bond is based on the market price and therefore represents Level 1 in the fair value hierarchy under IFRS 13. The discount rates used to calculate the present value of the amounts due to financial institutions were based on the listing shown below, which reflects the market interest rates as of 30 April 2016 and the weighted average credit spreads for the loans in the respective currency as of the balance sheet date.

Discount rates			2015/16
	EUR	USD	CHF
Up to 31 October 2016	3.200%	3.807%	2.532%
Up to 30 April 2017	3.329%	3.807%	2.532%
Up to 30 April 2019	3.108%	4.467%	2.728%
Up to 30 April 2021	3.273%	4.905%	2.995%
Up to 30 April 2023	3.516%	5.191%	3.232%
Up to 30 April 2026	3.887%	5.443%	3.472%
Up to 30 April 2031	4.291%	5.443%	3.472%
As of 1 May 2031	4.462%	5.443%	3.472%

The fair value of the miscellaneous other liabilities approximates the carrying amount.

The following table shows the carrying amounts of the financial instruments classified as held for sale – based on the IAS 39 categories. Included here are receivables and liabilities measured at amortised cost, shares in real estate fund shares (AFS, fair value option) as well as derivative financial liabilities carried at fair value:

All amounts in TEUR	30 4 2016 Carrying amount	30 4 2015 Carrying amount
Financial assets		
Loans and receivables	48,082	1,387
At fair value through profit or loss – fair value option	10,693	0
Available for sale	807	0
Financial liabilities		
At amortised cost	176,521	51,559
Held for trading	2,687	261
Cash and cash equivalents	7,140	2,171

7.1.2 NET GAINS AND LOSSES

IFRS 7 requires the disclosure of net gains and losses for each category of financial instrument defined in IAS 39. This information is presented in the following table:

All amounts in TEUR	Measurement at fair value	Impairment losses	Revaluation	Recycling	Income from disposals/repurchase	Other gains/losses	30 4 2016 Net gain/loss
AFS	-15	-2,808	0	0	0	0	-2,823
Thereof recognised to the income statement	0	-2,808	0	9	0	0	-2,799
Thereof recognised in other comprehensive income	-15	0	0	-9	0	0	-24
FA@FV/P&L	-36,246	0	0	0	0	-1	-36,247
Thereof fair value option	-36,246	0	0	0	0	-1	-36,247
L&R	0	-33,130	10,195	0	17	216	-22,702
FL@FV/P&L	8,581	0	0	0	0	-5,861	2,720
Thereof fair value option	-33,938	0	0	0	0	-5,686	-39,624
Thereof HFT	42,519	0	0	0	0	-175	42,344
FLAC	0	881	0	0	32,187	0	33,068

AFS: available for sale

FA@FV/P&L: financial assets at fair value through profit or loss

FL@FV/P&L: financial liabilities at fair value through profit or loss

FLAC: financial liabilities measured at amortised cost

HFT: held for trading

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

30 4 2015

All amounts in TEUR	Measure- ment at fair value	Impairment losses	Revaluation	Recycling	Income from disposals/ repurchase	Other gains/ losses	Net gain/loss
AFS	24	-8,982	0	0	0	1,755	-7,203
Thereof recognised to the income statement	0	-8,982	0	-3,951	0	1,755	-11,178
Thereof recognised in other comprehensive income	24	0	0	3,951	0	0	3,975
FA@FV/P&L	-38,595	0	0	0	0	1,618	-36,977
Thereof fair value option	-38,467	0	0	0	0	1,618	-36,849
Thereof HFT	-128	0	0	0	0	0	-128
L&R	0	-26,080	556	0	1	213	-25,310
FL@FV/P&L	-60,416	0	0	0	0	-373	-60,789
Thereof fair value option	-49,301	0	0	0	0	0	-49,301
Thereof HFT	-11,115	0	0	0	0	-373	-11,488
FLAC	0	20,485	0	0	14,576	0	35,061

AFS: available for sale

FA@FV/P&L: financial assets at fair value through profit or loss

FL@FV/P&L: financial liabilities at fair value through profit or loss

FLAC: financial liabilities measured at amortised cost

HFT: held for trading

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

The valuation category “financial assets and financial liabilities held for trading” (HFT) includes standalone derivatives.

Information on financing costs and financing income is provided in section 5.9.

7.1.3 HIERARCHY OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The following section includes an analysis of the financial instruments carried at fair value. A three-level classification was developed for this analysis in accordance with the measurement hierarchy defined in IFRS 13:

- > Level 1: quoted prices for identical assets or liabilities on an active market (without any adjustments)
- > Level 2: inputs that can be derived directly (e.g. as prices) or indirectly (e.g. based on prices) for the individual assets or liabilities and cannot be classified under Level 1
- > Level 3: inputs for assets or liabilities that are not based on observable market data

All amounts in TEUR	Level 1	Level 2	Level 3	30 4 2016 Total
Financial assets available for sale				
Real estate fund shares	–	–	1,864	1,864
Financial assets at fair value through profit or loss				
Fair value option				
Real estate fund shares	–	–	6,541	6,541
Financial liabilities at fair value through profit or loss				
Held for trading				
Derivatives	–	–	47,154	47,154

30 4 2015

All amounts in TEUR	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Real estate fund shares	–	–	10,912	10,912
Miscellaneous other financial instruments	3,522	–	–	3,522
Financial assets at fair value through profit or loss				
Fair value option				
Real estate fund shares	–	–	55,156	55,156
Held for trading				
Derivatives	–	–	576	576
Financial liabilities at fair value through profit or loss				
Fair value option				
Bonds	–	–	424,987	424,987
Held for trading				
Derivatives	–	–	116,889	116,889

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

All amounts in TEUR	Real estate fund shares		Derivatives		Current securities		Bonds	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Balance at the beginning of the financial year	66,068	125,933	-116,313	-106,873	0	262,366	-424,987	0
Recognised on the income statement	-39,020	-51,634	42,519	-11,243	0	234	-33,938	-50,087
Recognised in other comprehensive income	0	3,951	0	0	0	0	0	0
Disposals	-7,143	-12,182	23,953	1,803	0	-262,600	458,925	100
Reclassification to assets held for sale	-11,500	0	2,687	0	0	0	0	0
Balance at the end of the financial year	8,405	66,068	-47,154	-116,313	0	0	0	-424,987

Of the EUR -30.4 million (2014/15: EUR -112.7 million) in results recognised in profit or loss and reported in the above table, EUR -31.2 million (30 April 2015: EUR -113.7 million) are attributable to financial instruments that were held at the end of the financial year. The respective amounts are included under other financial results.

The valuation procedures and valuation-relevant input factors used to determine the fair value of financial instruments are as follows:

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: 9.30% to 13.80%
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: 1.75% to 3.75%
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: 3.34%

IMMOFINANZ calculates the fair value of derivatives by discounting the future cash flows based on a net present value method. The interest rates used to discount the future cash flows are based on an interest curve that is observable on the market. The following three parameters are required to calculate the credit value adjustment (CVA) and the debt value adjustment (DVA): the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The probability of default is derived from the credit default swap (CDS) spreads of the respective counterparty. Derivatives with a positive fair value represent receivables for IMMOFINANZ; in these cases, a CVA calculation is used to calculate the amount of the receivable. One parameter for this calculation is the probability of default for the counterparties. IMMOFINANZ concludes contracts with over 40 financial institutions, and observable CDS spreads are available on the market for many of them. In exceptional cases, average branch benchmarks are used as a substitute for unavailable spreads. These benchmarks represent

Level 1 and 2 input factors on the fair value measurement hierarchy. Derivatives with a negative fair value represent liabilities for IMMOFINANZ; in these cases, a DVA calculation is used to calculate the amount of the liability and IMMOFINANZ's own probability of default must be determined. IMMOFINANZ generally concludes derivatives at the level of the property company that manages a particular property. Neither observable market CDS spreads, nor benchmarks are available for these property companies. Credit margins are therefore used to estimate CDS spreads which, in turn, form the basis for deriving the probability of default. The credit margin for IMMOFINANZ is determined in a two-step procedure. The first step involves the calculation of an average margin based on previously concluded credit agreements and term sheets, whereby the time horizon for the applied margins equals 12 months. The second step involves obtaining indicative credit margin offers from banks and averaging these values with the margins from the credit agreements and term sheets. These offers are grouped by country and asset class. The individual property companies that have concluded financial instruments are assigned to a group based on country and asset class. The plausibility of the calculated credit margins is also verified by comparison with external market reports. This procedure results in market-conform credit margins that can be used as estimates for valuing the company's own credit risk. These input factors represent Level 3 on the IFRS 13 measurement hierarchy. The loss given default (LGD) is the relative value that would be lost on default. IMMOFINANZ uses an ordinary market default rate to calculate the CVA and DVA. The exposure at default represents the expected amount of the asset or liability at the time of default. The calculation of the exposure at the time of default is based on a Monte Carlo simulation.

The liabilities carried at fair value through profit or loss include EUR 1.1 million (30 April 2015: 25.4 million); attributable to default risk. The change during the financial year equalled EUR -24.3 million (2014/15: 23.7 million).

For net present value methods, an increase in the discount rate, exit yield or credit spread leads to a reduction in fair value. In contrast, fair value is increased by a reduction in these input factors.

The valuation of default risk includes assumptions for the probability of default, loss rate and the outstanding amount at the time of expected default. An increase in the probability of default and the loss rate will reduce the fair value of a derivative with a positive outstanding amount (receivable) and reduce the liability for a derivative with a negative outstanding amount (liability). A decrease in the probability of default and the loss rate leads to the opposite effect.

7.1.4 COLLATERAL

IMMOFINANZ companies normally provide collateral for loans related to project financing. Financing is generally concluded at the individual project level, and each company or property is responsible for the related debt service. There are no rights of regress involving IMMOFINANZ AG. As security for the loan, the lending bank receives a package of collateral that can be used to satisfy the receivable in the event a loan is called. This package can include the following types of collateral:

- > Mortgage on the land or the land and the building
- > Pledge of shares in the project company
- > Pledge of receivables (from rental agreements, insurance contracts, property management contracts etc.)
- > Pledge of bank accounts (accounts for rental payments or other project-related accounts)
- > Promissory notes
- > Shares in subsidiaries

The conditions, type and scope of collateral are defined on an individual basis (for each company and property) and are dependent on the project volume and the amount and term of the loan.

Investment property with a carrying amount of EUR 4,248.7 million (30 April 2015: EUR 4,949.6 million) was pledged as collateral for long-term financing of EUR 2,345.4 million (30 April 2015: EUR 2,440.1 million).

Property under construction with a carrying amount of EUR 252.6 million (30 April 2015: EUR 380.9 million) and real estate inventories with a carrying amount of EUR 82.5 million (30 April 2015: EUR 118.1 million) also serve as collateral. The corresponding liabilities total EUR 210.4 million (30 April 2015: EUR 266.9 million) and EUR 98.2 million (30 April 2015: EUR 110.8 million), respectively.

For property financing concluded by IMMOFINANZ, shares in the respective subsidiary serve as additional collateral to the mortgages in 91 cases (30 April 2015: 103 cases). The limitations on disposal end when the financial liability is repaid or when other collateral is provided.

In addition, approx. 10 million BUWOG shares with a market value of EUR 183.1 million serve as collateral.

In 2015/16 and previous financial years IMMOFINANZ accepted liabilities or guarantees on behalf of third parties with a maximum risk of EUR 557.9 million (30 April 2015: EUR 149.3 million). The probability of occurrence for these contingent liabilities is linked to the fulfilment or non-fulfilment of future conditions and was considered low as of the balance sheet date.

7.2 FINANCIAL RISK MANAGEMENT

7.2.1 GENERAL INFORMATION

IFRS 7 requires the disclosure of information that permits an evaluation of the nature and extent of the risks arising from financial instruments to which the company is exposed as of the balance sheet date.

As an international corporation, IMMOFINANZ is exposed to various financial risks. The most important financial risks for the Group arise from possible changes in foreign exchange rates and interest rates and from the credit standing and solvency of its customers and business partners.

IMMOFINANZ has integrated an active risk management system into its operating processes and reporting paths. This system supports the rapid implementation of measures to counter risk and also has a direct influence on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout IMMOFINANZ to support the monitoring, evaluation and control of risks related to the operating business. Risk management in IMMOFINANZ takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions. The internal control system (ICS) is continuously improved to support the early identification and monitoring of risks. A description of the ICS is provided in the management report.

7.2.2 DEFAULT / CREDIT RISK

Credit risks arise from the possibility that the counterparty to a transaction could fail to meet the related obligations and the Group incurs financial damages as a result. The maximum credit risk represents the amounts reported under assets on the balance sheet. Default risk is reflected in appropriate valuation adjustments.

The most important instrument for managing default risk is the continuous evaluation of the credit standing of contract partners. In various development projects, IMMOFINANZ works together with local project developers. This cooperation can represent a risk for IMMOFINANZ if the business partners are unable to meet their contractual obligations in full or on time. Appropriate contractual provisions – e.g. penalties or damage payments in cases where performance does not meet the contract terms – are used to address this risk. In addition, activities and goal attainment are monitored regularly by the Group's development department.

The risk of default on receivables due from tenants is low because tenants are regularly required to provide security deposits – cash deposits for residential properties, bank guarantees or cash deposits for commercial properties – and the credit standing of tenants is monitored on a regular basis. Individual valuation adjustments are generally recorded to receivables that are exposed to an increased risk of default (e.g. in Russia due to the difficult foreign exchange-based market situation).

The default risk associated with receivables due from banks is also considered to be low because all financing transactions are concluded with financial institutions that have excellent credit ratings. The counterparty default risk is limited by continuous monitoring, fixed investment limits and the diversification of financial institutions.

7.2.3 LIQUIDITY RISK

Liquidity risks are minimised by the preparation of a medium-term forecast covering five years, an annual budget with monthly segmentation and monthly revolving liquidity reports that include variance analyses. Daily liquidity management ensures that all operating obligations can be met and funds can be optimally invested, and also gives the Group the necessary flexibility to realise short-term acquisition opportunities.

IMMOFINANZ also uses long-term financing in which the financial capability of the individual properties (interest coverage ratio, debt service coverage ratio) as well as their present value (loan-to-value ratio) is reflected in appropriate contract clauses.

In order to prevent cost overruns and the resulting excess outflow of liquidity, IMMOFINANZ routinely monitors budgets and the progress of construction on all development projects and maintenance work.

The following table shows the term structure of derivative and non-derivative financial liabilities based on the contractually defined outflow of funds. In particular, the reported amounts include current and bullet repayments for financial liabilities, interest payments and net payments from derivatives.

All amounts in TEUR	Cash outflows under 1 year	Cash outflows between 1 and 5 years	Cash outflows over 5 years	Total	Carrying amount as of 30 4 2016
Liabilities from convertible bonds	21,821	556,664	0	578,485	520,234
Liabilities arising from the issue of bonds	5,272	105,229	0	110,501	104,030
Amounts due to financial institutions	413,732	1,828,011	790,191	3,031,934	2,670,316
Miscellaneous	157,434	22,747	19,146	199,327	234,542
Total non-derivative financial liabilities	598,259	2,512,651	809,337	3,920,247	3,529,122
Derivative financial instruments (liabilities)	8,380	18,973	3,367	30,720	47,154
Total derivative financial liabilities	8,380	18,973	3,367	30,720	47,154
Total	606,639	2,531,624	812,704	3,950,967	3,576,276

All amounts in TEUR	Cash outflows under 1 year	Cash outflows between 1 and 5 years	Cash outflows over 5 years	Total	Carrying amount as of 30 4 2015
Liabilities from convertible bonds	530,865	22,203	0	553,068	529,173
Liabilities arising from the issue of bonds	209,595	493,838	0	703,433	727,220
Amounts due to financial institutions	222,388	1,932,207	1,225,765	3,380,360	2,857,890
Miscellaneous	164,997	28,346	19,268	212,611	256,749
Total non-derivative financial liabilities	1,127,845	2,476,594	1,245,033	4,849,472	4,371,032
Derivative financial instruments (liabilities)	20,618	31,933	1,693	54,244	116,889
Total derivative financial liabilities	20,618	31,933	1,693	54,244	116,889
Total	1,148,463	2,508,527	1,246,726	4,903,716	4,487,921

Miscellaneous non-derivative financial liabilities include, among others, trade accounts payable, liabilities to joint ventures and liabilities from deposits received.

7.2.4 FOREIGN EXCHANGE RISK

IMMOFINANZ is exposed to various forms of foreign exchange risk in connection with its accounting figures and cash flows. Fluctuations in foreign exchange rates can influence the Groups' earnings position and also have an impact on the Group's asset position.

The individual Group companies record transactions in a currency that differs from their functional currency (e.g. US-Dollar or Euro loans for property financing) at the average exchange rate on the date of the respective transaction. Foreign currency monetary assets and liabilities are translated at the mean exchange rate in effect on the balance sheet date. The resulting foreign exchange gains and losses are recognised in profit or loss for the financial year.

The following table shows the sensitivity of the foreign currency liabilities with financial institutions that are reported on the balance sheet to fluctuations in exchange rates. The list shows the theoretical amount of the liabilities based on a change of $\pm 2\%$ or $\pm 5\%$ in the exchange rate compared with the rate in effect on the balance sheet date.

Sensitivity of amounts due to financial institutions	30 4 2016 Carrying amount TEUR	Exchange rate			
		$\Delta -5\%$	$\Delta -2\%$	$\Delta +2\%$	$\Delta +5\%$
USD	669.413	704.645	683.074	656.287	637.536
CHF	258	272	264	253	246
EUR	2.000.645	0	0	0	0
Amounts due to financial institutions	2.670.316	704.917	683.338	656.540	637.782

Sensitivity of amounts due to financial institutions	30 4 2015 Carrying amount TEUR	Exchange rate			
		$\Delta -5\%$	$\Delta -2\%$	$\Delta +2\%$	$\Delta +5\%$
USD	737,435	776,248	752,485	722,976	702,319
PLN	8,573	9,024	8,748	8,405	8,165
CHF	270	285	276	265	258
EUR	2,111,612	0	0	0	0
Total amounts due to financial institutions	2,857,890	785,557	761,509	731,646	710,742

The risk of devaluation associated with foreign currency cash balances is offset by the earliest possible conversion of these funds into the Euro.

Derivative financial instruments are used in some cases to manage the low structural foreign exchange risk. The derivative financial instruments used by IMMOFINANZ to hedge this risk are recorded as standalone derivatives and not as hedging instruments. Hedge accounting as defined in IAS 39 is not applied. Therefore, the standalone derivatives are measured through profit or loss.

Section 7.2.5 contains a list of the fair values and conditions of all derivative financial instruments purchased by IMMOFINANZ and held as of the balance sheet date as protection against foreign exchange risk.

Cash and cash equivalents are held in the following currencies:

All amounts in TEUR	30 4 2016	30 4 2015
EUR	241,914	234,657
USD	70,658	65,806
CHF	749	8,998
HUF	10,700	11,378
PLN	16,138	22,146
CZK	6,182	9,166
RON	20,932	23,207
RUB	1,729	14,365
Other	2,620	980
Total	371,622	390,703

7.2.5 INTEREST RATE RISK

As an international company, IMMOFINANZ is exposed to the risk of interest rate fluctuations on real estate submarkets. Changes in interest rates can have a negative impact on Group earnings by increasing the cost of floating rate financing.

A change in interest rates will have a direct influence on financial results through its impact on floating rate financing. IMMOFINANZ limits the risk associated with rising interest rates – which would lead to higher interest expense and a decline in financial results – through the use of fixed interest rate financing contracts and derivative financial instruments (above all caps and swaps). These derivative financial instruments are accounted for as standalone derivatives and not as hedging instruments. Hedge accounting as defined in IAS 39 is not applied.

The classification of financial liabilities by type of interest rate is shown in the following table:

All amounts in TEUR	30 4 2016	30 4 2015
Fixed interest financial liabilities	672,616	1,321,797
Floating rate financial liabilities	2,623,541	2,811,249
Total interest-bearing financial liabilities	3,296,157	4,133,046

The following table shows the fair values and conditions of all derivative financial instruments that were purchased and held by IMMOFINANZ as of 30 April 2016 to hedge interest rate and foreign exchange risk:

	Type	Reference value as of 30 4 2016 in TEUR	Market value incl. interest in EUR ¹	Maturity
Interest rate up to 0.50%	Interest rate swap	35,948	-65	FY2017
	Interest rate swap	68,931	-263	FY2018
	Interest rate swap	106,134	-340	FY2019
	Interest rate swap	86,480	-1,235	FY2020
	Interest rate swap	64,653	-872	FY2021
Number of derivatives: 23		362,146	-2,775	
Interest rate from 0.50% to 1.00%	Interest rate swap	43,672	-651	FY2018
	Interest rate swap	5,806	-100	FY2019
	Interest rate swap	16,235	-453	FY2020
	Interest rate swap	8,472	-305	FY2022
	Interest rate swap	233,096	-7,919	FY2023
	Interest rate swap	50,127	-294	FY2025
	Interest rate swap	19,719	-457	FY2031
Number of derivatives: 34		377,127	-10,179	
Interest rate over 1.00%	Interest rate swap	68,301	-3,179	FY2018
	Interest rate swap	23,572	-1,117	FY2019
	Interest rate swap	101,364	-6,574	FY2020
	Interest rate swap	5,251	-375	FY2021
	Interest rate swap	9,435	-667	FY2023
	Interest rate swap	51,711	-4,435	FY2025
Number of derivatives: 17		259,634	-16,347	
	FX forward EUR/PLN	782	-6	FY2017
Number of derivatives: 2		782	-6	
Total number of derivatives: 76 ²		999,689	-29,307	

¹ Fair value includes a credit risk adjustment

² All 76 derivatives had a negative value as of the balance sheet date, as of the balance sheet date.

The reference value forms the basis value for derivatives outstanding as of the balance sheet date.

The fair value represents the amount that the respective company would receive or be required to pay if the transaction were terminated as of the balance sheet date.

A change in the market interest rate will influence the valuation of interest rate derivatives. Net present value calculations based on the DCF method – which is also used to value derivatives – discount future cash flows with current interest rate curves to determine market value. Rising interest rates lead to a higher discount factor and to a reduction in the present value of the derivative.

Sensitivity analyses are used to illustrate the risk associated with interest rate fluctuations. They show the effects of changes in market interest rates on market values and interest payments as well as interest income and expense.

The following sensitivity analysis shows the effect of a change in the interest rate level on the fair value of interest rate derivatives (interest rate swaps). An increase of 10 and 25 basis points is assumed (the effects of falling interest rates were not analysed due to the current very low interest rate level). The following fair values include accrued interest, but exclude credit risk adjustments.

Sensitivity of derivatives			Interest rate
All amounts in TEUR	2015/16	Δ +10 basis points	Δ +25 basis points
Fair value based on increase in interest rate	-33,140	-26,408	-20,298

Sensitivity of derivatives			Interest rate
All amounts in TEUR	2014/15	Δ +10 basis points	Δ +25 basis points
Fair value based on increase in interest rate	-49,043	-45,529	-40,311

A further sensitivity analysis shows the influence of floating interest rates on the interest expense associated with financial liabilities. It presents the effect of an assumed average increase of 50 and 100 basis points in interest rates on the interest expense recognised in 2015/16. This analysis assumes that all other variables, in particular foreign exchange rates, remain constant. Due to the very low level of interest rates during the financial year (e.g. 3-month EURIBOR: -0.251%, 3-month LIBOR USD: 0.6366%) a sensitivity analysis was not prepared for falling interest rates during the financial year or previous financial year.

Sensitivity of interest expense			Interest rate
All amounts in TEUR	2015/16	Δ +50 basis points	Δ +100 basis points
Interest expense	172,135	182,356	189,991

Sensitivity of interest expense			Interest rate
All amounts in TEUR	2014/15 ¹	Δ +50 basis points	Δ +100 basis points
Interest expense	189,392	207,196	216,517

1 The sensitivity analysis for 2014/15 includes the net profit or loss from discontinued operations in 2015/16

Details on the conditions of financial liabilities are provided in section 4.13.

In addition to financial liabilities, securities and other receivables – above all financing receivables (loans granted to third parties) – can be sensitive to interest rate changes. The financing receivables generally carry fixed interest rates, and the Group is therefore exposed to no risk or only limited risk of a changing interest rate from these items.

7.2.6 CAPITAL MANAGEMENT

The goals of IMMOFINANZ's management are to protect the Group's short-, medium- and long-term liquidity at all times and to create and maintain a strong capital base in order to earn the trust of investors, creditors and the markets and safeguard the Group's sustainable positive development. The Executive Board regularly monitors the development of the share price, the discount of the share price to the net asset value (NAV) and the amount of dividends paid to the shareholders of IMMOFINANZ AG. Resolutions passed by the annual general meeting on 1 December 2015 over an increase in share capital from internal funds and an ordinary decrease in the share capital of IMMOFINANZ AG established the basis for a sustainable dividend policy. Information on the planned dividend policy is provided in section 4.11. Through share buybacks, management signalled the capital market that the share was trading substantially below its intrinsic value – the discount to the NAV equalled 39.3% as of 30 April 2016 (30 April 2015: 33.0%). The timing of these buybacks is dependent on the market price. The positive effects of share buybacks lead to an increase in value, which benefits the remaining shareholders of IMMOFINANZ AG.

The Group's capital structure is determined by financial liabilities, which include convertible and corporate bonds as well as securitised commercial mortgage loans (commercial mortgage-backed securities – CMBS), and by equity, excluding treasury shares. An exchangeable bond for BUWOG shares was repurchased prematurely in 2015/16 through an incentivised exchange and short-term margin loans were also terminated. IMMOFINANZ intends to further optimise its capital structure by arranging for new financing, by terminating, extending or restructuring old financing and, where appropriate, issuing new debt securities. IMMOFINANZ's financing costs averaged 3.9% in 2015/16 (2014/15: 3.9%) – including the derivatives used for interest rate hedging.

The Executive Board monitors the Group's capital structure, by means of the LTV ratio. This indicator shows the relation between financial liabilities less liquid funds and the value of the property portfolio plus properties held for sale and the undisclosed reserves in the BUWOG investment. As of 30 April 2016 the LTV ratio equalled 49.4% (30 April 2015: 44.4%). IMMOFINANZ's target calls for an LTV ratio of roughly 50%. IMMOFINANZ is not subject to any external minimum capital requirements.

7.3 FINANCIAL OBLIGATIONS

7.3.1 CONTINGENT LIABILITIES AND GUARANTEES

Contingent liabilities represent possible or existing obligations arising from past events, in cases where it is not probable that an outflow of resources will be required to settle the obligation (see section 7.1).

The contingent liabilities arising from sureties, guarantees and other liabilities that are not recognised on IMMOFINANZ's balance sheet are evaluated regularly with respect to the probability of their occurrence. If an outflow of resources embodying economic benefits is neither sufficiently probable to require the recognition of a provision nor improbable, the obligations are recognised as contingent liabilities. The estimates are made by IMMOFINANZ specialists based on market-related inputs (where possible) and expert opinions (in individual cases).

In the legal proceedings pending since 2010, the expert appointed by the court to review the exchange ratio applied to the merger of IMMOCENT AG and IMMOFINANZ AG issued his opinion on 21 August 2015. This opinion confirms that a plausibility analysis of the exchange ratio, which was based on the NAV method, indicated that, in all probability, the exchange ratio corresponds to the facts and legal situation. The expert sees an inconsistent application in the DCF method, whose elimination (ceteris paribus) would result in the application of a lower exchange ratio (in favour of the shareholders of IMMOFINANZ AG). IMMOFINANZ AG has submitted an extensive statement on this opinion. The board involved in the review of the exchange ratio has not yet issued any information on further procedural steps. Decisions or settlements in the proceedings to review the exchange ratio will apply to all shareholders in the respective shareholder groups (erga omnes right). If the proceedings lead to additional payments (additional settlement payments), the shareholders in the disadvantaged shareholder group will receive these payments plus interest at a rate of 2% over the base interest rate on the registration date (28 April 2010). IMMOFINANZ AG has requested permission to grant additional shares in place of cash settlements. It is not possible to estimate whether the shareholder groups will be granted additional payments (additional settlement payments) or what the amount of these payments might be.

IMMOFINANZ has filed a number of active lawsuits against former members of the Executive Board and Supervisory Board and other IMMOFINANZ persons as well as former members of the Executive Board of Constantia Privatbank AG. Claims were not recognised in these consolidated financial statements in cases where an (out-of-court) settlement has not yet been reached.

In specific East European countries (e.g. in Romania), legal uncertainty could arise in connection with land ownership.

7.3.2 OTHER FINANCIAL OBLIGATIONS

The following table shows the financial obligations arising from previously contracted construction services, maintenance and other contractual obligations for the construction or acquisition of properties:

All amounts in TEUR	2015/16	2014/15
Outstanding construction costs	140,472	124,932
Contracted maintenance	8,209	2,358
Contractual obligations for the construction of residential properties	32,316	27,210
Contractual obligations for the construction or acquisition of properties	17,982	82,630
Total	198,979	237,130

7.4 TRANSACTIONS WITH RELATED PARTIES

Related parties in the sense of IAS 24 include all subsidiaries, joint ventures and associates of IMMOFINANZ AG (see section 8). In addition to persons who have a significant influence over IMMOFINANZ, related parties include the members of the Executive Board and Supervisory Board of IMMOFINANZ AG and their close family members.

Any transactions carried out with related parties during the financial year reflected arm's length conditions.

As part of the remuneration for the members of the Executive Board, IMMOFINANZ AG makes payments to APK Pensionskasse AG. These payments are related to company pensions for the Executive Board members and reflect standard market conditions. Christian Böhm, a member of the Supervisory Board, is the chairman of the executive board of this company. The contributions made in 2015/16 are reported in section 7.4.2.

Transactions between fully consolidated subsidiaries are eliminated during the consolidation and are therefore not explained in detail.

7.4.1 JOINT VENTURES AND ASSOCIATES

All amounts in TEUR	30 4 2016	30 4 2015
Relations with joint ventures		
Receivables	45,980	90,296
Thereof allowance for bad debt	-28,400	-68,910
Liabilities	24,050	18,455
Relations with associated companies		
Receivables	9,893	57,072
Thereof allowance for bad debt	-4,443	-15,614
Liabilities	815	2,632
Provisions	0	17,420
All amounts in TEUR	2015/16	2014/15
Relations with joint ventures		
Other income	37	0
Other expenses	0	-104
Interest income	8,546	10,360
Interest expense	-535	-501
Write-downs for bad debt	-10,335	-29,902
Thereof results that increase or reduce the net investment	1,688	-24,852
Income taxes	240	4
Relations with associated companies		
Other income	648	1,663
Other expenses	-6,556	-4,862
Negative differences recognised through profit or loss (see 2.3)	3,649	0
Interest income	799	3,288
Interest expense	-3,174	-5,912
Write-downs for bad debt	-985	-4,685
Thereof results that increase or reduce the net investment	-642	-610
Income taxes	904	-10,765

Transactions with joint ventures and associates are carried out at standard market prices and conditions. The financing for joint ventures is frequently arranged by IMMOFINANZ and its co-investors at a ratio that differs from the respective interest in capital.

The carrying amount of the equity-accounted investment in HEPP III Luxembourg MPB SARL equalled EUR 0.0 million as of 30 April 2016 (30 April 2015: EUR 0.0 million). The carrying amount of the receivables which are part of the net investment in this associate amounted to EUR 0.0 million as of 30 April 2016 (30 April 2015: EUR 25.5 million). In the course of the upstream transaction described in see section 2.3, the co-investors approved capital increases and the waiver of receivables to prepare the liquidation of HEPP III Luxembourg MPB SARL. In 2015/16, transactions with HEPP III Luxembourg MPB SARL involved receivables write-offs of EUR 7.7 million (excl. non-recoverable receivables from accrued interest) and EUR 2.2 million of expenses from the recycling of differences from foreign currency translation (from the deconsolidation of MBP I

Sp. z o. o and MBP II Sp. z o. o at the level of HEPP III Luxembourg MPB SARL). These items are reported under IMMOFINANZ's financial results. The positive share of results from HEPP III Luxembourg MPB SARL – which arose primarily through the derecognition of financial liabilities due to the co-investor companies – led to impairment losses of the same amount to the equity-accounted investment (see section 4.4.2).

The equity-accounted investments in TriGránit Holding Ltd. and TriGránit Centrum a.s. were sold during 2015/16 (see section 4.4.2). The outstanding receivables due from these two associates were assumed by the buyer. Part of the sale price was deferred, and the related amounts are reported as outstanding purchase price receivables from the sale of shares in other companies (see section 4.5).

In 2015/16 IMMOFINANZ acquired two retail markets in Gmünd and Korneuburg from the joint venture IMMOKRON Immobiliengesellschaft m.b.H. for EUR 7.0 million. The property revaluation resulting from the transaction amounted to EUR 0.3 million and is included at the applicable proportional amount under gains or losses from equity-accounted investments.

The carrying amount of the equity-accounted investment in the Phelma Investments Ltd subgroup was previously reduced to EUR 0.0 million due to losses. IMMOFINANZ acquired a property for EUR 3.0 million from this subgroup, and the purchase price was subsequently used to repay outstanding financing due to IMMOFINANZ. Parallel to the sale of the shares in Phelma Investments Ltd by IMMOFINANZ on 22 March 2016, this company was restructured through a capital increase which was brought about by a waiver of receivables on the part of IMMOFINANZ. Since most of the receivables due to IMMOFINANZ – which represent part of the net investment in the company – have been written down, the book value disposal of the net investment (EUR 1.3 million) was contrasted by proceeds on sale of EUR 0.1 million.

IMMOFINANZ AG provided the BUWOG Group with support in typical administrative corporate functions – for example, information technology, taxes, group accounting and consolidation – after the spin-off of the BUWOG operating segments. This support was based, above all, on the physical availability of data at IMMOFINANZ. IMMOFINANZ acted as a service provider on a temporary basis and in accordance with the instructions of BUWOG's management. Service contracts were concluded to cover these services, which precisely described the scope of the work to be performed by IMMOFINANZ and defined normal market prices for these activities. Most of these service contracts expired on 31 December 2014, but individual service contracts were extended to 31 August 2015. A short-term service contract for use of the ERP software was in place from 5 May 2015 to 30 June 2015. As a result of the spin-off, subsidiaries of the BUWOG Group withdrew from the tax group headed by IMMOFINANZ AG as of 30 April 2013. The exit of these group members resulted in a settlement payment (Schlussausgleich) of EUR 17.5 million by IMMOFINANZ.

7.4.2 MEMBERS OF MANAGEMENT IN KEY POSITIONS

The members of management in key positions as defined in IAS 24 are active solely in the corporate bodies of IMMOFINANZ AG and include the following persons:

Executive Board

Oliver Schumy – Chief Executive Officer (appointed as of 1 March 2015; CEO as of 1 May 2015)

Birgit Noggler – Chief Financial Officer (up to 19 February 2016)

Dietmar Reindl – Chief Operating Officer

Mag. Stefan Schönauer – Chief Financial Officer (since 11 March 2016)

Supervisory Board

Michael Knap – Chairman

Rudolf Fries – Vice-Chairman

Christian Böhm – Member

Nick J. M. van Ommen – Member

Horst Populorum – Member

Wolfgang Schischek – Member

Members delegated by the Works Council to the Supervisory Board

The Works Council of IMMOFINANZ AG delegated the following persons to the Supervisory Board:

Mark Anthony Held

Philipp Amadeus Obermair

Carmen Balazs

The members of management in key positions received the following remuneration during the financial year and the previous financial year.

All amounts in TEUR	2015/16			2014/15		
	Supervisory Board	Executive Board	Total	Supervisory Board	Executive Board	Total
Short-term employee benefits	261	2,223	2,484	200	4,955	5,155
Post-employment benefits	–	249	249	–	212	212
Termination benefits	–	792	792	–	–	–
Total	261	3,264	3,525	200	5,167	5,367

The short-term employee benefits for the members of the Executive Board comprises a fixed component (gross salary and compensation in kind) and a variable component (bonuses). In the previous financial year, short-term employee benefits also included variable remuneration of EUR 1.2 million for the spin-off of the BUWOG operating business in 2013/14.

The amounts reported under termination benefits represent the contributions by IMMOFINANZ to a pension fund. These contributions result from defined benefit pension commitments to the members of the Executive Board, which were outsourced to a pension fund.

The termination benefits represent severance compensation, which was paid following the premature resignation of an Executive Board member.

The Supervisory Board remuneration for the 2015/16 financial year which is reported under short-term employee benefits will only be paid after the approval of the annual general meeting on 29 September 2016. The amounts reported for the previous financial year were paid after the approval of the annual general meeting on 1 December 2015.

The members of the Executive Board and Supervisory Board held a total of 70,336,543 IMMOFINANZ shares as of 30 April 2016 (30 April 2015: 72,444,331 shares). No advances or loans were granted to the members of the Executive Board or Supervisory Board. Moreover, there is no share-based remuneration for the members of the Executive Board.

7.5 AUDITOR'S FEES

The fees charged by Deloitte Austria during the 2015/16 financial year comprise TEUR 443 (2014/15: TEUR 463.2) for the audit of the individual and consolidated financial statements, TEUR 149 (2014/15: TEUR 238.4) for other assurance services, TEUR 93 (2014/15: TEUR 10) for tax advising and TEUR 221 (2014/15: TEUR 13.4) for other services.

7.6 SUBSEQUENT EVENTS

IMMOFINANZ purchased approx. 25.7 million bearer shares of CA Immobilien Anlagen Aktiengesellschaft (CA Immo) from the Cypriot Terim Limited and four registered shares with restricted transferability of CA Immo from the Cypriot O1 Group Limited through a purchase contract dated 17 April 2016. The transaction is subject to various conditions precedent – above all the release by antitrust authorities in Austria, Germany and other jurisdictions. The closing is expected to take place in the second quarter of the abbreviated 2016 financial year (see section 1.3). The acquisition of this block of shares represents a first step towards the planned full combination of the two companies through a merger.

On 9 June 2016, IMMOFINANZ sold 18,542,434 shares of the BUWOG AG to the SAPINDA Group, which maintains its registered offices in Amsterdam, London and Luxembourg. The closing for the transaction took place in July 2016. The final selling price equalled EUR 19.35 per share, compared with the book price of EUR 16.18 per share on 30 April 2016. The total purchase price amounted to EUR 3557.7 million. The remaining investment of roughly 10 million shares of the BUWOG AG – which represent a stake of approx. 10% – are reserved for the possible (proportional) servicing of the convertible bonds issued by IMMOFINANZ AG (see section 4.12). The de-dominion agreement concluded by IMMOFINANZ AG and the BUWOG AG in 2013/14 (see section 4.4.2) will end in the near future.

8. Group Companies of IMMOFINANZ

The following list covers the subsidiaries, joint ventures and associates of IMMOFINANZ AG. It was prepared in accordance with § 245a (1) of the Austrian Commercial Code in connection with § 265 (2) of the Austrian Commercial Code. This list also includes individual subsidiaries that were not fully consolidated for materiality reasons and joint ventures that were not included at equity as well as associates and other investments held by IMMOFINANZ with a share of $\geq 20.00\%$.

The companies deconsolidated or attributed to discontinued operations during the financial year (see section 2.5) are reported as sold, liquidated, merged or logistics in the column "type of consolidation".

Company	Country	Headquarters	Interest in capital	2015/16	Interest in capital	2014/15
				Type of consolidation		Type of consolidation
"Agroprodaja" d.o.o. Beograd	RS	Belgrade	100.00%	F	100.00%	F
"Wienerberg City" Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
AAX Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
ABSTEM Holdings Ltd.	CY	Nicosia	100.00%	F	100.00%	F
ACE 2 Sp. z o.o.	PL	Warsaw	86.00%	F	86.00%	F
Adama Adviso SRL	RO	Bucharest	100.00%	F	100.00%	F
Adama Holding Public Ltd	CY	Nicosia	100.00%	F	100.00%	F
Adama Management SRL	RO	Bucharest	100.00%	F	100.00%	F
Adama Management Ukraine LLC	UA	Kiev	98.71%	F	98.71%	F
Adama Romania Ltd.	CY	Nicosia	100.00%	F	100.00%	F
Adama Ukraine Ltd	CY	Nicosia	98.71%	F	98.71%	F
AEDIFICIO Liegenschaftsvermietungs- und Beteiligungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Ahava Ltd.	CY	Nicosia	98.71%	F	98.71%	F
Ahava Ukraine LLC	UA	Kiev	98.71%	F	98.71%	F
AIRPORT PROPERTY DEVELOPMENT, a.s.	CZ	Prague	100.00%	F	100.00%	F
Al Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Aloli Management Services Limited	CY	Nicosia	100.00%	F	100.00%	F
Alpha Arcadia LLC	UA	Odessa	49.45%	E-JV	49.45%	E-JV
Alpha real d.o.o.	SI	Laibach	100.00%	F	100.00%	F
Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S.	TR	Istanbul	64.89%	F	64.89%	F
AO Kashirskij Dvor-Severyanin	RU	Moscow	100.00%	F	100.00%	F
Appartement im Park ErrichtungsGmbH	AT	Vienna	100.00%	F	100.00%	F
ARAGONIT s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Arbor Corporation s.r.l.	RO	Bucharest	0.00%	Logistics sold	90.00%	F
ARE 5 Sp. z o.o. w likwidacji	PL	Warsaw	100.00%	Logistics	100.00%	F
ARE 8 Sp. z o.o.	PL	Warsaw	100.00%	Logistics	100.00%	F
ARMONIA CENTER ARAD S.R.L.	RO	Bucharest	100.00%	F	100.00%	F
ARO Eferding Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
ARO IBK GmbH	AT	Vienna	100.00%	F	100.00%	F
ARO Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
Arpad Center Kft.	HU	Budapest	100.00%	F	100.00%	F
ATLAS 2001 ČR s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Atom Centrum a.s.	CZ	Prague	100.00%	F	100.00%	F
Atrium Park Kft.	HU	Budapest	100.00%	F	100.00%	F
Aviso Delta GmbH	AT	Vienna	100.00%	F	100.00%	F
Aviso Zeta AG	AT	Vienna	100.00%	F	100.00%	F
BA/Energetika/, s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
Banniz Ltd	CY	Nicosia	100.00%	F	100.00%	F
Barby Holding Sàrl	LU	Luxembourg	100.00%	F	100.00%	F
Baron Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Bauteil M Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F

F = Full consolidation, E-JV = Joint venture, E-AS = Associates, NC = Not consolidated companies

Company	Country	Headquarters	Interest in capital	2015/16	Interest in capital	2014/15
				Type of consolidation		Type of consolidation
Bauteile A + B Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Bauteile C + D Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
BB C - Building A, k.s.	CZ	Prague	100.00%	F	100.00%	F
BB C - Building B, k.s.	CZ	Prague	100.00%	F	100.00%	F
BB C - Building GAMMA, a.s.	CZ	Prague	100.00%	F	100.00%	F
Berceni Estate Srl	RO	Bucharest	100.00%	F	100.00%	F
Berga Investment Limited	CY	Nicosia	100.00%	F	100.00%	F
Bermendoca Holdings Ltd	CY	Nicosia	100.00%	F	100.00%	F
Bertie Investments Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Bertie Investments Sp. z o.o. SKA w likwidacji	PL	Warsaw	100.00%	F	100.00%	F
Best Construction LLC	UA	Kiev	98.71%	F	98.71%	F
Beta real d.o.o.	SI	Laibach	100.00%	F	100.00%	F
Bivake Consultants Ltd.	CY	Nicosia	100.00%	F	100.00%	F
Bloczek Ltd	CY	Nicosia	100.00%	F	100.00%	F
Blue Danube Holding Ltd.	MT	Valletta	100.00%	F	100.00%	F
Boondock Holdings Ltd	CY	Nicosia	100.00%	F	100.00%	F
Borisov Holdings Ltd.	CY	Nicosia	100.00%	F	100.00%	F
Braddock Holding Sàrl	LU	Luxembourg	0.00%	Liquidated	100.00%	F
Brno Estates a.s.	CZ	Prague	100.00%	F	100.00%	F
Bucharest Corporate Center s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Bulgarian Circuses and Fun-Fair OOD	BG	Sofia	49.00%	E-AS	49.00%	E-AS
Bulreal EAD	BG	Sofia	49.00%	E-AS	49.00%	E-AS
Business Park Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Business Park West-Sofia EAD	BG	Sofia	100.00%	F	100.00%	F
BUWOG AG	AT	Vienna	28.61%	E-AS	48.99%	E-AS
BUWON, s.r.o.	SK	Bratislava	50.00%	E-JV	50.00%	E-JV
C.E. Immobilienprojekte und Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
C.E. Investicije d.o.o.	SI	Laibach	100.00%	F	100.00%	F
C.E. Management GmbH	AT	Vienna	100.00%	F	100.00%	F
C.I.M. Beteiligungen 1998 GmbH	AT	Vienna	33.00%	E-AS	33.00%	E-AS
C.I.M. Unternehmensbeteiligungs- und Anlagenvermietungs GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	33.00%	E-AS
C.I.M. Verwaltung und Beteiligungen 1999 GmbH	AT	Vienna	33.00%	E-AS	33.00%	E-AS
Campus Budapest Bt.	HU	Budapest	74.95%	F	74.95%	F
Capri Trade s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Caterata Limited	CY	Nicosia	0.00%	Sold	50.00%	E-JV
CENTER INVEST BCSABA Kft.	HU	Budapest	100.00%	F	100.00%	F
CENTER INVEST DEB Kft.	HU	Budapest	100.00%	F	100.00%	F
CENTER INVEST Gödöll Kft.	HU	Budapest	100.00%	F	100.00%	F
CENTER INVEST INTERNATIONAL Kft.	HU	Budapest	100.00%	F	100.00%	F
CENTER INVEST KESZT Kft.	HU	Budapest	100.00%	F	100.00%	F
CENTER INVEST Kft.	HU	Budapest	100.00%	F	100.00%	F
CENTER INVEST NKANIZSA Kft.	HU	Budapest	100.00%	F	100.00%	F
Central Business Center Kft.	HU	Budapest	100.00%	F	100.00%	F
Centre Investments s.r.o.	CZ	Prague	0.00%	Sold	100.00%	F
Centrum Opatov a.s.	CZ	Prague	100.00%	F	100.00%	F
CEPD Kft.	HU	Budapest	100.00%	F	100.00%	F
CFE Immobilienentwicklungs GmbH	AT	Vienna	30.75%	E-JV	50.00%	E-JV
CGS Gamma Immobilien Vermietung GmbH	AT	Vienna	100.00%	F	100.00%	F
CHB Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
CHB Immobilienholding GmbH & Co. KG	DE	Frankfurt	100.00%	F	100.00%	F
Chronos Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
City Box Exploitatie I B.V.	NL	Alkmaar	0.00%	Sold	100.00%	F
City Box Holding B.V.	NL	Alkmaar	0.00%	Sold	100.00%	F
City Box Local B.V.	NL	Alkmaar	0.00%	Merged	100.00%	F
City Box Properties B.V.	NL	Alkmaar	0.00%	Sold	100.00%	F
City Tower Vienna Errichtungs- und Vermietungs-GmbH	AT	Vienna	100.00%	F	100.00%	F

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Company	Country	Headquarters	Interest in capital	2015/16	Interest in capital	2014/15
				Type of consolidation		Type of consolidation
Confidential Business SRL	RO	Bucharest	0.00%	Sold	25.00%	E-JV
Constantia Beteiligungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
CONSTANTIA Immobilienvermietungs GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
Constantia Treuhand und Vermögensverwaltungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Constari Liegenschaftsvermietungsgesellschaft m.b.H. in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
Contips Limited	CY	Nicosia	100.00%	F	100.00%	F
Cora GS s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
COREAL ESTATE RESIDENCE INVEST SRL	RO	Bucharest	100.00%	F	100.00%	F
Cortan Enterprise Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
CPB Advisory GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB ALPHA Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Anlagen Leasing Gesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
CPB BETA Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Corporate Finance Consulting GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
CPB DELTA Anlagen Leasing GmbH	AT	Vienna	100.00%	E-JV	100.00%	E-JV
CPB DREI Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Enterprise GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB EPSILON Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB GAMMA Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Gesellschaft für Unternehmensbeteiligungen m.b.H.	AT	Vienna	100.00%	F	100.00%	F
CPB Grundstücks und Mobilien Vermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Investitionsgüter Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB JOTA Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Maschinen Leasing Gesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
CPB Mobilien Leasing Gesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
CPB OMIKRON Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB Pegai Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB PRIMA Anlagen Leasing GmbH	AT	Vienna	0.00%	Merged	100.00%	F
CPB Realitäten und Mobilien Vermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
CPB TERTIA Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
CPBE Clearing GmbH	AT	Vienna	100.00%	F	100.00%	F
Credo Immobilien Development GmbH	AT	Vienna	100.00%	F	100.00%	F
CREDO Real Estate GmbH	AT	Vienna	100.00%	F	100.00%	F
Dalerise Limited	CY	Nicosia	100.00%	F	100.00%	F
Dapply Trading Ltd.	CY	Nicosia	100.00%	F	100.00%	F
Debowe Tarasy Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Debowe Tarasy Sp. z o.o. II sp.k.	PL	Warsaw	100.00%	F	100.00%	F
Debowe Tarasy Sp. z o.o. III sp.k.	PL	Warsaw	100.00%	F	100.00%	F
Debowe Tarasy Sp. z o.o. IV sp.k.	PL	Warsaw	100.00%	F	100.00%	F
Decima Immobilienanlagen GmbH	AT	Vienna	100.00%	F	100.00%	F
DH Logistik Kft.	HU	Budapest	0.00%	Logistics sold	100.00%	F
Dikare Holding Ltd.	RO	Bucharest	22.00%	Fonds	22.00%	Fonds
Dionysos Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
Duist Holdings Ltd. in Liqu.	CY	Nicosia	100.00%	F	100.00%	F
DUS Plaza GmbH	DE	Cologne	100.00%	F	100.00%	F
Ebulliente Holdings Ltd	CY	Nicosia	100.00%	F	100.00%	F
Efgad Europe BV	NL	Rotterdam	50.01%	E-JV	50.01%	E-JV
EFSP Immobilienentwicklung GmbH	AT	Vienna	100.00%	F	100.00%	F
EHL Immobilien GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Immobilien Management GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Investment Consulting GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Real Estate Poland SP.Z O.O. w likwidacji	PL	Warsaw	0.00%	Liquidated	49.00%	E-AS
EKZ Horn Beteiligungsverwaltung GmbH in Liqu.	AT	Vienna	80.00%	NC	80.00%	NC

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Elmore Investments Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Elmore Investments Sp. z o.o. SKA w likwidacji	PL	Warsaw	100.00%	F	100.00%	F
Emolu Trading Ltd.	CY	Nicosia	99.00%	F	100.00%	F
ENIT Lublin Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Eos Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
equal Projekt GmbH	DE	Frankfurt	100.00%	F	100.00%	F
Equator Real Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Erlend Investments Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Erlend Investments Sp. z o.o. SKA w likwidacji	PL	Warsaw	100.00%	F	100.00%	F
ESCENDO Liegenschaftshandels-gesellschaft m.b.H.	AT	Vienna	0.00%	Merged	100.00%	F
ESCENDO Liegenschaftshandels-gesellschaft m.b.H. & Co KG	AT	Vienna	100.00%	F	100.00%	F
E-stone Central Europe AT Holding GmbH	AT	Vienna	28.00%	NC	28.00%	NC
E-Stone Central Europe Holding B.V.	NL	Amsterdam	28.00%	NC	28.00%	NC
E-stone Metropoles AT Holding GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	NC
E-Stone TriCapitals Holding B.V.	NL	Amsterdam	0.00%	Liquidated	40.00%	NC
EURL DU LOGISTIQUES NICE	FR	Paris	0.00%	Merged	100.00%	F
Euro-Businesspark Kft.	HU	Budapest	0.00%	Logistics sold	100.00%	F
EXIT 100 Projektentwicklungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Eye Shop Targu Jiu s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Fawna Limited	CY	Nicosia	99.36%	F	99.36%	F
Final Management s.r.o.	CZ	Prague	0.00%	Sold	100.00%	F
Flureca Trading Ltd	CY	Nicosia	100.00%	F	100.00%	F
FMZ Baia Mare Imobiliara s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
FMZ Lublin Sp. z o.o.	PL	Warsaw	30.00%	E-AS	30.00%	E-AS
FMZ Sosnowiec Sp. z o.o.	PL	Warsaw	45.00%	E-AS	45.00%	E-AS
FRANKONIA Eurobau Königskinder GmbH	DE	Nettetal	50.00%	NC	50.00%	E-AS
Freeze 1 Development s.r.l.	RO	Bucharest	0.00%	Logistics sold	100.00%	F
Frescura Investments B.V.	NL	Amsterdam	0.00%	Liquidated	100.00%	F
GAD Real Estate SRL	RO	Bucharest	0.00%	Sold	50.10%	E-JV
GAL Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Galeria Zamek Sp. z o.o.	PL	Lublin	100.00%	F	100.00%	F
Gangaw Investments Limited	CY	Nicosia	100.00%	F	100.00%	F
Geiselbergstraße 30-32 Immobilienbewirtschaftungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
GENA ACHT Beteiligungsverwaltung GmbH	AT	Vienna	100.00%	F	n.a.	n.a.
GENA DREI Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
GENA NEUN Beteiligungsverwaltung GmbH	AT	Vienna	100.00%	F	n.a.	n.a.
GENA SIEBEN Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
Gena Vier Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
Gendana Ventures Ltd.	CY	Nicosia	100.00%	F	100.00%	F
Gewerbepark Langen	DE	Langen	60.00%	NC	60.00%	NC
GF Amco Development srl	RO	Ilfov	22.00%	NC	22.00%	NC
Gila Investment SRL	RO	Bucharest	100.00%	F	100.00%	F
Global Emerging Property Fund L.P.	GB	Jersey, Channel Islands	25.00%	Fonds	25.00%	Fonds
Global Trust s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Globe 13 Kft.	HU	Budapest	100.00%	F	100.00%	F
Globe 3 Ingatlanfejlesztő Kft.	HU	Budapest	100.00%	F	100.00%	F
GORDON INVEST Kft.	HU	Budapest	100.00%	F	100.00%	F
Gordon Invest Netherlands B.V.	NL	Amsterdam	100.00%	F	100.00%	F
Grand Centar d.o.o.	HR	Zagreb	100.00%	F	100.00%	F
Hadas Management SRL	RO	Bucharest	75.00%	E-JV	75.00%	E-JV
Haller Kert Kft.	HU	Budapest	100.00%	F	100.00%	F
Harborside Imobiliara s.r.l.	RO	Bucharest	90.00%	F	90.00%	F

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HDC Investitii SRL	RO	Bucharest	100.00%	F	100.00%	F
Hekuba S.à r.l.	LU	Luxembourg	64.89%	F	64.89%	F
HEPPP III Luxembourg MBP SARL in Liqu.	LU	Luxembourg	50.00%	E-JV	50.00%	E-JV
Herva Ltd.	CY	Nicosia	100.00%	F	100.00%	F
HL Bauprojekt GesmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
HM 7 Liegenschaftsvermietungsgesellschaft m.b.H. in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
I&I Real Estate Asset Management GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
IA Holding 1 Kft.	HU	Budapest	100.00%	F	100.00%	F
IBK-Ipari Park Körmend Kft	HU	Budapest	0.00%	Logistics sold	100.00%	F
ICS Ani Roada Gilei SRL	MD	Chisinau	99.90%	F	99.90%	F
ICS Noam Development SRL	MD	Chisinau	99.90%	F	99.90%	F
ICS Shay Development SRL	MD	Chisinau	99.90%	F	99.90%	F
IE Equuleus NL B.V.	NL	Amsterdam	100.00%	F	100.00%	F
I-E Immoeast Real Estate GmbH	AT	Vienna	100.00%	F	100.00%	F
IE Narbal NL B.V.	NL	Amsterdam	100.00%	F	100.00%	F
I-E-H Holding GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
I-E-H Immoeast Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IM Sharon Development SRL	MD	Chisinau	99.90%	F	99.90%	F
IMAK CEE N.V.	NL	Amsterdam	100.00%	F	100.00%	F
IMAK Finance B.V.	NL	Amsterdam	100.00%	F	100.00%	F
IMBEA Immoeast Beteiligungsverwaltung GmbH	AT	Vienna	100.00%	F	100.00%	F
IMF Campus GmbH	DE	Cologne	100.00%	F	100.00%	F
IMF Campus Verwaltungs GmbH	DE	Cologne	100.00%	F	100.00%	F
IMF Casa Stupenda GmbH	DE	Düsseldorf	100.00%	F	100.00%	F
IMF Casa Stupenda Verwaltungs GmbH	DE	Düsseldorf	100.00%	F	100.00%	F
IMF Deutschland GmbH	DE	Essen	100.00%	Logistics	100.00%	F
IMF Königskinder GmbH	DE	Frankfurt	100.00%	F	100.00%	F
IMF Lagerhaus GmbH	DE	Essen	0.00%	Logistics sold	100.00%	F
IMF PRIMA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMF QUARTA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMF SECUNDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOASIA Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOASIA IMMOBILIEN ANLAGEN GmbH	AT	Vienna	100.00%	F	100.00%	F
Immobilien Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOBILIA Immobilienhandels GmbH	AT	Vienna	0.00%	Merged	100.00%	F
IMMOBILIA Immobilienhandels GmbH & Co KG	AT	Vienna	100.00%	F	100.00%	F
Immobilien L Liegenschafts Vermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Immobilien L Liegenschafts Vermietungs GmbH & Co Bischoffgasse 14/Rosagasse 30 KG	AT	Vienna	100.00%	NC	100.00%	NC
Immobilien L Liegenschafts Vermietungs GmbH & Co Viriotgasse 4 KG	AT	Vienna	100.00%	NC	100.00%	NC
IMMOEAST Acquisition & Management GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST ALLEGRO Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Immoeast Baneasa Airport Tower srl	RO	Bucharest	100.00%	F	100.00%	F
IMMOEAST Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Bulgaria 1 EOOD	BG	Sofia	100.00%	F	100.00%	F
Immoeast Cassiopeia Financing Holding Ltd.	CY	Nicosia	100.00%	F	100.00%	F
IMMOEAST Despina I B.V.	NL	Amsterdam	100.00%	F	100.00%	F
IMMOEAST Despina II B.V.	NL	Amsterdam	100.00%	F	100.00%	F
IMMOEAST Despina III B.V.	NL	Amsterdam	0.00%	Merged	100.00%	F
IMMOEAST Despina IV B.V.	NL	Amsterdam	0.00%	Merged	100.00%	F
IMMOEAST Despina V B.V.	NL	Amsterdam	0.00%	Merged	100.00%	F
IMMOEAST HRE Investment dwa Sp. z o.o. in Liqu.	PL	Warsaw	0.00%	Liquidated	100.00%	F
IMMOEAST Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Iride IV Project s.r.l.	RO	Bucharest	100.00%	F	100.00%	F

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IMMOEAST Netherlands II B.V.	NL	Amsterdam	0.00%	Liquidated	100.00%	F
IMMOEAST Polonia Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Immoeast Polonia Sp. z o.o. S.k.a. w likwidacji	PL	Warsaw	100.00%	F	100.00%	F
IMMOEAST PRESTO Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Abdallo Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Almansor Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Almaria Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Alpha Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Amfortas Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt ANDROMACHE Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Annius Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Arbaces Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Aries Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Babekan Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Barbarina Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Beta Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Caelum Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Cassiopeia Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
Immoeast Projekt Centesimus Holding GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
IMMOEAST Projekt Cepheus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Cherubino Holding GmbH	AT	Vienna	0.00%	Merged	100.00%	F
IMMOEAST Projekt Chorebe Holding GmbH	AT	Vienna	0.00%	Merged	100.00%	F
IMMOEAST Projekt CIMAROSA Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Cinna Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Circinus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Curzio Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Cygnus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Decimus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Delta Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt DESPINA Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Dorabella Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Ducentesimus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Duodecimus Holding GmbH	AT	Vienna	0.00%	Merged	100.00%	F
IMMOEAST Projekt Epsilon Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Equuleus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Eridanus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Fenena Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Gamma Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Hekuba Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Hüon Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Hydrus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Hylas Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Idamantes Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Jota Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Kappa Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Lambda Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Marcellina Holding GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
IMMOEAST Projekt MASETTO Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Montano Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Moskau Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Nabal Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
Immoeast Projekt Nonagesimus Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Nonus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Octavus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F

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Immoeast Projekt Octogesimus Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Omega Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Pantheus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Polyxene Holding GmbH	AT	Vienna	0.00%	Merged	100.00%	F
IMMOEAST Projekt Quadragesimus Holding GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
IMMOEAST Projekt Quartus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Quindecimus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Radames Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Rezia Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt ROSCHANA Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Sarastro Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Secundus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Semos Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Septendecimus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Septimus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Sexagesimus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Sextus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Sita Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Tertius Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt TITANIA Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Titurel Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Trecenti Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Tredecimus Holding GmbH	AT	Vienna	0.00%	Merged	100.00%	F
IMMOEAST Projekt Vicesimus Holding GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
IMMOEAST Projekt Zerlina Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Silesia Holding Ltd.	CY	Nicosia	100.00%	F	100.00%	F
IMMOFINANZ Accounting Services Deutschland GmbH	DE	Cologne	0.00%	Merged	100.00%	F
Immofinanz Advice GmbH	AT	Vienna	0.00%	Merged	100.00%	F
IMMOFINANZ AG	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Aleos Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ ALPHA Immobilien Vermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Artemis Immobilien Vermietung GmbH	AT	Vienna	100.00%	F	100.00%	F
Immofinanz Beta Liegenschaftsvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ BETEILIGUNGS GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ CAMPUS GmbH & Co. KG	DE	Düsseldorf	100.00%	F	100.00%	F
Immofinanz Center Management Poland Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Immofinanz Center Management Romania SRL	RO	Floresti	100.00%	F	100.00%	F
Immofinanz Center Management Slovak Republic, s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
Immofinanz Corporate Finance Consulting GmbH	AT	Vienna	100.00%	F	100.00%	F
Immofinanz Deutschland GmbH	DE	Cologne	100.00%	F	100.00%	F
IMMOFINANZ Development Services Deutschland GmbH	DE	Cologne	0.00%	Merged	100.00%	F
IMMOFINANZ Enodia Realitäten Vermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Enodia Realitäten Vermietungs GmbH & Co OG	AT	Vienna	0.00%	Liquidated	100.00%	F
Immofinanz Epsilon Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Finance BV	NL	Amsterdam	0.00%	Liquidated	100.00%	F
IMMOFINANZ Float GmbH & Co. KG	DE	Düsseldorf	94.90%	F	80.00%	F
IMMOFINANZ Friesenquartier GmbH	DE	Cologne	94.90%	F	94.90%	F
IMMOFINANZ Friesenquartier II GmbH	DE	Cologne	94.90%	F	94.90%	F
IMMOFINANZ Friesenquartier Management GmbH	DE	Cologne	0.00%	Merged	100.00%	F

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Immofinanz Gamma Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Immofinanz Gesellschaft für Unternehmensbeteiligungen GmbH	AT	Vienna	100.00%	F	100.00%	F
Immofinanz Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Hungária Harmadik Kft.	HU	Budapest	100.00%	F	100.00%	F
IMMOFINANZ IMMOBILIEN ANLAGEN Schweiz AG in Liq.	CH	Luterbach	100.00%	F	100.00%	F
IMMOFINANZ Immobilien Vermietungs-Gesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Ismene Immobilien Vermietungs-Gesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ JOTA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ KAPPA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ LAMBDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Immofinanz Liegenschaftsverwaltungs- und Beteiligungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Immofinanz Medienhafen GmbH	DE	Cologne	100.00%	F	n.a.	n.a.
IMMOFINANZ Metis Anlagen Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ MONTAIGNE Liegenschaftsvermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ OMEGA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ OMIKRON Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Phoenix LLC	US	Scottsdale	0.00%	Liquidated	100.00%	F
Immofinanz Polska Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
IMMOFINANZ Real Estate Slovakia s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
IMMOFINANZ Residential Slovakia s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
IMMOFINANZ Services Czech Republic, s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Immofinanz Services d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	n.a.	n.a.
IMMOFINANZ Services Hungary Kft.	HU	Budapest	100.00%	F	100.00%	F
Immofinanz Services Poland Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
IMMOFINANZ Services Romania s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
IMMOFINANZ Services Slovak Republic, s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
IMMOFINANZ SIGMA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	0.00%	Merged	100.00%	F
IMMOFINANZ SITA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Immofinanz TCT Liegenschaftsverwertungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ USA REAL ESTATE Inc. II	US	Wilmington	100.00%	F	100.00%	F
IMMOFINANZ USA, Inc.	US	Wilmington	0.00%	Liquidated	100.00%	F
Immofinanz Zeta Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. in Liq.	AT	Vienna	0.00%	Liquidated	100.00%	F
Immofinanz zwei Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOKRON Immobilienbetriebsgesellschaft m.b.H.	AT	Vienna	80.00%	E-JV	80.00%	E-JV
ImmoPoland Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
IMMOWEST Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOWEST IMMOBILIEN ANLAGEN GMBH	AT	Vienna	100.00%	F	100.00%	F
Immowest Lux II S.à.r.l.	LU	Luxembourg	100.00%	F	100.00%	F
IMMOWEST Lux III S.à.r.l.	LU	Luxembourg	100.00%	F	100.00%	F
Immowest Lux IV S.à.r.l.	LU	Luxembourg	100.00%	F	100.00%	F
Immowest Lux V S.à.r.l.	LU	Luxembourg	100.00%	F	100.00%	F
Immowest Lux VI S.à.r.l.	LU	Luxembourg	100.00%	F	100.00%	F
Immowest Lux VII S.à.r.l.	LU	Luxembourg	100.00%	F	100.00%	F
Immowest Lux VIII Sarl	LU	Luxembourg	100.00%	F	100.00%	F
Immowest Netherland I B.V.	NL	Amsterdam	0.00%	Sold	100.00%	F

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IMMOWEST OVERSEAS REAL ESTATE GmbH	AT	Vienna	100.00%	F	100.00%	F
Immowest Primus GmbH	DE	Frankfurt	0.00%	Merged	100.00%	F
IMMOWEST PROMTUS Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOWEST Storage Holding B.V.	NL	Alkmaar	0.00%	Sold	100.00%	F
IMMOWEST Storage Holding GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
Infinitas ProjektentwicklungsgesmbH	AT	Vienna	100.00%	F	100.00%	F
INFRA 1 Grundstückverwaltungs-Gesellschaft m.b.H. in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
INTEROFFICE IRODAEPÜLET Kft.	HU	Budapest	100.00%	F	100.00%	F
IPOPEMA 78 Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych in Liquidation	PL	Warsaw	100.00%	F	100.00%	F
Irascib Holdings Ltd.	CY	Nicosia	100.00%	F	100.00%	F
IRES Slovakia s.r.o. in Liquidation	SK	Bratislava	100.00%	NC	100.00%	NC
IRES Sp. z o.o. in Liquidation	PL	Warsaw	0.00%	Liquidated	100.00%	F
IRIDE S.A.	RO	Bucharest	100.00%	F	100.00%	F
Itteslak Trading Ltd	CY	Nicosia	100.00%	F	100.00%	F
IWD IMMOWEST Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
J.H. Prague a.s.	CZ	Prague	100.00%	F	100.00%	F
JUNGMANNOVA ESTATES a.s.	CZ	Prague	100.00%	F	100.00%	F
Karam Enterprise Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Kastor Real Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Kibiq Ltd	CY	Nicosia	100.00%	F	100.00%	F
Klio Real Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Klyos Media s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Koral Residence EOOD	BG	Sofia	100.00%	F	100.00%	F
Lagerman Properties Limited	CY	Nicosia	100.00%	F	100.00%	F
Lasianthus Ltd	CY	Nicosia	100.00%	F	100.00%	F
Lasuvu Consultants Ltd.	CY	Nicosia	100.00%	F	100.00%	F
LeasCon Anlagen Leasing und Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
LeasCon Gesellschaft für Unternehmensbeteiligungen GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
LeasCon Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
LeasCon Maschinen Leasing und Handels GmbH	AT	Vienna	100.00%	F	100.00%	F
LeasCon Mobilien Leasing GmbH in Liqu.	AT	Vienna	0.00%	Liquidated	100.00%	F
LENTIA Real (1) Hungária Kft.	HU	Budapest	100.00%	F	100.00%	F
Leretonar Ltd	CY	Nicosia	100.00%	F	100.00%	F
Leurax Consultants Ltd	CY	Nicosia	100.00%	F	100.00%	F
Leutselinge Ltd	CY	Nicosia	100.00%	F	100.00%	F
Lifestyle Logistik II s.r.o.	SK	Bratislava	0.00%	Logistics sold	100.00%	F
Lifestyle Logistik s.r.o.	SK	Bratislava	0.00%	Logistics sold	100.00%	F
Log Center Brasov s.r.l.	RO	Bucharest	0.00%	Logistics sold	100.00%	F
Log Center Ploiesti s.r.l.	RO	Bucharest	0.00%	Logistics sold	100.00%	F
Log Center Sibiu s.r.l.	RO	Bucharest	0.00%	Logistics sold	100.00%	F
LOG IQ Hamburg GmbH & Co. KG	DE	Essen	100.00%	Logistics	n.a.	n.a.
LOG IQ Service GmbH	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG IQ Verwaltung GmbH	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Beteiligung GmbH	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Bönen GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Bremen I GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Düsseldorf GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F

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LOG.IQ Essen GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Freystadt GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Gelsenkirchen GmbH & Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Gewerbepark GmbH	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ GmbH & Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Grefrath GmbH	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Groß-Gerau GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Hamm GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ INVEST GmbH & Co. KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Lahr GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Management GmbH	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Minden GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Neuss GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Niederaula I GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Niederaula II GmbH & Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Nürnberg I GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Nürnberg II GmbH & Co. KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Nürnberg-Hafen GmbH & Co. KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Oberhausen GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Poing GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Rheine GmbH	DE	Mülheim a. d. Ruhr	0.00%	Logistics sold	100.00%	F
LOG.IQ Vaihingen GmbH & Co. KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Willich GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
LOG.IQ Wuppertal GmbH u. Co KG	DE	Essen	0.00%	Logistics sold	100.00%	F
Logistic Contractor s.r.l.	RO	Bucharest	100.00%	Logistics	100.00%	F
Lonaretia Consultants Ltd	CY	Nicosia	100.00%	F	100.00%	F
Loudaumcy Investments Ltd	CY	Nicosia	100.00%	F	100.00%	F
LUB Leasing- und Unternehmensbeteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
LZB Bülach AG in Liqu.	CH	Bülach	0.00%	Logistics sold	100.00%	F
M.O.F. Beta Immobilien AG	AT	Vienna	0.00%	Merged	20.00%	Fonds
M.O.F. Immobilien AG	AT	Vienna	20.00%	Fonds	20.00%	Fonds
Maalkaf BV	NL	Amsterdam	100.00%	F	100.00%	F
Malemso Trading Ltd	CY	Nicosia	100.00%	F	100.00%	F
Maramando Trading & Investment Limited	CY	Nicosia	50.00%	E-JV	50.00%	E-JV
MARINA Handelsgesellschaft m.b.H. in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Master Boats Vertriebs- und Ausbildungs GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
MBP I Sp. z o.o.	PL	Warsaw	100.00%	F	50.00%	E-JV
MBP II Sp. z o.o.	PL	Warsaw	100.00%	F	50.00%	E-JV

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MBP Sweden Finance AB	SE	Stockholm	0.00%	Sold	50.00%	E-JV
Medin-Trans LLC	UA	Kiev	98.71%	F	98.71%	F
Merav Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Merav Finance BV	NL	Rotterdam	100.00%	F	100.00%	F
Metropol Consult SRL	RO	Bucharest	100.00%	F	100.00%	F
Metropol NH Sp. z o.o.	PL	Warsaw	0.00%	Sold	25.00%	E-JV
Mill Holding Kft.	HU	Budapest	38.90%	E-AS	38.90%	E-AS
Mollardgasse 18 Projektentwicklungs GmbH	AT	Vienna	50.00%	E-JV	50.00%	E-JV
MONESA LIMITED	CY	Nicosia	100.00%	F	100.00%	F
Monorom Construct SRL	RO	Bucharest	100.00%	F	100.00%	F
Nimbus Real Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Nona Immobilienanlagen GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Norden Maritime Service Limited	CY	Nicosia	100.00%	F	100.00%	F
Norden Maritime SRL	RO	Bucharest	100.00%	F	100.00%	F
NP Investments a.s.	CZ	Prague	50.00%	E-JV	50.00%	E-JV
Nuptil Trading Ltd	CY	Nicosia	100.00%	F	100.00%	F
Nutu Limited	CY	Nicosia	100.00%	F	100.00%	F
OBJ Errichtungs- und Verwertungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Objurg Consultants Ltd	CY	Nicosia	100.00%	F	100.00%	F
Obrii LLC	UA	Kiev	98.71%	F	98.71%	F
OCEAN ATLANTIC DORCOL DOO	RS	Belgrade	80.00%	F	80.00%	F
Octo Immobilienanlagen GmbH	AT	Vienna	100.00%	F	100.00%	F
OFFICE CAMPUS BUDAPEST Kft.	HU	Budapest	75.00%	F	75.00%	F
OOO Berga Development	RU	Moscow	100.00%	F	100.00%	F
OOO Comcenter Podolsk	RU	Moscow	100.00%	F	100.00%	F
OOO Fenix Development	RU	Moscow	100.00%	F	100.00%	F
OOO IMMO Management	RU	Moscow	100.00%	F	100.00%	F
OOO IMMOconsulting	RU	Moscow	100.00%	F	100.00%	F
OOO Krona Design	RU	Moscow	100.00%	F	100.00%	F
OOO Log center Terekhovo	RU	Moscow	100.00%	F	100.00%	F
OOO Real Estate Investment Management	RU	Moscow	100.00%	F	100.00%	F
OOO Torgoviy Dom Na Khodinke	RU	Moscow	100.00%	F	100.00%	F
OPTIMA-A Kft.	HU	Budapest	100.00%	F	100.00%	F
Oscepar Consultants Ltd	CY	Nicosia	100.00%	F	100.00%	F
OSG Immobilienhandels G.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
PBC Liegenschaftshandelsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
PBC Liegenschaftshandelsgesellschaft m.b.H. & Co KG	AT	Vienna	100.00%	F	100.00%	F
PBC Liegenschaftshandelsgesellschaft m.b.H. & Co Projekt "alpha" KG	AT	Vienna	100.00%	F	100.00%	F
Perlagonia 1 Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
Perlagonia 2 Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Perlagonia NL 1 B.V. in Liqu.	NL	Amsterdam	0.00%	Liquidated	100.00%	F
Perlagonia NL 2 B.V. in Liqu.	NL	Amsterdam	0.00%	Liquidated	100.00%	F
Phelma Investments Limited	CY	Nicosia	0.00%	Sold	50.10%	E-JV
Pivuak Trading Ltd.	CY	Nicosia	100.00%	F	100.00%	F
Polivalenta Building SRL	RO	Bucharest	0.00%	Sold	25.00%	E-JV
Polluks Real Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Polus a.s.	SK	Bratislava	100.00%	F	100.00%	F
Polus Tower 2, a.s.	SK	Bratislava	100.00%	F	100.00%	F
Polus Tower 3, a.s.	SK	Bratislava	100.00%	F	100.00%	F
Polus Transilvania Companie de Investitii S.A.	RO	Floresti	100.00%	F	100.00%	F
PRAGUE OFFICE PARK I, s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Prelude 2000 SRL	RO	Bucharest	100.00%	F	100.00%	F
Prinz-Eugen-Straße Liegenschaftsvermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Probo Management LLC	UA	Kiev	98.71%	F	98.71%	F
ProEast Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
Progeo Development SRL	RO	Bucharest	100.00%	F	100.00%	F

F = Full consolidation, E-JV = Joint venture, E-AS = Associates, NC = Not consolidated companies

Company	Country	Headquarters	Interest in capital	2015/16	Interest in capital	2014/15
				Type of consolidation		Type of consolidation
Promodo Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Property Holding LLC	UA	Kiev	98.71%	F	98.71%	F
Quixotic Trading Ltd	CY	Nicosia	100.00%	F	100.00%	F
Raski Zaliijey Vile d.o.o.	HR	Porec	25.01%	E-JV	25.01%	E-JV
Real Habitation s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Rekan Estate d.o.o.	HR	Zagreb	100.00%	F	100.00%	F
Rekramext Holdings Ltd in Liqu.	CY	Nicosia	100.00%	F	100.00%	F
Remsing Investments Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Remsing Investments Sp. z o.o. SKA w likwidacji	PL	Warsaw	100.00%	F	100.00%	F
RentCon Handels- und Leasing GmbH	AT	Vienna	100.00%	F	100.00%	F
Residea Limited	CY	Nicosia	0.00%	Sold	50.00%	E-JV
REVIVA Am Spitz Liegenschafts GmbH	AT	Vienna	100.00%	F	100.00%	F
Rezidentim s.r.l.	RO	Bucharest	100.00%	F	n.a.	n.a.
Riverpark Residential Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Ronit Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Roua Vest SRL	RO	Bucharest	100.00%	F	100.00%	F
Russia Development Fund L.P.	GB	Cayman Islands	50.66%	Fonds	50.66%	Fonds
S.C. Almera New Capital Investment s.r.l.	RO	Bucharest	0.00%	Logistics sold	100.00%	F
S.C. Baneasa 6981 s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Brasov Imobiliara S.R.L.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Dacian Second s.r.l.	RO	Bucharest	0.00%	Logistics sold	100.00%	F
S.C. Flash Consult Invest s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. IE Baneasa Project s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. IMMOEAST Narbal Project s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Meteo Business Park s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Pantelimon II Development S.R.L	RO	Bucharest	0.00%	Logistics sold	100.00%	F
S.C. Retail Development Invest 1 s.r.l.	RO	Baia Mare	100.00%	F	100.00%	F
S.C. S-Park Offices s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Stupul de Albine s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Union Investitii S.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Sadira Ltd.	CY	Nicosia	49.45%	E-JV	49.45%	E-JV
Sapir Investitii SRL	RO	Bucharest	100.00%	F	100.00%	F
SARIUS Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
SARIUS Liegenschaftsvermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
SASINTER Kft.	HU	Budapest	0.00%	Logistics sold	100.00%	F
SB Praha 4 spol.s.r.o.	CZ	Prague	0.00%	Sold	100.00%	F
SBE Rijeka d.o.o.	HR	Pula	50.01%	E-JV	50.01%	E-JV
SBF Development Praha spol.s.r.o.	CZ	Prague	100.00%	F	100.00%	F
SCPO s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
SCT s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
Secunda Immobilienanlagen GmbH	AT	Vienna	100.00%	F	100.00%	F
SEGESTIA Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Septima Immobilienanlagen GmbH	AT	Vienna	100.00%	F	100.00%	F
Severin Schreiber-Gasse 11-13 Liegenschaftsverwertungs GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Sexta Immobilienanlagen GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Shaked Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Shark Park Holding Kft.	HU	Budapest	100.00%	F	100.00%	F
Shir Investment SRL	RO	Voluntari	100.00%	NC	100.00%	NC
Sigalit Ltd.	CY	Nicosia	98.71%	F	98.71%	F
Silesia Residential Holding Limited	CY	Nicosia	100.00%	F	100.00%	F
Silesia Residential Project Sp. z o.o.	PL	Katowice	100.00%	F	100.00%	F
SITUS Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
SITUS L Liegenschafts Vermietungs GmbH	AT	Vienna	0.00%	Merged	100.00%	F

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Company	Country	Headquarters	Interest in capital	2015/16	Interest in capital	2014/15
				Type of consolidation		Type of consolidation
SITUS L Liegenschafts Vermietungs GmbH & Co Seidengasse 39 KG	AT	Vienna	100.00%	NC	100.00%	NC
SITUS L Liegenschafts Vermietungs GmbH & Co. Kaiserstraße 44-46 KG	AT	Vienna	100.00%	NC	100.00%	NC
SITUS L Liegenschafts Vermietungs GmbH & Co. Neubaugasse 26 KG	AT	Vienna	100.00%	NC	100.00%	NC
Snagov Lake Rezidential SRL	RO	Bucharest	100.00%	F	100.00%	F
SPE Liegenschaftsvermietung Gesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Sphera Building Center International 2003 SRL	RO	Bucharest	0.00%	Merged	100.00%	F
Starmaster Limited	CY	Nicosia	100.00%	F	100.00%	F
Stephanshof Liegenschaftsverwaltungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
STOP. SHOP. Tabor s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP. SHOP. Trebic s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP 9. d.o.o.	RS	Belgrade	100.00%	F	n.a.	n.a.
STOP.SHOP BCS Kft.	HU	Budapest	100.00%	F	100.00%	F
STOP.SHOP GNS Kft.	HU	Budapest	100.00%	F	100.00%	F
Stop.Shop Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
STOP.SHOP Kiszvárd Kft.	HU	Budapest	100.00%	F	100.00%	F
STOP.SHOP OHÁZA Kft.	HU	Budapest	100.00%	F	100.00%	F
STOP.SHOP Romania I B.V.	NL	Amsterdam	100.00%	F	100.00%	NC
STOP.SHOP Romania II B.V.	NL	Amsterdam	100.00%	F	100.00%	NC
STOP.SHOP STARJÁN Kft.	HU	Budapest	100.00%	F	100.00%	F
STOP.SHOP TB Kft.	HU	Budapest	100.00%	F	100.00%	F
STOP.SHOP. 1 d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. 10 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. 11 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. 12 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. 2 d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. 3 d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. 4 d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. 4 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. 6 d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. 6 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. 7 d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. 7 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. 8 d.o.o. Beograd-Vozdovac	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. 8 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. 9 Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. DOLNY KUBIN s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. Dubnica s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. Hranice s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. Kladno s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. Legnica Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP.SHOP. Liptovsky Mikulas s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. Lucenec s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. Nové Zámky s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. POPRAD s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. Pribram s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. PUCHOV s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. Rakovnik s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. Trencin s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP. Uherske Hradiste s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. Usti nad Orlici s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. Zatec s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. Znojmo s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Stop.Shop.5 d.o.o.	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP.Czech Republic I B.V.	NL	Amsterdam	100.00%	F	100.00%	F
STOP.SHOP.Czech Republic II B.V.	NL	Amsterdam	100.00%	F	100.00%	F
STOP.SHOP.Holding B.V.	NL	Amsterdam	100.00%	F	100.00%	F

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Company	Country	Headquarters	Interest in capital	2015/16	Interest in capital	2014/15
				Type of consolidation		Type of consolidation
STOP.SHOP.Hungary B.V.	NL	Amsterdam	100.00%	F	100.00%	F
STOP.SHOP.Ruzomberok s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
STOP.SHOP.Serbia B.V.	NL	Amsterdam	100.00%	F	100.00%	F
STOP.SHOP.Slovakia I B.V.	NL	Amsterdam	100.00%	F	100.00%	F
STOP.SHOP.Slovakia II B.V.	NL	Amsterdam	100.00%	F	100.00%	F
STOP.SHOP.Slovenia B.V.	NL	Amsterdam	100.00%	F	100.00%	F
STOP.SHOP.Zvolen s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
Sunkta Ltd	CY	Nicosia	100.00%	F	100.00%	F
SYLEUS Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
SZÉPVÖLGYI BUSINESS PARK Kft.	HU	Budapest	100.00%	F	100.00%	F
Taifun Real Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Talia Real Sp. z o.o.	PL	Warsaw	85.00%	F	100.00%	F
Tamar Imob Investitii SRL	RO	Bucharest	100.00%	F	100.00%	F
Termaton Enterprises Limited	CY	Nicosia	75.00%	E-JV	75.00%	E-JV
Topaz Development SRL	RO	Bucharest	100.00%	F	100.00%	F
TOV Arsenal City	UA	Kiev	99.35%	F	99.35%	F
TOV Evro-Luno-Park	UA	Kiev	50.00%	E-JV	50.00%	E-JV
TOV Vastator Ukraine	UA	Kiev	99.35%	F	99.35%	F
TradeCon Handels- und Leasing GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
TradeCon Leasing- und Unternehmensbeteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Trevima Ltd.	CY	Nicosia	100.00%	F	100.00%	F
TriGranit Centrum, a.s.	SK	Bratislava	0.00%	Sold	25.00%	E-AS
TriGránit Holding Ltd.	CY	Nicosia	0.00%	Sold	25.00%	E-AS
Tripont Invest s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
UKS Finance Kft. in Liquidation	HU	Budapest	100.00%	F	100.00%	F
UKS Liegenschaftsentwicklung GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Utility Park West s.r.o.	CZ	Prague	31.32%	NC	31.32%	NC
Váci út 184.Business Center Kft.	HU	Budapest	38.90%	E-AS	38.90%	E-AS
Valecorp Limited	CY	Nicosia	0.00%	Logistics sold	100.00%	F
Valette Finance B.V.	NL	Amsterdam	0.00%	Liquidated	100.00%	F
Vastator Limited	CY	Nicosia	99.36%	F	99.36%	F
VCG Immobilienbesitz GmbH	AT	Vienna	100.00%	F	100.00%	F
Ventane Ltd.	CY	Nicosia	98.71%	F	98.71%	F
Ventane Ukraine LLC	UA	Kiev	98.71%	F	98.71%	F
Ventilatorul Real Estate SA	RO	Bucharest	100.00%	F	100.00%	F
Vertano Residence Sp. z o.o.	PL	Warsaw	50.00%	E-JV	50.00%	E-JV
Vertano Residence Sp. z o.o. 1 Sp.k.	PL	Warsaw	90.67%	E-JV	90.67%	E-JV
Village Management LLC	UA	Kiev	98.71%	F	98.71%	F
Visionär Beteiligungs GmbH in Liqu.	DE	Rodgau	0.00%	Liquidated	32.00%	E-AS
Vitrust Ltd.	CY	Nicosia	100.00%	F	100.00%	F
VIV Gebäudeerrichtungs GmbH	AT	Vienna	100.00%	F	100.00%	F
VTI Varna Trade Invest OOD in Liqu	BG	Sofia	50.00%	E-JV	50.00%	E-JV
W zehn Betriebs- & Service GmbH	AT	Vienna	100.00%	F	100.00%	F
Wakelin Promotions Limited	CY	Nicosia	100.00%	F	100.00%	F
Walkabout Beteiligungs GmbH	DE	Rodgau	66.67%	E-AS	66.67%	E-AS
West Gate Kft.	HU	Budapest	0.00%	Logistics sold	100.00%	F
WINNIPEGIA SHELF s.r.o.	CZ	Prague	100.00%	F	100.00%	F
WIPARK Holding GmbH in Liqu.	AT	Vienna	100.00%	F	100.00%	F
Wolkar Enterprise Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Xantium Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F

F = Full consolidation, E-JV = Joint venture, E-AS = Associates, NC = Not consolidated companies

9. Release of the Consolidated Financial Statements

These consolidated financial statements were completed and signed by the Executive Board of IMMOFINANZ AG on 26 July 2016 and subsequently distributed to the Supervisory Board. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether or not it approves these documents.

Vienna, 26 July 2016

The Executive Board of IMMOFINANZ AG



Stefan Schönauer
CFO



Oliver Schumy
CEO



Dietmar Reindl
COO

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IMMOFINANZ AG, Vienna, comprising the consolidated balance sheet as of 30 April 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year then ended as well as the notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and the additional requirements under section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. These principles require the application of International Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 30 April 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and the additional requirements under section 245a UGB.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Group's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB are appropriate.

Der In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB are appropriate.

Vienna, 26 July 2016

Mag. Friedrich Wiesmüller
(Austrian) Certified Public Accountant

Mag. Nikolaus Schaffer
(Austrian) Certified Public Accountant

Deloitte Audit Wirtschaftsprüfungs GmbH

Statement by the Executive Board

We confirm to the best of our knowledge that the consolidated financial statements of IMMOFINANZ provide 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 of IMMOFINANZ provides a true and fair view of the development and performance of the business and position of the group, together with a description of the principal risks and uncertainties faced by the group.

We confirm to the best of our knowledge that the individual financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of IMMOFINANZAG as required by the applicable accounting standards and that the management report provides a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties faced by the company.

Vienna, 26 July 2016

The Executive Board of IMMOFINANZ AG



Stefan Schönauer
CFO



Oliver Schumy
CEO



Dietmar Reindl
COO

INDIVIDUAL FINANCIAL STATEMENTS

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Balance Sheet as of 30 April 2016

		30 April 2016 EUR	30 April 2015 TEUR
A. Non-current assets			
I. Intangible assets			
1. Trademarks and software		285,745.85	421
II. Tangible assets			
1. Buildings on land owned by third parties	890,720.31		1,072
2. Furniture, fixtures and office equipment	535,185.72		734
		1,425,906.03	1,806
III. Financial assets			
1. Investments in subsidiaries	3,514,005,884.00		4,537,604
2. Investments in associated and jointly controlled entities	388,424,038.79		702,019
3. Non-current securities (rights)	1,000,699.26		4,547
		3,903,430,622.05	5,244,169
		3,905,142,273.93	5,246,397
B. Current assets			
I. Receivables			
1. Receivables from subsidiaries	435,628,046.22		1,208,359
2. Receivables from associated and jointly controlled entities	7,702,631.37		7,993
3. Other receivables	68,942.44		4,737
		443,399,620.03	1,221,089
II. Current marketable securities			
1. Miscellaneous securities and shares		31,197,260.68	31,903
III. Cash in bank		14,492,981.36	26,695
		489,089,862.07	1,279,687
C. Prepaid expenses and deferred charges		929,469.57	965
		4,395,161,605.57	6,527,049

	30 April 2016 EUR	30 April 2015 TEUR
A. Equity		
I. Share capital	975,955,651.00	1,114,172
II. Capital reserves		
1. Appropriated	1,048,104,307.28	2,750,866
2. Unappropriated	638,048,514.51	0
III. Profit (loss) account		
Thereof profit carried forward: EUR 0.00 (prior year: TEUR 0)	60,000,000.00	0
	2,722,108,472.79	3,865,038
B. Provisions		
1. Provisions for termination benefits	101,435.65	284
2. Provisions for taxes	22,660,880.43	34,436
3. Other provisions	6,525,054.59	20,307
	29,287,370.67	55,027
C. Liabilities		
1. Bonds	675,803,546.20	1,051,160
2. Liabilities with financial institutions	25,262,592.16	35,602
3. Prepayments received	137,764.34	75
4. Trade liabilities	2,666,396.91	4,881
5. Liabilities with subsidiaries	935,661,925.66	1,502,353
6. Liabilities with associated and jointly controlled entities	41,123.56	1,106
7. Other liabilities	4,192,413.28	11,808
Thereof from taxes: EUR 3,080,901.77 (prior year: TEUR 11,233)		
Thereof from social security: EUR 354,658.23 (prior year: TEUR 439)		
	1,643,765,762.11	2,606,984
	4,395,161,605.57	6,527,049
Contingent liabilities	369,494,811.05	89,656

Income Statement for the 2015/16 Financial Year

		2015/16 EUR	2014/15 TEUR
1.Revenues		45,515,024.41	45,711
2.Other operating income			
a) Income from the disposal of non-current assets, with the exception of financial assets	18,750.67		0
b) Income from the reversal of provisions	782,069.44		649
c) Miscellaneous	10,495,344.41		20,224
		11,296,164.52	20,873
3.Personnel expenses			
a) Salaries	-18,953,836.60		-20,508
b) Expenses for contributions to employee pension/severance fund	-2,192,060.75		-410
c) Expenses for pensions	-215,026.88		-138
d) Expenses for legally required social security and payroll-related duties and mandatory contributions	-4,392,275.36		-4,201
e) Other employee benefits	-367,546.53		-446
		-26,120,746.12	-25,702
4.Depreciation and amortisation		-817,025.12	-943
5.Other operating expenses			
a) Non-income based taxes	-278,956.70		-714
b) Miscellaneous	-69,022,312.47		-63,720
		-69,301,269.17	-64,434
6.Subtotal of no. 1 to 5 (operating profit)		-39,427,851.48	-24,495
7.Income from investments (Thereof from subsidiaries: EUR 0.00; prior year: TEUR 30,000)		27,035,929.21	61,319
8.Income from other securities classified as financial assets (Thereof from subsidiaries: EUR 0.00; prior year: TEUR 0)		140,350.00	70
9.Interest and similar income (Thereof from subsidiaries: EUR 6,532,428.86; prior year: TEUR 12,869)		8,992,967.14	26,007
10.Income from the disposal and write-up of financial assets and securities recorded under current assets		31,854,624.87	0
11.Expenses arising from financial assets		-1,033,741,856.45	-453,080
a) Impairment losses (Thereof from subsidiaries: EUR -1,032,101,815.43; prior year: TEUR -452,745)		-1,032,101,815.73	-452,746
12.Interest and similar expenses (Thereof related to subsidiaries EUR -38,405,105.57; prior year: TEUR -24,093)		-154,837,901.22	-69,887
13.Foreign exchange differences		-920,631.94	0
14.Subtotal of no. 7 to 13 (financial results)		-1,121,476,518.39	-435,571
15.Profit/(loss) on ordinary activities		-1,160,904,369.87	-460,066
16.Income tax credits/expenses		17,974,759.22	-2,768
17.Loss for the year before changes to reserves		-1,142,929,610.65	-462,834
18.Release of capital reserves			
a) Appropriated		0.00	433,504
b) Unappropriated		1,202,929,610.65	0
19.Release of revenue reserves			
a) Other reserves (voluntary)		0.00	29,330
20.Profit (loss) account		60,000,000.00	0

NOTES

1. General Information

The annual financial statements of IMMOFINANZ AG as of 30 April 2016 were prepared in accordance with the provisions of the Austrian Commercial Code (“Unternehmensgesetzbuch”) in the current version. The principles of correct bookkeeping as well as the general objective of providing a true and fair view of the asset, financial and earnings position were observed.

The reporting year of IMMOFINANZ AG covers the period from 1 May 2015 to 30 April 2016.

Statements on IMMOFINANZ refer to the IMMOFINANZ Group.

In accordance with § 223 (2) of the Austrian Commercial Code, the comparable prior year data are presented in EUR 1,000.

The company elected to utilise the option provided by § 223 (4) of the Austrian Commercial Code, which permits the inclusion of additional positions when their content is not covered by a required position.

The income statement was prepared in accordance with the nature of expense method under which “total costs” are shown.

Valuation was based on the going concern principle.

2. Accounting and Valuation Principles

Intangible assets are carried at acquisition cost, less scheduled straight-line amortisation that is based on the expected useful life of the respective asset. All intangible assets held by the company were purchased.

Property, plant and equipment are carried at acquisition cost, less scheduled straight-line depreciation.

Depreciation and amortisation for the various asset additions and disposals in the reporting year are calculated beginning with the month of acquisition, respectively terminated in the month of disposal.

Financial assets are carried at cost less any necessary impairment losses. The impairment testing of shares in subsidiaries and associated and jointly controlled entities involves comparing the respective carrying amount with the equity owned plus any undisclosed reserves in the individual properties (fair value measurement based on DCF methods) or is based on standard indicators for the valuation of investments. Each subsidiary is responsible for valuing its own assets, whereby the combined results are included in the consolidated financial statements of the Group parent company, IMMOFINANZ AG. If the value of an asset increases in subsequent financial years, the previously recognised impairment loss is reversed. This process involves a write-up equal to the amount of the impairment loss, but the value of the asset is not increased above historical cost.

Receivables are carried at their nominal amount less any necessary impairment losses. The calculation of impairment losses to Group receivables is based on the fair value of equity in the financed company. If the financial statements of a borrower show negative equity (at fair value), an appropriate impairment loss is recognised. In accordance with the option provided by § 208 (2) of the Austrian Commercial Code, potential write-ups are not recognised.

The **miscellaneous securities and shares** reported under current assets are carried at cost, which is reduced by any necessary impairment losses as required by § 207 of the Austrian Commercial Code.

Provisions are recorded at the amount of the expected use, in accordance with the principle of prudent business judgment. Information on the provisions for termination benefits is provided in the section on provisions.

Liabilities are carried at their repayment amount in keeping with the principle of conservatism.

All **foreign currency** transactions are translated at the average exchange rate in effect on the date of the transaction. The measurement of foreign currency receivables and liabilities as of the balance sheet date is based on the applicable average exchange rate in effect on that date in keeping with the principle of conservatism. Any resulting exchange rate losses are recognised to profit or loss for the financial year.

3. Notes to the Balance Sheet

ASSETS

NON-CURRENT ASSETS

The development of **non-current assets** is shown on the attached schedule.

The following useful lives are used to calculate scheduled straight-line depreciation and amortisation for non-current assets:

	Useful life in years
Other intangible assets	3-10
Property, plant and equipment	2-10

The investments in **subsidiaries and associated and jointly controlled entities** are described below.

The most important changes to the investments in subsidiaries involve subsidies from the first tier parent company (EUR 8,453,033.43), the write-off of the investment in the wholly owned subsidiary IMBEA IMMOEAST Beteiligungsverwaltung GmbH (EUR 998,388,430.43) and the write-off of the investment in the wholly owned subsidiary IMMOWEST Immobilien Anlagen GmbH (EUR 33,702,042.00).

As of 30 April 2016, the company held shares in BUWOG AG with a value of EUR 387,574,038.79 (2014/15: TEUR 701,169) which were reported under non-current assets.

IMMOFINANZ held the following shares in BUWOG AG as of 30 April 2016:

Shareholding company	Number of shares	Investment (in %)
IMMOFINANZ AG	25,085,736	25.14%
IMBEA IMMOEAST Beteiligungsverwaltung GmbH	3,418,046	3.43%
IMMOFINANZ	28,503,782	28.57%

In 2015/16 IMMOFINANZ reduced its investment in the BUWOG Group by 20.38%. A total of 18.5 million BUWOG shares were placed with institutional investors during the year through two accelerated bookbuilding processes. An additional block of approx. 1.8 million BUWOG shares were used for the incentivised repurchase of the exchangeable bond for shares in BUWOG AG. For 44,642 BUWOG shares, the conversion right was exercised from the remaining certificates from the exchangeable bond after the incentivised repurchase. A further 18,542,434 BUWOG shares were sold to the SAPINDA Group, which maintains its registered headquarters in Amsterdam, London and Luxembourg, on 9 June 2016. The price per share equalled EUR 19.35 and resulted in a total price of EUR 358.7 million. These transactions reduced IMMOFINANZ's investment in BUWOG to 9.98%. The remaining 9,961,348 BUWOG shares are reserved for the proportional servicing of the convertible bonds issued by IMMOFINANZ.

Non-current securities consist primarily of shares in the Vienna Stock Exchange with a value of EUR 1,000,699.26 (2014/15: TEUR 1,001). In 2015/16, all of the bonds reported under non-current assets were sold.

Holding, purchase and withdrawal of treasury shares

IMMOFINANZ held 80,561,942 treasury shares with a proportional stake of EUR 83,638,066.45 in share capital at the beginning of 2015/16. As of 30 April 2016, the number of treasury shares equalled 10 million. These shares are held by IMBEA IMMOEAST Beteiligungsverwaltung GmbH, a wholly owned subsidiary of IMMOFINANZ AG, and represented 1.02% of the share capital of IMMOFINANZ AG as of 30 April 2016.

The development of treasury shares in 2015/16 is described in the following section:

Share buyback programme 2015

From 1 April 2015 to 17 June 2015, IMMOFINANZ repurchased 30 million shares through IMBEA IMMOEAST Beteiligungsverwaltung GmbH for a total price of EUR 78,791,804.03 within the context of the share buyback programme 2015. A total of 16,676,546 shares were repurchased during the reporting year at a weighted average price of EUR 2.63 per share. The share buyback programme was based on a resolution of the annual general meeting on 30 September 2014 in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act.

Withdrawal of treasury shares in 2015/16

Based on a resolution of the annual general meeting on 1 December 2015 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act), 97,238,037 treasury shares were withdrawn on 8 February 2016. This step reduced the company's share capital by EUR 97,238,037.00 through a simplified capital decrease (§ 192 (3) of the Austrian Stock Corporation Act).

Share buyback programme 1/2016

From 8 February 2016 to 16 March 2016, 10 million shares were repurchased for a weighted average price of EUR 1.82 per share within the context of the share buyback programme 1/2016. The total purchase price amounted to EUR 18,213,911.22. The share buyback programme 1/2016 was based on an authorisation of the annual general meeting on 1 December 2015 in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act. These shares represented EUR 10 million of share capital.

Overview of the development of treasury shares in 2015/16:

Date	Number of shares	Circumstances and statutory provision	Proportional share of share capital as of 30 April 2016 in EUR	Proportional share of share capital as of 30 April 2016 in %	Purchase price in EUR
IMMOFINANZ 30 April 2015	80,561,942		80,561,942.00	8.25%	n.a.
May 2015 – June 2015	16,676,546	Share buyback programme 2015 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	16,676,546.00	1.71%	41,552,917.95
December 2015	-451	Servicing of CB 2018	-451.00	0.00%	Exchanged for 390 shares of CB 2018
February 2016	-97,238,037	Withdrawal of treasury shares (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	-97,238,037.00	-9.96%	n.a.
February 2016 – March 2016	10,000,000	Share buyback programme 1/2016 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	10,000,000.00	1.02%	18,213,911.22
IMMOFINANZ 30 April 2016	10,000,000		10,000,000.00	1.02%	n.a.

Authorisations of the annual general meeting for the purchase and sale of treasury shares

The annual general meeting on 1 December 2015 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital. This authorisation is valid for a period of 30 months beginning on the date the resolution was passed. The shares may be purchased in one or more transactions over the stock exchange or over the counter with repeated utilisation of the 10% limit, whereby the exclusion of the proportional subscription rights of shareholders is possible.

This annual general meeting also authorised the Executive Board, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act, whereby the proportional purchase rights of shareholders can be excluded. This authorisation is valid for a period of five years beginning on the date the resolution was passed.

Authorised capital

The annual general meeting on 30 September 2014 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 225,790,537.00 through the issue of up to 225,790,537 new shares in exchange for cash or contributions in kind. This authorised capital may also be issued under the exclusion of subscription rights in connection with a capital increase in exchange for cash contributions of up to 10% of the company's share capital on the utilisation date as well as for contributions in kind to service a greenshoe option or for the settlement of peak amounts. The authorisation is valid up to 29 January 2020. The authorised capital issued under the exclusion of subscription rights may not exceed 20% of the company's share capital. This limit also includes any new shares to be delivered in connection with a convertible bond that was issued during the term of the authorised capital under the exclusion of subscription rights.

CURRENT ASSETS

Receivables

The following table shows the classification of receivables by remaining term:

Amounts in EUR	30 April 2016	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Receivables from subsidiaries	435,628,046.22	434,256,078.13	1,371,968.09	0.00
Receivables from associated and jointly controlled entities	7,702,631.37	7,702,631.37	0.00	0.00
Other receivables and assets	68,942.44	68,942.44	0.00	0.00
Total	443,399,620.03	442,027,651.94	1,371,968.09	0.00

Amounts in EUR	30 April 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Receivables from subsidiaries	1,208,358,616.42	975,793,911.69	220,092,351.89	12,472,352.84
Receivables from associated and jointly controlled entities	7,993,322.73	7,993,322.73	0.00	0.00
Other receivables and assets	4,736,952.30	4,736,952.30	0.00	0.00
Total	1,221,088,891.45	988,524,186.72	220,092,351.89	12,472,352.84

Receivables from subsidiaries and associated and jointly controlled entities are classified as current when a specific payment term was not defined. However, these receivables are only collected if permitted by the liquidity situation of the respective creditor.

The following table shows the receivables due from subsidiaries:

	30 April 2016 EUR	30 April 2015 TEUR
Receivables from direct loans	464,816,275.34	1,122,861
Impairment charges to receivables from direct loans	-108,050,766.44	-64,692
Receivables from trust loans due to Immofinanz Corporate Finance Consulting GmbH	26,708,858.25	68,351
Impairment charges to receivables from trust loans	-23,780,288.59	-31,814
Trade receivables	52,557,895.97	101,931
Impairment charges to trade receivables	-1,183,593.77	-691
Receivables from tax charges	24,537,320.12	11,916
Miscellaneous	22,345.34	496
Total receivables from subsidiaries	435,628,046.22	1,208,359

The method used to estimate the impairment losses is described in the section on accounting and valuation principles.

The value of selected properties held by subsidiaries of IMMOFINANZ AG increased during 2015/16 and earlier years and could have resulted in write-ups of EUR 12,882,315.29 (2014/15: TEUR 9,960) to receivables that were previously reduced through impairment losses. These write-ups would have led to an increase in income tax credits, but were not recorded because Austrian tax law does not require the recognition of these value increases.

In 2015/16 a liability of EUR 556,134,962.72 to IMMOEAST Beteiligungs GmbH was offset against a receivable due from this company in January 2016.

Miscellaneous securities and shares

This position comprises 224 shares of the 2017 convertible bond with a nominal value of EUR 22,400,000.00 (2014/15: TEUR 22,400) and 1,570,312 shares of the 2018 convertible bond with a nominal value of EUR 6,469,685.44 (2014/15: TEUR 6,435).

In 2015/16 IMMOFINANZ AG repurchased 8,312 shares of the 2018 convertible bond with a nominal value of EUR 34,245.44.

Cash in bank

This item consists chiefly of deposits with ERSTE GROUP BANK AG, Vienna, and Liechtensteiner Landesbank (Österreich) AG, Vienna.

Prepaid expenses

This position includes miscellaneous fees paid in 2015/16 that relate to the following financial year, e.g. amounts due to the Austrian Financial Market Authority as well as insurance, flights, maintenance and licenses.

EQUITY AND LIABILITIES

EQUITY

Share capital totals EUR 975,955,651.00 (2014/15: TEUR 1,114,172) and is classified as follows:

	Number of shares 30 April 2016	Share capital in EUR 30 April 2016	Number of shares 30 April 2015	Share capital in EUR 30 April 2015
Bearer shares	975,955,651	975,955,651.00	1,073,193,688	1,114,171,813.16
Total	975,955,651	975,955,651.00	1,073,193,688	1,114,171,813.16

Equity comprised the following as of 30 April 2016:

Amounts in EUR	30 April 2016	30 April 2015
Share capital	975,955,651.00	1,114,171,813.16
Capital reserves		
1) Appropriated	1,048,104,307.28	2,750,866,252.79
2) Unappropriated	638,048,514.51	0.00
Profit (loss) account	60,000,000.00	0.00
Equity	2,722,108,472.79	3,865,038,065.95

Capital and revenue reserves

The reserves in the separate financial statements of IMMOFINANZ AG, which were prepared in accordance with the Austrian Commercial Code, comprise the following: appropriated capital reserves from capital increases pursuant to § 229 (2) no. 1 of the Austrian Commercial Code and from the merger of IMMOEAST AG with IMMOFINANZ AG. The change in the appropriated capital reserves resulted primarily from the withdrawal of treasury shares from a distribution in kind of EUR 97,238,037.00 by IMBEA IMMOEAST Beteiligungsverwaltung GmbH in February 2016 and from a capital adjustment.

Capital adjustment

The 22nd annual general meeting on 1 December 2015 approved a capital increase from internal funds (conversion of appropriated capital reserves to share capital) totalling EUR 1,800,000,000.00 and a subsequent ordinary capital decrease of EUR 1,840,978,125.16 (also to smooth the proportional amount of share capital attributable to each share). This capital decrease resulted in an increase of EUR 1,840,978,125.16 in unappropriated capital reserves.

PROVISIONS

The provision for termination benefits (EUR 101,435.65; 2014/15: TEUR 284) was calculated in accordance with actuarial principles, whereby the parameters included a discount rate of 2.2% (2014/15: 1.4%) and a retirement age of 62 years for men.

Other provisions consist primarily of the following: accruals of EUR 22.7 million (2014/15: EUR 34.4 million) for taxes, EUR 0.8 million (2014/15: EUR 1.0 million) of legal, tax advising and auditing fees, EUR 0.2 million (2014/15: EUR 0.5 million) for appraisals, EUR 3.0 million (2014/15: EUR 5.0 million) of employee-related items and provisions of EUR 1.3 million (2014/15: EUR 7.0 million) for legal risks.

Information on the provision for legal risks is provided in the notes to the income statement under the section on other operating expenses.

LIABILITIES

Convertible bonds

IMMOFINANZ AG had two convertible bonds with a total nominal value of EUR 557.4 million and a carrying amount of EUR 571.5 million outstanding as of 30 April 2016.

The following table shows the terms of the convertible bond liabilities as of 30 April 2016 based on the carrying amount:

Amounts in TEUR	Carrying amount 30 April 2016	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	Carrying amount 30 April 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Convertible bond 2007-17	54,689.4	243.8	54,445.5	0.0	53,040.5	243.0	52,797.5	0.0
Convertible bond 2011-18	516,763.1	3,199.2	513,563.9	0.0	518,096.6	518,096.6	0.0	0.0
Total	571,452.5	3,443.1	568,009.5	0.0	571,137.1	518,339.6	52,797.5	0.0

Each of these convertible bonds entitle the bondholder to conversion into a combination of IMMOFINANZ and BUWOG shares.

Convertible bond 2007–2017

On 19 November 2007 IMMOFINANZ AG issued a convertible bond with a total nominal value of EUR 750 million and a term extending to 19 November 2017. The conversion rights for this convertible bond were adjusted as of 14 October 2015 to reflect the dividend paid by BUWOG AG. One certificate of the convertible bond 2007-2017 with a nominal value of EUR 100,000 each currently entitles the bondholder to conversion into 12,547.05 IMMOFINANZ shares (unchanged) and 691.44 BUWOG shares (30 April 2015: 660.95).

The nominal amount outstanding as of 30 April 2016 totalled EUR 43.8 million and is unchanged compared with the previous year. This outstanding nominal value will be redeemed on 19 November 2017 (maturity date) if there are no conversions into the company's shares before that date. IMMOFINANZ AG currently holds repurchased certificates from the CB 2017 with a total nominal value of EUR 22.4 million which have not yet been withdrawn.

Convertible bond 2011–2018

On 8 March 2011 IMMOFINANZ AG issued a convertible bond with a total nominal value of EUR 515.1 million and a term extending to 8 March 2018. The conversion rights for this convertible bond were adjusted as of 14 October 2015 to reflect the dividend paid by BUWOG AG. One certificate of the convertible bond 2018 with a nominal value of EUR 4.12 each currently entitles the bondholder to conversion into 1.1573 IMMOFINANZ shares (unchanged) and 0.0629 BUWOG shares (30 April 2015: 0.0606).

The registration period for the premature redemption of the convertible bond 2018 ended on 8 March 2016. In connection with this put option for bondholders (as per list), convertible bond certificates with a total nominal value of EUR 1.3 million were redeemed prematurely on 8 March 2016. The conversion right for 390 bond certificates with a total nominal value of EUR 1,606.80 was also exercised in 2015/16 and resulted in the delivery of 451 IMMOFINANZ shares and 25 BUWOG shares by IMMOFINANZ. The convertible bond 2018 had an outstanding nominal value of EUR 513.6 million as of 30 April 2016 (30 April 2015: EUR 514.9 million). IMMOFINANZ AG currently holds repurchased certificates from the CB 2018 with a total nominal value of EUR 6.5 million which have not yet been withdrawn.

Corporate bond

This position also includes a corporate bond with a total nominal value of EUR 100.0 million (2014/15: EUR 100.0 million), a term of five years and a coupon of 5.25%, which was issued in July 2012.

The following table shows the composition of liabilities by remaining term:

Amounts in EUR	30 April 2016	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Bonds	675,803,546.20	7,794,081.19	668,009,465.01	0.00
Liabilities with financial institutions	25,262,592.16	645,768.53	3,400,000.00	21,216,823.63
Prepayments received	137,764.34	137,764.34	0.00	0.00
Trade liabilities	2,666,396.91	2,666,396.91	0.00	0.00
Liabilities with subsidiaries	935,661,925.66	870,084,116.48	0.00	65,577,809.18
Liabilities with associated and jointly controlled entities	41,123.56	41,123.56	0.00	0.00
Other liabilities	4,192,413.28	4,192,413.28	0.00	0.00
Total	1,643,765,762.11	885,561,664.29	671,409,465.01	86,794,632.81

Amounts in EUR	30 April 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years
Bonds	1,051,159,520.87	898,362,017.70	152,797,503.17	0.00
Liabilities with financial institutions	35,602,313.56	10,385,477.16	3,000,000.00	22,216,836.40
Prepayments received	75,184.93	75,184.93	0.00	0.00
Trade liabilities	4,880,759.00	4,880,759.00	0.00	0.00
Liabilities with subsidiaries	1,502,352,695.84	1,375,850,629.63	85,876,350.97	40,625,715.24
Liabilities with associated and jointly controlled entities	1,105,755.31	1,105,755.31	0.00	0.00
Other liabilities	11,807,782.45	11,807,782.45	0.00	0.00
Total	2,606,984,011.96	2,302,467,606.18	241,673,854.14	62,842,551.64

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

Liabilities with subsidiaries consist entirely of other liabilities, above all loans of EUR 935,330,045.49 (2014/15: TEUR 982,076) granted by subsidiaries.

Other liabilities consist chiefly of a EUR 3,080,901.77 (2014/15: TEUR 11,233) liability to the taxation authorities and social security liabilities of EUR 354,658.23 (2014/15: TEUR 439), which are due primarily after the balance sheet date.

Guarantees

IMMOFINANZ AG has issued comfort letters on behalf of individual subsidiaries to guarantee their solvency. These comfort letters confirm that the involved companies will be able to meet their payment obligations at any time and oblige IMMOFINANZ AG to ensure that sufficient funds will be available to meet all liabilities at maturity. Furthermore, IMMOFINANZ AG is obliged to undertake all other necessary measures required by the applicable insolvency laws. IMMOFINANZ AG is also required to subordinate all liabilities that represent debt from the viewpoint of the involved company and must take a secondary position to all other creditors who are not shareholders of the involved companies or are subordinated in another manner.

The company has provided guarantees or pledges of EUR 139,687,745.85 (2014/15: TEUR 7,620) to financial institutions on behalf of subsidiaries (to a limited extent, also on behalf of former subsidiaries). In addition, IMMOFINANZ AG has accepted liabilities of EUR 229,807,065.20 (2014/15: TEUR 82,036) to third parties on behalf of subsidiaries.

4. Notes to the Income Statement

REVENUES

Revenues consist of management fees charged out to the Group companies as well as insurance commissions.

IMMOFINANZ AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH (operations of the former IMMOEAST AG) are executive holding companies that provide management services to subsidiaries in Austria and other countries. The performance-based allocation of costs between the two companies is based on third-party settlement conditions. In 2015/16 IMMOFINANZ AG invoiced EUR 41,127,011.84 (2014/15: TEUR 35,331) to IMBEA IMMOEAST Beteiligungsverwaltung GmbH for costs carried by IMMOFINANZ AG that are economically attributable to IMBEA IMMOEAST Beteiligungsverwaltung GmbH. An invoice of EUR 1,879,125.13 was also issued for subsequent charges related to 2014/15.

OTHER OPERATING INCOME

The major components of miscellaneous operating income include reversals of EUR 782,069.44 (2014/15: TEUR 649) to other provisions, income of EUR 9,642,162.80 (2014/15: TEUR 17,189) from the reversal of valuation allowances, income of EUR 157,468.11 (2014/15: TEUR 2,318) from expenses charged out and foreign exchange gains of EUR 641,362.77 (2014/15: TEUR 21).

PERSONNEL EXPENSES

Personnel expenses amounted to EUR 26,120,746.12 for the reporting year (2014/15: TEUR 25,702).

OTHER OPERATING EXPENSES

Impairment losses to and the derecognition of receivables totalled EUR 24,349,332.10 in 2015/16 (2014/15: TEUR 36,490).

The remaining major components of other operating expenses represent costs of EUR 19,583,333.33 (2014/15: TEUR 0) for legal proceedings and are connected with the lawsuits filed against IMMOFINANZ AG, IMBEA IMMOEAST Beteiligungsverwaltung GmbH and Aviso Zeta AG. The costs resulted from an out-of-court settlement concluded on 2 November 2015 with AdvoFin Prozessfinanzierung AG for approx. EUR 64.8 million and a settlement offer of approx. EUR 11.0 million made by IMMOFINANZ and recommended by legal protection insurers and investors' attorneys to terminate roughly 1,230 additional proceedings. IMMOFINANZ is also working to reach out-of-court settlements in the investors' lawsuits that are still pending, whereby appropriate provisions were recognised and are included in the costs for legal proceedings.

This position also includes appraisal costs of EUR 607,847.72 (2014/15: TEUR 1,033), bookkeeping costs of EUR 247,838.75 (2014/15: TEUR 330), rental and leasing expenses of EUR 2,597,971.01 (2014/15: TEUR 2,457) and mileage and travel expenses of EUR 1,163,318.53 (2014/15: TEUR 1,452).

In accordance with § 237 no. 14 last sentence of the Austrian Commercial Code, the company refers to the consolidated financial statements which are available under (www.IMMOFINANZ.com/en/investor-relations/financial-reports/).

The remuneration for the members of the Supervisory Board is approved during the current financial year for the previous financial year and subsequently distributed. A provision of EUR 260.939,38 was recognised to cover the Supervisory Board remuneration for the 2015/16 financial year.

INCOME FROM INVESTMENTS

This position includes the 2015 dividend of EUR 24,239,978.07 from BUWOG AG (2014/15: TEUR 31,319), the 2014 dividend of EUR 812,987.22 from EHL Immobilien GmbH and the 2015 dividend of EUR 1,982,963.92 (2014/15: TEUR 0) from EHL Immobilien GmbH.

INTEREST AND SIMILAR INCOME

The major components of interest and similar income are interest of EUR 1,113,969.45 (2014/15: TEUR 1,892) from trustee loans granted by IMMOFINANZ Corporate Finance Consulting GmbH and interest of EUR 5,418,459.41 (2014/15: TEUR 10,977) on group receivables.

INCOME FROM THE DISPOSAL AND WRITE-UP OF FINANCIAL ASSETS AND CURRENT SECURITIES

The main component of this position is a gain of EUR 31,845,199.21 on the sale of 18.5 million BUWOG shares

EXPENSES ARISING FROM FINANCIAL ASSETS

Impairment losses of EUR 1,032,101,815.73 were recognised to shares in subsidiaries during the reporting year (2014/15: TEUR 452,745). Additional information is provided in the notes to the balance sheet.

INTEREST AND SIMILAR EXPENSES

This position includes interest expense of EUR 38,405,105.57 (2014/15: TEUR 24,093) on liabilities to subsidiaries and interest expense of EUR 29,335,273.60 (2014/15: TEUR 32,523) on the issued bonds.

In September 2015 the holders of the exchangeable bond for BUWOG shares received an incentivised offer for the repurchase of the bond. Bondholders with a nominal value of EUR 28.5 million selected the conversion alternative and bondholders with a nominal value of EUR 345.7 million chose to receive a cash settlement. The incentive for the conversion and exchange totalled EUR 27.9 million, while the tender for the exchange amounted to EUR 55.4 million. The conversion of the exchangeable bond resulted in income of EUR 1.4 million.

INCOME TAX CREDITS/EXPENSES

This position includes the following items:

Amounts in EUR	2015/16	2014/15
Corporate income tax	-359,452.00	-385,000.00
Corporate income tax, prior years	-64,614.00	-262,927.50
Capital gains tax, prior years	-75,782.83	0.00
Reversal of provision for corporate income taxes	3,720.50	418,392.00
Income tax expense (Group taxation), other periods	-309,836.47	-14,063,049.76
Income tax expense (Group taxation)	-1,357,819.33	0.00
Income tax credits (Group taxation)	25,852,218.13	10,497,549.26
Income tax credits (Group taxation), other periods	168,927.51	7,516,556.25
Addition to provision for negative tax charges to group members	-5,923,725.76	-6,489,705.76
Training bonus	41,123.47	0.00
Total	17,974,759.22	-2,768,185.51

Tax income for the reporting year includes, among others, EUR 281,305.79 of effects related to prior periods, which reflect the final corporate tax assessments and/or corporate income tax returns for the members of the tax group for 2009 through 2015. These effects did not have a material influence on the financial statements.

In 2015/16 the company did not elect to use the option provided by § 198 (10) of the Austrian Commercial Code, which permits the recognition of deferred tax assets on temporary differences arising from the financial statements prepared in accordance with Austrian commercial law and the respective tax bases.

Deferred tax assets totalled EUR 625,945.83 as of 30 April 2016 (2014/15: TEUR 679).

5. Other Information

INFORMATION ON SIZE PURSUANT TO § 221 OF THE AUSTRIAN COMMERCIAL CODE

The company is classified as a large corporation based on the criteria defined in § 221 (1) of the Austrian Commercial Code.

INFORMATION ON GROUP TAXATION PURSUANT TO § 9 OF THE AUSTRIAN CORPORATE INCOME TAX ACT

In accordance with a group application filed on 29 April 2005, the company has served as the head of a corporate group as defined in § 9 of the Austrian Corporate Income Tax Act since the 2005 tax assessment year. This corporate group has been expanded several times.

IMMOFINANZ AG is the head of a corporate group as defined in § 9 of the Austrian Corporate Income Tax Act. The company and the members of the tax group concluded an agreement for the settlement of taxes, which was amended in 2011/12. In accordance with the amended agreement, each member of the Group with positive results must pay a tax charge equal to 25% of the assessment base to the head of the group. Any losses by members of the group are registered and can be offset in full against taxable profit recorded by the respective member in subsequent years. Consequently, there are no payments by the head of the group to members.

In the years before the change, a group member with positive taxable income was required to pay a tax charge to the head of the group. A group member with negative taxable income (loss) was entitled to receive a tax credit from the head of the group, whereby the corporate income tax rate of 12.5% was applied in both cases.

A provision of EUR 5,923,725.76 was recognised during the reporting year for negative taxable results generated and used by the members of the IMMOFINANZ tax group. The provision for negative tax charges to group members totalled EUR 21,926,714.33 as of 30 April 2016.

A provision of EUR 15.7 million was not recognised for negative taxable results generated and used by members of the IMMOFINANZ tax group because IMMOFINANZ does not expect any related tax liability in the future.

RELATED PARTY TRANSACTIONS IN THE SENSE OF § 237 NO. 8B OF THE AUSTRIAN COMMERCIAL CODE

All transactions with related companies and persons during the reporting year took place at arm's length.

FINANCIAL RISK MANAGEMENT

As an international corporation, IMMOFINANZ is exposed to various financial risks. The most important financial risks for the Group arise from possible changes in foreign exchange rates and interest rates and from the credit standing and solvency of its customers and business partners.

IMMOFINANZ has integrated an active risk management system into its operating processes and reporting paths. This system supports the rapid implementation of measures to counter risk and also has a direct influence on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout IMMOFINANZ to support the monitoring, evaluation and control of risks related to the operating business. Risk management in IMMOFINANZ takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions. The internal control system (ICS) has been optimised to support the early identification and monitoring of risk. A description of the ICS is provided in the management report.

Primary financial instruments reported under assets consist primarily of trade accounts receivable, financing receivables, loans and other receivables, real estate funds, current securities, miscellaneous other financial instruments and cash and cash equivalents. Primary financial instruments recorded under liabilities consist primarily of financial liabilities, liabilities arising from convertible bonds and trade liabilities.

Default/credit risk

Default and credit risks arise from the possibility that the counterparty to a transaction could fail to meet the related obligations, and the Group incurs financial damages as a result. The maximum credit risk represents the amounts reported under assets on the balance sheet and the amounts attributable to these risks. Default risk is reflected in appropriate valuation adjustments.

The most important instrument for managing default risk is the continuous evaluation of the credit standing of contract partners. In various development projects, IMMOFINANZ works together with local developers. This cooperation can represent a risk for the company if business partners are unable to meet their contractual obligations in full or on time. Appropriate contractual provisions – e.g. penalties or damage payments in cases where performance does not meet the contract terms – are used to address this risk. In addition, specific activities and goal attainment are monitored regularly by the asset management staff.

The risk of default on receivables due from tenants is generally low because tenants are regularly required to provide security deposits in the form of bank guarantees or cash deposits. Furthermore, the credit standing of tenants is monitored on a regular basis.

The default risk associated with receivables due from banks is also considered to be low because all financing transactions are concluded with financial institutions that have excellent credit ratings. The counterparty default risk is limited by continuous monitoring, fixed investment limits and the diversification of financial institutions.

Liquidity risk

Liquidity risks are minimised by the preparation of a medium-term forecast covering five years, an annual budget with monthly segmentation and monthly revolving liquidity reports that include variance analyses. Daily liquidity management ensures that all operating obligations can be met and funds can be optimally invested, and also gives the Group the necessary flexibility to realise short-term acquisition opportunities.

IMMOFINANZ also uses long-term financing that reflects the financial capability of the individual properties (interest coverage ratio and/or debt service coverage ratio) as well as their market value (loan-to-value ratio).

In order to prevent cost overruns and the resulting excess outflow of liquidity, IMMOFINANZ routinely monitors budgets and the progress of construction on all development projects and maintenance work.

Foreign exchange risk

IMMOFINANZ is exposed to various forms of foreign exchange risk in connection with its balance sheet and cash flows: fluctuations in foreign exchange rates can influence valuation results and also have an impact on the asset position of the company.

The risk of devaluation associated with foreign currency cash balances is offset by the rapid conversion of these funds into the Euro.

Interest rate risk

As an international company, IMMOFINANZ is exposed to the risk of interest rate fluctuations on various property submarkets. Changes in interest rates can have a negative impact on Group earnings by increasing the cost of floating rate financing.

In addition to financial liabilities, securities and other receivables – above all financing receivables (loans granted to third parties) – can be sensitive to interest rate changes. The financing receivables generally carry fixed interest rates, and the Group is therefore exposed to no risk or only limited risk from these items.

Capital management

The goal of IMMOFINANZ's management is to protect short-, medium- and long-term liquidity at all times. Interest rate hedging instruments such as caps and swaps are used to manage liquidity, above all when interest rates are low. The medium-term target calls for a balanced ratio of equity and debt, respectively an LTV (loan-to-value) ratio of 50.00%.

LEGAL DISPUTES

This section presents information, above all, on the status of legal proceedings based on events which occurred before 2009. These proceedings involve lawsuits filed by (former) shareholders, lawsuits related to the previous management contract with Constantia Privatbank Aktiengesellschaft (now: Aviso Zeta) and lawsuits concerning former members of the Executive Board. The reported values in dispute include, in part, identical items and can therefore not be added.

An assessment of the expected outcome of these proceedings indicates that appropriate provisions for legal disputes and the associated costs were recognised in the IMMOFINANZ consolidated financial statements. Information on the existing liabilities for IMMOFINANZ is provided in section 7.3.1 of the notes to the consolidated financial statements.

Legal proceedings with investors

IMMOFINANZ created legal certainty by settling nearly all of the proceedings with investors out of court during the reporting year. The value in dispute of the proceedings still pending as of 30 April 2016 was less than EUR 7 million and has declined further since that time.

Legal proceedings by shareholders against IMMOFINANZ and IMBEA

Shareholders of IMMOFINANZ and the former IMMOEAST (now IMBEA IMMOEAST Beteiligungsverwaltung GmbH, in short: IMBEA) filed claims against these two companies in earlier years and asserted claims for damages. The allegations concerned deficient prospectuses and the violation of ad-hoc reporting requirements. IMMOFINANZ and IMBEA denied these claims in all cases.

These legal proceedings have now been terminated, with only a few exceptions. IMMOFINANZ, IMBEA and Aviso Zeta reached a settlement of over EUR 60 million with the litigation funder Advofin and more than 3,000 represented investors. The claims originally filed in the cases represented by Advofin amounted to approx. EUR 217 million. Further settlements totalling nearly EUR 11 million were also reached with a group of roughly 1,230 investors, most of whom were covered by legal protection insurance.

Fourteen legal proceedings with a total value in dispute of approx. EUR 4 million were pending at the end of April 2016. Additional settlements were reached after the end of the reporting year and, at the end of June 2016, only six proceedings with a total value in dispute of approx. EUR 100,000 were still pending.

Legal proceedings by shareholders against investment consultants and Aviso Zeta

Between August 2008 and the end of 2011, shareholders of IMMOFINANZ and IMBEA filed lawsuits against Aviso Zeta (formerly Constantia Privatbank AG, now a wholly owned subsidiary of IMMOFINANZ) and AWD Gesellschaft für Wirtschaftsberatung GmbH (now Swiss Life Select Österreich GmbH). The investors had purchased IMMOFINANZ and IMMOEAST shares from these two companies and alleged, among others, incorrect investment advising, misleading advertising and the false depiction of IMMOFINANZ and the former IMMOEAST in public.

Most of these court proceedings have also been terminated. Eight proceedings against Aviso Zeta with a value in dispute of approx. EUR 1.6 million were still pending at the end of April 2016. Neither Swiss Life Select Österreich GmbH nor Aviso Zeta has filed regress claims against IMMOFINANZ or IMBEA to date.

Further legal proceedings against Aviso Zeta

Lawsuits were also filed against Aviso Zeta in a further 942 cases with a value in dispute of EUR 18.3 million, which involved securities brokerage (in particular, Lehman Brothers products with the designation 'Dragon FX Garant' and 'Real Estate Revival Garant'). The proceedings were concluded in 817 cases, whereby the lawsuits were allowed in only three cases. The 124 cases still pending have a total value in dispute of EUR 2.1 million; most of these proceedings are currently suspended because appeals filed with the Austrian Supreme Court are

currently pending in a limited number of cases following a decision on this general subject area by the Court of Justice of the European Union.

Proceedings against former members of corporate bodies

IMMOFINANZ and Aviso Zeta have filed lawsuits against a number of former members of the Executive Board and Supervisory Board who held office in the years prior to 2009.

In March 2011 IMMOFINANZ AG filed a lawsuit against three former members of the Executive Board and members of the Supervisory Board of the former Constantia Privatbank AG that involved option transactions to the detriment of the former IMMOEAST. The proceedings were suspended after the first hearing in September 2011 until a final binding decision is issued in the criminal proceedings against these former Executive and Supervisory Board members. Two of the three defendants in the civil proceedings have since been convicted in these criminal proceedings. The IMMOFINANZ Group was awarded EUR 11 million by the court. The first partial payments have already been received, and the civil proceedings have been resumed.

IMMOFINANZ filed a further lawsuit in September 2011 to enforce claims against a former member of the Executive Board and other persons in connection with payments made to third parties without justifiable grounds on the instructions of this former board member. These proceedings are currently pending in the first instance.

In 2013 IMMOFINANZ and IMBEA filed a lawsuit against a former member of the Executive Board for payment of EUR 10 million as compensation for damages. These proceedings are also currently pending in the first instance.

A lawsuit filed by a former Executive Board member in August 2011 to claim payment of remuneration for his duties on this corporate body for a period of roughly three months was terminated by settlement.

Proceedings to review the exchange ratio applied to the merger of IMMOEAST and IMMOFINANZ

The proceedings to review the exchange ratio applied to the merger of IMMOFINANZ AG and IMMOEAST AG in 2010 are still pending. The court-appointed expert completed his opinion during the reporting year and, in this opinion, basically confirmed the appropriateness of the valuation method used to determine the exchange ratio.

IMMOFINANZ, as the accepting company, was merged with IMMOEAST, as the transferring company, in accordance with a merger agreement dated 21 January 2010. In connection with this merger, the former shareholders of IMMOEAST were granted a total of 567,363,702 shares in IMMOFINANZ based on an agreed exchange ratio of three IMMOFINANZ shares for each two IMMOEAST shares. Petitions were subsequently filed with the commercial court of Vienna by the shareholders of the two companies for a review of this exchange ratio (§§ 225c ff of the Austrian Stock Corporation Act), which led to the start of court proceedings and the appointment of a committee. In April 2014 Hans Bodendorfer was designated by the committee to prepare an expert opinion that would determine whether the defined exchange ratio reflected the factual and legal situation and evaluate whether the applied valuation methods were plausible.

In his expert opinion dated 21 August 2015, Mr. Bodendorfer confirmed the appropriateness of the exchange ratio based on the underlying net asset value method (NAV valuation): "According to the plausibility assessment, the determination of the exchange ratio, in all probability, reflects the factual and legal situation". However, the expert sees an inconsistency related to the discount rate based on a plausibility assessment of the exchange ratio according to the capitalised income method (DCF method). He indicated that the elimination of this inconsistency, with all other conditions remaining unchanged, would have resulted in a lower exchange ratio in favour of IMMOFINANZ shareholders. Statements issued by IMMOFINANZ substantiate the priority of the NAV valuation and indicate that the DCF method was also applied correctly and consistently. The committee has not yet issued any information on the further steps in these proceedings.

Decisions or settlements in these proceedings will apply to all shareholders in the respective shareholder groups (erga omnes right). If the proceedings lead to additional payments, the shareholders in the disadvantaged shareholder group will receive these payments plus interest at a rate of 2% over the base interest rate on the registration date (28 April 2010). However, IMMOFINANZ has requested permission to grant additional IMMOFINANZ shares in place of cash settlements.

It is currently not possible to estimate whether a specific shareholder group will be granted additional payments or what the amount of these payments might be.

Other legal disputes

In specific East European countries, legal uncertainty could arise in connection with land ownership.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED AND JOINTLY CONTROLLED ENTITIES

Shares in subsidiaries and associated and jointly controlled entities comprise the following:

Company	Balance sheet date	Share owned	Equity as of 30 April 2016		Profit / loss for the year	
IMBEA IMMOEAST Beteiligungsverwaltung GmbH, Vienna	30 April 2015	100%	3,653,746,366.48	EUR	168,204,664.52	EUR
IMMOWEST Immobilien Anlagen GmbH, Vienna	30 April 2015	100%	212,184,836.40	EUR	42,104,203.32	EUR
BUWOG AG, Vienna	30 April 2015	28.61%	1,414,810,038.03	EUR	125,890,046.11	EUR
EHL Immobilien GmbH, Vienna	31 December 2015	49%	4,167,865.14	EUR	4,046,865.14	EUR
GENA NEUN Beteiligungsverwaltung GmbH (formerly: BVOGDONTAENNEA Beteiligungsverwaltung GmbH), Vienna	31 December 2015	100%	6,359.36	EUR	-3,640.64	EUR
Immoeast Acquisition & Management GmbH, Vienna	30 April 2015	100%	281,857.40	EUR	122,712.43	EUR

AVERAGE NUMBER OF EMPLOYEES

	30 April 2016	30 April 2015
Salaries employees	247	260
Total	247	260

OBLIGATIONS ARISING FROM THE USE OF TANGIBLE ASSETS NOT SHOWN ON THE BALANCE SHEET

	30 April 2016 EUR	30 April 2015 TEUR
Obligations for the next financial year	2,522,458.42	2,298
Obligations for the next five financial years	8,975,650.59	2,704

CORPORATE BODIES

The corporate bodies of IMMOFINANZ AG are:

EXECUTIVE BOARD:

Oliver Schumy – Chief Executive Officer (appointed as of 1 March 2015; CEO as of 1 May 2015)
 Birgit Noggler – Chief Financial Officer (appointed as of 1 October 2011 up to 19 February 2016)
 Dietmar Reindl – Chief Operating Officer (appointed as of 1 May 2014)
 Stefan Schönauer – Chief Financial Officer (appointed as of 11 March 2016)

The members of the Executive Board received remuneration of EUR 2.22 million in 2015/16 (2014/15: EUR 4.95 million). Contributions of EUR 34,013.56 (2014/15: TEUR 74.50) were made to the employee severance compensation fund and EUR 215,026.91 (2014/15: TEUR 137.6) to the pension fund. Termination benefits of EUR 791,861.83 were paid out during the reporting year.

SUPERVISORY BOARD:

Michael Knap – Chairman
Rudolf Fries – Vice-Chairman
Christian Böhm – Member
Nick J.M. van Ommen – Member
Horst Populorum – Member
Wolfgang Schischek – Member

The Works Council of IMMOFINANZ AG delegated the following persons to the Supervisory Board:

Mark Anthony Held
Philipp Amadeus Obermair
Carmen Balazs

Vienna, 26 July 2016

The Executive Board of IMMOFINANZ AG

Oliver Schumy m.p.
 CEO

Stefan Schönauer m.p.
 CFO

Dietmar Reindl m.p.
 COO

Development of Non-current Assets in acc. with § 226 (1) of the Austrian Commercial Code

Amounts in EUR	Acquisition or production cost					Balance on 30 April 2016
	Balance on 1 May 2015	Additions	Disposals	Reclassification		
1. Trademarks and software	1,470,469.18	174,327.39	0.00	0.00		1,644,796.57
Intangible assets	1,470,469.18	174,327.39	0.00	0.00	0.00	1,644,796.57
1. Buildings on land owned by third parties	1,762,050.50	0.00	0.00	0.00		1,762,050.50
2. Furniture, fixtures and office equipment	1,724,299.25	132,667.03	77,073.20	0.00		1,779,893.08
Tangible assets	3,486,349.75	132,667.03	77,073.20	0.00	0.00	3,541,943.58
1. Investments in subsidiaries	5,547,322,914.26	8,503,869.73	0.00	0.00		5,555,826,783.99
2. Investments in associated and jointly controlled entities	702,018,847.69	0.00	313,594,808.90	0.00		388,424,038.79
3. Non-current securities (rights)	4,548,013.76	9,904,085.00	13,451,399.50	0.00		1,000,699.26
4. Treasury shares	0.00	960.63	960.63	0.00		0.00
Financial assets	6,253,889,775.71	18,408,915.36	327,047,169.03	0.00	0.00	5,945,251,522.04
Total non-current assets	6,258,846,594.64	18,715,909.78	327,124,242.23	0.00	0.00	5,950,438,262.19

Amounts in EUR	Accumulated depr./amort.	Carrying amount		Depr./Amort./ Impairment losses current year	Revaluations current year
		30 April 2016	30 April 2015		
1. Trademarks and software	1,359,050.72	285,745.85	421,340.86	309,922.40	0.00
Intangible assets	1,359,050.72	285,745.85	421,340.86	309,922.40	0.00
1. Buildings on land owned by third parties	871,330.19	890,720.31	1,071,883.66	181,163.35	0.00
2. Furniture, fixtures and office equipment	1,244,707.36	535,185.72	734,238.58	325,939.37	0.00
Tangible assets	2,116,037.55	1,425,906.03	1,806,122.24	507,102.72	0.00
1. Investments in subsidiaries	2,041,820,899.99	3,514,005,884.00	4,537,603,830.00	1,032,101,815.73	0.00
2. Investments in associated and jointly controlled entities	0.00	388,424,038.79	702,018,847.69	0.00	0.00
3. Non-current securities (rights)	0.00	1,000,699.26	4,546,711.76	0.00	0.00
4. Treasury shares	0.00	0.00	0.00	0.00	0.00
Financial assets	2,041,820,899.99	3,903,430,622.05	5,244,169,389.45	1,032,101,815.73	0.00
Total non-current assets	2,045,295,988.26	3,905,142,273.93	5,246,396,852.55	1,032,918,840.85	0.00

Management Report for the 2015/16 Financial Year

A. ALLGEMEINES

IMMOFINANZ AG is the largest listed property company in Austria. Its headquarters are located at 1100 Vienna, Wienerbergstrasse 11. IMMOFINANZ AG is the parent company of the IMMOFINANZ Group whose business activities cover the rental, development, acquisition and best possible commercial utilisation of properties.

IMMOFINANZ is listed in the ATX index (ISIN AT 0000809058) of the Vienna Stock Exchange and is also traded on the Warsaw Stock Exchange. As of 30 April 2016, the company had 975,955,651 zero par value, voting shares outstanding. Market capitalisation amounted to approx. EUR 2.01 billion at the end of the 2015/16 financial year based on a closing price of EUR 2.06 as of 30 April 2016. IMMOFINANZ shares are held primarily in free float. The largest single shareholders are the Fries Group with 7.2% (69,781,813 shares), CA Immo (through PHI Finanzbeteiligungs und Investment GmbH) with 5.6% (54,805,566 shares), O1 Group (through EG Immobilien Europe) with 4.4% (42,800,000 shares) and Erste Asset Management with 4% (39,072,110 shares).

B. BUSINESS ACTIVITIES

IMMOFINANZ is a commercial real estate company whose business activities are focused on the retail and office sectors in eight core European markets: Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Moscow. The core business of IMMOFINANZ covers the management and development of properties. The company owns real estate assets totalling approx. EUR 5.5 billion which are distributed among more than 380 properties. In the office sector, the company's activities are concentrated on the capital cities of the core countries and on the largest office locations ("Big 7" cities) in Germany. The expansion of the retail portfolio is focused on the STOP SHOP and VIVO! brands, which are designed primarily for secondary and tertiary cities. The company's goal is to create a high-quality, profitable portfolio of commercial properties.

IMMOFINANZ shares are traded on the stock exchanges in Vienna (leading ATX index) and Warsaw.

C. BUSINESS DEVELOPMENT

Asset position

The assets held by IMMOFINANZ AG consist primarily of financial assets, receivables due from subsidiaries and marketable securities. The balance sheet total amounted to EUR 4,395,161,605.57 as of 30 April 2016 and declined by EUR 2,131,887,375.96 year-on-year. This change resulted, above all, from the sale of BUWOG shares, impairment losses to investments, the offset of intragroup receivables and liabilities and the repurchase of the exchangeable bond. The equity ratio equalled 61.93% (2014/15: 59.22%).

Earnings position

Results for 2015/16 show a loss of EUR -1,142,929,610.65 (2014/15: TEUR -462,834). It resulted chiefly from the repurchase of the exchangeable bond 2014–2019 and the recognition of impairment losses to shares in subsidiaries.

Financial position

Cash and cash equivalents declined by TEUR -12,202 year-on-year (2014/15: increase of TEUR 25,340). Net cash flow from operating activities amounted to TEUR -65,555 (2014/15: TEUR 27,208). Net cash flow from investing activities totalled TEUR 483,805 (2014/15: TEUR 56,420). Net cash flow from financing activities equalled TEUR -430,453 (2014/15: TEUR -58,287) and was based, above all, on the repayment of the corporate bond and the payment of liabilities due to subsidiaries.

	2015/16 in TEUR	Prior year in TEUR
Net cash flow from operating activities		
Loss for the year	-1,142,930	-462,834
Depreciation and amortisation	817	943
Impairment charges to financial assets	1,032,102	452,746
Gain on the disposal of tangible and intangible assets	6	0
Loss/gain on the disposal of financial assets	-31,855	1,065
Change in valuation adjustments to receivables	34,818	22,274
Non-cash interest income and expenses	34,633	13,121
Change in receivables	43,372	-28,107
Change in liabilities	-10,814	24,997
Change in provisions	-25,740	3,686
Change in prepaid expenses and deferred charges	36	-684
Operating cash flow	-65,555	27,208
Net cash flow from investing activities		
Investments in tangible and intangible assets	-307	-588
Investments in financial assets	-18,408	-14,177
Loans receivable	172,121	71,185
Repurchase of convertible bonds	0	260,000
Investments in convertible bonds	0	-260,000
Proceeds from the disposal of financial assets	330,400	0
Total	483,805	56,420
Net cash flow from financing activities		
Increase/decrease in borrowings from financial institutions and bonds	-358,049	209,924
Other bonds	1,510	43
Loans payable	-73,913	-268,254
Total	-430,453	-58,287
Cash change in cash and cash equivalents	-12,202	25,340
Change in cash and cash equivalents		
Balance at the beginning of the period	26,695	1,355
Balance at the end of the period	14,493	26,695
Total	-12,202	25,340

Non-financial performance indicators

The number of standing investments indirectly owned by IMMOFINANZ fell from 330 to 267 during the reporting year. This decline resulted primarily from the sale of the logistics portfolio. These transactions reduced the rentable space in the standing investment portfolio from 3,279 million sqm to 2,242 million sqm.

D. SUBSEQUENT EVENTS

IMMOFINANZ purchased approx. 25.7 million bearer shares of CA Immobilien Anlagen Aktiengesellschaft (CA Immo) from the Cypriot Terim Limited and four registered shares with restricted transferability of CA Immo from the Cypriot O1 Group Limited through a purchase contract dated 17 April 2016. The transaction is subject to various conditions precedent – above all the release by antitrust authorities in Austria, Germany and other jurisdictions. The closing is expected to take place in the second quarter of the abbreviated 2016 financial year. The acquisition of this block of shares represents a first step towards the planned full combination of the two companies through a merger.

On 9 June 2016, IMMOFINANZ sold approx. 18.5 million BUWOG shares to the SAPINDA Group, which maintains its registered offices in Amsterdam, London and Luxembourg. The transaction closed in July 2016. The final sale price equalled EUR 19.35 per share and resulted a total price of EUR 358.7 million. The remaining approx. 10 million BUWOG shares – which represent an investment of 9.98% – are reserved for the possible (proportional) servicing of the convertible bonds issues by IMMOFINANZ. The de-domination agreement concluded by IMMOFINANZ AG and BUWOG AG in 2013/14 will end in the near future.

E. INFORMATION ON EQUITY

The share capital of IMMOFINANZ AG totalled EUR 975,955,651.00 as of 30 April 2016 (2014/15: EUR 1,114,171,813.16). It is divided into 975,955,651 zero par value shares with voting rights (2014/15: 1,073,193,688), each of which represents a proportional share of EUR 1.00 (2014/15: EUR 1.04) in share capital. The number of shares declined in 2015/16 due to the withdrawal of 97,238,037 treasury shares in February 2016.

The annual general meeting on 1 December 2015 approved a reduction in share capital to smooth the proportional amount of share capital attributable to each share to EUR 1.00. The amount of share capital now represents the number of shares.

Information on the convertible bonds issued by IMMOFINANZ AG is provided in the section on liabilities/convertible bonds in the notes to the individual financial statements.

CHANGE OF CONTROL

Convertible bonds

The issue terms of the convertible bond 2017 and the convertible bond 2018 entitle the bondholders to put some or all of the securities not yet converted or redeemed in the event of a change of control. In such case, IMMOFINANZ AG must redeem the tendered securities at the nominal value plus accrued interest as of the respective date. Details on these provisions are provided in the terms of issue for convertible bonds 2017 and 2018.

Convertible bond 2017

If there is a change of control and this change significantly impairs the ability of IMMOFINANZ AG to meet its obligations under the terms of this corporate bond, the bondholders are entitled to put their certificates to the company and to demand immediate repayment of the nominal amount plus accrued interest up to the repayment date.

Executive Board and Supervisory Board

The employment agreements with the members of the Executive Board contain a change of control clause that may lead to the cancellation of a contract. The company and the members of the Executive Board have concluded compensation agreements that will take effect in the event of a public takeover bid. Depending on the remaining term of the Executive Board member, the respective contract entitlement will equal one or two years at most.

There are no such agreements for the members of the Supervisory Board or for employees.

The company has no other significant agreements which enter into force, change or terminate in the event of a change of control that results from a takeover bid.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION, BOARD APPOINTMENTS AND DISMISSALS

In accordance with § 21 of the articles of association of IMMOFINANZ AG, the annual general meeting passes its resolutions based on a simple majority of the votes cast and, for resolutions that require a majority of capital, based on a simple majority of the share capital represented at the time of voting, unless legal regulations require a different majority. The same applies to amendments to the articles of association and to the premature dismissal of members from the Supervisory Board.

In accordance with the articles of association of IMMOFINANZ AG, the person chairing the respective meeting will cast the deciding vote in the event of a tie in voting on the Supervisory Board. This also applies to the election to and dismissal of members from the Executive Board.

The corporate governance report included in this annual report is available on the company's website under www.immofinanz.com/en/investor-relations/financialreports.

Significant holdings

Based on information reported to the company, the following investors held over four per cent of share capital at year-end 2015/16:

Fries Group (Fries-Kapitalinvest Beteiligungs GmbH and members of the Fries family): 7.15%

PHI Finanzbeteiligungs und Investment GmbH (attributable to CA Immobilien Anlagen AG) together with EG Immobilien Europe Ltd. (attributable to O1 Group): 10.01%

Erste Asset Management GmbH together with ERSTE-SPARINVEST Kapitalanlagegesellschaft.m.b.H. and RINGTURM Kapitalanlagegesellschaft.m.b.H.: 4.003% (as of 29 June 2016)

F. RESEARCH AND DEVELOPMENT

IMMOFINANZ does not incur any expenses for research and development.

G. BRANCH OFFICES

IMMOFINANZ has no branch offices.

H. FINANCIAL INSTRUMENTS AND RISK REPORTING

RISK MANAGEMENT

As an international property investor and project developer, IMMOFINANZ is exposed to a variety of general and branch-specific risks in its business operations. The risk management process implemented by the Group provides a sound basis for the timely identification of potential risks and the assessment of the potential consequences.

Based on the hedging and management instruments currently in use, no material risks can be identified at the present time that could endanger the company's continued existence. An overall evaluation of the risk situation for 2015/16 and the beginning of the abbreviated 2016 financial year shows no material changes.

IMMOFINANZ has anchored the procedures for handling risk in a risk management system, which is integrated in business practices and reporting paths and has a direct influence on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout the entire company and are optimised continuously to support the monitoring, evaluation and control of risks related to the operating business. Risk management takes place at all levels and is ultimately the responsibility of the Executive Board, which is involved in all risk-related decisions.

Internal control system

IMMOFINANZ's internal control system (ICS) comprises a wide range of measures and processes to protect assets and to ensure the accuracy and reliability of accounting. The goal of the ICS is to prevent or identify errors and therefore allow for early correction. The ICS also supports compliance with the major legal directives and the business policies defined by the Executive Board.

The ICS is integrated in individual process flows. The key features of the ICS in accounting processes are the appropriate segregation of duties, the application of the four-eyes principle in all order and invoice release procedures, compliance with internal guidelines (e.g. IMMOFINANZ's IFRS accounting manual), the review of accounting data by Group controlling for correctness, plausibility and completeness, the integration of preventive and informative controls in processes as well as the automation of key controls through specific software settings.

Monitoring by internal audit

Internal audit is responsible for the independent review of the effectiveness of the ICS and, in this way, contributes to its quality control. This department also evaluates the effectiveness of risk management and supports its continuous improvement. Based on an annual audit plan approved by the Supervisory Board, the internal audit department independently and regularly reviews operating processes and business transactions. The priorities for this schedule are defined in accordance with risk criteria and organisational goals.

The results of the audits are reported to the IMMOFINANZ Executive Board on a regular basis and to the Supervisory Board twice each year. As part of an annual report, the internal audit department gives an account of its performance and presents a summary of the major audit areas and results.

The following section presents the risk areas that are considered significant for IMMOFINANZ and also explains the measures implemented to manage the related individual risks. Financial risk factors are described in section 8.2 of the notes to the consolidated financial statements.

STRATEGIC RISKS

Market and property-specific risks

The development of the real estate markets is dependent on cyclical and macroeconomic factors. The related risks involve events on the global financial and capital markets as well as political, micro- and macroeconomic issues in the countries where IMMOFINANZ is active. These factors can have a significant effect on the market value of properties, earnings and development plans as well as investment and sales activities.

Concentration risk and the risk associated with the property portfolio are addressed through the diversification of property investments by sector and region. IMMOFINANZ focuses on two commercial assets classes – office and retail – in eight core markets. The capital cities of Central and Eastern Europe and the major office markets in Germany represent the main focal points for these business activities. In the retail sector, IMMOFINANZ is present in Moscow and primarily in secondary and tertiary cities.

Russia is associated with specific concentration risks: 20.4% of IMMOFINANZ's investment property is attributable to retail properties in Moscow. With the *Golden Babylon Rostokino* shopping center in Moscow, IMMOFINANZ has a single investment which represents more than 14% of investment property.

In addition to the diversification of the portfolio by sector and region, the diversification of the tenant structure is another important factor. IMMOFINANZ has a very balanced and diversified tenant mix.

Rentals

There is a strong relation between risk associated with rentals and the general economic climate in the individual countries. Growing economic weakness can lead to lower demand by tenants for space and/or to the non-extension of rental contracts and an increase in vacancies.

Intense competitive – for example, in the form of numerous project completions – can increase the pressure on rental prices and make it necessary to accept lower-than-expected rental prices. In addition, the reduction of rents or higher financial incentives to achieve contract extensions can lead to a decline in earnings. IMMOFINANZ therefore monitors occupancy rates continuously and, through proactive rental management, works to achieve an increase in the occupancy rate for the entire portfolio. The most important risk-reducing measures for rentals include rules governing the responsibilities for contract conclusions and the approval of rental agreements, the definition of the contract currency and regular variance analyses.

In order to minimise inflation risk, IMMOFINANZ includes index clauses in its standard rental contracts.

The market value of a property is negatively affected when expiring rental contracts cannot be extended at favourable conditions. IMMOFINANZ could also come under pressure to grant rental price reductions to maximise occupancy rates, especially in times of economic and political uncertainty (Russia). Group guidelines require credit evaluations for future tenants and the payment of security deposits. However, it cannot be excluded that a tenant becomes insolvent or is unable to meet his or her obligations under the rental agreement.

IMMOFINANZ continued to grant temporary reductions or fixed exchange rates to the tenants in its Moscow shopping centers during 2015/16 in view of the difficult economic situation. These measures were reflected in a 39.7% decline in rental income to EUR 82.2 million. The occupancy rate in these properties equalled 81.9% at the end of April 2016.

Project development

Development projects involve risks that can lead to schedule and construction cost overruns as well as risks related to rentals. Scheduling risks can include delays in the procedures required to obtain zoning and construction permits or loans, problems with general contractors or subcontractors, construction defects and a lack of demand for rental space due to prevailing market conditions or unexpected events. Delays during the construction or initial rental phase can also have a negative effect on rental income.

IMMOFINANZ minimises these risks with strict project organisation, regular cost, quality and schedule controls, variance analysis and – if possible – minimum pre-letting rates. Internal procurement guidelines support the reduction of cost-related risks. The development projects currently under realisation by IMMOFINANZ (property under construction) have a combined carrying amount of EUR 410.0 million (2014/15: EUR 609.0 million). The outstanding construction costs for real estate inventories (construction of condominium apartments) totalled EUR 74.0 million as of 30 April 2016 (carrying amount as of 30 April 2016: EUR 112.1 million).

Property acquisitions and sales

In the course of its portfolio optimisation, IMMOFINANZ buys and sells standing investments and development projects. These transactions are heavily dependent on the liquidity of the property investment markets. The development of these markets remained positive in 2015/16, with the exception of Russia, and was reflected in the increasing attractiveness of real estate as an investment alternative for investors.

IMMOFINANZ carries out market analyses before every transaction. Acquisitions are also accompanied by legal, economic and technical due diligence reviews, which include external experts where required. Market changes are included in the analysis of the property portfolio and have a substantial influence on the planning for investments, sales and projects and, in turn, also on corporate planning for the medium-term.

The focal point of the portfolio can change as a result of acquisitions or sales, as is illustrated by the sale of the logistics portfolio in 2015/16. IMMOFINANZ's portfolio optimisation now follows the strategic focus on the office and retail asset classes. In addition, acquisitions and sales are used to improve the portfolio's profitability.

Property valuation

The IMMOFINANZ properties are appraised twice each year by external experts. Property valuation follows general branch practices and is based on the fair value model. The resulting values are heavily dependent on the general economic environment, the calculation method used and the underlying assumptions. In addition to the expected rental income, the condition of the property and the historical occupancy rate, the appraisers must also take other factors into account, such as market prices, future investment costs, property taxes and operating expenses.

A change in these assumptions can lead to significant fluctuations in value. Substantial impairment losses can have a negative influence on Group earnings and subsequently on equity, which can also influence the company's share price and credit standing. Consequently, many of the factors that can result in negative developments lie outside IMMOFINANZ's scope of influence.

The foreign exchange-adjusted revaluation of investments properties amounted to EUR -545.0 million as of 30 April 2016 (2014/15: EUR -317.3 million). Of this total, EUR -469.8 million is attributable to the Russian portfolio and was based primarily on the temporary rental reductions, an increase in the fixed exchange rates for tenants and more cautious estimates by the appraisers for the development of realisable market rents in the near future.

OTHER RISKS

Legal risks

IMMOFINANZ is exposed to a variety of legal risks in connection with its business activities. Included here are risks related to the purchase or sale of properties and land as well as legal disputes with investors and tenants or joint venture and development partners. Appropriate provisions were recognised for the legal proceedings currently in progress. However, settlements or decisions by the courts or public authorities could result in costs that are not covered in full or in part by insurance or existing provisions. These expenses could have an impact on the earnings recorded by IMMOFINANZ.

In 2015/16 IMMOFINANZ concluded out-of-court settlements for most of the legal proceedings initiated by investors prior to 2009 and created legal security for the Group. A description of the most important legal proceedings can be found in the chapter on legal disputes in the notes to the consolidated financial statements.

Compliance

IMMOFINANZ has issued a compliance guideline to ensure the fulfilment of capital market obligations. This guideline covers, among others, the compliance organisation as well as the powers and responsibilities of the independent compliance officer. Confidentiality areas – both continuous and temporary – are installed as required, and blocking periods and trading bans are defined for the persons working in these areas.

Environment

Extreme weather conditions and natural disasters, such as storms and hail, flooding and earthquakes, can cause severe damage to properties. Damages can also result from man-made disasters or events such as the contamination of sites or from pollutants or war materials.

In order to provide protection against the major damages arising from these risks, IMMOFINANZ arranges for insurance at the corporate or property level. The insurance policies for standing investments or construction projects provide full or partial coverage for destruction or damage to buildings or parts of buildings, for damages to third parties (liability) and, in some cases, also for the possible loss of rents.

The scope of this insurance coverage is evaluated regularly based on risk, cost and availability. However, there is still a possibility that this insurance does not cover certain risks in full or in part. In 2015/16 IMMOFINANZ was not confronted with any material damage events arising from environmental risks or from inadequate or non-existent insurance coverage.

Taxes

Due to its widespread geographical diversification, IMMOFINANZ is subject to numerous national tax systems that undergo continuous changes, for example with respect to taxes on property, revenue or income. These changes can lead to unscheduled tax effects and therefore represent a risk for earnings. Appropriate provisions have been recognised for the identified risks arising from tax audits, fiscal court proceedings or extrajudicial proceedings.

Human resources

IMMOFINANZ needs qualified, motivated and performance-oriented employees at all levels to provide the services required for its business operations. In order to hire and retain key managers over the long-term, the company supports the development of human resources and has implemented appropriate remuneration schemes.

Information security

Data processing systems and modern communications media are used to support the company's business operations. The temporary or partial breakdown of these technical systems or unauthorised data access or manipulation could disrupt business activities, cause additional costs and damage the IMMOFINANZ's reputation.

The risk of a breakdown in the central data processing system is limited by redundant, synchronised connections to a back-up facility at a separate location and by preventive and testing measures that are carried out at regular intervals to evaluate plausibility and timeliness. IMMOFINANZ addresses IT security risks with a Group-wide information security strategy, the continuous updating of security standards and regular training for its employees.

Investments

Following the spin-off of the majority investment and the successful listing of the former BUWOG residential property subsidiary at the end of the 2013/14 financial year, IMMOFINANZ held an investment of approx. 28.6% in BUWOG as of 30 April 2016. The sale of the remaining freely available BUWOG shares to a strategic investor after the end of the reporting year reduced the BUWOG investment to 9.98%. These roughly 10 million BUWOG shares are reserved for the proportional servicing of the convertible bonds issued by IMMOFINANZ. As a real estate investor and developer, BUWOG is exposed to the full range of risks arising from the acquisition, development, management and sale of properties.

BUWOG recorded solid operating development in the first nine months of the 2015/16 financial year and – as in previous years – met its major earnings and asset targets. The EPRA- NAV per share rose to EUR 19.21 as of 31 January 2016 (30 April 2015: EUR 17.79).

The BUWOG share is listed in the prime segment of the Vienna Stock Exchange and is exposed to market price risks.

I. OUTLOOK

Following the sale of the logistics portfolio, IMMOFINANZ has successfully established a position as a commercial real estate company with a focus on the office and retail asset classes. Activities in the 2016 abbreviated financial year will therefore focus on the further optimisation of the portfolio structure within these two sectors and on value-creating growth to strengthen the standing investments.

With its robust balance sheet and available liquidity, IMMOFINANZ can continue to make use of suitable investment opportunities. These can take the form of development projects as well as the acquisition of standing investments.

The optimisation of property management and expenditures to upgrade the standing investments supported an increase in occupancy during the past year, above all in the office portfolio. This course will be continued in 2016, whereby the objectives include a further increase in the occupancy level and a steady improvement in the offering for tenants. In the retail sector, the VIVO! brand will be rolled out to existing shopping centers. Plans for the office sector include the introduction and establishment of a new brand. A like-for-like analysis shows that rents should remain stable across the entire portfolio, with the exception of Russia.

The deterioration of economic conditions in Russia led to a noticeable decline in rental income from the Moscow shopping centers and in IMMOFINANZ's revaluation results for 2015/16. Estimates for the future development of the Russian economy are still connected with considerable uncertainty. Therefore, the temporary reductions and fixed exchange rates for the tenants in the Moscow properties can be expected to continue at least through year-end 2016.

The acquisition of approx. 26% of CA Immobilien Anlagen AG by IMMOFINANZ represents the first step towards the planned full merger of these companies. After the closing for the purchase of the shares in CA Immo, the two companies will begin negotiations over the merger. The portfolios of these companies complement each other extremely well, and the transaction is therefore expected to result in substantial value-creating synergies. IMMOFINANZ intends to spin off or sell its Russian portfolio, which is characterised by different market dynamics and a higher risk profile, prior to the merger.

On the capital market, IMMOFINANZ is returning to its standing as a sustainable equity security. The Executive Board will therefore make a recommendation to the 23rd annual general meeting, calling for a dividend of six Euro cents per share for the 2015/16 financial year. A dividend of six Euro cents per share will also be proposed for the current eight-month abbreviated financial year, which will end on 31 December 2016.

This outlook reflects the Executive Board's assessments as of 26 July 2016 and does not include the effects of possible acquisitions, sales or other structural changes during the 2016 abbreviated financial year. Forward-looking statements are subject to identified as well unidentified risks and uncertainties, which could cause actual results to differ from the statements made here.

Significant events after the end of the 2015/16 financial year are reported in section 7.7 of the notes to the consolidated financial statements.

Vienna, 26 July 2016

The Executive Board of IMMOFINANZ AG

Oliver Schumy m.p.
CEO

Stefan Schönauer m.p.
CFO

Dietmar Reindl m.p.
COO

Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of IMMOFINANZ AG, Vienna, for the fiscal year from May 1, 2015 to April 30, 2016. These financial statements comprise the balance sheet as of April 30, 2016, the income statement for the fiscal year ended April 30, 2016, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of April 30, 2016 and of its financial performance for the fiscal year from May 1, 2015 to April 30, 2016 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 26 July 2016

Mag. Friedrich Wiesmüller
(Austrian) Certified Public Accountant

Mag. Nikolaus Schaffer
(Austrian) Certified Public Accountant

Deloitte Audit Wirtschaftsprüfungs GmbH

Glossary

Abbreviated financial year

A financial year that covers a period of less than 12 months. It generally represents an adjustment phase between two full financial years during a change in the balance sheet date

Ad-hoc announcement

Corporate announcements that could influence the share price. These announcements are published by stock corporations in the form of ad-hoc press releases as required by 48d of the Austrian Stock Corporation Act and are designed to ensure that all market participants are provided with the same information

ADR programme

An American Depositary Receipt is a share certificate issued by an American depository bank, which represents a certain number of shares in a foreign company and is traded independently on the US capital market

Annualised rents

Projection of rental income for a specific period to total rental income for the year

Asset class

Classification categories for real estate based on the use of the property. IMMOFINANZ differentiates between the office, retail and other assets classes

Asset management

Asset management covers the administration, rental and maintenance of standing investments

ATX

Austria Traded Index, the leading index of the Vienna Stock Exchange

Austrian Commercial Code

The commercial (legal) code applicable to companies in Austria

Benchmark

A comparative analysis, e.g. of companies or shares

bp

Basis point; a unit equal to one hundredth of a percentage point

BREEAM

The BRE Environmental Assessment Method is a certification method for buildings that concentrates on ecological aspects

Cap

Agreed upper limit for the interest rate on a floating interest rate loan

Carrying amount

The value of an asset or a liability as reported on the balance sheet

Cash flow

This indicator represents the inflows and outflows of cash and cash equivalents during a reporting period

CEE

Central and Eastern Europe

Center Management

Coordination office for shopping centers that provides services for tenants and owners' representatives

Change of control clause

A contractual provision that regulates specific claims by parties (e.g. Executive Board members) if there is a change in the ownership of a company

Closing price

The final trading price for a security at the end of a specific period

Compliance rules

Compliance rules are issued to ensure conformity with legal, regulatory and voluntary regulations

Comply or explain

A category of rules in the Austrian Corporate Governance Code. Any deviation from these "C-Rules" must be explained and justified to achieve compliance with the code

Contingent liability

An obligation whose existence or amount is uncertain on the balance sheet date

Convertible bond

A financial instrument that creates a financial liability for the issuing company and gives the holder the right to convert the bond into a fixed number of common shares in the company

Corporate bond

An interest-bearing security issued by a company

Corporate governance

Corporate governance is the general term for a variety of policies and practices (e.g. management and control) in companies or other organisations

Corporate Social Responsibility (CSR)

A voluntary contribution to sustainable development which exceeds legal minimum requirements (compliance), for example by companies and other members of society

Cost model

A method to account for investment properties, which is based on the respective acquisition or production cost less accumulated depreciation (also see fair value model and IAS 40)

Coupon

A certificate that entitles the holder to receive dividends or interest

Debt Service Coverage Ratio

An indicator that compares income to interest and principle payments

De-domination agreement

IMMOFINANZ relinquished the entrepreneurial management of BUWOG AG with the spin-off and concluded a de-domination agreement for this purpose. This contract limits the exercise of voting rights from the BUWOG shares by IMMOFINANZ and protects the independence of the BUWOG Group

Deferred taxes

A balance sheet position resulting from the valuation differences on taxes between the financial statements prepared under IFRS and the financial statements prepared for tax purposes

Development project (property)

A property built or developed by the company

Discount rate

The interest rate used to discount future cash flows; also see discounted cash flow method

Discounted cash flow method

See the notes to the consolidated financial statements

Diversification

Distribution of real estate investments over various types of use and geographical regions in order to minimise risk

Dividend

A distribution of profit by the company to its shareholders

DNGB

German Sustainable Building Council (Deutsche Gesellschaft für nachhaltiges Bauen)

D&O (Directors & Officers) insurance

Asset damage-liability insurance that is concluded by a company for its corporate bodies and key employees

Earnings per share (EPS)

Net profit for the period divided by the weighted number of shares outstanding

Earnings per share (diluted)

Group net profit divided by the weighted number of shares outstanding, which also includes all potential conversions (e.g. from convertible bonds or stock options)

EBIT

Earnings before interest and tax

EBT

Earnings before tax

EPRA

European Public Real Estate Association; the association of listed real estate companies in Europe

EPRA Best Practice Policy Recommendations

Recommendations made by the EPRA to increase transparency

EPRA/NAREIT Developed Europe Index

EPRA stock index category

EPRA/NAREIT Emerging Europe Index

EPRA stock index category

Equity

The amount of a company's assets that remains after the deduction of liabilities

Equity consolidation (equity method)

A method to account for the carrying amount of certain investments in the consolidated financial statements of the parent company that holds voting capital in another company. See the notes to the consolidated financial statements

EuroStat

Statistical office of the European Union

Exchangeable bond

In contrast to a convertible bond (see above), an exchangeable bond does not entitle the bondholder to exchange the instrument for shares of the issuing company but for shares of another company

Fair value

The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing and independent business partners

Fair value method

Approach for the valuation of assets (including real estate); it is based on the actual price that could be realised on the market

FRICS

Fellow of the Royal Institution of Chartered Surveyors; the title held by the members of a British association of real estate experts

Full consolidation

A consolidation method under which the assets and liabilities of a subsidiary are included in the consolidated financial statements at 100%

FX effects

Foreign exchange effects; all financial effects resulting from exchange rate differences

Gearing

An indicator that measures the ratio of a company's debt to its equity (financial liabilities less cash and cash equivalents divided by equity)

Green Building

A certification system for commercial properties which was introduced by the EU Commission

Gross return on a property

Annual gross return on a property, based on its carrying amount

IAS

International Accounting Standards see also IFRS

IAS 40

The International Accounting Standard that regulates the accounting treatment and valuation of investment properties; it includes an option that allows companies to choose between the fair value model and the cost model (see also Fair value method and Cost model)

IATX

Branch index for property stocks in the ATX

ICS

Internal Control System

IFRIC

International Financial Reporting Interpretations Committee; subgroup of the International Accounting Standards Committee Foundation (IASCF) that deals with the interpretation of IFRSs and IASs

IFRS

International Financial Reporting Standards

Interest Coverage Ratio

Indicator that shows the ratio of a company's earnings to its interest payments

Investment property

See the notes to the consolidated financial statements

ISIN

International Security Identification Number

IVA

Austrian Shareholder Association (Österreichischer Interessenverband für Anleger)

Joint venture

A joint arrangement where the partner companies with joint control rights also share rights to the net assets of the joint arrangement

LEED

Leadership in Energy and Environment Design is a certification method for office buildings that is focused on ecological aspects

Like-for-like analysis

Change in rental income or property valuation adjusted for new acquisitions, completions and sales during the respective period

Loan-to-Value (LTV)

The ratio of a loan to the fair value of a property

Market capitalisation

Market value of a stock corporation (share price x number of shares outstanding)

Market value

See fair value

NAV

See the calculation in the Earnings, Balance Sheet and Cash Flow Analysis

Net profit

Profit or loss recorded by a company during a specific period

NNNAV

See the calculation in the Earnings, Balance Sheet and Cash Flow Analysis

Nominal value

Repayment amount of a liability

Operating expenses

Costs that normally arise in connection with the use of a property (e.g. building management); these costs are charged to the tenants

Operating segment

A component of a corporation

Property management

Coordination office for the administration, management and monitoring of properties

Property portfolio

All property assets held by a company

Property valuation

The determination of the value of properties by external experts. The IMMOFINANZ property portfolio will be valued by external appraisers as of 30 April and 31 October

Proportionate consolidation

A consolidation method under which the assets and liabilities of a joint venture are included in the consolidated financial statements based on the percentage of ownership ("proportional share")

Return

An indicator that shows the relationship between the income from an investment and the amount of the investment

Risk management

Active measures to provide protection against risks

Scope of consolidation

Term for the companies to be included in the consolidated financial statements

Share capital

The total nominal value of the shares issued by a company

Share performance

The development of a share price during a specific period

Share price

The price at which a share trades on the stock exchange

Spin-off

Spin-off of a stake from IMMOFINANZ

Standing investment

Investment property that is held to generate rental income

Swap

Derivative financial instruments that exchange future cash flows

Trade

The purchase and sale of properties

Turnover rate

The frequency with which properties are developed, bought and sold

Value date

The date on which funds are credited to an account and interest payments begin

Value in dispute

An expression used in legal proceedings that refers to the monetary value of the disputed object

Voting rights

The right to vote on motions at the annual general meeting

Withholding tax

Also called capital yields tax; a tax on income from investments

FINANCIAL CALENDAR 2016 AND 2017

19 September 2016	Record date for participation in the 23rd annual general meeting
20 September 2016	Announcement of results for the first quarter of 2016 (after the close of trading)
21 September 2016	Report on the first quarter of 2016
29 September 2016	23rd annual general meeting
30 September 2016	Expected ex-dividend date ¹
3 October 2016	Expected record date for the determination of dividend rights ¹
4 October 2016	Expected dividend payment date ¹
19 December 2016	Announcement of results for the first half of 2016 (after the close of trading)
20 December 2016	Report on the first half of 2016
6 April 2017	Announcement of results for 2016 (after the close of trading)
7 April 2017	Press conference on results for 2016
7 April 2017	Annual report 2016
22 May 2017	Record date for participation in the 24th annual general meeting
1 June 2017	24th annual general meeting
2 June 2017	Expected ex-dividend date ¹
5 June 2017	Expected record date for the determination of dividend rights ¹
6 June 2017	Expected dividend payment date ¹

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

IMPRINT

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Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. Automatic data processing can lead to apparent mathematical errors in the rounding of numbers or percentage rates. This report is published in German and English, and can be downloaded from the investor relations section of the IMMOFINANZ website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares in IMMOFINANZ AG.

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