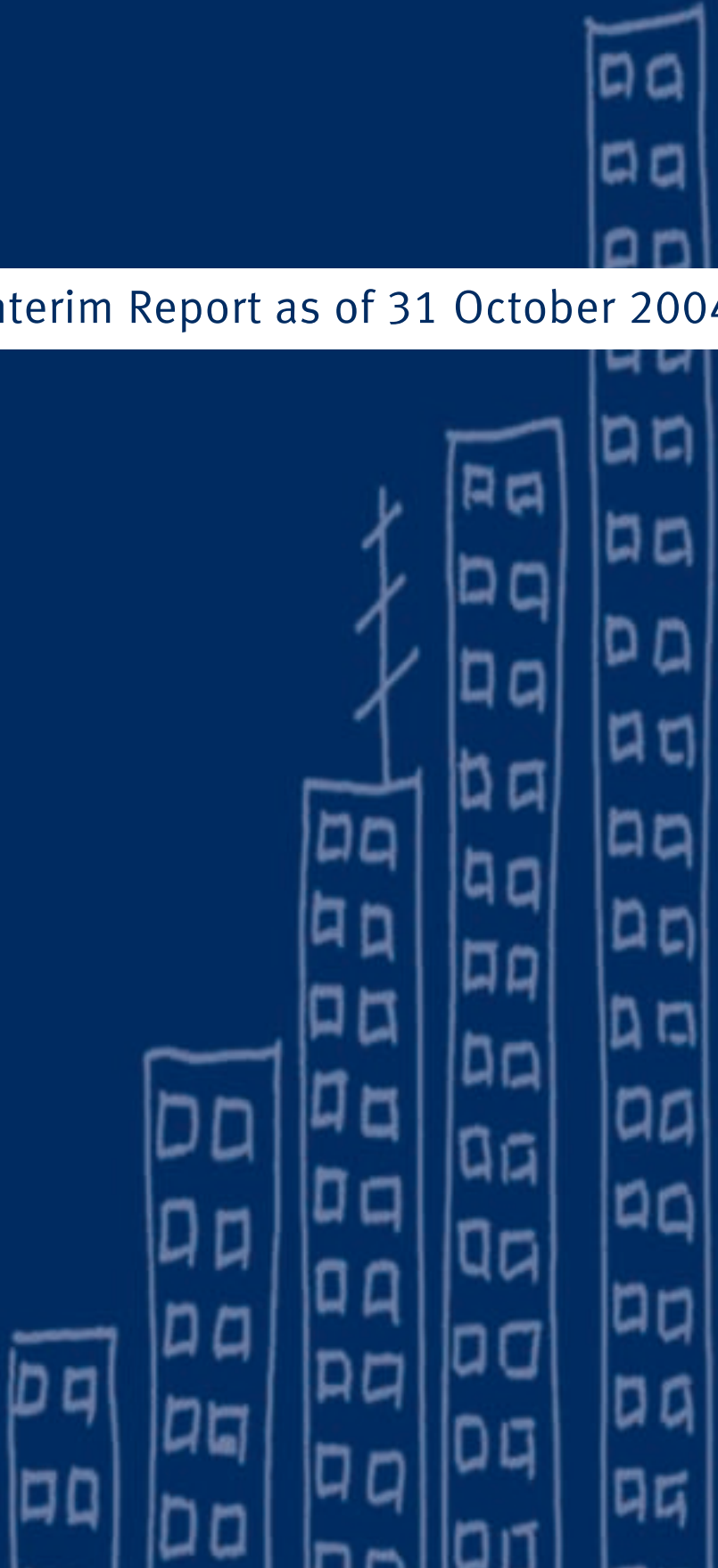


# IMMOEAST

Interim Report as of 31 October 2004



## Dear Shareholders,

IMMOEAST steadily increased the diversification of its property portfolio during the reporting period by investing in office and logistics centres as well as residential objects. These transactions strengthened our position as the leading listed property company in Eastern Europe.

The most important event during the second quarter was undoubtedly the company's capital increase, where enormous demand forced the early closing of the offering period. The subscription rights of existing shareholders were fully exercised, but orders above this amount could not be satisfied. Requests by new shareholders were met at a rate of 20%. This transaction led to a significant expansion of the shareholder base, and generated roughly EUR 192 million of cash. This larger equity base will enable IMMOEAST to invest EUR 450 million in property.

We were able to generate revenues of EUR 9.9 million for shareholders during the second quarter of the 2004/05 Business Year in the six countries in which IMMOEAST has been active to date. EBIT calculated in accordance with the IFRS fair value method totalled EUR 11.9 million. Earnings before tax (EBT) reached EUR 24.8 million, an increase of 500 % compared to the second quarter 2003/04.

IMMOEAST holds stakes in usable space of 2,214.302 sqm (proportional share owned: 566,905 sqm), which is allocated among the various sectors as follows: 54.0% offices, 5.4% residential, 13.7% garages, 12.9% retail/commercial, 2.0% recreation/hotels and 12.0 % logistics.

The sector focus of IMMOEAST remains on offices and logistics facilities, primarily in Poland, the Czech Republic and Hungary. IMMOEAST has also increased its holdings in the residential sector through the acquisition of first-rate projects in recent months and set new milestones by strengthening its presence in Romania and entering promising markets with substantial opportunities such as Serbia.

### Latest information on the IMMOEAST portfolio:

#### **New residential projects**

Global Trade Centre (GTC), in which IMMOEAST holds a 7.79% stake, invested in selected residential properties in Prague and Budapest during the reporting period. The rising standard of living and lack of sufficient suitable housing is creating an overhang of demand for well-equipped condominium apartments in the new EU countries. IMMOEAST is also active in this promising market, above all through the construction of modern apartment complexes that will be sold as condominiums in the future.

GTC also completed the acquisition of a residential and office project in Belgrade, which represents a further transaction on the emerging Serbian property market.

#### **Otopeni Office Development Project in Bucharest**

IMMOEAST concluded a future-oriented acquisition on the Bucharest property market through its 50% investment in the project developer S+B CEE. A property with 38,520 sqm and excellent development opportunities was purchased directly next to Otopeni International Airport. A project with 14,700 sqm of usable space, including 10,700 sqm of offices and 4,000 sqm of warehouses, will be realised on this site by 2006 and discussions have already started with a number of potential tenants. After the end of the reporting period in November, IMMOEAST acquired a new office building at a prime site in the centre of Bucharest. This facility was completed at the start of

**Further investments  
planned in Poland and  
the Czech Republic**

2004 and offers excellent connections to both public and private transportation networks. The 10,600 sqm of usable space is fully rented on a long-term basis to a telecommunications company. These acquisitions represent a further step by IMMOEAST to develop an extensive portfolio in Romania. IMMOEAST is currently negotiating to acquire a logistics facility in Prague. This object has 61,240 sqm of space and excellent connections to the country's traffic infrastructure, and is almost entirely rented to international companies. Also in progress are negotiations to acquire a stake in an office and logistics portfolio with properties in Warsaw and Budapest. This portfolio currently has 46,600 sqm of space, and the addition of a further 109,630 sqm – also in these two cities – is planned by 2006. Negotiations for this acquisition should be concluded during the third quarter of this business year.

**Outlook:**

**Distribution of the  
portfolio**

IMMOEAST will continue to concentrate its investment activities on the Czech Republic, Hungary and Poland in the future. We will also work to develop a stronger presence in our other markets across Central and Eastern Europe, such as Romania and Serbia. In addition, we are preparing our entry into the dynamically growing Baltic States as well as Croatia, Russia and Bulgaria.

The office, commercial and logistics sectors will remain the focal point of our investments over the near and mid-term. We will also add a larger number of selected objects from the residential, garage and hotel segments to our portfolio.

**Success through proactive  
portfolio management**

Early entry into new markets has allowed IMMOEAST to acquire a strong base of information, which will also be of major importance in the future. Extensive knowledge of these markets and the excellent contacts of the IMMOEAST team have made it possible to acquire profitable, first-rate objects possible at an early stage. This is a key requirement and safeguard for continuation of the successful IMMOEAST strategy.

Vienna, November 2004



Norbert Gertner  
Member of the Executive Board



Karl Petrikovics  
CEO

## Consolidated Balance Sheet as of 31 October 2004

<b>Assets</b>	<b>31. 10. 2004 in TEUR</b>	<b>30. 4. 2004 in TEUR</b>
Investment property	276,530.2	136,820.8
Other tangible assets	745.1	867.0
Intangible assets and goodwill	4,334.8	-930.0
Shares in associated companies	34,825.7	35,075.7
Other financial assets	20,824.6	22,466.4
Deferred tax assets	6,435.7	4,064.4
<b>Non-current assets</b>	<b>343,696.0</b>	<b>198,364.3</b>
Receivables and other assets	10,364.8	11,582.8
Securities	140,155.2	28,015.9
Cash and cash equivalents	58,853.0	30,922.7
<b>Current assets</b>	<b>209,372.9</b>	<b>70,521.5</b>
<b>ASSETS</b>	<b>553,069.0</b>	<b>268,885.8</b>
<b>Equity and liabilities</b>		
Share capital	59,294.2	29,647.1
Reserves	277,726.6	127,724.7
Retained earnings and consolidated profit	25,418.6	5,700.5
Currency translation reserve	1,536.9	121.8
<b>Equity</b>	<b>363,976.2</b>	<b>163,194.1</b>
Long-term debt	130,090.1	78,891.9
Trade accounts payable	286.1	216.0
Provisions	33.4	0.0
Other liabilities	1,838.8	333.1
Deferred tax liabilities	17,789.2	9,681.7
<b>Non-current liabilities</b>	<b>150,037.7</b>	<b>89,122.6</b>
Short-term debt	9,573.4	3,983.7
Trade accounts payable	6,188.2	3,124.7
Provisions	1,183.6	1,063.9
Other liabilities	22,109.9	8,396.8
<b>Current liabilities</b>	<b>39,055.0</b>	<b>16,569.1</b>
<b>EQUITY AND LIABILITIES</b>	<b>553,069.0</b>	<b>268,885.8</b>

## Consolidated Income Statement IAS 40 Cost Method

	<b>1. 5.-31. 10. 2004 in TEUR</b>	<b>1. 8.-31. 10. 2004 in TEUR</b>	<b>1. 5.-31. 10. 2003 in TEUR</b>	<b>1. 8.-31. 10. 2003 in TEUR</b>
<b>Revenues</b>	<b>9,868.6</b>	<b>5,399.6</b>	<b>4,585.4</b>	<b>2,193.7</b>
Other operating income	3,530.4	1,199.5	64.5	-236.4
Depreciation and amortisation	-5,017.1	-2,775.8	-1,455.9	-544.3
Expenses related to properties	-1,958.2	-1,298.0	-702.4	-328.6
Other operating expenses	-4,282.9	-2,257.3	-1,259.9	-383.6
<b>Operating profit (EBIT)</b>	<b>2,140.8</b>	<b>268.0</b>	<b>1,231.6</b>	<b>700.8</b>
Net financing costs	259.2	1,278.2	-1,225.2	129.5
Income/(loss) on financial assets	12,830.6	2,224.2	509.7	223.1
Share of profit/(loss) from associated companies	-250.0	0.0	983.7	0.0
<b>Financial results</b>	<b>12,839.9</b>	<b>3,502.5</b>	<b>268.2</b>	<b>352.6</b>
<b>Earnings before tax (EBT)</b>	<b>14,980.7</b>	<b>3,770.4</b>	<b>1,499.9</b>	<b>1,053.4</b>
Income taxes	-4,017.3	-1,088.8	-157.3	-30.2
<b>Net profit for the period</b>	<b>10,963.4</b>	<b>2,681.6</b>	<b>1,342.5</b>	<b>1,023.2</b>

## Consolidated Income Statement IAS 40 - Fair Value Method

	1. 5.-31. 10. 2004 in TEUR	1. 8.-31. 10. 2004 in TEUR	1. 5.-31. 10. 2003 in TEUR	1. 8.-31. 10. 2003 in TEUR
<b>Revenues</b>	<b>9,868.6</b>	<b>5,399.6</b>	<b>4,585.4</b>	<b>2,193.7</b>
Revaluation of investment properties (IAS 40)	6,982.5	940.8	1,366.4	671.2
Other operating income	3,530.4	1,199.5	64.5	-236.4
Depreciation and amortisation	-2,217.4	-927.9	-187.0	-97.0
Expenses related to properties	-1,958.2	-1,298.0	-702.4	-328.6
Other operating expenses	-4,282.9	-2,257.3	-1,259.9	-383.6
<b>Operating profit (EBIT)</b>	<b>11,923.1</b>	<b>3,056.6</b>	<b>3,867.0</b>	<b>1,819.3</b>
Net financing costs	259.2	1,278.2	-1,225.2	129.5
Income/(loss) on financial assets	12,830.6	2,224.2	509.7	223.1
Share of profit/(loss) from associated companies	-250.0	0.0	983.7	0.0
<b>Financial results</b>	<b>12,839.9</b>	<b>3,502.5</b>	<b>268.2</b>	<b>352.6</b>
<b>Earnings before tax (EBT)</b>	<b>24,763.0</b>	<b>6,559.1</b>	<b>4,135.2</b>	<b>2,172.0</b>
Income taxes	-4,017.3	-1,088.8	-157.3	-30.2
Deferred taxes on revaluation (IAS 40)	-1,775.1	-477.4	-575.4	-212.7
<b>Net profit for the period</b>	<b>18,970.6</b>	<b>4,992.9</b>	<b>3,402.5</b>	<b>1,929.1</b>

## Consolidated Statement of Cash Flows

	1. 5.-31. 10. 2004 in TEUR	1. 5.-31. 10. 2003 in TEUR
<b>Gross cash flow</b>	<b>4,090.7</b>	<b>2,473.5</b>
<b>Cash flow from operating activities</b>	<b>-8,621.6</b>	<b>-20,010.9</b>
<b>Cash flow from investing activities</b>	<b>-49,903.7</b>	<b>-15,942.8</b>
<b>Cash flow from financing activities</b>	<b>191,945.9</b>	<b>6,383.4</b>
Differences arising from foreign currency translation	1,659.4	-1,068.5
<b>Change in cash and cash equivalents</b>	<b>135,080.0</b>	<b>-30,638.8</b>
Cash and cash equivalents at the beginning of the period	30,922.7	84,143.4
Cash and cash equivalents at the end of the period	166,002.7	53,504.6
<b>Change in cash and cash equivalents</b>	<b>135,080.0</b>	<b>-30,638.8</b>

## Statement of Changes in Equity

	1. 5.-31. 10. 2004 in TEUR	1. 5.-31. 10. 2003 in TEUR
<b>As of 30 April 2004</b>	<b>163.194,1</b>	<b>127.277,5</b>
Capital increase	192,706.0	0.0
Costs of capital increase	-1,457.1	0.0
Dividend	-6,818.8	0.0
Negative goodwill	3,973.6	0.0
Net profit	10,963.4	1,342.5
Currency translation adjustment	1,415.1	-1,068.5
<b>As of 31 October 2004</b>	<b>363,976.2</b>	<b>127,551.5</b>

# Corporate Data IMMOEAST

	31 October 2004	31 October 2003	2003/2004
<b>Corporate Data</b>			
Revenues in EUR mill. <sup>1)</sup>	9,868.6	4,584,4	9,944.0
Operating profit (EBIT) <sup>1)</sup> in TEUR	11,923.1	3,867.0	7,987.1
Earnings before tax (EBT) <sup>1)</sup> in TEUR	24,763.0	4,135.2	14,283.3
Gross cash flow in TEUR	4,090.7	2,473.5	3,909.9
Equity in TEUR	363,976.2	127,551.5	163,194.1
Equity ratio in % <sup>2)</sup>	100,0%	100,0%	88,4%
Balance sheet total in TEUR	553,069.0	199,223.4	268,885.8
<b>Property Data</b>			
Number of properties	71	32	52
Thereof investments in other companies <sup>3)</sup>	54	25	41
Usable space in sqm <sup>2</sup>	566,905	264,592	397,172
Thereof investments in other companies <sup>3)</sup>	246,098	147,715	221,297
Fair value of properties in TEUR	420,226.5	186,851.1	269,883.1
Thereof investments in other companies <sup>3)</sup>	120,830.7	82,980.1	111,051.6
<b>Stock Exchange Data</b>			
Earnings per share <sup>1)</sup> in EUR	0.53	0.06	0.39
Share price at end of period	6.79	–	6.39
Numbers of shares	59,294.160	24,705.900	29,647.080

1) This indicator is based on data calculated according to the fair value method (IAS 40).

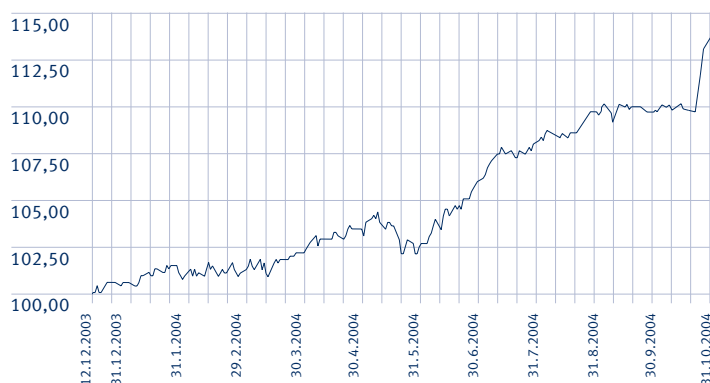
2) Equity in relation to property at fair value.

3) Investments in other companies include associates consolidated at equity and holdings recorded as financial instruments in accordance with IAS 39.

## Development of the IMMOEAST Share

IMMOEAST is listed in the Standard Market Segment of the Vienna Stock Exchange since 12 December 2003. Investors participate through growth in the value of their stock, whereby IMMOFINANZ Immobilien Anlagen AG remains the largest shareholder of IMMOEAST with a stake of 51%. The IMMOEAST share has gained 14.10% between the IPO and 31 October 2004. This performance includes a dividend payment of EUR 0.23 per share, and represents a pre-tax yield of 18.80%.

Development of the IMMOEAST Share: 12. 12. 2003 bis 31. 10. 2004



## The IMMOEAST Share

Traded:	Vienna Stock Exchange
Segment:	Prime Market
ISIN:	AT 0000642806
Vienna Stock Exchange Symbols:	IEA
Reuters:	IMEA.VI
Bloomberg:	IEA.AV
Datastream:	O:IMAA
Included in the following indexes:	WBI

# Notes

## Significant Accounting Policies

The interim financial statements as of 31 October 2004 were prepared in accordance with the principles set forth in International Financial Reporting Standards. This interim report reflects the standards adapted as part of the Improvement Project. Deferred tax items are now classified by term under non-current assets or non-current liabilities. The principles set forth in the new IFRS 3, which replaces IAS 22, were also applied for the first time and the ordinary amortisation of goodwill was replaced by a regular impairment test. Negative goodwill from prior periods was credited to retained earnings in accordance with IFRS 3.81; any new negative goodwill arising will be immediately recognised as income.

The impact of the reduction in the Austrian corporate tax rate from 34% to 25% was taken into account as required by IAS 12.46 in connection with IAS 12.60, as explained in the consolidated financial statements as of 30 April 2004.

## Consolidation Range

Major changes in the consolidation range during the second quarter of the business year involve the acquisition of 100% of the shares in Gordon Invest Kft. and Szepvölgyi Business Park Kft.

## Capital Increase

The largest capital increase in the history of IMMOEAST IMMOBILIEN ANLAGEN AG was carried out in October 2004. Share capital was increased to EUR 59,294,159.97 through the issue of 29,647.080 shares. This transaction raised cash of MEUR 192.7. Share capital now comprises 59,294.158 bearer shares and two registered shares.

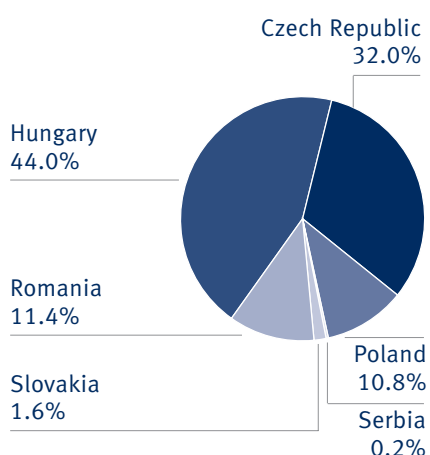
## Notes to the Interim Financial Statements and Outlook

The carrying value of non-current assets rose more than 73% to EUR 343.7 million during the first six months of the 2004/05 Business Year. Investment property measured at fair value totalled EUR 420.2 million as of 31 October 2004. The equity ratio under the fair value method reached 100% at the end of the reporting period as a result of the capital increase. Group revenues more than doubled over the comparable prior year period to EUR 9.8 million for the first half of 2004/05. EBIT calculated in accordance with the fair value method increased from EUR 3.9 million in the first six months of 2003/04 to EUR 11.9 million for the first half of 2004/05. Financial results showed considerable improvement over the comparable prior year period, above all due to the measurement of the investment in Globe Trade Centre S.A.

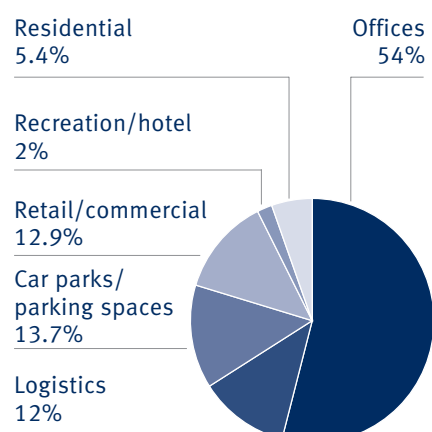
Group revenues are expected to increase to over EUR 25 million during the current business year, and property valued in accordance with the fair value model is forecasted to exceed the EUR 500 million-mark.

## Portfolio-Mix

### Usable Space by Region



### Usable Space by Sector





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## Financial Calendar

31 March 2005	31 August 2005	22 September 2005	30 September 2005	30 December 2005
Report on the Third Quarter as of 31.1.2005	Annual Report for the 2004/2005 Business Year	6th Annual General Meeting	Report on the First Quarter as of 31.7.2005	Report on the First Six Months as of 31.10.2005

## Properties acquired during the first six months :



H Budapest  
Europe Business Tower



H Budapest  
Globe 3



H Budapest  
Szepvölgyi Business Park



H Budapest  
West Gate Business Park



PL Polen  
6 Shopping Center



SLO Bratislava  
Bratislava Business Center



RO Bukarest  
Iride Business Park



RO Bukarest  
Otopeni



RO Bukarest  
Global Business Center

Acquired after the reporting period: