

# IMMOEAST

REPORT ON THE FIRST QUARTER AS OF 31 JULY 2005

## **Largest capital increase in the history of the company**

EUR 1.13 billion safeguard expansion strategy and continued diversification.

## **Strong performance of the IMMOEAST share**

With an increase of 24.34% since the IPO in December 2003, IMMOEAST has the highest return of all property issues on the Vienna Stock Exchange.

## **Geographical presence expanded to include Bulgaria and the Baltic States**

Core markets remain unchanged: Hungary, Czech Republic, Poland and Romania.

# Key Data on IMMOEAST

	31 July 2005	Change in %	31 July 2004	2004/05
<b>Corporate Data</b>				
Revenues in EUR mill.	11.7	161.0	4.5	25.4
Operating profit (EBIT) <sup>1)</sup> in EUR mill.	20.4	129.6	8.9	34.3
Earnings before tax (EBT) <sup>1)</sup> in EUR mill.	30.2	65.9	18.2	51.2
Net profit for the period <sup>1)</sup> in EUR mill.	25.7	83.7	14.0	44.0
Gross cash flow in EUR mill.	3.5	14.0	3.1	5.5
Capital Employed in EUR mill.	736.5	146.0	299.4	345.6
Equity in EUR mill. (including minority interests)	1,505.2	757.0	175.6	382.3
Equity ratio in % <sup>2)</sup>	100.0	61.3	62.0	67.2
Balance sheet total in EUR mill.	1,959.5	407.8	385.9	680.8
<b>Property Data</b>				
Number of properties	83	20.3	69	58
Thereof investments in other companies <sup>3)</sup>	38	-33.3	57	29
Usable space in sqm	950,903	86.3	510,420	711,356
Thereof investments in other companies <sup>3)</sup>	244,117	-12.5	278,958	205,468
Fair value of properties in EUR mill.	908.7	135.2	386.3	649.0
Thereof investments in other companies <sup>3)</sup>	127.4	2.2	124.6	124.1
Investments in EUR mill.	251.1	122.4	112.9	341.9
<b>Stock Exchange Data</b>				
Earnings per share <sup>1)</sup> in EUR	0.26	-44.7	0.47	0.96
Share price at end of period	7.21	8.3	6.66	7.20
Number of shares	222,353,100	650.0	29,647,080	59,294,160
Market capitalisation at end of period in EUR mill.	1,603.2	711.9	197.4	426.9

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

# Report by the Executive Board

## Dear Shareholders,

IMMOEAST utilized the extensive investment and market analyses prepared during the past year to accelerate the pace of growth and significantly increase its property portfolio during the first quarter of 2005/06. As of 31 July 2005 the IMMOEAST portfolio comprised 83 objects with a proportional share of lettable space totalling 950,903 sqm. In addition to this quantitative growth, the structure of the portfolio was further diversified during the reporting period to minimise the risk of fluctuations in individual market sectors. The distribution of lettable space at the end of the quarter shows 39.7% offices and 24.2% retail – this sector was increased by a sizeable amount through the acquisition of the 13 Stop-Shop properties in Hungary – as well as 19.0% logistics, 10.2% parking, 5.8% residential and 1.1% hotel and recreation.

Parallel to this growth we were also able to increase the earning power of IMMOEAST – and that is certainly the most important development for you as a shareholder – by a substantial margin. Revenues for the first quarter of 2005/06 rose by 161.0% over the comparable prior year period to EUR 11.7 million, and EBIT calculated in accordance with the fair value method EBIT increased 129.6% to EUR 20.4 million. The fair value of the property portfolio grew 135.2% to EUR 908.7 million.

In addition to numerous successful acquisitions, the most important event of the reporting period was undoubtedly the capital increase in June and July 2005. This largest capital increase in the history of the company with a volume of EUR 1.13 billion (formally comprised of two separate offerings) and the second largest such transaction in the history of the Vienna Stock Exchange was placed without difficulty. The subscription period was closed earlier than planned because of high demand. In addition to a large number of institutional investors, many private shareholders also showed great interest in the stock of the leading property company in Central and Eastern Europe. IMMO-FINANZ exercised its subscription rights and continues to hold 51% of the shares in IMMOEAST.

This strong equity foundation forms a solid basis to continue the regional and sector diversification of the property portfolio. The outstanding IMMOEAST asset management team with its many years of experience and excellent contracts throughout the region had compiled a pipeline of interesting projects before the capital increase and was able to develop concrete acquisitions totalling EUR 1.5 billion to ensure the fast and optimal investment of these funds. The acquisi-

tions will be finalised one after the other, whereby investments of EUR 251.1 million were already completed during the first quarter. The inclusion of transactions that were closed during the first quarter but will only take effect at a later time would raise the value of the property portfolio to EUR 1.5 billion. Negotiations are well underway for further acquisitions that include office properties in Romania, condominium apartments in Warsaw and Bratislava, shopping centres in Poland and the Baltic States, and logistics facilities in Hungary and Poland. Plans call for the expansion of the property portfolio to over EUR 2 billion during the 2005/06 Business Year.

IMMOEAST was active in eight dynamically growing countries in Central and Eastern Europe at the end of the first quarter of 2005/06. The core market will remain unchanged with Poland, Hungary, the Czech Republic and Romania, even though the expansion of activities in Russia and Bulgaria is planned for the coming months. The selective selection of office, retail and logistics objects in these growth markets will form the basis for the strong and steady development of returns. As a result of the excess demand for high-quality housing, the portfolio will also be expanded to include attractive residential projects that will be sold gradually at a later date. This broad regional presence combined with an optimal sector spread of investments makes IMMOEAST the only widely diversified property company in Central and Eastern Europe, and the IMMOEAST share a profitable investment for you as a shareholder.

Vienna, August 2005



Norbert Gertner  
Member of the Executive Board



Karl Petrikovics  
Chief Executive Officer

# The Development of Business during the First Quarter

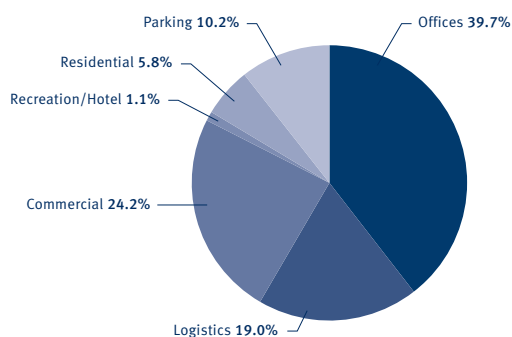
## Earnings and Outlook

### Earnings

IMMOEAST recorded substantial growth in revenues and earnings during the first quarter of the 2005/06 Business Year. In relation to the comparable prior year period, revenues rose 161% to EUR 11.7 million and EBIT soared nearly 130% to EUR 20.4 million. Earnings before tax improved by 65.9% to EUR 30.2 million, and net income grew 83.7% to EUR 25.7 million. Investments of EUR 251.1 million raised the fair value of the property portfolio to EUR 908.7 million, which is 135.2% above the first three months of 2004/05. The successful capital increase in June and July of the reporting period triggered a strong rise in the market capitalisation of IMMOEAST to EUR 1.6 billion.

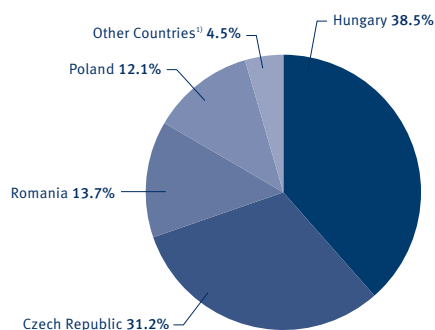
### DISTRIBUTION OF LETABLE SPACE BY SECTOR

as a % of the IMMOEAST portfolio on 31.7.2005



### DISTRIBUTION OF LETABLE SPACE BY REGION

as a % of the IMMOEAST portfolio on 31.7.2005



1) Other Countries: Slovakia 0.9%, Estonia 2.7%, Bulgaria 0.2%, Russia 0.7%

### Property portfolio

The IMMOEAST property portfolio covered 83 objects with 2,390,338 sqm of usable space (proportional share owned: 950,903 sqm) at the end of the first quarter of 2005/06. An analysis of usable space by sector shows 39.7% offices, 24.2% retail, 19.0% logistics, 10.2% parking, 5.8% residential and 1.1% hotel/recreation.

The geographical distribution of space in the core market of IMMOEAST includes Hungary at 38.5%, the Czech Republic at 31.2%, Romania at 13.7% and Poland at 12.1%.

### SELECTED INVESTMENTS MADE DURING THE FIRST QUARTER OF 2005/06

Country	City	Description object/holding	Primary sector
BG	Sofia/St. Vlaas	Prime Property BG	Offices, apartments
CZ	Olomouc	Olympia Centre	Retail
CZ	Prague	Airport Business Center	Offices
CZ	Prague	Rudna Logistics Park Phase II	Logistics
EE	Tallinn	Haabersti	Apartments
H	Budapest	Stop Shop	Retail
H	Budapest	Stop Shop	Retail
H	Budapest	Stop Shop	Retail
H	Erd	Stop Shop	Retail
H	Veszprem	Stop Shop	Retail
H	Ngiregyhaza	Stop Shop	Retail
H	Erd	Stop Shop	Retail
H	Szekesfehervar	Stop Shop	Retail
H	Miskolc	Stop Shop	Retail
H	Gödöllő	Stop Shop	Retail
H	Győr	Stop Shop	Retail
H	Debrecen	Stop Shop	Retail
H	Kaposvar	Stop Shop	Retail
PL	Krakow	Lubicz Office Building	Offices
RO	Bucharest	Pipera Center	Offices
RO	Constanta	Constanta	Offices, retail
RUS	Moscow	EPH	Offices, retail

### Outlook

We expect a significant increase in revenues to more than EUR 60 million during the 2005/06 Business Year (2004/05: EUR 25.4 mill.). The property portfolio should grow to roughly EUR 2 billion, whereby Hungary, Czech Republic, Poland and Romania will continue to form the core market for IMMOEAST.

# Hungary

## KEY DATA ON THE HUNGARIAN PORTFOLIO

	31.7.2005	Change in %	30.4.2005
Number of objects	27	92.9	14
Letable space in sqm	787,383	17.7	668,907
Proportional share of letable space in sqm	365,776	47.9	247,300
Letable space as a % of the total portfolio	38.5	10.6	34.8
Fair value in EUR mill.	271.3	56.6	173.2
Fair value as a % of the total portfolio	29.9	12.0	26.7

### Stop-Shop locations in Hungary

In June 2005 IMMOEAST acquired a portfolio of specialty shopping centres in Hungary, where developments in the retail sector reflect the above-average growth that characterises the national economy. These 13 properties are located in the capital city of Budapest and in growing regional centres; six locations have already opened and the remainder is in planning or under construction. The completed objects (in Budapest, Erd, Ngiregyhaza and Veszprem) are fully rented, and pre-letting is proceeding extremely well for the facilities under construction. This portfolio will comprise approximately 120,000 sqm of letable space at a total investment volume of EUR 210 million.



H, Stop-Shop portfolio (13 Objects)

# Czech Republic

## KEY DATA ON THE CZECH PORTFOLIO

	31.7.2005	Change in %	30.4.2005
Number of objects	22	15.8	19
Letable space in sqm	769,145	16.7	658,829
Proportional share of letable space in sqm	296,999	28.1	231,829
Letable space as a % of the total portfolio	31.2	-4.3	32.6
Fair value in EUR mill.	343.5	63.0	210.8
Fair value as a % of the total portfolio	37.8	16.3	32.5

### First-rate office properties in Prague

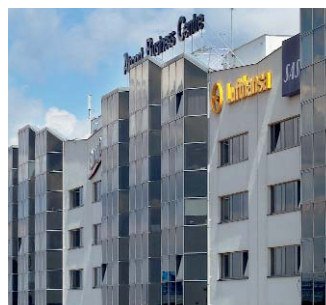
IMMOEAST also completed another investment in the Prague office sector. The fully rented Airport Business Center is located directly at Ruzyně International Airport, and has over 15,000 sqm of letable space. An excellent location directly at the airport and good connections to the Prague City Centre make this object interesting, above all for airlines and logistics companies. Well-known tenants include the Czech customs authority, Lufthansa, Austrian Airlines and Korean Air as well as Schenker and DHL. IMMOEAST was also able to increase its holding in Pankrac House to 50% during the reporting period. This object with 26,000 sqm of letable space was completed at the end of 2004, and rentals are proceeding extremely well.

### Olympia Shopping Centre in Olomouc

IMMOEAST strengthened its position in the dynamic Czech retail sector through the purchase of the Olympia Shopping Centre in Olomouc, the heart of the Moravian region. The object was completed during the past year, and has 31,000 sqm of letable space plus significant land reserves for expansion. The tenants include a Hypernova market belonging to the Ahold chain as well as Hervis Sports and C&A.

### Rudna Logistics Park, Phase II in Prague

Phase 1 of Rudna Logistics Park with 115,917 sqm was acquired during the 2003/04 Business Year, and activities have now turned to the expansion of this object. The construction of Phase II in the logistics park will add approximately 58,000 sqm of space, comprising 50,000 sqm of logistics facilities and 8,000 sqm of offices.



CZ, Prague, Airport Business Center



CZ, Olomouc, Olympia Centre

# Poland

## KEY DATA ON THE POLISH PORTFOLIO

	31.7.2005	Change in %	30.4.2005
Number of objects	19	5.6	18
Letable space in sqm	446,376	3.2	432,527
Proportional share of letable space in sqm	114,831	2.4	112,096
Letable space as a % of the total portfolio	12.1	-22.9	15.7
Fair value in EUR mill.	136.4	0.1	136.2
Fair value as a % of the total portfolio	15.0	-28.6	21.0

### IO-1 in Warsaw

IMMOEAST continued work on the IO-1 development project that was started during the past year. This venture involves the construction of a modern office building with approximately 30,000 sqm of letable space at an investment volume of EUR 36 million. The site is excellent because of its location between the airport and city centre, and completion is scheduled for the end of 2006.



PL, Warsaw, IO-1

### Lubicz Office Building in Krakow

Another prime office property was purchased in Krakow. Through its holding in Polonia Property Fund, IMMOEAST now owns a stake of roughly 20% in the Lubicz Office Building. This 14,000 sqm object is fully rented to top companies such as Cap Gemini, International Paper, Pricewaterhouse Coopers, Fortis and IBM.

# Romania

## KEY DATA ON THE ROMANIAN PORTFOLIO

	31.7.2005	Change in %	30.4.2005
Number of objects	4	33.3	3
Letable space in sqm	138,141	21.2	114,020
Proportional share of letable space in sqm	130,554	22.7	106,433
Letable space as a % of the total portfolio	13.7	-8.7	15.0
Fair value in EUR mill.	141.4	32.9	106.4
Fair value as a % of the total portfolio	15.6	-4.9	16.4

### Pipera Center in Bucharest

During the first quarter of 2005/06, IMMOEAST acquired the Pipera Center with roughly 24,000 sqm of letable space on the booming office market in Bucharest. The property offers excellent traffic connections, and is fully rented to the leading Romanian mobile telephone company through a long-term contract.



RO, Bucharest, Pipera Center

### Retail and office project in Constanta

In Constanta, the second largest city in Romania, IMMOEAST acquired a 75% stake in a retail and office project through a joint venture. The project covers roughly 30,000 sqm of letable space, comprising 21,000 sqm of retail areas and two office towers with 9,000 sqm. Completion is scheduled for the end of 2006, and preliminary discussions have already started with prospective tenants – mostly international companies.



RO, Harbourside Constanta



## Russia

### Investment in EPH

Following the realisation of its first investment in Russia during 2004/05, IMMOEAST strengthened its activities on this flourishing market during the reporting period. Through a 6% investment in the well-known Eastern Property Holdings Limited (EPH), which is listed on the Zurich Stock Exchange, IMMOEAST acquired a share in a very attractive portfolio. EPH holds stakes in a number of shopping centre chains such as the retail developer Hypercenter Investment SA, which owns 11 shopping malls in Moscow, St. Petersburg and other major cities. In addition, EPH holds a 10% share in ZAO Hypercenter – and thereby in three shopping centres in Moscow – as well as a 10% stake in the leading Russian retail chain Mosmart.



RU, Moscow, Berlin House

## Bulgaria

### Investment in Prime Property BG

After the completion of detailed analyses, IMMOEAST entered the market in Bulgaria during the reporting period through the acquisition of a 20% stake in Prime Property BG. The portfolio compiled by this property developer includes an office building in the capital city of Sofia as well as a condominium project on the Black Sea coast. Entry during this "pioneer" stage of market development should bring high returns because international companies are expected to substantially increase their activities in this country during the coming years and thereby trigger a sharp rise in the demand for space.



BG, St. Vlaas, Apartment building

## Baltic States

### Residential joint venture

IMMOEAST also entered the market in the Baltic States during the first quarter of 2005/06 through a joint venture with the British residential investor Grainger and a local partner. This company plans to construct and sell more than 3,000 condominium apartments over the coming years in order to profit directly from the recovery on this apartment market in this region.



EE, Tallinn, Apartment building Haabersti

## Preparation for further regional diversification

Toward the end of the reporting period, IMMOEAST further broadened its geographical presence by acquiring a 25% stake in Global Emerging Property L.P., a property investment company whose shareholders include the European Bank for Reconstruction and Development (EBRD) as well as investment companies owned by leading Greek ship owner families. Global Emerging Property L.P. plans to compile a property portfolio with a fair value of EUR 450 million during the next three years, with activities initially focusing on Romania, Bulgaria and Serbia. This investment also followed the proven IMMOEAST strategy, which calls for entry into new countries in cooperation with strong local partners to gain market experience and thereby create opportunities for greater diversification in the future.

IMMOEAST Immobilien Anlagen AG

## Consolidated Balance Sheet as of 31 July 2005

<b>ASSETS</b>	<b>31 July 2005 in TEUR</b>	<b>30 April 2005 in TEUR</b>
Property	747,770.9	486,449.6
Other tangible assets	1,893.5	1,487.7
Intangible assets and goodwill	2,249.9	2,220.9
Shares in associated companies	25,169.9	25,169.9
Other financial instruments	82,201.9	65,928.7
Receivables and other assets	2,920.8	3,155.1
Deferred tax assets	17,222.0	8,137.6
<b>Non-current assets</b>	<b>879,428.9</b>	<b>592,549.5</b>
Receivables and other assets	296,425.6	29,405.0
Inventories	293.1	0.0
Financial instruments	546,950.2	0.0
Cash and cash equivalents	236,362.6	58,811.7
<b>Current assets</b>	<b>1,080,031.5</b>	<b>88,216.7</b>
<b>ASSETS</b>	<b>1,959,460.4</b>	<b>680,766.2</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	222,353.1	59,294.2
Reserves	1,228,987.3	286,559.9
Retained earnings and consolidated profit	44,109.5	28,918.0
Currency translation reserve	9,747.6	5,799.5
	1,505,197.5	380,571.6
<b>Minority interests</b>	<b>1.3</b>	<b>1,699.5</b>
<b>Equity</b>	<b>1,505,198.8</b>	<b>382,271.1</b>
Long-term financial liabilities	248,495.1	152,049.2
Trade accounts payable	246.6	301.4
Other liabilities	3,838.1	2,977.1
Deferred tax liabilities	69,293.1	44,058.3
<b>Non-current liabilities</b>	<b>321,872.9</b>	<b>199,386.0</b>
Short-term financial liabilities	74,430.9	60,597.7
Trade accounts payable	21,441.2	12,283.5
Provisions	2,724.5	2,190.4
Other liabilities	33,792.1	24,037.5
<b>Current liabilities</b>	<b>132,388.7</b>	<b>99,109.1</b>
<b>EQUITY AND LIABILITIES</b>	<b>1,959,460.4</b>	<b>680,766.2</b>



IMMOEAST Immobilien Anlagen AG

# Consolidated Income Statement

IAS 40 – COST MODEL	1.5.-31.7. 2005 in TEUR	1.5.-31.7. 2004 in TEUR
<b>Revenues</b>	<b>11,665.5</b>	<b>4,469.1</b>
Other operating income	9,280.6	2,330.9
Depreciation and amortisation	-6,911.3	-2,241.4
Expenses related to properties	-2,760.9	-660.1
Other operating expenses	-3,176.4	-2,025.7
<b>Operating profit (EBIT)</b>	<b>8,097.5</b>	<b>1,872.8</b>
Net financing costs	-1,626.0	-1,019.0
Income/(loss) on financial instruments	11,577.2	10,606.4
Share of profit/(loss) from associated companies	-120.0	-250.0
<b>Financial results</b>	<b>9,831.2</b>	<b>9,337.4</b>
<b>Earnings before tax (EBT)</b>	<b>17,928.7</b>	<b>11,210.2</b>
Income taxes	-2,737.1	-2,928.5
<b>Net profit for the period</b>	<b>15,191.6</b>	<b>8,281.8</b>
<b>Equity holders of the parent company</b>	<b>15,191.6</b>	<b>8,281.8</b>
<b>Minority interests</b>	<b>0.0</b>	<b>0.0</b>

IAS 40 – FAIR VALUE MODEL	1.5.-31.7. 2005 in TEUR	1.5.-31.7. 2004 in TEUR
<b>Revenues</b>	<b>11,665.5</b>	<b>4,469.1</b>
Revaluation of properties (IAS 40)	5,479.5	6,041.8
Other operating income	9,280.6	2,330.9
Depreciation and amortisation	-127.7	-1,289.5
Expenses related to properties	-2,760.9	-660.1
Other operating expenses	-3,176.4	-2,025.7
<b>Operating profit (EBIT)</b>	<b>20,360.6</b>	<b>8,866.5</b>
Net financing costs	-1,626.0	-1,019.0
Income/(loss) on financial instruments	11,577.2	10,606.4
Share of profit/(loss) from associated companies	-120.0	-250.0
<b>Financial results</b>	<b>9,831.2</b>	<b>9,337.4</b>
<b>Earnings before tax (EBT)</b>	<b>30,191.8</b>	<b>18,203.9</b>
Income taxes	-2,737.1	-2,928.5
Deferred taxes on revaluation (IAS 40)	-1,741.5	-1,276.0
<b>Net profit for the period</b>	<b>25,713.2</b>	<b>13,999.4</b>
<b>Equity holders of the parent company</b>	<b>25,713.2</b>	<b>13,999.4</b>
<b>Minority interests</b>	<b>0.0</b>	<b>0.0</b>

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## Consolidated Statement of Cash Flows

	1.5.-31.7. 2005 in TEUR	1.5.-31.7. 2004 in TEUR
<b>Gross cash flow</b>	<b>3,480.7</b>	<b>3,053.6</b>
<b>Cash flow from operating activities</b>	<b>-285,483.5</b>	<b>35,807.5</b>
<b>Cash flow from investing activities</b>	<b>-100,003.8</b>	<b>-29,907.7</b>
<b>Cash flow from financing activities</b>	<b>1,108,887.9</b>	<b>-361.8</b>
Differences arising from foreign currency translation	1,100.5	840.4
<b>Change in cash and cash equivalents</b>	<b>724,501.1</b>	<b>6,378.3</b>
Cash and cash equivalents at the beginning of the period	58,811.7	30,922.7
Cash and cash equivalents at the end of the period	783,312.8	37,301.1
<b>Change in cash and cash equivalents</b>	<b>724,501.1</b>	<b>6,378.3</b>

IMMOEAST Immobilien Anlagen AG

## Statement of Changes in Equity

	31 July 2005 in TEUR	31 July 2004 in TEUR
<b>Balance as of 30 April</b>	<b>382,271.1</b>	<b>166,871.0</b>
Capital increase	1,125,106.7	0.0
Costs of capital increase	-19,620.3	0.0
Structural changes	-1,698.2	0.0
Net profit	15,191.6	8,281.8
Currency translation adjustment	3,947.9	475.9
<b>Balance as of 31 July</b>	<b>1,505,198.8</b>	<b>175,628.7</b>

# Notes

## Significant Accounting Policies

The interim financial statements as of 31 July 2005 were prepared in accordance with the principles set forth in International Financial Reporting Standards. For information on the IFRS applied by IMMO-FINANZ IMMOBILIEN ANLAGEN AG at the time the interim financial statements were prepared, see the notes to the consolidated financial statements as of 30 April 2005.

In accordance with the economic unity concept underlying IAS 1.68 (o), minority interests are shown as a separate position under equity. Goodwill was subjected to an impairment test at the point of initial consolidation, and an impairment charge was recognised if the fair value of the cash generating unit did not cover this amount. In accordance with the reassessment required by IFRS 3.56 (a), negative goodwill resulting from difference between the acquirer's interest in the fair value of an acquisition and the proportional share of revalued equity are recorded under other operating income. Gains and losses on the sale of non-current assets are offset in other operating income in keeping with IAS 1.34 (a).

Business combinations achieved in stages are accounted for as partial acquisitions in accordance with IFRS 3.58ss and may lead to positive or negative goodwill. The movement from previously recorded minority interests was caused by a successive share purchase leading to the elimination of further equity upon consolidation reported under structural changes on the statement of changes in equity. For business combinations that result in a share of less than 100%, the increase in minority interests is shown under additions to the consolidation range on the statement of changes in equity.

In accordance with IFRS 3.61 and 3.62, all new acquisitions were consolidated as of the date of purchase. Where timing permits, the conversion of opening balances from these newly acquired companies to IFRS are subjected to an audit and the fair values of the properties owned by these companies are determined by an expert opinion in order to meet the requirements of IFRS 3.62 (a).

Certain financial instruments are included under cash and cash equivalents on the statement of cash flows in keeping with IAS 7.7 if they have a remaining term of less than three months. All assets included under this balance sheet item meet this requirement as of the balance sheet date.

All interim results – which resulted primarily from the transfer of stakes in companies or properties within the Group – were eliminated.

## Consolidation Range

The major changes to the consolidation range during the first quarter of the business year involved the acquisition of 100% of the shares in Airport Property Development a.s. (Czech Republic), Center Invest kft (Hungary) and CORA GS srl (Romania) as well as a 75% stake in Harborsiede Imobiliara srl (Romania) and the remaining 10% stake in ABLO Property s.r.o. (Czech Republic).

## Capital Increase

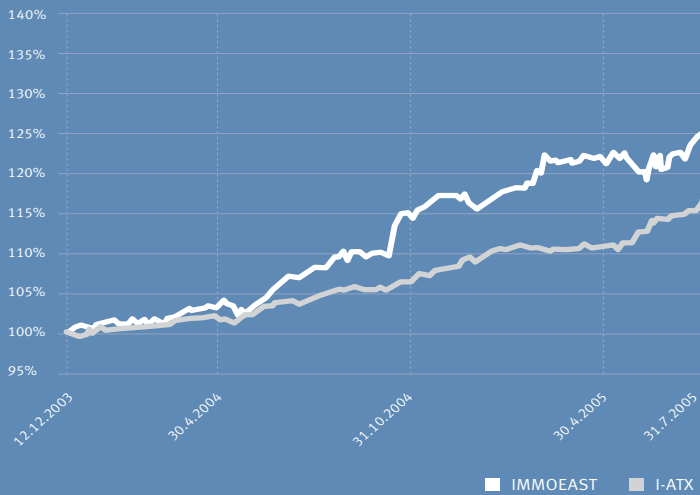
IMMOEAST IMMOBILIEN ANLAGEN AG carried out the largest capital increase in its history during the past quarter, which was executed in two segments because of the large volume. Share capital was increased to EUR 222,353,100 through the issue of 163,058,940 shares, and generated liquid funds totalling EUR 1,125.1. Share capital is now comprised of 222,353,098 bearer and 2 registered shares.

## Notes to the Interim Financial Statements and Outlook

Non-current assets at carrying value increased by more than 48% to EUR 879.4 million during the first three months of the 2005/06 Business Year. The fair value of the property portfolio totalled EUR 908.7 million as of 31 July 2005. The equity ratio in relation to property at fair value equalled 100% as of the balance sheet date because of the capital increase. Group revenues rose 161% over the comparable prior year period to EUR 11.7 million. EBIT calculated according to the fair value method increased by EUR 8.9 million over the comparable period of 2004/05 to EUR 20.4 million for the first quarter of 2005/06. Forecasts call for revenues to exceed EUR 60 million for the 2005/06 Business Year, and operating profit is also expected to increase by a significant amount.

## DEVELOPMENT OF SHARE PRICE: IMMOEAST IN COMPARISON

from 12.12.2003 to 31.7.2005



The IMMOEAST share has traded in the Standard Market segment of the Vienna Stock Exchange since 12 December 2003 and advanced to the top Prime Market segment in March 2005. The successful capital increase in June and July of the reporting period raised funds totalling EUR 1.13 billion for IMMOEAST and increased market capitalization to roughly EUR 1.6 billion. With a performance of 24.34% since the IPO on 31 July 2005, IMMOEAST significantly outperformed not only the I-ATX but all comparable property issues on the Vienna Stock Exchange.

## INFORMATION ON THE IMMOEAST SHARE

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Traded on	Vienna Stock Exchange
Trading segment	Standard Market
Market segment	Prime Market
Vienna Stock Exchange ID	IEA
ISIN	AT0000642806
Reuters	IMEA.VI
Bloomberg	IEA AV Equity
Included in the following indexes	WBI, ATX Prime, ATX Property
IPO	12.12.2003

## Financial Calendar

30 September 2005  
Report on the First Quarter  
as of 31.7.2005

30 December 2005  
Report on the First Six Months  
as of 31.10.2005

24 March 2006  
Report on the First Three Quarters  
as of 31.1.2006

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